



Southern Sun

UNAUDITED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2025



COMMENTARY

The group delivered a resilient performance in the first half of the 2026 financial year, achieving 5% income growth to R3.1 billion (2024: R3.0 billion), driven primarily by strong domestic trading where South African operations rose 8% to R3.0 billion. This performance was partially offset by a 29% decline in offshore revenue to R147 million, following the temporary closure of Paradise Sun for refurbishment and weaker trading in Maputo and Tanzania.

South African hotels achieved occupancy of 60.6% (2024: 59.4%) and a 6% increase in average room rates (ARR) to R1 369, lifting rooms revenue to R2.0 billion (2024: R1.8 billion). Demand was supported by conferencing, events, and group travel in Gauteng and the Western Cape, while transient corporate and government travel remained subdued due to delayed national budget approvals and Easter timing. Recovery in these segments is ongoing, aided by upcoming G20 and B20 conferences.

Combined South African and offshore hotel trading statistics, excluding hotels managed on behalf of third-party owners and those leased by third parties, are as follows:

<i>For the six months ended 30 September</i>	2025	2024	Change %
Occupancy (%)	59.1	58.9	0.3
Average room rate (R)	1 385	1 338	3.5
RevPar (R)*	818	789	3.7
Rooms available ('000)	2 546	2 518	
Rooms sold ('000)	1 504	1 484	
Rooms revenue (Rm)	2 083	1 986	4.9
frequentGuest loyalty expense (Rm)	(49)	(36)	
Rooms revenue per the income statement (Rm)	2 034	1 950	4.3

* RevPar – revenue per available room.

Food and beverage revenue grew 6% to R807 million (2024: R760 million) in line with ARR growth, property rental income increased 4% to R119 million (2024: R114 million) while other revenue rose 14% to R162 million (2024: R142 million) reflecting improved trading across ancillary services.

The group experienced higher than expected cost pressures that weighed on margins, driven primarily by increases in information technology, utilities, and channel costs. Overall operating expenses rose by 7% compared to the prior period, reflecting a 23% (R10 million) increase in IT costs linked to SAP S/4 HANA upgrade licensing fees, an 11% (R32 million) rise in utility costs due to electricity tariff hikes and water outages, and a 12% (R7 million) increase in channel costs.

Despite these headwinds, South African Ebitdar increased 6% to R827 million (2024: R783 million) underscoring the strength of the domestic portfolio. In contrast, offshore operations posted a R9 million loss (2024: R39 million profit), resulting in group Ebitdar of R818 million (2024: R822 million) and a margin of 26% (2024: 28%).

Property and equipment rental expenses totalled R57 million (2024: R66 million), representing the variable portion of lease payments. Excluding the impact of IFRS 16, cash rent for the six months ended 30 September 2025 amounted to R185 million, up from R170 million in the prior year. The R25 million increase in the IFRS 16 rental adjustment reflects the remeasurement of Sandton Consortium leases as at 31 March 2025 (refer to note 5.2 for details).

The group delivered a resilient performance in the first half of the 2026 financial year, achieving 5% income growth to R3.1 billion (2024: R3.0 billion), driven primarily by strong domestic trading where South African operations rose 8% to R3.0 billion.

Amortisation and depreciation rose to R238 million (2024: R194 million), including R84 million (2024: R46 million) for capitalised leases. Excluding this component, amortisation and depreciation increased by 4% to R154 million (2024: R148 million), in line with the group's refurbishment programme. The higher IFRS 16 depreciation charge stems from a change in accounting policy for Sandton Consortium leases, offsetting the rental remeasurement benefit noted above. This adjustment was fully recognised in the 2025 year-end results, and prior comparative figures have not been restated. The net post-tax IFRS 16 rental and IFRS 16 depreciation charge impact for the first six months is R14 million.

Net finance costs declined to R91 million (2024: R115 million), reflecting lower debt levels and improved cash management. Excluding the IFRS 16 component, net finance costs declined by 53% to R24 million (2024: R51 million).

The group's UK investments delivered a lower contribution, declining from R21 million to R16 million

for the six months ended 30 September 2025. This reduction reflects the smaller IHL portfolio following property disposals and subdued performance from the managed RBH Hospitality Management portfolio during the period. Dividends received totalled R77 million (2024: R28 million), of which R71 million relates to the group's share of proceeds from the disposal of three Travel Lodge hotels owned by IHL.

Adjusted headline earnings remained stable at R334 million, supported by finance cost savings despite a 6% decline in operating profit. Share buybacks offset share issues to employees participating in the Southern Sun Share Appreciation Rights Plan, resulting in unchanged weighted average shares and adjusted headline earnings per share (AHEPS) of 24.9 cents (2024: 25.0 cents).

Review of operations

Sandton Consortium

This segment includes Sandton Sun and Towers, Garden Court Sandton City, and management fees from the Sandton Convention Centre. Revenue increased by 16% to R368 million (2024: R318 million), while Ebitdar rose to R111 million (2024: R99 million), supported by strong conferencing demand and the reopening of Sandton Towers post-refurbishment.

Western Cape

Revenue grew by 9% to R939 million (2024: R861 million), and Ebitdar increased by 14% to R317 million (2024: R277 million), contributing 39% to group Ebitdar. Cape Town hotels benefited from foreign inbound travel and large-scale events, including G20 and international sporting fixtures hosted at the Cape Town International Convention Centre.

Gauteng

Revenue rose by 4% to R815 million (2024: R785 million). However, Ebitdar declined by 6% to R219 million (2024: R232 million), primarily due to cost overruns from water outages as well as subdued trading at Birchwood Hotel & OR Tambo Conference Centre (Birchwood) in September impacted by reduced conferencing demand and disruptions caused by public holidays. While corporate and government demand was subdued in Q1 due to delayed budget approvals and Easter timing, Q2 saw recovery driven by sporting events.

KwaZulu-Natal

Revenue increased by 7% to R526 million (2024: R490 million). Ebitdar declined by 2% to R118 million (2024: R120 million), impacted by cost pressures including elevated utility costs and event-related overheads. Encouragingly, there has been a notable improvement in trading levels during October with occupancy for the region reaching 80.3%. Durban beachfront hotels rely heavily on consistent conferencing and group demand, and the group continues to collaborate with Durban Tourism and the Convention Bureau to unlock opportunities. Umhlanga remains a strong performer and a key growth node, with room stock expansion under evaluation.

Other

This segment includes Mpumalanga, Eastern Cape, Kimberley, Bloemfontein, and Polokwane. Revenue grew by 10% to R376 million (2024: R341 million), and Ebitdar increased by 18% to R103 million (2024: R87 million), supported by G20-related conferences and sporting events in Q2.

Offshore

Offshore operations were the primary drag on performance, with revenue falling 29% to R147 million (2024: R207 million) and an Ebitdar loss of R9 million (2024: R39 million profit). The temporary closure of Paradise Sun for refurbishment accounted for reductions of R74 million in revenue and R43 million in Ebitdar. Other offshore properties also underperformed, particularly in Maputo, where ongoing political unrest since December 2024 continues to suppress demand. Southern Sun Dar es Salaam, which reopened in October 2024, contributed positively to revenue but remains below breakeven. Southern Sun Ridgeway in Zambia was the only offshore property to deliver growth, supported by improved macroeconomic conditions.



Paradise Sun



Mount Grace Hotel & Spa



Manco

The Manco segment is an unallocated cost centre and the revenue for this segment reflects the net impact of the frequentGuest loyalty rewards programme.

Funding capacity and covenants

The group generated free cash flow of R52 million (2024: R154 million), primarily due to increased capital expenditure of R370 million (2024: R215 million) on major refurbishment projects at Southern Sun Cullinan, Southern Sun Sandton, Southern Sun Rosebank, Radisson Gautrain, Mount Grace Hotel & Spa, Southern Sun Mbombela, Southern Sun Newlands, The Westin Hotel, Southern Sun Waterfront, Birchwood Hotel & OR Tambo Conference Centre (Birchwood), and Paradise Sun. Dividend payments of R339 million (2024: R167 million) and share buybacks of R79 million (2024: Rnil) further reduced cash reserves, partially offset by dividend inflows from

UK associates of R77 million (2024: R28 million) and proceeds of R65 million from the sale of a 10% minority stake in Birchwood. Consequently, net interest-bearing debt increased to R481 million at 30 September, up R215 million from the year-end balance of R266 million.

On 30 September 2025, the group successfully refinanced its debt package into two-year revolving credit facilities maturing on 30 September 2027, with an option to extend for a further 12 months to 30 September 2028. In the absence of significant near-term expansion projects, Rand-denominated facilities were reduced to R1.5 billion from R2 billion, lowering unutilised capacity and minimising commitment fees while benefiting from declining interest rates and improved credit margins. The group remained well within covenant requirements, achieving a leverage ratio of 0.3x and a net debt/Ebitda ratio of 18.3x for the 30 September 2025 measurement period.

Going concern

The unaudited consolidated interim financial statements are prepared on the going-concern basis. Based on the cash flow forecasts, available cash resources and facility headroom, management believes that the group has sufficient resources to continue operations as a going concern in a responsible and sustainable manner. Refer to note 10 for further details.

The board of directors of the company has assessed the cash flow forecasts and is of the view that the group has sufficient liquidity to meet its obligations over the next 12 months.

Event occurring after the balance sheet date

Following its selection as the successful bidder, the group signed a 50-year lease for Southern Sun Elangeni & Maharani with the eThekweni Municipality on 29 October 2025. The lease becomes effective on 1 January 2026, with rental deferred for the first three years. The group's total capital commitment in relation to the lease is R510 million with R255 million to be spent during the rent deferment period of three years and the balance to be spent by 31 December 2034. Management is currently evaluating the accounting implications under IFRS 16.

Since Southern Sun's separate listing in June 2019, a key objective has been to reduce USD-denominated debt and limit foreign exchange exposure. This milestone was achieved on

31 October 2025 when the group settled the USD loan balance of USD24.7 million. The USD facility will be replaced by a Rand-denominated five-year term loan of R500 million, with proceeds used to create additional headroom on the group's short-term facilities.

Prospects

Paradise Sun's relaunch has been well received, trading at strong occupancy and ARR levels, with momentum expected to continue into H2. In South Africa, major events including the G20 conference taking place in November 2025, repeat anchor events like the Parliamentary opening and Mining Indaba as well as various sporting events are expected to support the group's peak summer period.

Medium-term recovery of occupancies to long-term averages presents upside potential, aided by policies that encourage economic growth. The softening of inflation along with South Africa's removal from the Financial Action Task Force's grey list are tailwinds that signal improved investor confidence and stronger economic growth. However, interest rates remain high and continues to constrain consumer and investor confidence.

October 2025 delivered group-wide occupancy of 73.3% and revenue growth of 18%. Ebitdar was up a pleasing 27% on the prior period – this was the highest occupancy achieved, surpassing World Cup levels in June 2010.

The group continues to prioritise refurbishments and targeted expansion to capture demand in high-growth markets. During the first half of the financial year, key projects included Paradise Sun in the Seychelles, Southern Sun Newlands, Southern Sun Rosebank, Southern Sun Mbombela, Phase 1 of Mount Grace in Magaliesburg, and Birchwood, delivering a total of 595 upgraded bedrooms to date. While certain planned refurbishments may be deferred depending on trading conditions or regional market dynamics to preserve cash, we remain committed to progressing projects in markets showing strong demand signals to capitalise on anticipated economic growth.

The group is also pursuing expansion opportunities in the Western Cape and KwaZulu-Natal. In Cape Town, we are advancing a proposed joint venture to develop two landmark mixed-use properties in the Foreshore precinct. In KwaZulu-Natal, the group is engaged in the Southern Sun Hotels & Residences Oceans uMhlanga project through a management contract and equity investment, while planning and design for the redevelopment and expansion of the Beverly Hills hotel remain underway. In addition, select acquisition opportunities are being evaluated.

The group's strong balance sheet and co-investment strategy with partners enable these initiatives to be funded through existing facilities and operational cash flows, maintaining flexibility for shareholder returns, including opportunistic share buybacks.

Dividend

Given the seasonal weighting of profits to the second half, no interim dividend has been declared for the six months ended 30 September 2025 which is consistent with the prior-year interim decision.

Presentation

Shareholders are advised that a presentation on the interim results for the six months ended 30 September 2025 will be held on Wednesday, 19 November 2025 at 10:00 via Microsoft Teams, and those wishing to join can find the link to the presentation on the company's website at www.southernsun.com/investors.

Marcel von Aulock
Chief Executive Officer

Laurelle McDonald
Chief Financial Officer

19 November 2025

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 September

1 Basis of preparation

The unaudited consolidated interim financial statements for the six months ended 30 September 2025 are prepared in accordance with the requirements of the Johannesburg Stock Exchange (JSE) Limited Listings Requirements (JSE Listings Requirements) for interim reports and the requirements of the Companies Act, 71 of 2008, as amended or replaced from time to time (Companies Act). The JSE Listings Requirements require interim financial statements to be prepared in accordance with and containing the information required by IAS 34 *Interim Financial Reporting* and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. Chief Financial Officer, L McDonald CA(SA), supervised the preparation of these unaudited consolidated interim financial statements. The accounting policies and methods of computation are consistent with IFRS® Accounting Standards, as well as those applied in the most recent audited financial statements as at 31 March 2025. The unaudited consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2025, which have been prepared in accordance with IFRS Accounting Standards. These unaudited consolidated interim financial statements for the six months ended 30 September 2025 have not been audited or reviewed by the company's auditors, Deloitte & Touche.

Adjusted headline earnings – exceptional items excluded from underlying operating profit

The group uses adjusted headline earnings as a performance measure to determine the underlying operating profit excluding exceptional items over and above those that are excluded from headline earnings as per the requirements of *Circular 1-2023 – Headline earnings*.

Exceptional items are those items of financial performance that are separately disclosed to assist in the understanding of the underlying financial performance achieved. The group considers exceptional items to be those that are not within the normal day-to-day operations of the business and are sufficiently material or unusual by nature or amount that they would distort the financial results if they were not adjusted. This would include headline earnings adjustments.

Apart from headline adjustments, further exceptional items include, *inter alia*, gains or losses from corporate transactions including related transaction costs, gains or losses on derivative transactions, share-based payment expenses, hotel pre-opening expenses and restructure costs where such costs would typically be included in earnings before interest, income tax, depreciation, amortisation, rent and related IFRS 16 rental adjustments (Ebitdar).

2 Standards issued not yet effective

The group is concluding on the impact of the new standards, interpretations and amendments that have been issued but are not yet effective, none of which are expected to have a material effect on the consolidated position or performance of the group.

Annual improvements to IFRS Accounting Standards – Volume 11 have been considered and are not expected to have a material impact on the group.

The group is yet to assess the possible impact on the consolidated position or performance of the group of IFRS 18 *Presentation and Disclosure in Financial Statements*, amendments to the classification and measurement of financial instruments – amendments to IFRS 9 and IFRS 7 classification and measurement of financial instruments, which were issued in April 2024 and May 2024, and are applicable to annual reporting periods beginning on or after 1 January 2027 and 1 January 2026 respectively.

3 Fair value measurement

The group fair values its investment properties (categorised as level 3 values). There were no transfers into or out of level 3.

3.1 Investment properties

The movement of investment properties for the period is as follows:

	30 September 2025 Unaudited Rm	31 March 2025 Audited Rm
Opening net carrying amount	1 917	1 729
Acquisition and development of investment properties	33	83
Fair value adjustments recognised in profit or loss	-	105
Closing net carrying amount	1 950	1 917

3.1.1 Fair value measurement

The group's investment properties have been categorised as level 3 values based on the inputs to the valuation technique used. The group has elected to measure investment properties at fair value. The fair value is determined using the discounted cash flow method by discounting the rental income, based on expected net cash flows of the underlying hotels after considering capital expenditure requirements. The expected cash flows are discounted using an appropriate discount rate. The core discount rate is calculated using the South African 5Y bond yield at the time of valuation, to which premiums are added for market risk and equity and debt costs. The discount rate factors in a risk premium associated with the local economy as well as those specific to the local property market and the hotel industry. At 31 March 2025, the group's investment properties were independently valued by professionally qualified valuers having recent experience in the location and category of the group's investment properties being valued. The valuation is currently performed on an annual basis on the entire portfolio of investment properties by an independent valuator.

4 Impairment of goodwill and property, plant and equipment

Management assesses the group's goodwill and property, plant and equipment for impairment annually unless there are indicators of impairment.

Based on market conditions, trading levels and cash flow generated during the period under review, there are no indicators that would necessitate impairment testing as at 30 September 2025. The impairment assessments of goodwill and property, plant and equipment, will be reviewed at year end to take into account any changes in the technical inputs and the impact that changing conditions may have on the estimated future cash flows.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *continued*

for the six months ended 30 September

5 Changes in liabilities arising from financing activities

5.1 Interest-bearing borrowings

Changes arising from financing activities for the six months ended 30 September 2025 related to interest-bearing borrowings excluding bank overdrafts from short-term borrowings, are as follows:

	Non-current portion Rm	Current portion Rm	Total Rm
For the six months ended 30 September 2025 (Unaudited)			
Balance at 1 April 2025	453	209	662
Borrowings raised	960	1 090	2 050
Borrowings repaid	(480)	(1 079)	(1 559)
Currency translation	(18)	(9)	(27)
Reclassification to long-term borrowings (refinance of debt package)	220	(220)	-
Reclassification to short-term borrowings	(435)	435	-
Balance at 30 September 2025	700	426	1 126
Year ended 31 March 2025 (Audited)			
Balance at 1 April 2024	1 633	30	1 663
Borrowings raised	539	-	539
Borrowings repaid	(1 499)	(29)	(1 528)
Currency translation	(11)	(1)	(12)
Reclassification to short-term borrowings	(209)	209	-
Balance at 31 March 2025	453	209	662

Total cash outflow of R32 million (2024: R80 million) relating to finance costs has been included in consolidated cash flow statement relating to interest-bearing borrowings.

Finance cost is settled quarterly and no interest was outstanding as at 30 September 2025.

On 30 September 2025, the group successfully refinanced its debt package into two-year revolving credit facilities maturing on 30 September 2027, with an option to extend for a further 12 months to 30 September 2028. In the absence of significant near-term expansion projects, Rand-denominated facilities were reduced to R1.5 billion from R2 billion, lowering unutilised capacity and minimising commitment fees while benefiting from declining interest rates and improved credit margins. The group remained well within covenant requirements, achieving a net debt/Ebitda ratio of 0.3x and an interest cover ratio of 18.3x for the measurement period.

The Financial Stability Board has undertaken a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates to improve market efficiency and mitigate systemic risk across financial markets.

To facilitate this transition, the South African Reserve Bank (SARB) established the Market Practitioners Group (MPG), a collaborative body of public and private sector representatives. The MPG assessed potential alternatives and selected the South African Rand Overnight Index Average (ZARONIA) as the most suitable successor to replace JIBAR in cash and derivative instruments.

To cater for the simulation of JIBAR-to-ZARONIA transition scenarios, a Credit Adjustment Spread (CAS) is required. The CAS is intended to mitigate the risk of transferring economic value during the transition from legacy JIBAR contracts to ZARONIA. It will be fixed upon the announcement of the JIBAR cessation date by Regulators, which is currently earmarked for December 2025.

The group is including wording in its senior facility and bilateral funding agreements to cater for the transition to ZARONIA and management does not expect the all-in rate applicable to group borrowings to be materially impacted by the transition.

5.2 Lease liabilities

Changes arising from lease liabilities for the period under review are as follows:

	Non-current portion Rm	Current portion Rm	Total Rm
For the six months ended 30 September 2025 (Unaudited)			
Balance at 1 April 2025	1 308	144	1 452
Transfer to current lease liabilities	(40)	40	-
Principal elements of lease payments	-	(73)	(73)
Balance at 30 September 2025	1 268	111	1 379

Total cash outflow of R67 million (2024: R67 million) relating to finance costs has been included in cash flows from operating activities.

A lease remeasurement relating to the Sandton Consortium was accounted for in the prior financial year resulting in a right-of-use asset and corresponding lease liability of R73 million being recognised at 31 March 2025.

The Sandton Consortium hotels' fixed portion of the rental payment in-substance resets every year when the new budget for the year is approved and results in an annual remeasurement of the right-of-use asset and corresponding liability for the forthcoming year. Each remeasurement of the right-of-use asset is depreciated over the period to which it relates, i.e. annually.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *continued*

for the six months ended 30 September

The group changed its accounting policy related to IFRS 16 in relation to remeasurement of leases in the recent audited financial statements as at 31 March 2025. Southern Sun has elected to write off the depreciation that stems from a Sandton Consortium remeasurement in the period to which it relates. The Sandton Consortium lease is calculated at the higher of 20% of the floor in the lease or 20% of the approved Ebitdar (based on the latest approved budget). This results in a remeasurement every financial year until expiration of the lease. For the six-month period ending 30 September 2025, R40 million (2024: R2 million) depreciation was accounted for relating to the remeasurement.

	Non-current portion Rm	Current portion Rm	Total Rm
Year ended 31 March 2025 (Audited)			
Balance at 1 April 2024	1 368	99	1 467
New leases raised	10	–	10
Transfer to current lease liabilities	(70)	70	–
Principal elements of lease payments	–	(94)	(94)
Remeasurement of lease contract	–	73	73
Derecognition	–	(4)	(4)
Balance at 31 March 2025	1 308	144	1 452

6 Related party transactions

The group's related party transactions and balances are set out below:

	2025 Rm	2024 Rm
For the six months (Unaudited)		
Transactions		
Management fees paid to Tsogo Sun Limited for shared services	–	(1)
Dividend received from associate – IHL	71	21
Dividend received from associate – RBH	6	7
Internal audit fees paid to GRIPP Advisory (Pty) Limited	4	2
Amounts owing by related parties		
Amounts receivable from Tsogo Sun Limited and its subsidiaries	–	1

The group had no other significant related party transactions during the period under review.

7 Segment information

In terms of IFRS 8 *Operating Segments*, the Chief Operating Decision Maker (CODM) has been identified as the group's Chief Executive Officer (CEO) and senior management. Management has determined the operating segments based on the reports reviewed by the CODM. There was no change to the basis of measurement of segment profit or loss from the annual financial statements.

The revenue and Ebitdar relating to the Sandton Consortium hotels have been disclosed as a separate segment. While the group reflects the trading revenue and Ebitdar relating to the hotel operations, what is retained in Ebitda after rental payments is effectively management fee income earned from the hotels and the Sandton Convention Centre along with 1% of the Ebitdar of the hotels.

The South African hotel portfolio has been categorised by province, to better reflect the group's geographical footprint. The Ebitdar measure of each segment includes the management fee income earned from hotels managed for third-party owners. This provides more meaningful information about the cash generated by the group from a particular province and how performance is influenced by events taking place in that province. Other segment includes hotel properties located in Mpumalanga, Eastern Cape, Kimberley, Bloemfontein and Polokwane.

The Manco segment reflects the unallocated cost of providing the various central services to the business including among others, sales, marketing, information technology, development, human resources and finance services. This segment also includes the net cost of the group's frequentGuest loyalty rewards programme.

The CODM assesses the performance of the operating segments based on Ebitdar (earnings before interest, income tax, depreciation, amortisation, rent and related IFRS 16 rent adjustment, share-based payment expense and exceptional items). The measure excludes the effects of share-based payment expense and the effects of non-recurring expenditure. The measure also excludes all headline earnings adjustments, impairments and fair value adjustments on non-current and current assets and liabilities. Finance income and finance costs are not included in the results for each operating segment, as this is driven by the group treasury function which manages the cash and debt position of the group.

8 Capital commitments

The group spent R397 million (2024: R240 million) on operating equipment, maintenance and expansion capex for the six months ended 30 September 2025. The group has committed capital spend of R128 million (2024: R129 million), of which the majority relates to the activation of certain refurbishments.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *continued*

for the six months ended 30 September

9 **Contingent liabilities**

The group had no significant contingent liabilities as at 30 September 2025.

10 **Going concern**

The unaudited consolidated interim financial statements are prepared on the going-concern basis. Based on the cash flow forecasts, available cash resources and facility headroom, management believes that the group has sufficient resources to continue operations as a going concern in a responsible and sustainable manner.

As at 30 September 2025, the group had cash and cash equivalents of R645 million (2024: R517 million). The group has R1.1 billion (2024: R1.5 billion) of gross interest-bearing debt (excluding capitalised lease liabilities) and access to R0.8 billion (2024: R0.9 billion) in undrawn facilities to meet its obligations as they become due.

The board of directors of the company has assessed the cash flow forecasts and is of the view that the group has sufficient liquidity to meet its obligations over the next 12 months.

11 **Events occurring after the balance sheet date**

Following its selection as the successful bidder, the group signed a 50-year lease for Southern Sun Elangeni & Maharani with the eThekweni Municipality on 29 October 2025. The lease becomes effective on 1 January 2026, with rental deferred for the first three years. The group's total capital commitment in relation to the lease is R510 million with R255 million to be spent during the rent deferment period of three years and the balance to be spent by 31 December 2034. Management is currently evaluating the accounting implications under IFRS 16.

Since Southern Sun's separate listing in June 2019, a key objective has been to reduce US Dollar-denominated debt and limit foreign exchange exposure. This milestone was achieved on 31 October 2025 when the group settled the USD loan balance of USD24.7 million. The USD facility will be replaced by a Rand-denominated five-year term loan of R500 million, with proceeds used to create additional headroom on the group's short-term facilities.

The directors of the company are not aware of any other material matters or circumstance arising since the balance sheet date and the date of this report.

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 September

	Change %	2025 Unaudited Rm	2024 Unaudited Rm
Rooms revenue	4	2 034	1 950
Food and beverage revenue	6	807	760
Property rental income	4	119	114
Other revenue	14	162	142
Income	5	3 122	2 966
Property and equipment rental expense		(57)	(66)
Amortisation and depreciation		(238)	(194)
Employee costs		(839)	(784)
Other operating expenses		(1 471)	(1 374)
Operating profit		517	548
Finance income		10	46
Finance costs		(101)	(161)
Share of profit of associates		16	21
Profit before income tax		442	454
Income tax expense		(110)	(123)
Profit for the period		332	331
Profit attributable to:			
Equity holders of the company		329	332
Non-controlling interests		3	(1)
		332	331
Basic and diluted profit attributable to the ordinary equity holders of the company per share (cents)			
Number of shares in issue (million)		1 342	1 341
Weighted number of shares in issue (million)		1 341	1 338
Basic earnings per share (cents)		24.5	24.7
Diluted earnings per share (cents)		24.1	23.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 September

	2025 Unaudited Rm	2024 Unaudited Rm
Profit for the period	332	331
Other comprehensive income for the period, net of tax		
Items that may be reclassified subsequently to profit or loss:	(67)	(118)
Currency translation adjustments	(67)	(118)
Total comprehensive income for the period	265	213
Total comprehensive income attributable to:		
Equity holders of the company	270	216
Non-controlling interests	(5)	(3)
	265	213

SUPPLEMENTARY INFORMATION

for the six months ended 30 September

	2025 Unaudited Rm	2024 Unaudited Rm
Reconciliation of profit attributable to equity holders of the company to headline earnings and adjusted headline earnings		
Profit attributable to equity holders of the company	329	332
Loss/(profit) on disposal of property, plant and equipment	5	(1)
Share of associate's (IHL) headline earnings adjustments	-	(6)
Total tax effect of adjustment	(1)	-
Headline earnings	333	325
Pre-opening costs	-	13
Derecognition of derivative financial instruments	-	(3)
Share of associates' exceptional items	1	3
Total tax effects of other exceptional items	-	(4)
Adjusted headline earnings¹	334	334
Number of shares in issue (million)	1 342	1 341
Weighted number of shares in issue (million)	1 341	1 338
Basic headline earnings per share (cents)	24.8	24.3
Diluted headline earnings per share (cents) ²	24.4	23.4
Basic adjusted headline earnings per share (cents)	24.9	25.0
Diluted adjusted headline earnings per share (cents) ²	24.5	24.0

¹ Adjusted headline earnings is defined as profits or losses attributable to equity holders of the company adjusted for after-tax exceptional items (including headline earnings adjustments) that are regarded as sufficiently material and unusual that they would distort the financial results if they were not adjusted. This measure is not required by IFRS Accounting Standards and is commonly used in the industry. The directors are responsible for compiling the non-IFRS performance measures.

² The weighted average number of shares used to determine diluted earnings per share amounts to 1 363 million (2024: 1 390 million) and is calculated using the weighted average number of shares of 1 341 million (2024: 1 338 million) adjusted for the number of shares deemed to be issued in terms of the Southern Sun Share Appreciation Rights Plan of 22 million (2024: 52 million).

SUPPLEMENTARY INFORMATION *continued*

for the six months ended 30 September

	2025 Unaudited Rm	2024 Unaudited Rm
Reconciliation of operating profit to Ebitdar		
Ebitdar pre-exceptional items are made up as follows:		
Operating profit	517	548
Amortisation and depreciation	238	194
Property rentals	45	55
Share-based payment expense	13	13
	813	810
Add/(less): Exceptional losses/(gains) ¹		
Loss/(profit) on disposal of property, plant and equipment	5	(1)
Pre-opening costs	–	13
Ebitdar	818	822

¹ The group considers exceptional items to be those that are not within the normal day-to-day operations of the business and sufficiently material or unusual that they would distort the numbers if they were not adjusted. This would include headline adjustments.

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 September

	2025 Unaudited Rm	2024 Unaudited Rm
Cash flows from operating activities		
Profit before interest and income tax	533	548
Adjust for non-cash movements ¹	336	310
Increase in working capital	(120)	(183)
Cash generated from operations	749	675
Finance income	10	31
Finance costs	(101)	(149)
Income tax paid	(146)	(136)
Dividends paid	(339)	(167)
Net cash generated from operating activities	173	254
Cash flows from investment activities		
Purchase of property, plant and equipment – replacement	(361)	(223)
Purchase of property, plant and equipment – expansionary	–	(3)
Proceeds from disposals of property, plant and equipment	1	1
Additions to investment property	(33)	(14)
Purchase of intangible assets	(3)	–
Dividends received from associates	77	28
Net cash utilised for investment activities	(319)	(211)
Cash flows from financing activities		
Borrowings raised	2 050	479
Borrowings repaid	(1 559)	(588)
Principal elements of lease payments	(73)	(48)
Purchase of treasury shares	(79)	–
Disposal of minority interest in a subsidiary	65	–
Net cash generated from/(utilised for) financing activities	404	(157)
Net increase/(decrease) in cash and cash equivalents	258	(114)
Cash and cash equivalents at beginning of the period	396	639
Foreign currency translation	(9)	(8)
Cash and cash equivalents at the end of the period	645	517

¹ Includes amortisation and depreciation of R238 million (2024: R194 million) and movements in provisions of R78 million (2024: R82 million).

CONSOLIDATED BALANCE SHEET

	30 September 2025 Unaudited Rm	31 March 2025 Audited Rm
ASSETS		
Non-current assets		
Property, plant and equipment	8 622	8 490
Right-of-use assets	841	925
Investment properties	1 950	1 917
Goodwill	354	354
Other intangible assets	66	68
Investments in associates	382	452
Post-employment benefit assets	4	4
Non-current receivables	1	1
Deferred income tax assets	359	355
Total non-current assets	12 579	12 566
Current assets		
Inventories	85	81
Trade and other receivables	636	530
Current income tax assets	13	12
Cash and cash equivalents	645	396
Total current assets	1 379	1 019
Total assets	13 958	13 585
EQUITY		
Capital and reserves attributable to equity holders of the company		
Ordinary share capital	4 732	4 728
Other reserves	1 625	1 822
Retained earnings	2 771	2 777
Total shareholders' equity	9 128	9 327
Non-controlling interests	53	(23)
Total equity	9 181	9 304

CONSOLIDATED BALANCE SHEET *continued*

	30 September 2025 Unaudited Rm	31 March 2025 Audited Rm
LIABILITIES		
Non-current liabilities		
Interest-bearing borrowings	700	453
Lease liabilities	1 268	1 308
Deferred income tax liabilities	725	726
Deferred revenue	33	29
Provisions	72	69
Total non-current liabilities	2 798	2 585
Current liabilities		
Interest-bearing borrowings	426	209
Lease liabilities	111	144
Trade and other payables	1 295	1 101
Deferred revenue	67	59
Provisions	69	147
Current income tax liabilities	11	36
Total current liabilities	1 979	1 696
Total liabilities	4 777	4 281
Total equity and liabilities	13 958	13 585

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September

Attributable to equity holders of the company

	Ordinary share capital Rm	Other reserves Rm	Treasury shares Rm	Retained earnings Rm	Total attributable to the parent Rm	Non- controlling interests Rm	Total equity Rm
Balance at 31 March 2024 (Audited)	4 694	1 903	–	1 920	8 517	(17)	8 500
Total comprehensive income	–	(116)	–	332	216	(3)	213
Profit for the year	–	–	–	332	332	(1)	331
Currency translation adjustment	–	(116)	–	–	(116)	(2)	(118)
Share-based payments charge	–	13	–	–	13	–	13
Derecognition of interest rate swap reserve	–	(15)	–	–	(15)	–	(15)
Issue of ordinary shares ¹	20	–	–	–	20	–	20
Exercise of share appreciation rights	–	(36)	–	–	(36)	–	(36)
Dividends paid	–	–	–	(167)	(167)	–	(167)
Balance at 30 September 2024 (Unaudited)	4 714	1 749	–	2 085	8 548	(20)	8 528
Balance at 31 March 2025 (Audited)	4 728	1 822	–	2 777	9 327	(23)	9 304
Total comprehensive income	–	(59)	–	329	270	(5)	265
Profit for the year	–	–	–	329	329	3	332
Currency translation adjustment	–	(59)	–	–	(59)	(8)	(67)
Issue of ordinary shares ¹	83	–	–	–	83	–	83
Disposal of minority interest in a subsidiary ⁴	–	–	–	–	–	85	85
Purchase of treasury shares ²	–	–	(79)	–	(79)	–	(79)
Cancellation of shares ³	(79)	–	79	–	–	–	–
Share-based payments charge	–	13	–	–	13	–	13
Exercise of share appreciation rights	–	(151)	–	–	(151)	–	(151)
Dividends paid	–	–	–	(335)	(335)	(4)	(339)
Balance at 30 September 2025 (Unaudited)	4 732	1 625	–	2 771	9 128	53	9 181

¹ The group issued nine million (2024: four million) shares during the period to employees participating in the Southern Sun Share Appreciation Rights Plan.

² The group bought back nine million SSU shares during the period at an average price of R8.83.

³ The group cancelled the nine million shares bought back during the period.

⁴ The group sold a 10% minority stake in Birchwood Hotel & OR Tambo Conference Centre during the period for a consideration of R85 million.

SEGMENTAL ANALYSIS

for the six months ended 30 September

	Revenue ¹		Ebitdar ²		Ebitdar margin	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Unaudited						
Sandton Consortium	368	318	111	99	30	31
SA Portfolio	2 656	2 477	757	716	29	29
Western Cape	939	861	317	277	34	32
KwaZulu-Natal	526	490	118	120	22	24
Gauteng	815	785	219	232	27	30
Other	376	341	103	87	27	25
Offshore	147	207	(9)	39	(6)	19
Manco ³	(49)	(36)	(41)	(32)	84	88
Total	3 122	2 966	818	822	26	28

¹ All revenue and income from hotel operations is derived from external customers. No one customer contributes more than 10% to the group's total revenue.

² Refer to reconciliation of operating profit to Ebitdar on page 16.

³ This segment includes the net cost of the group's frequentGuest loyalty rewards programme which is managed by Manco and consequently includes the forfeitures and any other adjustments, while the redemptions are allocated to the specific segments.

REVENUE FROM CONTRACTS WITH CUSTOMERS

for the six months ended 30 September

The group derives revenue over time, with the exception of food and beverage revenue which is recognised at a point in time and specific items included in other revenue as disclosed in the breakdown of other revenue, together with its hotel customer reward programmes in terms of which revenue is recognised as the rewards are redeemed or they expire. The group has no contract assets. The table below presents revenue by segment which excludes other income as these are accounted for under different accounting policies, which are included in the segmental analysis on page 21. Disaggregation of revenue from contracts with customers for the period under review is presented below:

	Rooms revenue recognised over time		Food and beverage recognised at a point in time		Other revenue recognised over time ¹		Revenue from external customers	
	2025 Rm	2024 Rm	2025 Rm	2024 Rm	2025 Rm	2024 Rm	2025 Rm	2024 Rm
Unaudited								
Sandton Consortium	224	190	121	107	16	14	361	311
SA Portfolio	1 721	1 622	641	597	135	115	2 497	2 334
Western Cape	656	608	192	187	53	44	901	839
KwaZulu-Natal	304	291	153	136	38	31	495	458
Gauteng	496	480	208	195	33	31	737	706
Other	265	243	88	79	11	9	364	331
Offshore	89	138	45	56	11	13	145	207
Total	2 034	1 950	807	760	162	142	3 003	2 852
Reconciliation to segmental analysis on page 21:								
Revenue from contracts with customers per above							3 003	2 852
Property rental income							119	114
Total income per segmental analysis							3 122	2 966

¹ The following items included in other revenue, package food, non-arrival charges, spa-related revenue and golf-related revenue are recognised at a point in time.

REVENUE FROM CONTRACTS WITH CUSTOMERS *continued*

for the six months ended 30 September

	2025 Unaudited Rm	2024 Unaudited Restated ¹ Rm
Revenue from contracts with customers		
Other revenue is made up as follows:		
Management fees revenue	35	32
Parking revenue	9	8
Venue hire revenue	35	33
Packaged food ²	16	14
Non-arrival charges ²	9	8
Spa-related revenue ^{1,2}	13	14
Golf-related revenue ^{1,2}	8	6
Other sundry revenue ¹	37	27
Other revenue	162	142

¹ The other sundry revenue has been disaggregated to ensure enhanced financial disclosure as provided for in IAS 1 Presentation of Financial Statements.

² The following items included in other revenue, package food, non-arrival charges, spa-related revenue and golf-related revenue are recognised at a point in time.

Directors

JA Copelyn (Chairman)* MN von Aulock (Chief Executive Officer) L McDonald (Chief Financial Officer) MH Ahmed (Lead Independent)*# SC Gina** LM Molefi# JG Ngcobo** JR Nicolella* CC September**

* Non-executive # Independent

Company Secretary

LR van Onselen for Southern Sun Secretarial Services Proprietary Limited

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Transfer secretaries

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Sponsor

Investec Bank Limited, 100 Grayston Drive Sandown, Sandton, 2196, South Africa

Auditors

Deloitte & Touche
5 Magwa Crescent
Waterfall City, Waterfall, 2090



The financial statements contain forward-looking statements and information in relation to the group. By its very nature, such forward-looking statements and information require the company to make assumptions that may not materialise or that may not be accurate. Such forward-looking information and statements involve known and unknown risks, uncertainties and other important factors beyond the control of the company that could cause the actual performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements. Past share performance cannot be relied on as a guide to future performance. Forward-looking statements speak only as at the date of the announcement and no statement is intended to be a profit forecast. Forward-looking statements are the responsibility of the directors and have not been reviewed and reported on by the external auditors in accordance with ISAE 3400 *The Examination of Prospective Financial Information*.

Southern Sun Limited
(Incorporated in the Republic of South Africa)
(Registration number 2002/006356/06)
Share code: SSU ISIN: ZAE000272522
(Southern Sun, the company or the group)

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