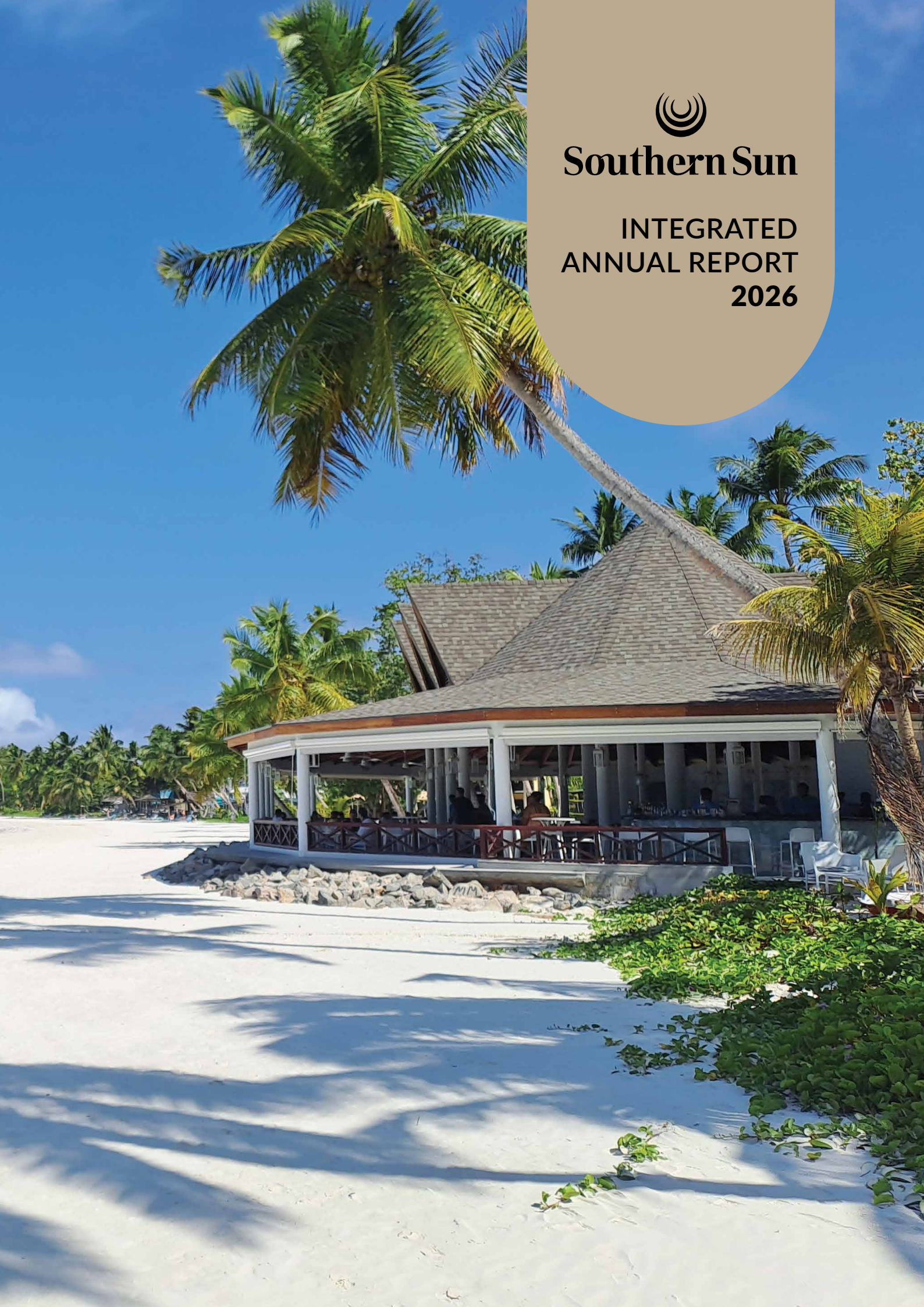




Southern Sun

**INTEGRATED
ANNUAL REPORT
2026**



CONTENTS

Who we are

About this report	01
Group overview	02
Joint statement from the Chairman and Chief Executive Officer	03
Southern Sun through the years	05
Strategy and performance review	07
Business model	09
Our capitals – resources and relationships	09
Operating model	11
Geographic footprint	15
Investment case	17

Performance and value creation

The environment in which we operate	19
Our key stakeholders	25
Our material risks and opportunities	29
Our sustainability strategy in action	42
Social and ethics committee report	42
Chief Financial Officer's review	63
Our growth strategy in action	71

Integrated governance

Corporate governance review	75
Our leadership	91
Remuneration policy and remuneration implementation report	93

Shareholder information

Analysis of ordinary shareholders	105
B-BBEE annual compliance report	107
Glossary and key terms	108
Corporate information and advisers	110

Icons for further digital information within the report:

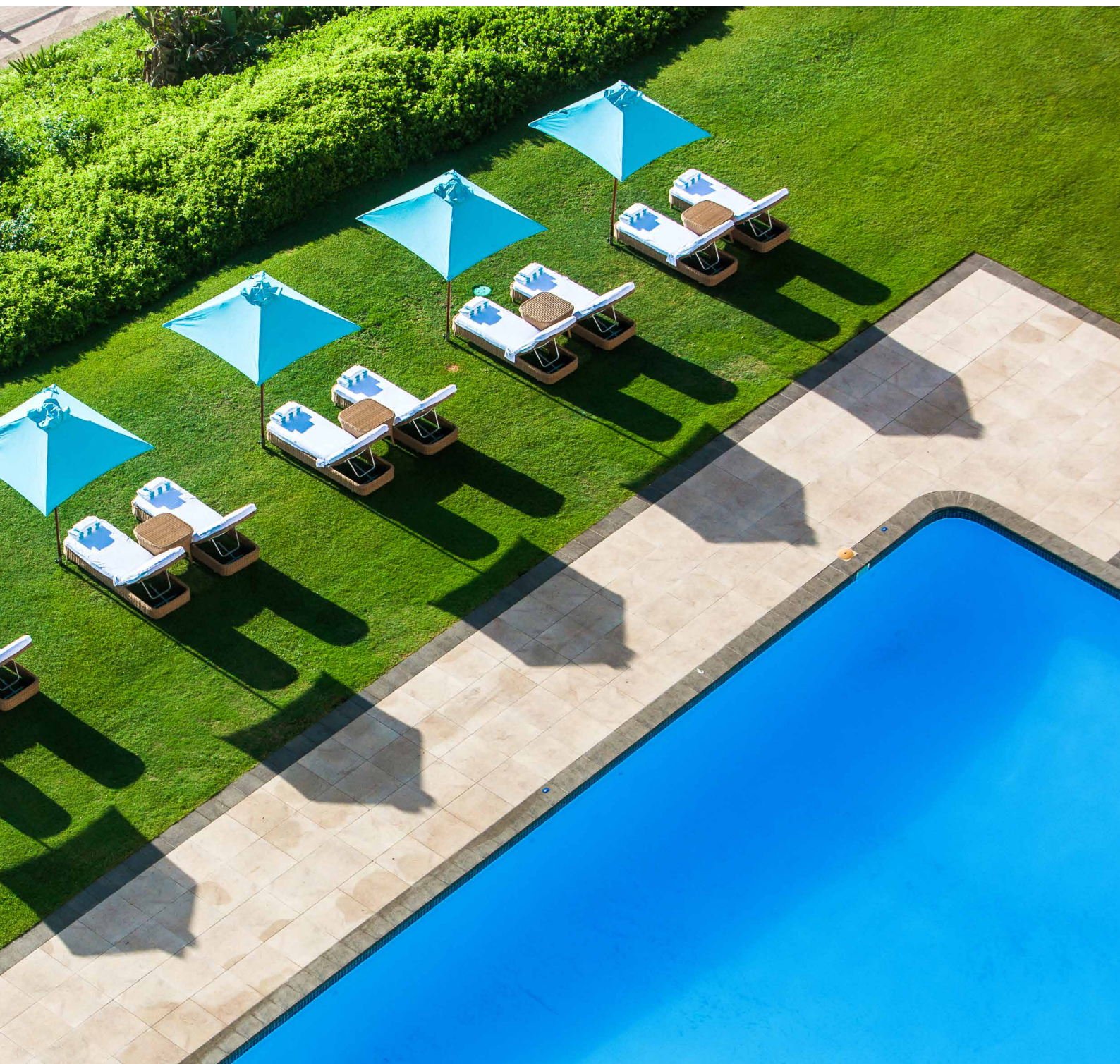


Further relevant reading within this report



Find more detailed information on our website relating to Southern Sun and our integrated annual report





Social platforms via other media:



Like our Facebook page to connect with Southern Sun on a regular basis
www.facebook.com/southernsunhotels



Link to our X account to get the latest Southern Sun news and offers
www.x.com/SouthernSunGrp



Follow us to view Southern Sun's images on Instagram
www.instagram.com/southernsunhotels



Follow us to view our content on Tiktok
[southern.sun0](https://www.tiktok.com/@southern.sun0)



Stay updated — follow us on LinkedIn
www.linkedin.com/company/southern-sun

ABOUT THIS REPORT

Reporting approach

We are pleased to present our seventh integrated annual report to our stakeholders. This report provides a consolidated review of our financial, economic, social and environmental performance on matters material to our strategy and our ability to create and sustain value into the future.

The financial and other information has been prepared in accordance with the requirements of IFRS Accounting Standards, the South African Companies Act, 71 of 2008 (Companies Act), the JSE Limited (JSE) Listings Requirements, the King Report on Corporate Governance™ for South Africa, 2025 (King V)¹ and the Integrated Reporting Framework, as applicable.

The group is continuously considering methods of improving its combined assurance model. Assurance for elements of this integrated annual report was provided through a combination of external and internal sources, in line with King V and guidance from the IIRF. At this stage, external assurance is obtained as follows:

Assured element	Assurance provided	Assurance provider
Consolidated financial statements	External audit	Deloitte & Touche (Deloitte)
Broad-based black economic empowerment (B-BBEE) level 1 contributor status	Verification	Empowerdex Proprietary Limited
Internal audit	Internal controls	GRiPP Advisory Proprietary Limited
Information technology (IT)	Cybersecurity maturity	Performanta South Africa Proprietary Limited
Risk management	Organisational Resilience Management Standards (ORMS)	DQS German Association for Certification of Management Systems Proprietary Limited

Scope and boundaries

The contents of this report relate to Southern Sun (Southern Sun or the company) and its subsidiaries (the group) for the 2026 financial year and beyond. This report covers Southern Sun's performance for the year ended 31 March 2026 compared to the prior year ended 31 March 2025. The matters included address material issues for the group, associates and joint ventures.



The process we utilised in determining and applying materiality is included on page 29 of this report.

With the exception of environmental disclosures which cover both the South African and offshore operations of the group, the remainder of the non-financial disclosures set out in this report focus only on the South African operations which make up 95% of our income.



The scope and boundaries of environmental disclosures are defined on page 45.

Reporting suite

Our integrated annual report has been prepared to provide our target audience with a holistic and transparent view of our business model and strategy.



More detailed information is also contained in our supplementary reporting suite, accessible on www.southernsun.com/investors.



Arabella Hotel, Golf & Spa

Board approval

The board of directors (board) is ultimately responsible for overseeing the preparation, presentation and integrity of the integrated annual report. The directors confirm that they have collectively reviewed the output of the reporting process and the content of the integrated annual report. The directors believe that this integrated annual report addresses material issues, is a fair presentation of the integrated performance of the group and offers a balanced view of the group's strategy and how it relates to its ability to create value in the short, medium and long term. The board believes this report was prepared in accordance with the IIRF and approves the report for release. We welcome any feedback on the report, which may be addressed to companysecretary@southernsun.com.

John Copelyn
Chairman

Marcel von Aulock
Chief Executive Officer

31 July 2026

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GROUP OVERVIEW

OUR VISION

Our vision is to be the leading hospitality group in Southern Africa by creating exceptional experiences and lasting memories at every one of our distinctive destinations.

WHO WE ARE

Southern Sun is Southern Africa's leading hospitality group, comprising 95 hotels and resorts, a wide selection of restaurants and more than 300 meeting and event venues located in South Africa, Africa, Seychelles, and the Middle East.

OUR GROUP STRUCTURE as at 31 March 2026



HOSKIN CONSOLIDATED
INVESTMENTS LIMITED

45%



PUBLIC
SHAREHOLDERS

55%¹



Southern Sun



SOUTHERN SUN
SOUTH AFRICA | 100%



Owned



Managed



Leased



SOUTHERN SUN
OFFSHORE | 100%



Owned



Managed



Leased



UK investment - 26%

¹ Includes directors and associates that own 2.12% of the company's total issued share capital. Refer to page 105 for the analysis.

OUR OWNERS

Our key shareholder at 31 March 2026 was Hosken Consolidated Investments Limited (HCI), a JSE-listed investment holding company that indirectly owns 45.0% of the total issued share capital of the company, excluding treasury shares. Following the buy-back and cancellation of shares, HCI's holding increased to 46.1%, excluding treasury shares at 30 April 2026.

1

Who we are

2

Performance and
value creation

3

Integrated
governance

4

Shareholder
information

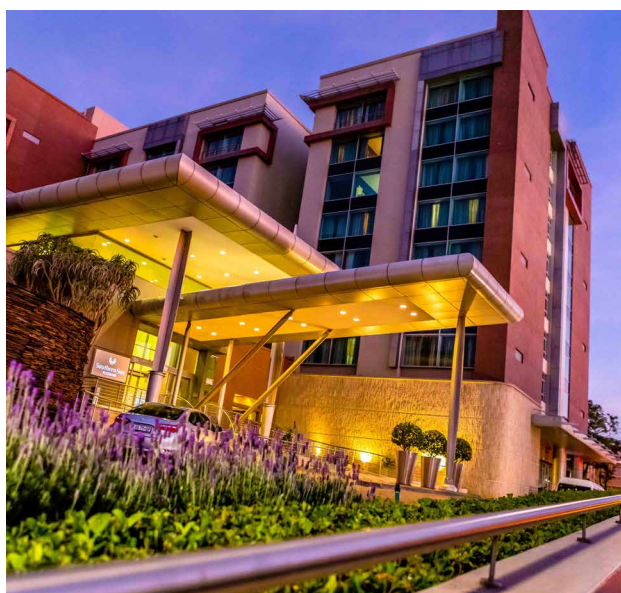
JOINT STATEMENT FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



“Building upon the foundations established in previous years, Southern Sun has demonstrated resilience amid global challenges and can report a record year of financial performance.”



John Copelyn, Non-executive Chairman (Left), Marcel von Aulock, Chief Executive Officer (Right)



Southern Sun Rosebank

Operations

The 2026 financial year was another solid year for the group, characterised by improved trading, strong cash generation and a resilient balance sheet. Total income increased by 9% to R7.2 billion, while EBITDAR increased by 12% to R2.4 billion and adjusted HEPS increased by 19% to 90.1 cents per share. The board declared a final dividend of 30.0 cents per share, an increase of 20% on the prior year's final dividend of 25.0 cents per share, reflecting the continued growth of the business.

Demand remained buoyant across our South African operations, supported by domestic and international leisure travel, improving corporate activity and a busy conferencing and events calendar. Occupancy increased to 62.9%, while average room rates increased to R1 525, resulting in an 8% increase in RevPar to R959. The Western Cape continued to benefit from strong domestic and international tourism demand, while Gauteng recorded encouraging growth in corporate and conferencing activity. Following its refurbishment, Paradise Sun in Seychelles reopened during the year and performed well during the second half, notwithstanding the impact of geopolitical developments on international travel.

Our greatest competitive advantage remains the quality and location of our hotel portfolio. These assets have been built over decades and would be exceptionally difficult to replicate today. Rather than pursuing expansion for its own sake, we have maintained our focus on enhancing the hotels we already own, ensuring they remain best-in-class, continue to meet our guests' expectations and deliver sustainable returns.

During the year we continued investing in key refurbishment projects across the group, with capital expenditure of R600 million directed towards maintaining and enhancing the quality of our hotels. These investments are aimed at modernising our properties, preserving the long-term competitiveness of our assets, strengthening our brands and enhancing the guest experience. This disciplined approach to capital investment continues to reinforce our market position and the quality of our portfolio.

The group ended the year in a net cash position of R86 million after settling its remaining USD-denominated debt, paying dividends to shareholders of R344 million and executing share buybacks totalling R359 million. This provides the flexibility to continue investing in strategically important assets, evaluate selective growth opportunities and return capital to shareholders where appropriate.

Regional contributors to Ebitdar (%)



Note: The Manco segment has been incorporated into the Other segment and Gauteng includes the Sandton Consortium hotels.

Prospects

Southern Sun enters the 2027 financial year with confidence, supported by a resilient balance sheet and a high-quality portfolio of strategically located hotels.

The outlook for the South African hospitality sector remains encouraging. Domestic leisure travel continues to perform well, corporate demand continues to improve and the meetings, incentives, conferences and exhibitions market remains active. South Africa's hosting of major international events, including the G20 Summit, together with continued reforms to improve access for international travellers, should provide further support for tourism and business travel across several of our key markets.

There will always be challenges. Geopolitical developments, regional instability and broader macroeconomic uncertainty remain part of the environment in which we operate. However, there remains further opportunity to improve occupancies and average room rates across our portfolio as trading conditions continue to normalise. Supported by our diversified portfolio, disciplined operating model and strong financial position, we remain confident in the group's ability to continue delivering solid results in the years ahead.

Strategy

Our strategy has remained consistent, with focus on unlocking greater value from our existing portfolio. Our hotels occupy some of Southern Africa's most strategically important locations. We therefore continue to prioritise investment in these assets, ensuring they remain competitive for many years to come.

Technology also remains a key strategic enabler. We continue to invest in technology platforms that enhance the guest experience across every stage of the customer journey, while strengthening our commercial systems, cybersecurity and data capabilities to support operational effectiveness and future growth.

We will continue evaluating selective investment and development opportunities where they complement our portfolio and satisfy our disciplined investment criteria. Equally, we will continue returning surplus capital to shareholders where appropriate. In addition to the

37 million shares repurchased during FY26, the group repurchased a further 14 million shares subsequent to year end, bringing the total value of shares repurchased since 1 April 2025 to R415 million at an average price of R9.68 per share (excluding costs), representing 3.2% of the company's issued share capital.

Appreciation

The achievements of the past year reflect the dedication, professionalism and passion of our employees. Their commitment to delivering exceptional hospitality experiences continues to differentiate Southern Sun and remains fundamental to our success. Customer experience remains at the heart of everything we do, and our values continue to guide every interaction with our guests, colleagues and business partners:



Be consistent



Be present



Have respect

These values remain the foundation of our culture and underpin the service excellence for which Southern Sun is known.

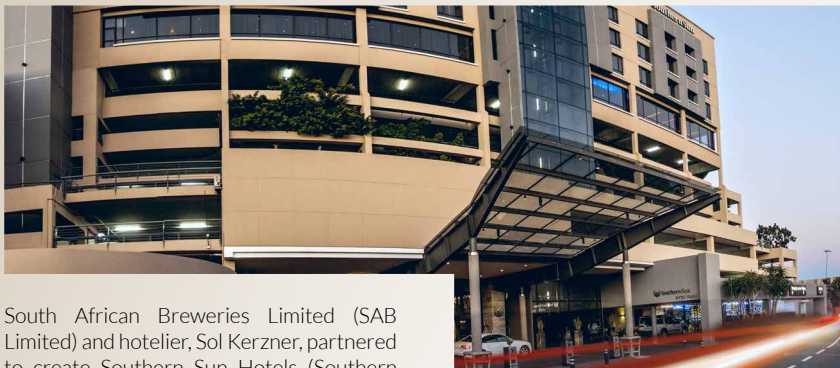
I would like to thank our employees for their continued commitment and dedication throughout the year. I also extend my sincere appreciation to our shareholders for their continued confidence, our guests for choosing Southern Sun, and our business partners, financiers and all our stakeholders for their continued support.

As we look ahead, we remain committed to disciplined execution, continued investment in our hotels, maintaining financial strength and creating sustainable long-term value for our shareholders and all our stakeholders.

John Copelyn
Non-executive Chairman

Marcel von Aulock
Chief Executive Officer

SOUTHERN SUN THROUGH THE YEARS



South African Breweries Limited (SAB Limited) and hotelier, Sol Kerzner, partnered to create Southern Sun Hotels (Southern Sun), the largest hotel group in the southern hemisphere at the time. Southern Sun commenced operations with six hotels, including the iconic Beverly Hills Hotel in uMhlanga Rocks, Durban, and was subsequently involved in the development of many of the most prestigious hotels of the era, including the Cape Sun, Sandton Sun and Sun City. Southern Sun expanded through the acquisition and development of hotels in South Africa and neighbouring countries, throughout the 1970s and early 1980s.

The casino interests of Southern Sun, including the newly built Sun City operations, were separated from its hotel business into what later became Sun International. Southern Sun retained the South African hotel operations during a difficult time for the hotel industry in South Africa as international sanctions against the apartheid government resulted in a severe contraction in demand.

Southern Sun acquired a 50% interest in a consortium with Liberty called The Cullinan, which owned three hotels.

Southern Sun formed a joint venture with a consortium of B-BBEE investors to form Tsogo Sun, to pursue casino licence opportunities afforded through the enactment of the National Gambling Act which regulated gambling activities and promoted uniform standards in relation to gambling in South Africa. Early success saw the Tsogo Sun Group awarded casino licences in Mpumalanga (Emnotweni Casino in Mbombela and The Ridge Casino in Emalahleni) and most importantly the Montecasino licence in Fourways, Johannesburg. These were followed by the successful applications for Suncoast Casino in Durban and Hemingways Casino in East London.

The Tsogo Sun Group expanded its hotel operations into the rest of Africa.

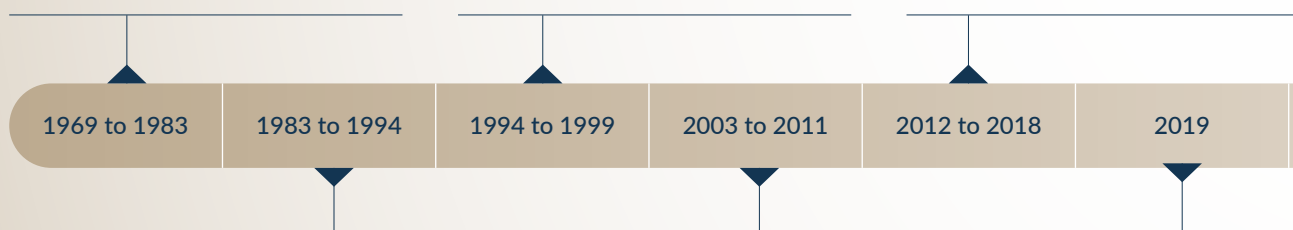
This period saw the acquisition of a controlling stake in Hospitality Property Fund Limited (Hospitality), through the injection of 10 hotel properties into Hospitality in an asset-for-share transaction. This stake was increased in 2017 through the addition of 29 hotel properties to Hospitality for a combination of shares and cash.

Tsogo Sun acquired 26% of International Hotel Properties Limited (IHPL), a hotel-owning company in the United Kingdom.

Tsogo Sun acquired the remaining 53% of the joint venture owning and operating Formula1 hotels in South Africa from Accor SA and rebranded these properties as SUN1 hotels. This period also saw the group acquire an additional 10% interest in The Cullinan with that entity acquiring five hotels from Liberty that were previously managed by the Tsogo Sun Group, bringing the number of hotel properties in Cullinan to eight. In addition, Tsogo Sun acquired Southern Sun Hyde Park and The Grace in Rosebank (rebranded to 54 on Bath) hotels from Hyprop.

Offshore, Tsogo Sun acquired 75.5% of Ikoyi Hotels Limited which owned Southern Sun Ikoyi Hotel in Lagos, Nigeria, as well as a 25% interest in RBH Hotel Group Limited (RBH), a leading hotel management company in the United Kingdom.

In July 2014, SABMiller plc exited from its long-term 39.6% shareholding in Tsogo Sun through a fully marketed secondary placement.



Southern Sun expanded to 26 hotels. It then acquired the Holiday Inn South Africa hotel group, thereby establishing a countrywide distribution of 49 hotels, in both the upmarket and midmarket segments.

Southern Sun was delisted from the JSE and became a wholly owned subsidiary of South African Breweries (SAB) Limited. Southern Sun entered into a joint venture with Accor SA, the French hotel group, to develop the Formula1 and Formula Inn range of hotels in South Africa and the first of 21 hotels opened the next year.

The Tsogo Sun Group entered into a landmark empowerment deal, through which the hotel and casino businesses were housed under one entity owned 51% by an empowerment consortium and 49% by SABMiller plc. Through a series of transactions and acquisitions, HCI acquired the various empowerment shareholders' interests in Tsogo Sun and remains a key shareholder of Southern Sun.

Tsogo Sun acquired Century Casinos' operations in Caledon and Newcastle and in 2011 it acquired the Gold Reef Resorts portfolio, which consisted of seven casinos in South Africa, via a reverse listing.

In 2019, the group celebrated its 50th anniversary and on 12 June 2019, the hotel business was unbundled by Tsogo Sun, culminating in the separate listing of Tsogo Sun Hotels on the main board of the JSE.



Covid-19, a black swan event never experienced in the long history of the group, resulted in the deactivation of the vast majority of the group's hotels in order to protect the health of its guests and employees.

The group successfully concluded the acquisition of 100% of Hospitality's ordinary shares in exchange for the issue of 1.77 TGO (Tsogo Sun Hotels) shares for every 1 HPB (Hospitality) share and Hospitality subsequently delisted from the JSE as an equity issuer and ceased to trade as a Real Estate Investment Trust (REIT). In addition, the group disposed of its 50% interest in the Maia Luxury Resort & Spa for aggregate proceeds of R467 million.

The group successfully rebranded the InterContinental hotel in Sandton, to Sandton Towers and positioned it together with the Sandton Sun as the Sandton Sun & Towers; the Holiday Inn Sandton was also rebranded to Southern Sun Sandton, introducing a new era of hospitality in the city.

Local and international travel patterns normalised and trading levels continued to recover post-Covid-19. Large-scale exhibitions like Meetings Africa and Africa's Travel Indaba were held for the first time since 2019, and the group was the official hotel partner to the Rugby World Cup Sevens, as international sporting events returned to South African shores.

Southern Sun achieved an important milestone by settling its remaining USD-denominated debt and ending the financial year in a net cash position of R86 million. The group invested R600 million in major refurbishment projects across its hotel portfolio, secured a new 50-year lease for Southern Sun Elangeni & Maharani and continued its capital allocation and shareholder return strategy through the repurchase of 37 million shares at a cost of R359 million.

2020 to 2021

2021 to 2022

2022 to 2023

2024 to 2025

2026



The group continued to successfully weather multiple waves of Covid-19 with the support of its lenders, employees, trading partners, suppliers, tenants, landlords and loyal guests.

The group concluded agreements with the Tsogo Sun Gaming Group to terminate the various management and licensing agreements between them and to acquire the Southern Sun Emnotweni and the StayEasy Emnotweni from the Tsogo Sun Gaming Group.

The group concluded an agreement to dispose of its interest in Southern Sun Ikoyi in Nigeria.

The group successfully rebranded to Southern Sun.

Southern Sun continued to repurchase another 135 million of its own shares during 2024, bringing the total number of SSU shares repurchased to 145 million, reducing total shares in issue (net of treasury shares) by almost 10%.

The group reopened Southern Sun Dar es Salaam on 5 October 2025, reactivating the final property in its portfolio, following its complete deactivation during Covid-19. Interest-bearing debt was reduced to an all-time low of R266 million at 31 March 2025 and the group's second dividend of 25.0 cents per share was declared for the year ended 31 March 2025, doubling its maiden dividend of 12.5 cents per share declared for the year ended 31 March 2024.



STRATEGY AND PERFORMANCE REVIEW

Southern Sun creates long-term stakeholder value by focusing on the following strategic objectives: Sustainability and Growth

THE KEY PILLARS OF OUR SUSTAINABILITY INCLUDE:



Sustainability



1. DELIVER TO OUR BENEFICIARIES

Sharing value with our beneficiaries is a critical part of maintaining our social licence to operate

Southern Sun is a **Level 1 B-BBEE contributor**, adding R4 billion in value to BEE businesses and government and supporting **410 beneficiaries** through the Southern Sun Entrepreneurs programme

STRATEGIC PRIORITIES

- Effective corporate social investment (CSI), enterprise development, and environmental programmes
- Dividend payments to shareholders



2. PRODUCT RELEVANCE TO CUSTOMER EXPERIENCE

To remain relevant, a variety of quality experiences must be provided at appropriate price points

The group's portfolio of owned/leased properties comprise **16 942** hotel rooms across all market segments, achieving a hotel guest satisfaction score of **84%** for the year under review

STRATEGIC PRIORITIES

- Continuous maintenance capex and strong internal development capabilities
- Marketing, brand improvement, and channel management
- Rebranding under Southern Sun's brand portfolio



3. REGULATORY COMPLIANCE

As a multinational business, the group is subject to a wide range of legislation and compliance is critical to our reputation and sustained profitability

No significant regulation breaches

STRATEGIC PRIORITIES

- Embedded in corporate culture
- Seen as an investment, not an unavoidable cost
- Monitored via ORMS



4. SKILLED HUMAN RESOURCES

Qualified, trained, talented and empowered people are required to deliver the Southern Sun experience

At 31 March 2026, Southern Sun had **6 314** direct employees of which **95%** were African, Coloured and Indian and **56%** were women

STRATEGIC PRIORITIES

- Ensuring adequate staffing and skill levels
- Fostering an engaged workforce



5. FINANCIAL STRENGTH AND DURABILITY

An appropriate capital structure is important to ensure the business survives through the economic cycle

Southern Sun pays dividends in accordance with an appropriate dividend policy, debt levels were reduced from **R266 million** to a net cash position of **R86 million**, resulting in unutilised facilities plus cash of **R2.1 billion**

STRATEGIC PRIORITIES

- Prudent use of debt and significant asset ownership ensuring security of tenure



6. ORGANIC GROWTH

Optimal operation of the group's capitals generates growth in cash flow and thus value

Total income for the group has increased by **9%** to **R7.2 billion** and adjusted headline earnings per share has increased by **19%** to **90.1 cents**

STRATEGIC PRIORITIES

- Maximising performance of existing assets
- Continued focus on cost efficiency, operational systems and corporate values



7. INORGANIC GROWTH

Building the tangible and intangible asset base of the group generates growth in cash flow and thus value

Southern Sun concluded a new 50-year lease for Southern Sun Elangeni & Maharani, supporting long-term growth and investment in the Durban beach front

STRATEGIC PRIORITIES

- Pursuing new projects, acquisitions and strategic long-term opportunities



Southern Sun Elangeni & Maharani



Growth

Growth drivers



ECONOMIC RECOVERY

- **RevPar growth:** As the economy improves, higher occupancy rates lead to higher room rates through yielding opportunities resulting in increased revenue per available room
- **Cost management:** Emphasis on controlling costs to protect profit margins



PORTFOLIO MANAGEMENT

- **Operational expertise:** Hotel management is complex and labour-intensive, requiring specialised skills
- **Continuous improvement:** Ongoing enhancement and strategic upgrades are essential for each hotel to ensure that its offerings remain aligned with market expectations and guest preferences



LOCATION

- **Prime locations:** Focus on visibility and accessibility near business hubs and leisure destinations to drive demand



INVESTMENT IN SOUTH AFRICAN HOTELS

- **Renovations and development:** Upgrading existing properties, acquiring new ones, and pursuing greenfield projects
- **Management contracts:** Expanding operational control through contracts within South Africa



OFFSHORE EXPANSION

- **Africa and Middle East:** Growth through management contracts
- **UK investment:** Strategic investment in a UK-based management company



CAPITAL CAPACITY

- **Debt-equity balance:** Maintaining a healthy financial structure
- **Cash flow management:** Balancing reinvestment needs with shareholder dividend expectations
- **Flexibility:** Adapting to economic conditions to sustain and grow the portfolio

BUSINESS MODEL

OUR CAPITALS – RESOURCES AND RELATIONSHIPS

The value of a business is the present value of the future cash flows that can be generated by the assets and other capitals utilised by the business.

Capitals	Utilisation of the capitals	Strategic priorities
MANUFACTURED 	We place significant emphasis on delivering high-quality facilities and guest experiences across our hotel portfolio. A diverse range of offerings at appropriate price points enables us to serve all market segments effectively. Our extensive geographic footprint remains a key competitive advantage, supported by ongoing investment in the enhancement and maintenance of our properties to ensure they remain attractive, competitive and relevant to the evolving needs of our guests. These investments support guest satisfaction, enhance the competitiveness of our portfolio and position the group for sustainable long-term growth.	 Growth  Product relevance to customer experience Page 50 and 71
NATURAL 	Our use of natural capital is largely driven by the operation of our hotel portfolio in key destinations. We manage our environmental impact through property-specific environmental management systems that focus on energy efficiency, water conservation, waste management and responsible procurement. These initiatives support the efficient use of resources, enhance operational resilience and contribute to the long-term sustainability of our business and the communities in which we operate.	 Deliver to our beneficiaries Page 42
HUMAN 	Our people are central to delivering the Southern Sun experience, both front and back of house. Creating exceptional guest experiences requires a talented, skilled and engaged workforce, supported by empowered leadership and effective support functions. We continue to invest in employee development, wellbeing and engagement to attract, retain and grow the talent needed to execute our strategy and sustain long-term success.	 Skilled human resources Page 58
INTELLECTUAL 	Our brands are integral to the experiences we deliver to our guests and differentiate Southern Sun in the market. We continually invest in our products, technology, accessibility and brands to meet evolving customer expectations and enhance our competitive position. We leverage our organisational knowledge, brands, systems, processes and market insights to support innovation, informed decision-making and the consistent delivery of quality guest experiences.	 Product relevance to customer experience  Regulatory compliance Page 50 and 55
FINANCIAL 	Strong cash generation and access to appropriately priced debt and equity funding provide the financial flexibility to invest in our portfolio, pursue organic and inorganic growth opportunities and support the creation of long-term stakeholder value.	 Financial strength and durability Page 63
SOCIAL 	The quality and strength of our stakeholder relationships are fundamental to the long-term success of Southern Sun. Through transparent engagement and a commitment to building trust and credibility with our guests, employees, communities, regulators and other stakeholders, we strengthen our social and regulatory licence to operate and support the creation of sustainable value for all stakeholders.	 Deliver to our beneficiaries  Regulatory compliance Page 42 and 55

The effective execution of a robust and adaptable strategy, informed by material risks and opportunities, enables the optimal deployment of our capitals, supports sustainable cash generation and drives long-term value creation.



Our strategy in action section provides further insight into our performance and outlook and how our capitals are deployed through our strategy and business model to create and sustain value over the long term.

Portfolio philosophy

There are three key elements to our business, which can be represented as follows:



REAL ESTATE

Southern Sun owns **76 hotels** in South Africa and a further **5 offshore**.

76
Hotels

South Africa

- 68 Managed by Southern Sun
- 8 Managed by external operators including Marriott, Radisson and EcoMotel

5
Hotels

Offshore

- Managed by Southern Sun

With 85% of our hotel real estate owned through either freehold or leasehold title, we favour an asset-heavy operating model that provides scale and a strong market presence in South Africa. This approach enables the group to retain greater control over its portfolio, supporting product quality, strategic flexibility and resilience through economic cycles. While more capital intensive, the model enables Southern Sun to capture a greater share of the value created through operational excellence, active asset management and long-term investment in its portfolio.

Southern Sun The Cullinan



Southern Sun comprises a portfolio of owned, leased and managed hotels that delivers scale, strategic control and resilience.

MANAGEMENT OF HOTEL OPERATIONS

14
Hotels

- 10 South African and 4 Offshore managed for third parties

Southern Sun Elangeni & Maharani



The group manages hotels on behalf of third-party owners in South Africa and offshore, providing a capital-light avenue to expand its footprint and enter new markets. The group also operates certain hotels under franchise arrangements where this supports its brand and market positioning strategy. Southern Sun does not, however, franchise its own brands. In addition, the offshore division pursues growth opportunities through management contracts, joint ventures and selective new-build developments, mainly within its existing operating markets.

Demand across the group is driven primarily by transient travellers, government and corporates, sporting events, and the group and convention market. Strong relationships with key customers, travel intermediaries and distribution partners are critical to driving occupancy and optimising average room rates (ARRs) across the portfolio.

Hotel operations are managed through six operational departments. Five departments are regional, comprising Cape, KwaZulu-Natal, Central Northern, Eastern Northern and Offshore (Africa, Seychelles and the Middle East). Southern Sun Resorts, which predominantly comprises timeshare operations, is managed through a dedicated brand-focused office that reflects the unique nature of its product offering.

In South Africa, management contracts are pursued selectively where they provide access to strategically important locations or support key partner relationships, and where ownership is not an option.

Key centralised services

The regional and brand management teams are supported by key centralised services, which provide specialist expertise, promote operational consistency and ensure that hotels have access to these capabilities in the most cost-efficient manner. These key centralised services include:

Accounting

Central accounting services include financial reporting, payroll, debtors, creditors, cashbook administration, taxation, procurement support and management information systems, all supported by the group's SAP S/4HANA platform.

Brands, marketing, eCommerce, and sales and revenue

Southern Sun's commercial function comprises brands, marketing, eCommerce, and sales and revenue management. Guests engage with our brands across multiple digital and physical touchpoints throughout their journey, from brand discovery and campaign engagement to booking, the guest stay experience and post-stay loyalty. The integration of these interconnected disciplines helps ensure a seamless and consistent customer experience across all channels.

Brands: Serves as the central custodian of Southern Sun's family of brands, including brand architecture, strategy, identity, assets and standards. It ensures the consistent delivery of the brand promise and protects the integrity of the group's brands across the portfolio.

Marketing: Aligned with group objectives and brand strategy, the team drives core promotions such as SunBreaks and TravelSmart campaigns, seasonal offers, individual hotel special offers, targeted advertising and sales support. The group's partnerships, public relations, and social media activities are all centralised and aligned with brands and marketing to ensure consistent messaging and appropriate management of the group's communications.

eCommerce: The eCommerce function includes the contact centre, the website (southern.sun.com), digital management of the online travel agencies (OTAs), the rewards programmes as well as offshore channel management, all of which are leveraged across the group. This integrated approach ensures that our hotels have access to a diverse range of booking channels, global distribution systems, and sales channels at competitive rates. eCommerce plays a pivotal role in centralising and optimising online distribution, enhancing direct booking performance, and driving cost-efficiencies through consolidated vendor and partner management. Our digital campaigns are guided by performance data. The contact centre also acts as a high-conversion support channel, enabling guests to enquire about and book hotels, providing support and resolution of enquiries in a streamlined fashion. It also includes the management of our frequentGuest rewards programme, which forms part of our customer relationship management and retention strategy and which has proven highly effective in fostering loyalty to our brands – generating 30% of the group's room revenue during the year under review, with members benefiting from our SunRands, which are earned and redeemed at participating hotels. Our frequentGuest Business Rewards and frequentGuest Meetings and Events programmes enable us to continuously add value to our customers as well as industry partners who are part of our value chain. The programmes allow us to segment, personalise and engage with our members, driving repeat stays and long-term customer value.

Sales and revenue: A centralised team focuses on direct sales to existing key and potential new accounts, which includes account management and product training for larger customers including sports bodies, government, state-owned entities, conference organisers and corporate clients. The group's long-standing relationships with organisations such as the South African Rugby Union stem from our ability to deliver complex, countrywide travel and accommodation requirements during normal season and extraordinary tournament periods. Our revenue management and sales teams work closely together to optimise pricing, occupancy and revenue opportunities by providing the right rate to the right customer at the right time. This integrated approach supports the growth of both contracted and negotiated revenue streams, which comprise a material portion of the group's business.

Information technology (IT)

Southern Sun's IT services underpin the group's operational efficiency and digital resilience, supporting a wide range of systems and technologies across the business. These services include the sourcing, implementation, and maintenance of key business platforms such as:

- reservations and property management systems (Opera and Mews PMS);
- financial systems, including the newly implemented SAP S/4HANA;
- sales and catering platforms; and
- human resource management systems, including payroll.

All systems use a Microsoft-based operating environment with Oracle, Microsoft Sequel Server or Microsoft Azure platforms supporting critical database management, integration functions and operational requirements.

The group maintains a balanced IT infrastructure comprising on-premise and cloud-based solutions, in line with its cloud optimisation strategy. IT services also cover the procurement, deployment, and support of computing hardware and mobile devices, hotel networking solutions, and enterprise-grade Wi-Fi infrastructure across properties.

The group's cyber risk management approach is overseen by Performanta, a tier-one third-party service provider that manages Southern Sun's Cybersecurity Operations Centre (CSOC), delivering monitoring, detection, and response (MDR) capabilities.

These services aim to safeguard the personal information of guests, employees, suppliers and business partners, protect the group against cybercrime, cyber threats and data breaches, and support compliance with applicable regulatory requirements, including the Protection of Personal Information Act (POPIA) and the European Union General Data Protection Regulation (GDPR).

Development

Development services include facilities management, the execution of major refurbishment and renovation projects, capital investment programmes and new property developments.

Human resources

Human resource services include policy development, payroll administration, human capital management systems, labour and employment equity compliance, employee benefits administration, including pension and medical aid administration, industrial relations, training and talent development.

These centralised services, together with the group corporate affairs, tax, secretariat and corporate governance, and risk and insurance functions, comprise the activities of the management (Manco) division, through which specialist support services are provided to the group's hotel operations.

BRAND PORTFOLIO

Arabella Hotel, Golf & Spa



LUXURY PORTFOLIO

Each hotel in the luxury portfolio is individually branded and positioned and operated in accordance with its distinctive character, inspired by its location, design and surroundings. These luxury hotels are mostly graded as five-star hotels and are among the most iconic hospitality destinations in their respective regions. They include Arabella Hotel, Golf & Spa near Hermanus, Mount Grace Hotel & Spa in Magaliesburg, Sandton Sun & Towers in Sandton, Beverly Hills in uMhlanga, 54 on Bath in Rosebank and Paradise Sun on Praslin Island, Seychelles.

The group also operates an InterContinental branded hotel at the Johannesburg OR Tambo International Airport under licence from the InterContinental Hotels Group PLC (IHG).



Western Cape,
KwaZulu-Natal,
Gauteng, Seychelles

7
hotels

1 205
rooms

54
ON BATH

Arabella
HOTEL, GOLF & SPA

MOUNT GRACE
HOTEL & SPA

BEVERLY HILLS

SANDTON
SUN & TOWERS

INTERCONTINENTAL
JOHANNESBURG O.R. TAMBO AIRPORT

Paradise Sun
praslin seychelles

Across its operating regions, the group offers a portfolio of well-recognised brands that cater to a broad range of travellers across the luxury, full-service and economy segments.



Paradise Sun

FULL SERVICE PORTFOLIO

Southern Sun Hotels and Southern Sun Resorts

Southern Sun Hotels is the group's legacy full-service brand and is typically graded as four-star where applicable. The majority of these hotels are located in key urban nodes, and cater to both business and leisure travellers. These renowned hotels offer extensive food and beverage facilities, meeting and conferencing venues, and a range of services designed to meet the needs of both corporate and leisure guests.

Southern Sun Resorts include a significant timeshare offering and are located in attractive tourist destinations such as uMhlanga, Plettenberg Bay, Cape Town, the Drakensberg and Mpumalanga.

	South Africa, Mozambique, Tanzania, Zambia, United Arab Emirates	31 hotels	6 408 rooms
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Garden Court

The Garden Court brand is a well-established and successful mid-market offering, spanning 18 hotels with 3 933 rooms. The brand includes large, well-known hotels such as Garden Court Marine Parade and Garden Court Sandton City, as well as smaller properties such as Garden Court Morningside and Garden Court Victoria Junction.

	South Africa, Zambia	18 hotels	3 933 rooms
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SunSquare

SunSquare hotels are our alternative and trendy offering to the mid-scale market. With properties at the Cape Town City Bowl and Cape Town Gardens; these hotels are situated in great locations and include our creative in-house concept restaurants Vigour & Verve and Zepi.

	Cape Town	2 hotels	388 rooms
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ECONOMY PORTFOLIO

StayEasy

This brand comprises 10 hotels with 1 503 rooms and caters to the economy segment. Offering great value and comfortable accommodation, these hotels are located in key business destinations such as Century City and the City Bowl in Cape Town, Eastgate, Pietermaritzburg and Pretoria. The group also operates two StayEasy hotels in Lusaka, Zambia and Maputo, Mozambique.

	Cape Town, Eastgate, Pietermaritzburg, Pretoria, Zambia, Mozambique	10* hotels	1 503* rooms
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* Includes Tete Ferry Sun in Mozambique.

SUN1

The SUN1 brand comprises the portfolio of economy hotels acquired from Accor, which were originally built as Formula1 hotels in South Africa. This portfolio consists of 19 hotels countrywide. SUN1 offers well-appointed rooms sleeping up to three guests at a great price. SUN1 Southgate, with 138 rooms, is the largest SUN1 hotel.

	Countrywide	19 hotels	1 509 rooms
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Sandton Convention Centre

The world-class Sandton Convention Centre (SCC) with 22 000m² of flexible event space, is the foremost venue for hosting exhibitions, events and conferences of all sizes and scales in South Africa. From meetings in 10-seater boardrooms to functions for 4 500 guests in the grand pavilion, the SCC can host every imaginable requirement. It is flanked by three of our hotels (Garden Court Sandton City, Sandton Sun & Towers), which together offer over 1 000 hotel rooms.

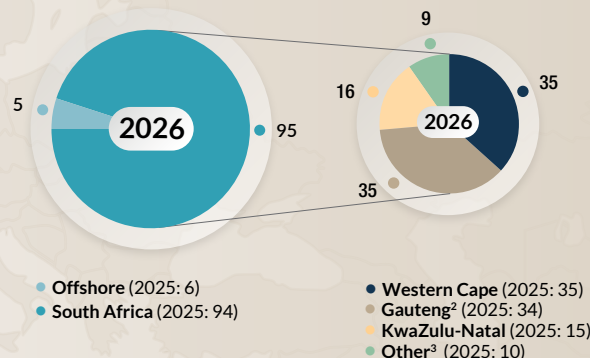


Southern Sun's competitive advantage lies in its extensive portfolio of quality hotels, strong brands and national footprint. Combined with our commitment to exceptional guest experiences, these strengths continue to differentiate the group in a competitive hospitality market.

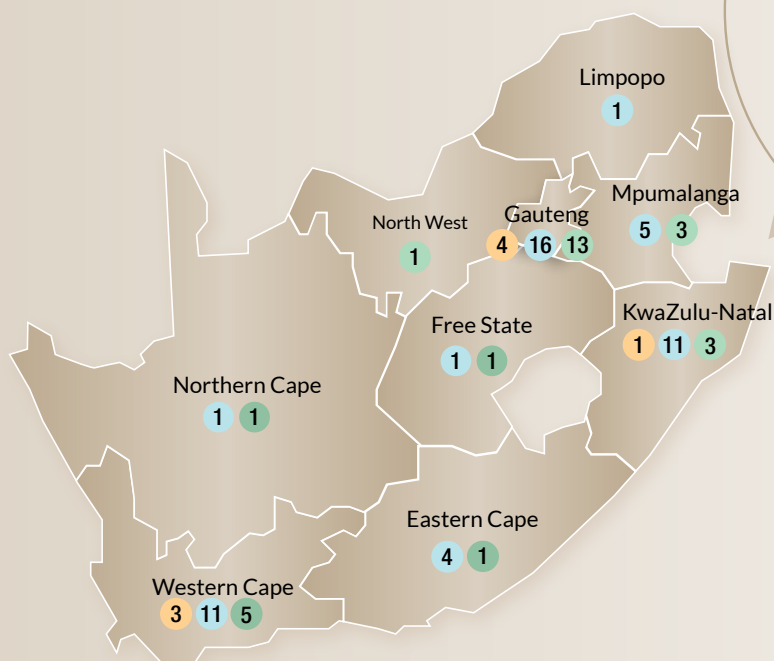
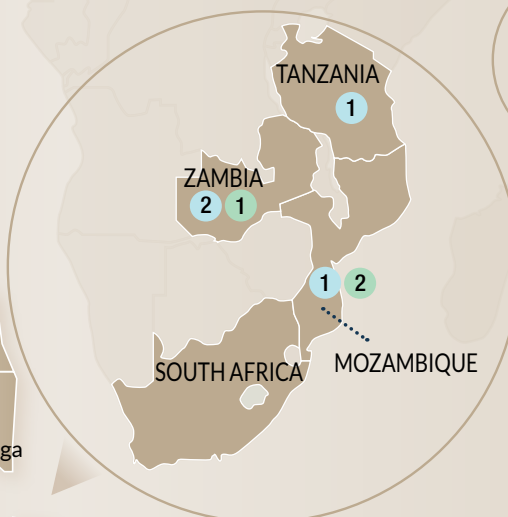
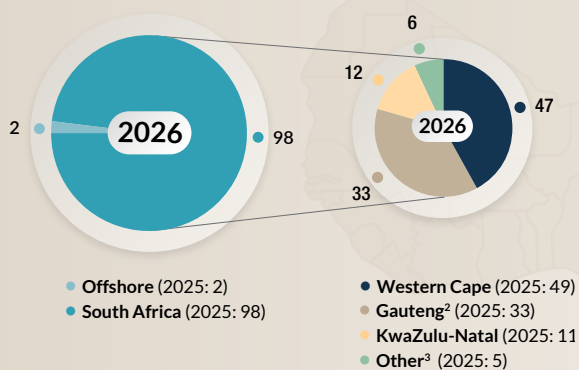
GEOGRAPHIC FOOTPRINT



Revenue contribution (%)



Ebitdar contribution (%)



¹ Southern Sun owns a minority interest in both IHL and RBH and accordingly hotels owned and managed by these entities are excluded from the footprint.

² Includes the Sandton Consortium hotels.

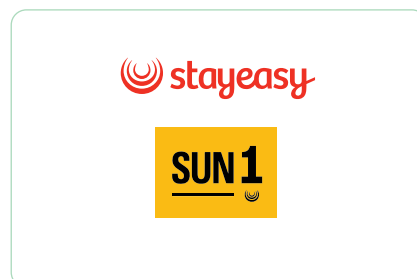
³ Other includes Mpumalanga, Eastern Cape, Northern Cape, Free State, Limpopo, and Manco.

LUXURY BRANDS

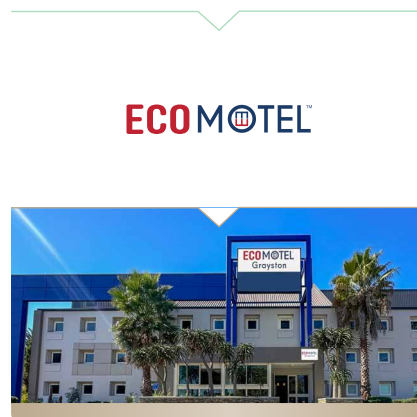
FULL SERVICE BRANDS

ECONOMY BRANDS

SOUTHERN SUN BRANDS (87 HOTELS)



EXTERNAL BRANDS (8 HOTELS)



Portfolio segmentation

as at 31 March 2026

	Owned/leased		Managed		Total	
SOUTHERN SUN OPERATED	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Western Cape	14	3 095	3	257	17	3 352
● Luxury	1	145	–	–	1	145
● Full service	8	2 263	3	257	11	2 520
● Economy	5	687	–	–	5	687
KwaZulu-Natal	10	2 281	4	588	14	2 869
● Luxury	1	89	–	–	1	89
● Full service	6	1 913	4	588	10	2 501
● Economy	3	279	–	–	3	279
Gauteng	27	4 849	1	138	28	4 987
● Luxury	3	753	1	138	4	891
● Full service	13	3 060	–	–	13	3 060
● Economy	11	1 036	–	–	11	1 036
Other	17	2 024	2	138	19	2 162
● Luxury	–	–	–	–	–	–
● Full service	10	1 402	2	138	12	1 540
● Economy	7	622	–	–	7	622
Third-party operated	8	2 046	–	–	8	2 046
South Africa	76	14 295	10	1 121	86	15 416
Offshore	5	780	4	746	9	1 526
Total 2026	81	15 075	14	1 867	95	16 942
Total 2025	81	15 075	14	1 867	95	16 942

1

Who we are

2

Performance and value creation

3

Integrated governance

4

Shareholder information

INVESTMENT CASE

WHY INVEST IN SOUTHERN SUN

1. QUALITY ASSETS

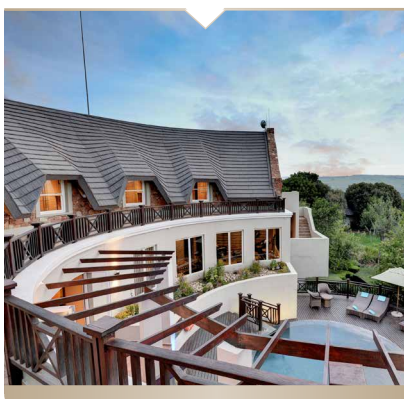
HIGH-QUALITY ASSETS IN KEY LOCATIONS

- High-quality assets
- Location
- Geographic distribution

▼

We manage premium hotels and allocate substantial resources to their ongoing maintenance and enhancement.

Most of our hotel properties are strategically situated in urban areas across South Africa, ensuring high visibility and convenient access to essential services.



2. OWNERSHIP

VAST MAJORITY OF ASSETS OWNED

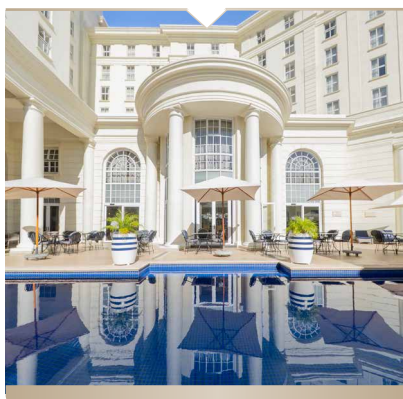
- The group owns or leases 81 of its 95 operating hotels, representing 89% of total rooms

▼

Our portfolio philosophy is based on a preference to own all components of the hotel business (land, buildings, operations, management and brand) wherever possible.

Although this approach can be more capital intensive, we believe it facilitates superior returns on effort and ensures control over strategic assets is retained.

Of the group's 95 hotels, we own or lease 81 (representing 89% of our total rooms) and manage 14 for third parties.



3. CUSTOMER-CENTRIC

RESPONSIVE TO CUSTOMER NEEDS

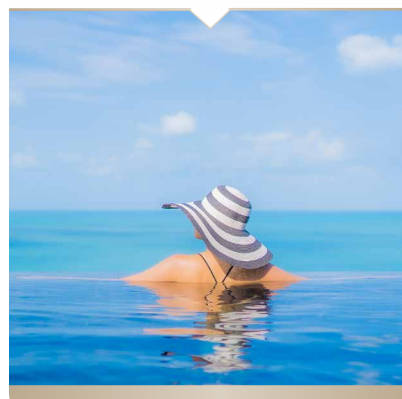
- 154 035 participants in our frequentGuest programme contributed 30% (2025: 28%) of total rooms revenue

▼

We seek to deliver the high-quality accommodation, conferencing, dining and eventing experiences that our guests desire.

The Southern Sun frequentGuest programme with SunRands currency provides us with detailed insights into customer preferences, booking behaviour and trends across our customer base. This enables us to continuously refine our offering, respond to changing consumer expectations and deliver greater value to our members. During the year under review, active frequentGuest members contributed 30% of the group's total rooms revenue.

The group's multi-channel distribution strategy enables us to engage with guests across multiple touchpoints and reach a broad customer base in both domestic and international markets. Through a combination of direct digital channels, strategic partnerships and online travel platforms, we seek to make our brands and hotels easily accessible to existing and prospective guests, while supporting occupancy growth and long-term customer loyalty.



WHY INVEST IN SOUTHERN SUN

1

Who we are

2

Performance and value creation

3

Integrated governance

4

Shareholder information

4. BRAND RECOGNITION

RECOGNISED AND TRUSTED BRANDS



Within each region, the group operates hotels across a number of well-recognised brands, servicing a broad spectrum of travellers from luxury to economy.

Over our 57-year heritage, we have achieved strong recognition across the business and leisure markets in South Africa and Africa.

Marketing is aligned with the brand strategy and group objectives and includes core promotions such as the SunBreaks and TravelSmart campaigns, seasonal and individual hotel special offers, targeted advertising and sales support.



5. FINANCIAL STRENGTH

FINANCIAL STRENGTH AND DURABILITY

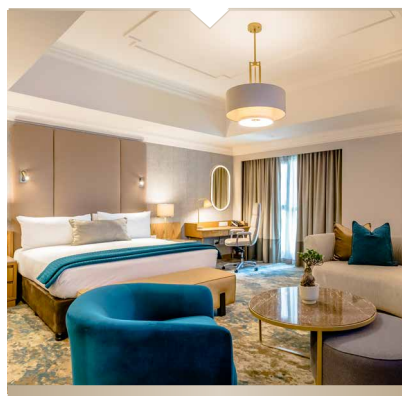
- Use debt prudently
- Monitor our leverage ratio and other covenant requirements
- Manage interest rate risk

To withstand the impacts of macro-economic cycles, we aim to ensure that debt is used prudently, with regular monitoring of our leverage ratios and other covenant requirements including our interest cover ratio and facility headroom.

The group also ensures availability of sufficient credit facilities with long-term maturities, providing additional sources of liquidity.

The group manages its interest rate risk for all South African debt, by using floating-to-fixed interest rate swaps, in line with its group policy.

The group's strong cash generation, conservative leverage profile and available funding capacity provide flexibility to invest in growth opportunities, maintain its assets and return capital to shareholders.



6. RESPONSIBLE CORPORATE CITIZENSHIP

COMMITMENT TO BROAD-RANGING STAKEHOLDERS

- Social investment in community development was R17 million

We are committed to the upliftment and development of local communities. Key guiding principles in respect of the communities within which we operate commit us to actively engage in partnerships that bring measurable benefits to stakeholders, enable us to achieve our long-term business goals, and to support organisations which aim to strengthen and develop civil society.

During the year ended 31 March 2026, the group's social investment in community development amounted to R17 million (2025: R14 million), supporting 240 non-profit organisations across its key focus areas. This performance is in line with the Tourism Sector Code target.



THE ENVIRONMENT IN WHICH WE OPERATE

The hotel industry in South Africa remains highly competitive. Despite the operational complexities associated with hotel ownership and management, barriers to entry remain relatively low, resulting in new supply entering the market from time to time. Once developed, hotel room stock generally remains in the market regardless of the financial performance of individual properties, which can result in prolonged periods of supply and demand imbalance.

The South African hospitality sector continued to strengthen during the year under review, supported by increasing levels of domestic and international travel, increased air connectivity and government initiatives aimed at facilitating tourism and promoting South Africa as a destination. The group achieved an occupancy rate of 64.3% in South Africa during the 2026 financial year, reflecting increased domestic and international travel demand, together with continued strength in corporate, conferencing and leisure travel segments. Occupancy levels have largely returned to the range experienced prior to the pandemic.

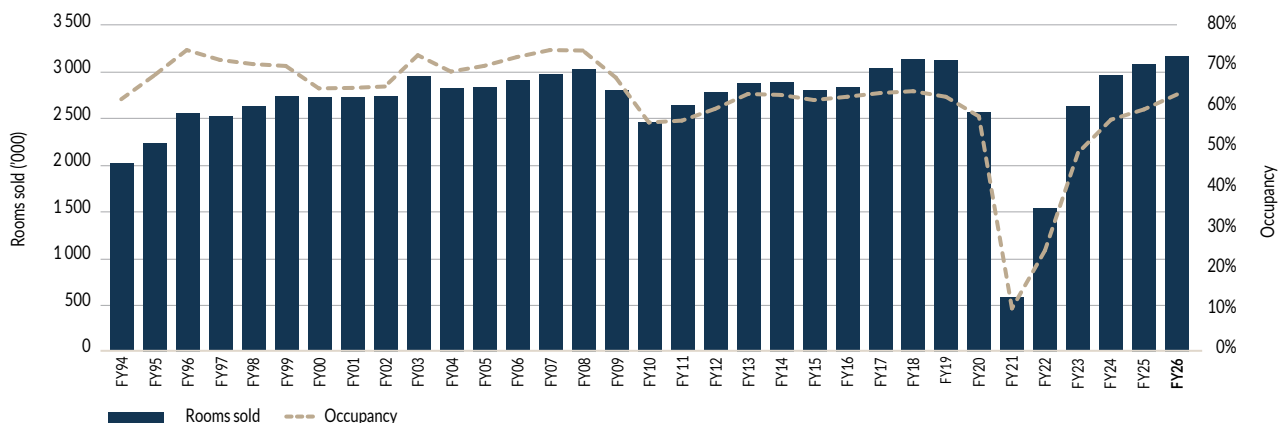
While a number of hotel developments that commenced prior to, or shortly after, the pandemic have been completed or remain under construction, new hotel development activity remains measured by historical standards. A number of developments and refurbishments are underway, particularly in the Western Cape and selected urban nodes. Elevated construction costs, funding costs and disciplined capital allocation continue to influence investment decisions across the sector, and management does not anticipate a material oversupply of hotel inventory in the near term.

The South African hotel market has experienced periods of both undersupply and oversupply. Following the disruption caused by the Covid-19 pandemic, occupancies have largely normalised, supported by the rebound in international arrivals, increased domestic travel and the gradual return of corporate and group bookings.

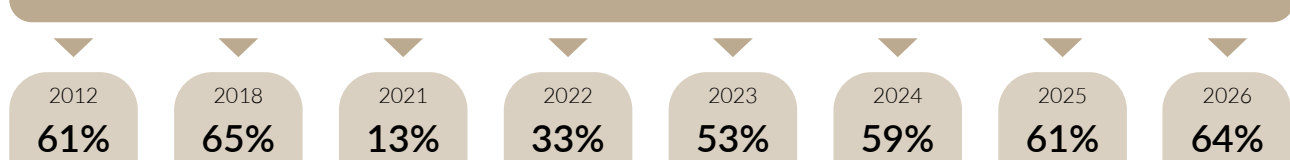
The continued growth in international arrivals, together with initiatives aimed at improving visa accessibility, increasing destination marketing and improving international connectivity, are expected to support demand growth over the medium term. Southern Sun's extensive portfolio of hotels, strong brands, strategic locations and national footprint position the group well to benefit from these trends.

In the medium to long term, sustained growth in demand may support the development of additional hotel inventory in selected markets, particularly in the Western Cape. Southern Sun will continue to evaluate expansion opportunities in a disciplined manner, with a focus on strategic locations, appropriate returns and long-term value creation for shareholders.

Southern Sun Group – rooms sold since 1994



HOTELS SA OCCUPANCY



Landscapes that impact on the environment in which we operate

POLITICAL	Political, social, labour, and economic disruption in South Africa or regionally can adversely affect our business. Government policies on tourism development, infrastructure investment, visa regulations, and law enforcement directly influence tourist flows and operational certainty for hotels.
ECONOMIC	Reduced demand for our services and a decline in forward bookings, driven by broader economic challenges and instability, can adversely affect our revenue and profitability.
SOCIO-CULTURAL	To remain competitive against other consumer choices, the group must offer a diverse range of brands and consistently deliver a high-quality experience at a price point that resonates with our customers.
TECHNOLOGICAL	In an era of rapid technological advancement, the group must consistently invest in the development, maintenance, and enhancement of its system infrastructure.
ENVIRONMENTAL	Sustainability is increasingly integral to brand equity. The environmental priorities include reducing resource consumption, preserving natural ecosystems, and ensuring responsible supply chain and waste management. Regulatory requirements and ESG expectations continue to rise, reinforcing the importance of proactive environmental stewardship in maintaining long-term value.
REGULATORY	Operating across multiple jurisdictions, Southern Sun is subject to a broad and evolving legislative landscape. The group actively monitors and ensures compliance with all applicable laws and regulations on an ongoing basis.

1

Who we are

2

Performance and value creation

3

Integrated governance

4

Shareholder information

Supported by continued growth in domestic and international travel demand and the long-term structural growth of the tourism sector, we remain confident that the market will continue to strengthen over the medium term.

THE ENVIRONMENT IN WHICH WE OPERATE *continued*

POLITICAL

Although Southern Sun operates primarily in South Africa, the group also maintains a presence in Mozambique, the Seychelles, Tanzania, the United Arab Emirates and Zambia. Political, social, labour, and economic conditions in South Africa and the broader region continue to pose risks to our business.

The group is headquartered in South Africa and generates most of its revenue from domestic operations. As such, developments in South Africa's political and economic landscape significantly influence our performance.

Structural challenges related to inequality, unemployment, policy uncertainty, law enforcement, public sector inefficiencies and infrastructure constraints persist. While the Government of National Unity has generally been viewed positively by investors and businesses, uncertainty regarding the pace of policy implementation and economic reform continues to influence consumer and investor confidence.

Although visa reforms for China and India by the Department of Home Affairs reflect government support for tourism growth in South Africa and are expected to benefit our portfolio, especially given our proven capability to host and manage large-scale conferences across regions, the operating environment remains vulnerable to setbacks.

ECONOMIC

Demand for our hotels remains closely linked to the performance of the domestic and global economy and is sensitive to business, government and personal discretionary spending levels. Periods of economic uncertainty, slower growth or reduced consumer confidence can adversely affect travel demand, forward bookings and spending patterns across our customer segments.

The group's reliance on the corporate, government and conferencing markets as significant contributors to demand makes it particularly sensitive to economic conditions that influence travel expenditure and business activity. A decline in demand for our services resulting from adverse economic conditions could negatively affect occupancy levels, revenue and profitability.

The group has a high concentration of hotels in key urban centres. While this strategy enables us to service large volumes of travellers across multiple market segments, it also increases our exposure to events or developments that adversely affect travel demand in these locations.

Many of the expenses associated with the hotel business, including personnel costs, property rates, insurance, utilities, rent and interest costs, are relatively fixed in nature. During periods of economic weakness, an inability to reduce costs in line with declining demand may adversely affect profitability, cash flows and financial performance.

The group continues to operate in an environment influenced by elevated food, energy and other input costs, which affect both operating expenses and consumer affordability. Travel affordability remains an important consideration for many consumers and businesses, particularly in an environment where discretionary spending remains under pressure.

For the hospitality sector, travel affordability, accessibility and the safety of visitors remain important drivers of demand. While the relative weakness of the Rand enhances South Africa's attractiveness as a value-for-money destination for international travellers, it also increases the cost of imported goods, services and capital expenditure items.

South Africa's inflation outlook improved during the year under review, supported by moderating price pressures and a more favourable interest rate environment. While this may provide support for household spending and travel demand over time, food and energy costs remain elevated, and the Rand's volatility continues to influence both input costs and consumer sentiment.

SOCIO-CULTURAL

To remain competitive in a dynamic hospitality market, the group must continuously evolve its product offering to align with shifting consumer preferences. Delivering a consistently high-quality guest experience at a value-driven price point is essential to maintaining market relevance and customer loyalty.

Consumer expectations are increasingly diverse, spanning digital engagement – such as mobile integration and social media presence – to the physical attributes of our properties, including design, location, and the ambiance of restaurants, bars and entertainment venues. Travel patterns and lifestyle trends also influence demand, requiring the group to remain agile and responsive in its operational and strategic planning.

TECHNOLOGICAL

The group's operations increasingly depend on advanced technology and integrated systems to manage property functions, ensure brand consistency and regulatory compliance, facilitate procurement and reservations, support surveillance and security infrastructure, and operate our customer loyalty programme. Digital platforms also play a critical role in enabling seamless booking experiences for current and prospective guests, optimising our visibility through search engines, and enhancing in-room and on-site guest amenities. Maintaining and developing these technologies remains a strategic priority requiring sustained investment and innovation. Digital distribution channels and customer relationship platforms have become increasingly important in driving customer acquisition, engagement and retention, supporting both direct bookings and broader market reach.

Technology trends most relevant to our industry include:

- availability of robust broadband;
- advanced and secure mobile functionality for transacting and communication (customers and operational employees);
- integrated tools to ensure customers are rewarded equitably based on spend/value;
- improving employee productivity and reducing costs;
- more cost-effective IT business models;
- strengthened cybersecurity protocols and privacy frameworks to safeguard personal information of guests, employees, suppliers, and associates, while mitigating growing risks of cybercrimes and external infiltrations; and
- supporting sustainability initiatives with our mission statement to champion Green IT practices that conserve resources, uplift communities, and help us deliver hospitality with care, today and for future generations.

ENVIRONMENTAL

Given the service-oriented nature of the hospitality industry, the group's overall environmental footprint is relatively low. However, our operations do consume energy and water, and the use of non-renewable energy sources contributes to greenhouse gas (GHG) emissions. We actively manage this impact through a well-established programme aimed at reducing resource consumption and minimising waste.

Where reductions are not feasible, we pursue alternative solutions – such as installing renewable energy systems, sourcing water from sustainable supplies, and diverting our waste from landfills. While environmental considerations are not yet the primary driver of customer decision-making, sustainability credentials are becoming increasingly important for certain customer segments, corporate travel buyers, and other stakeholders. The group remains committed to sustainability through values-driven corporate responsibility, shaped by rising utility costs and growing concerns regarding the reliability of energy and water supply. In anticipation of evolving regulatory requirements, a climate transition plan is currently being developed to support future compliance with IFRS S1 and S2. For further details on our environmental performance, please refer to page 48 of this report. Administered costs – including property rates, electricity, and water – have continued to increase above inflation, placing pressure on operating margins. Despite the group's continued efforts to improve resource efficiency through sustainable practices, the cost per unit of these utilities has increased substantially. In an effort to mitigate the impact of unpredictable electricity rate hikes, the group has concluded a power purchasing agreement with Discovery Green which caps price increases at inflation. The group has initiated this programme at seven Eskom-direct hotel properties but plans to extend virtual green-wheeling agreements to local municipalities where the group has a substantial hotel footprint.

Furthermore, municipalities facing mounting fiscal challenges are implementing aggressive rate hikes to seek independent revenue, leading to substantially higher property rates being imposed across our portfolio. While the suspension of loadshedding has provided some operational relief and lowered diesel expenditure, in the face of unpredictable grid interruptions and the ongoing maintenance of alternative energy infrastructure – particularly diesel-powered generators – remains a compounding and necessary burden to ensure operational resilience.

REGULATORY

As a multinational business, Southern Sun is subject to a growing and increasingly complex range of legislative and regulatory requirements across the jurisdictions in which it operates. This includes evolving corporate, labour, tax, environmental, data privacy, anti-corruption and hospitality-specific legislation. The group also continues to monitor evolving corporate governance expectations and sustainability-related disclosure requirements. During the year under review, there has been a continued global trend towards increased regulatory scrutiny, heightened sustainability and ESG-related disclosure obligations, and stricter enforcement of data protection, cybersecurity and anti-money laundering regulations. Legislative changes are monitored continuously, and the business promptly implements required adjustments to ensure full compliance. Any failure to comply with applicable laws – whether due to delayed implementation, oversight, or interpretation – could result in significant fines, legal action, operational restrictions, or the loss of licences and permits. Moreover, such breaches may severely impact stakeholder trust, damage the group's reputation, and result in adverse financial consequences. As such, proactive compliance monitoring, staff training and engagement with legal and regulatory developments remain integral to our governance and risk management framework.

B-BBEE

Under the current legislative and regulatory framework in South Africa, including the Broad-based Black Economic Empowerment (B-BBEE) Act and the Codes of Good Practice, the government awards procurement contracts, quotas, licences, permits, and other commercial opportunities based on numerous factors, including the B-BBEE status of applicants. These measures are central to the country's efforts to redress historical social and economic inequalities and to promote inclusive growth and long-term socio-economic stability. Southern Sun is fully committed to complying with B-BBEE requirements and actively supports transformation objectives through employment equity, skills development, preferential procurement, enterprise and supplier development, and socio-economic development initiatives. A company's B-BBEE contributor status is not only critical for eligibility in public sector tenders but is also increasingly scrutinised by private sector clients who are themselves subject to B-BBEE scorecard considerations. As government-related travel and conferencing continue to represent a significant segment of our revenue, maintaining a competitive B-BBEE status is vital to securing and sustaining this business. Refer to page 42 of this report for further details on our B-BBEE contributor level and transformation performance for the year ended 31 March 2026.

Tax legislation

Changes in tax legislation across the jurisdictions of operation could adversely affect financial results for future periods and affect the group's business, financial condition, and results of operations. Global tax policy remains fluid, driven by fiscal consolidation efforts, evolving OECD (Organisation for Economic Co-operation and Development)-led reforms, and increased scrutiny of cross-border transactions and base erosion practices. South Africa has a stable tax environment and the tax administration system is advanced and transparent in many aspects. However, the group also operates in jurisdictions such as Zambia, Mozambique, and the Seychelles – each with unique and evolving tax frameworks, regulatory interpretations, and enforcement approaches. These regional differences introduce complexities related to tax compliance, transfer pricing, indirect tax administration, and the repatriation of profits.

Health and safety legislation

Current legislation in South Africa imposes significant health and safety regulations on the group's operations. These requirements are aimed at ensuring the safety of guests, employees, and contractors, and extend to areas such as food hygiene, fire safety, occupational health, public liability, and emergency preparedness. During the year under review, regulatory oversight remained active, with continued focus on visible compliance, incident reporting and accountability frameworks.

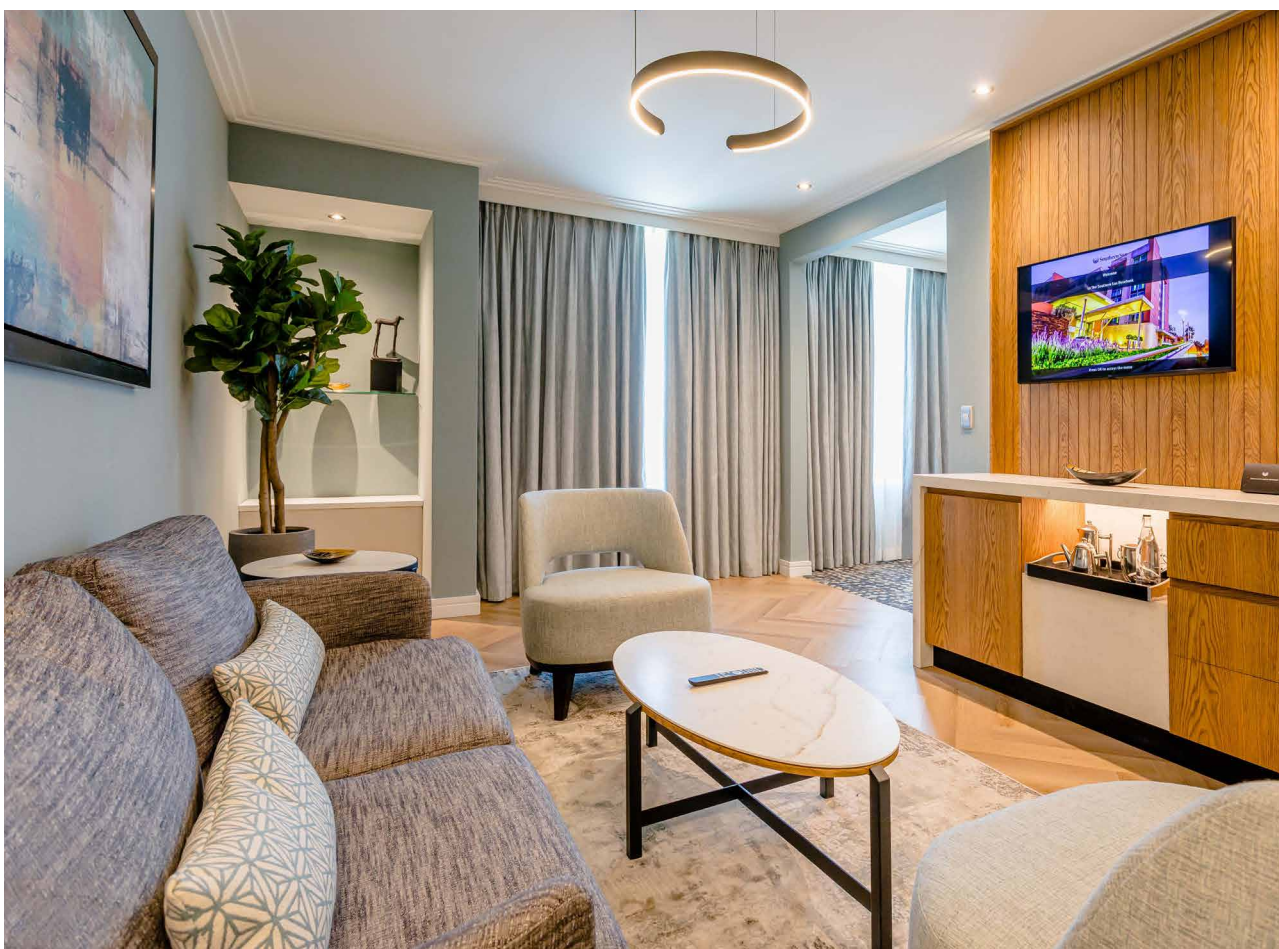
Health and safety are deeply embedded in the group's operational culture, with policies and practices continuously reviewed and updated to align with legislative developments and best practices. The group maintains a high standard of compliance, supported by internal audits, training programmes, and a proactive risk management approach. This commitment not only reduces liability and reputational risk but also enhances guest confidence and operational resilience across all our properties.

REGULATORY continued**Consumer privacy and data protection legislation**

The group is subject to regulation under Protection of Personal Information Act, 4 of 2013 (POPIA) in South Africa and the GDPR in the European Union. These laws govern the lawful collection, use, storage, and protection of personal and payment-related customer data, with a strong emphasis on safeguarding against data breaches, cyber theft, and unauthorised processing. Data privacy has become an increasingly regulated and high-risk area, with global enforcement intensifying and penalties for non-compliance escalating. As a responsible party, the group receives and processes volumes of sensitive personal customer data (including name, contact details, identification numbers, bank details and credit card details) as part of its business and frequentGuest programme. Accordingly, we maintain robust policies, technologies, and procedures to ensure compliance with applicable data protection laws. Southern Sun is committed to maintaining the highest standards of data security and transparency, supported by regular audits, staff training, breach response protocols, and continuous system enhancements. For more information on our privacy and data protection controls, refer to page 51 of this report.

Employment equity legislation

Over the years and based on the targets we had set ourselves, we have made significant progress in addressing underrepresentation of suitably qualified persons from designated groups at all occupational levels. Refer to page 61 for Southern Sun's employment equity profile. The recent amendments to the Employment Equity Act, which came into effect in April 2025, substantially changed these targets that the group had been working towards, by the introduction of sector-specific numerical targets and further introduced the requirement for employment equity compliance certification for businesses wishing to do business with the state. In response, Southern Sun continues to review and implement measures to align its employment equity plan with the amended legislative requirements and will continue to engage and consult with employees and their representatives through its established employment equity structures.



Southern Sun Rosebank

OUR KEY STAKEHOLDERS

We generate long-term value by fostering strong relationships with our stakeholders. Trust, mutual respect and credibility are foundational to our sustainability and continued success.

We have taken our stakeholders' views into account in formulating our strategic priorities and report content.

The group remains committed to protecting and advancing the interests of its key stakeholders and maintains regular engagement with its lenders, employees, trading partners, suppliers, tenants, landlords, shareholders and broader communities. Through these ongoing engagements, we seek to build mutually beneficial relationships, better understand stakeholder expectations and support the long-term sustainability of our business. An overview of our key stakeholder groups, their interests and concerns, and the manner in which we engage with them is provided in the table below.

Stakeholder group	Why it is important for us to engage	How we engage with our stakeholders	Our stakeholders' key interests	Associated strategic priorities
INVESTORS AND FUNDING INSTITUTIONS	Investors and funding institutions are the providers of capital necessary for our growth. We need transparent communication to understand potential concerns.	• JSE news services • Media releases and published results • Integrated annual reports and financial statements • Annual general meetings (AGMs) • Dedicated analyst and investor presentations • One-on-one meetings • Southern Sun's website	• Sustainable business, growth and returns on investment • Liquidity, gearing and covenant requirements • Dividends • Transparent executive remuneration • Corporate governance, ethics and regulatory compliance • Strategic capital allocation • Security of tenure over properties • Independence of the board • Sustainability and climate-related disclosures • Cybersecurity and data governance	 Financial strength and durability Page 69  Organic growth Page 72  Inorganic growth Page 74
GOVERNMENT AND REGULATORY BODIES	Government plays a critical role in granting us the licence to operate and establishing the regulatory framework within which we conduct our business. Ensuring full compliance and maintaining awareness of broader economic, social, and environmental dynamics are essential to our responsible and sustainable operations.	• Establish constructive relationships with government and municipal departments • Written submissions during consultation process on legislation • Hosting government forums and showcases • Regulatory surveillance, reporting and interaction • Membership of industry bodies, e.g. the Tourism Business Council of South Africa (TBCSA), the South African Tourism Board (SATB) and the Federated Hospitality Association of Southern Africa (Fedhasa)	• Taxation revenues • Compliance with legislation • Job creation • Investment in public and tourism infrastructure • Investment in under-resourced communities • Advancing transformation • Social impacts • Environmental compliance	 Deliver to our beneficiaries Page 42  Regulatory compliance Page 55

Stakeholder group	Why it is important for us to engage	How we engage with our stakeholders	Our stakeholders' key interests	Associated strategic priorities
GUESTS	Understanding our guests' needs, perceptions, and behaviours is essential to delivering experiences that resonate with them. This customer-centric approach strengthens brand equity and supports sustainable revenue growth.	• Monitor and respond to online comments and reviews • frequentGuest programme • Customer relationship management • Call centres • Website and social media engagement	• High-quality product • Consistent guest experience • Ease of engagement and interaction • Value-driven offerings • Long-term supply assurance • Loyalty recognition • Safety and security • Digital accessibility and convenience	 Product relevance to customer experience Page 50 
COMMUNITIES	Engagement enables us to direct our efforts toward empowering local communities, which supports our long-term sustainability and operational resilience.	• Events and sponsorships • Website and social media engagement • CSI donations, partnerships and initiatives • Employee volunteering	• Investment in under-resourced communities • Employment opportunities • Community investment and sponsorships	 Deliver to our beneficiaries Page 42 
EMPLOYEES	Our employees are central to delivering exceptional guest experiences. To ensure alignment with our strategic objectives, it is important that we understand their needs, challenges, and aspirations, and foster a workplace culture that supports their growth and engagement.	• Communication from executives • Internal communications and posters • Induction programmes • Ongoing training and education • Employee surveys • Performance management programmes • Whistle-blowers hotline • Trade union representative meetings • Employee engagement	• Job security • Meaningful engagement • Performance management • Transparent reward structures • Health and safety excellence • Access to HIV counselling and wellness support • Career development	 Skilled human resources Page 58 
SUPPLIERS, TENANTS AND BUSINESS PARTNERS	Our suppliers, tenants and business partners enable us to deliver consistent guest experiences.	• One-on-one meetings • Tender and procurement processes • Whistle-blowers hotline • Hosting supplier forums and showcases • Supplier climate impact questionnaires • B-BBEE monitoring • Diversity and climate information webinars	• Timely payment and favourable terms • Fair procurement and supplier treatment • Supplier diversity • Supply chain climate impact	 Deliver to our beneficiaries Page 42 

OUR KEY STAKEHOLDERS *continued*

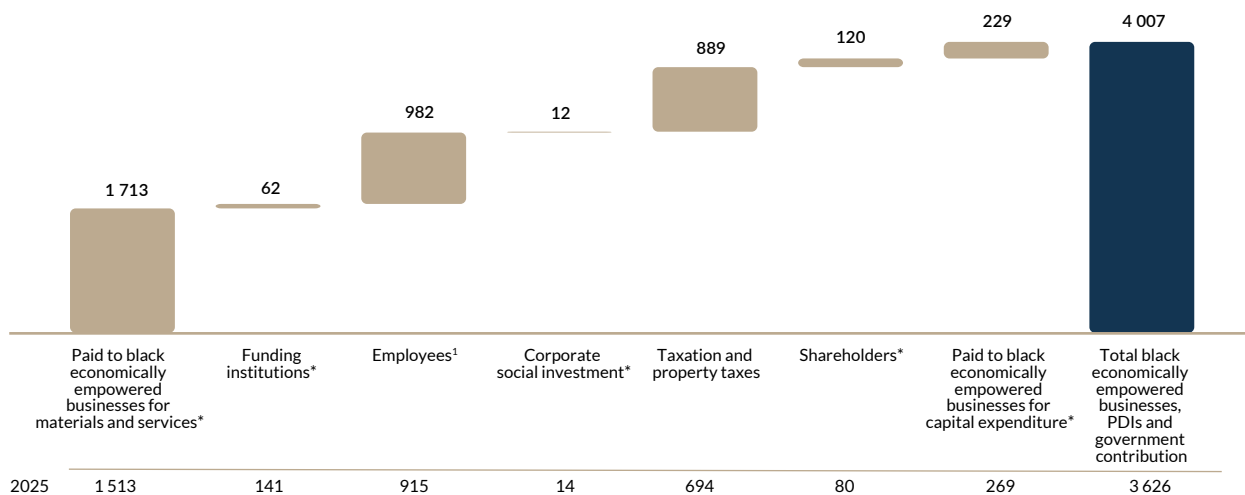
In addition to providing exceptional experiences to our customers, the group generates direct and indirect financial benefits for our stakeholders including:

- returns for our shareholders and funding institutions;
- substantial income tax, value added tax (VAT), employees' tax and property rates and taxes to national and provincial government;
- CSI in our communities;
- employment within the communities we serve;
- sustainable business for our national and local business partners and suppliers which creates wealth and additional employment; and

- continuous investment to maintain and expand our portfolio of properties.

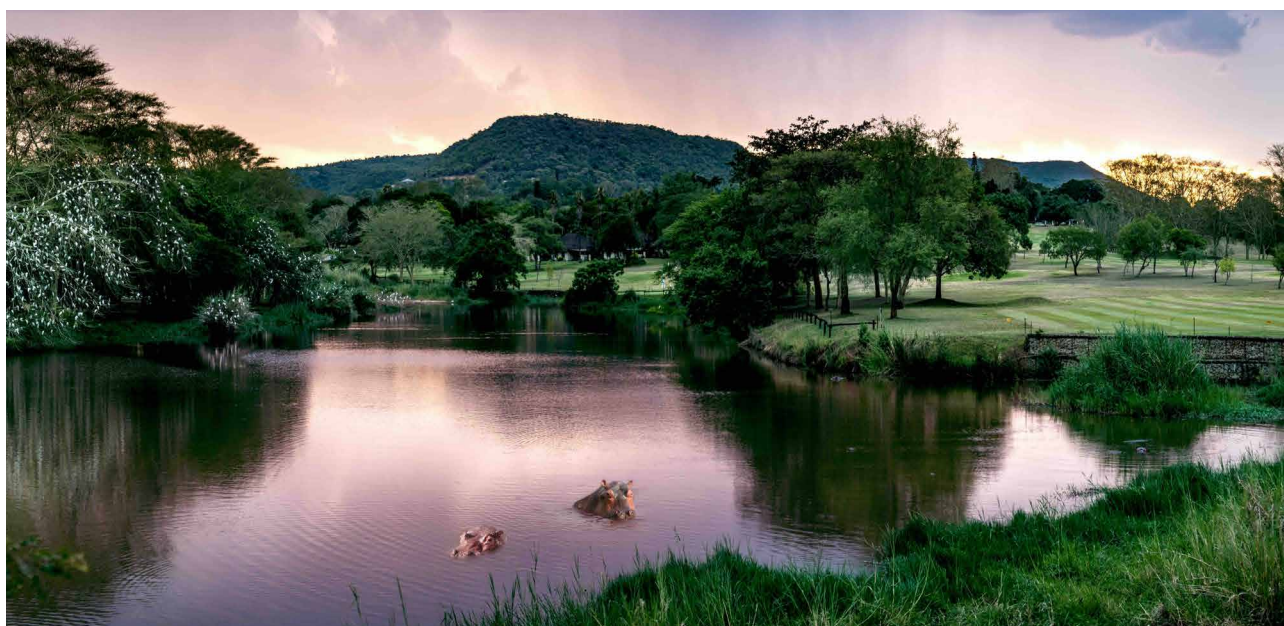
Reflecting the depth of our societal involvement and commitment to inclusive growth, a substantial portion of the economic value generated by the group is actively invested in and shared with black economically empowered businesses, emerging enterprises, under-resourced individuals and communities, our employees, and government. The value created and distributed by the group for the year ended 31 March 2026 is set out below.

Value added to black economically empowered businesses, previously disadvantaged individuals and government for the year ended 31 March 2026 (Rm)



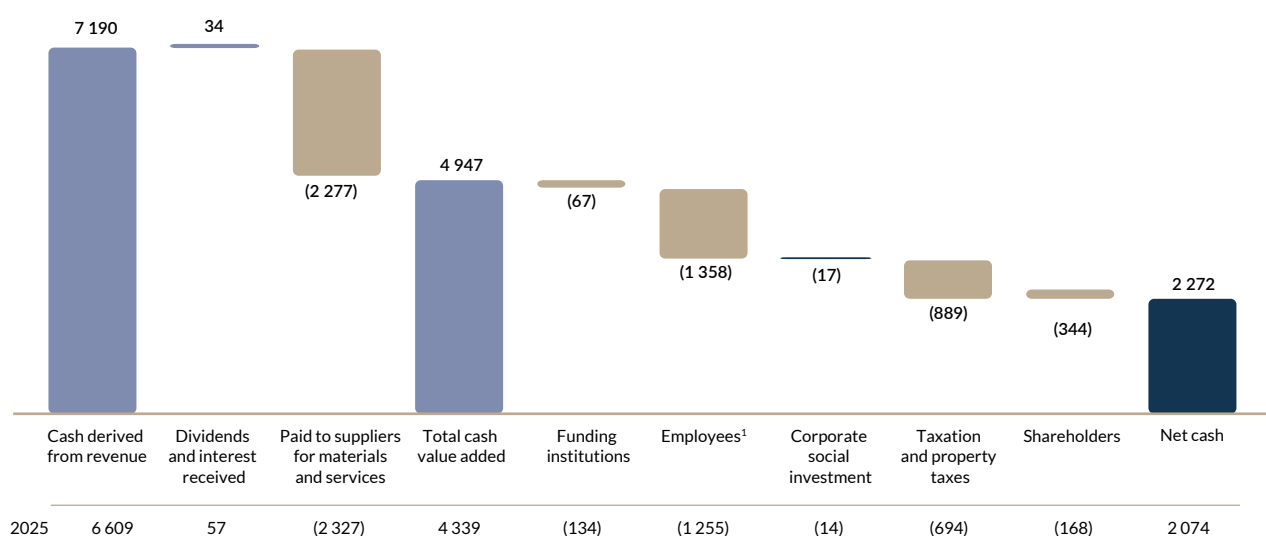
* As per the Department of Trade and Industry tourism sector code.

¹ Net pay to employees with employees' tax included in taxation.



Sabi River Sun Resort

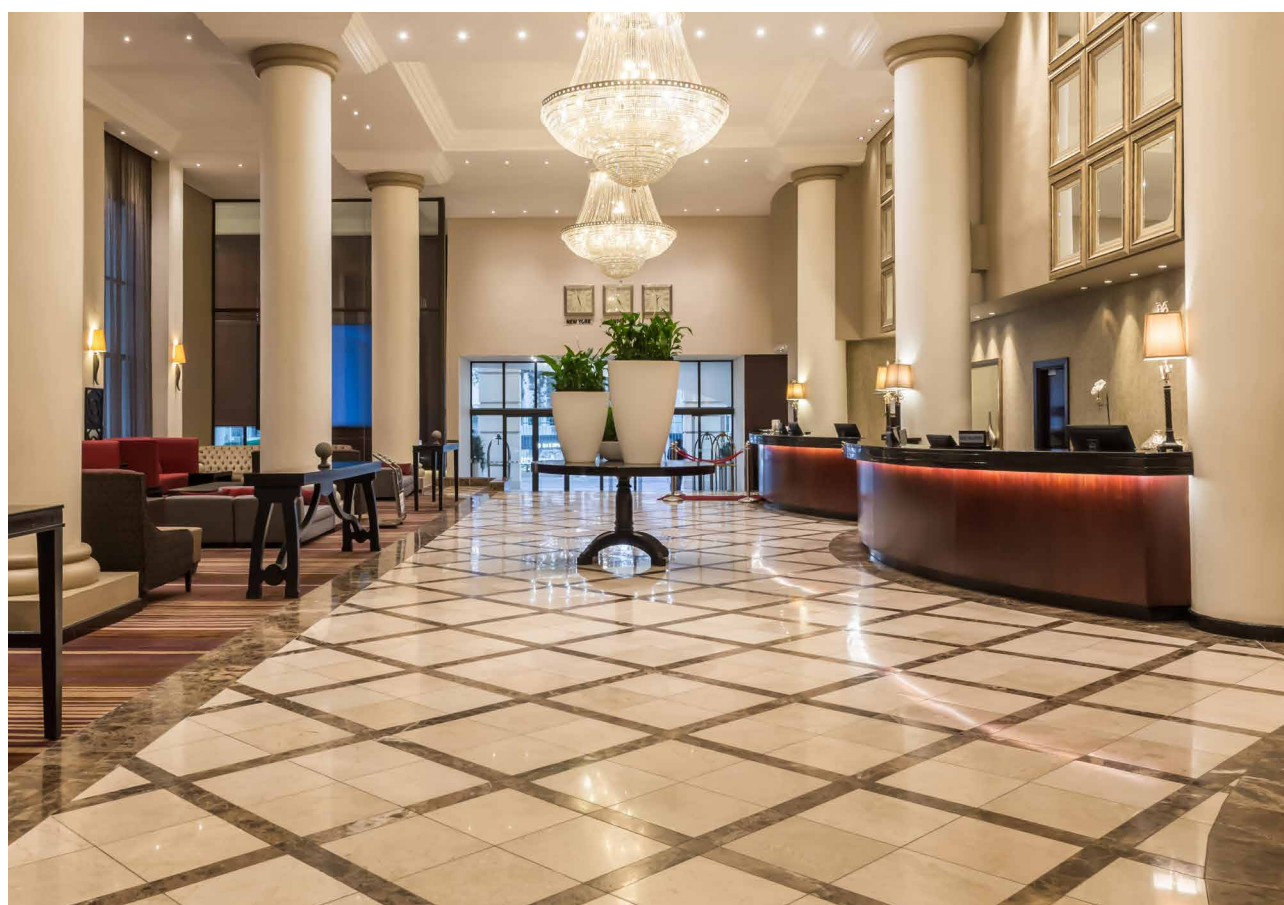
Value added for the year ended 31 March 2026 (Rm)



¹ Net pay to employees with employees' tax included in taxation.



Interactions with our stakeholders are based on our strategic objectives, as included on page 07, which guide our behaviour ensuring our stakeholders know what to expect from us.



Southern Sun Sandton

OUR MATERIAL RISKS AND OPPORTUNITIES

The matters included in our integrated annual report are principally aimed at providers of financial capital in order to support their financial capital allocation assessments. The interests of providers of financial capital are largely aligned with those of our other key stakeholders, who are also focused on the long-term creation of sustainable value.

Determination of materiality

In determining which matters are material for disclosure in our integrated annual report, we have considered whether the matter substantively affects, or has the potential to substantively affect our strategy, our business model or the forms of capital we utilise and ultimately our ability to create value over time.

1. RISK IDENTIFICATION

2. QUALITATIVE AND QUANTITATIVE ANALYSIS

3. RISK MATRIX

4. MAGNITUDE AND LIKELIHOOD

The assessment of the magnitude of the impact and the likelihood of the occurrence of the group's top risks and opportunities informed the identification and prioritisation of the material matters for inclusion in the integrated annual report.

5. MATERIAL MATTERS

The identified matters were compared with those being reported by organisations in the same or similar industries to ensure that relevant matters were not excluded from the report.



Southern Sun The Cullinan

Material risks and opportunities

The principal risks facing the group were evaluated as part of the group's enterprise risk management framework. The assessment considers the potential financial impact, likelihood of occurrence, velocity of onset, the group's vulnerability and the effectiveness of existing controls. These factors inform the prioritisation of risks requiring focused management attention and disclosure within this integrated annual report.

Enhancements were made to certain risk descriptions to reflect developments in the operating environment and the group's risk management approach. Principal risk amendments were identified in the categories listed below:

Portfolio management and product relevance

- **Security of tenure over hotel operations, including third-party leases and management contracts:** The risk profile has improved from both an impact and likelihood perspective following the conclusion of a long-term lease agreement with eThekweni Metropolitan Municipality in respect of Southern Sun Elangeni & Maharani. These developments enhance tenure certainty and reduce property-related strategic and operational exposure.
- **Maintaining the relevance of our products and services:** The risk rating has been positively influenced by sustained growth in travel activity which, when combined with the group's refurbished hotel portfolio, positions the business to capitalise on organic demand growth. The enhanced quality of the asset base and improved guest offering are expected to support stronger occupancy levels, rate resilience and revenue performance, thereby reducing downside exposure associated with demand volatility.
- **Client base migration due to node shifts, driven by factors such as tourism appeal, infrastructure and safety, political instability, economic downturns, natural disasters, or changing travel trends:** The likelihood has decreased, supported by observable improvements in service delivery within KwaZulu-Natal and a corresponding increase in regional demand. In addition, business travel activity in Gauteng has shown measurable signs of recovery and growth, supporting demand across several of the group's key operating markets.

Macroeconomic environment

- South Africa's low-growth environment and constrained economic activity continue to impact consumer and investor confidence, although moderating inflation and easing interest rates have provided some support to economic sentiment.
- The establishment of the Government of National Unity (GNU) and notable short-term improvements in electricity supply have positively influenced future expectations.
- Economic growth in South Africa remains constrained and consumer confidence remains sensitive to domestic and global economic conditions. While inflationary pressures have moderated and interest rates have begun to ease, the group continues to monitor geopolitical developments, including international conflicts and trade tensions, as well as domestic policy implementation and broader economic reforms, which may influence tourism demand, investment activity, travel patterns and business confidence.

- The risk of riots, crime and potential terrorist attacks poses a significant threat to the group, with the potential for severe operational, financial and reputational impacts. This risk is particularly acute in the Cape region, which has emerged as a highly attractive travel destination, thereby concentrating the group's financial exposure in this area. It is key to note that this risk is being addressed through a multi-faceted approach involving government, law enforcement and private sector collaboration.
- The group continues to benefit from strong demand in key tourism and business travel markets; however, its concentration in South Africa and selected strategic nodes increases exposure to local economic conditions, infrastructure performance and destination attractiveness.
- **The group's significant exposure to South Africa's macro-economic environment means our financial performance is reliant on the country's GDP growth. GNU optimism, notable short-term improvements in electricity supply and South Africa hosting the G20 Summit have led to an improvement in political risk and the economic outlook:** The reduction in the risk score reflects the anticipated positive impact of declining interest rate levels, which are expected to support improved disposable income for consumers and enhance overall business confidence. This environment is likely to stimulate transient travel activity and strengthen demand for accommodation and related services. The conflict in the Middle East presents a material external risk to the South African economy. As a net fuel importer, South Africa remains vulnerable to sustained disruption in global oil markets, which may increase domestic fuel prices and contribute to imported inflation. This could elevate energy, inflation and interest rate risks, reinforcing a higher-for-longer interest rate environment with consequential impacts on household disposable income, business operating costs and overall economic growth.
- **Madlanga Commission:** Since its establishment in 2025, the Commission has progressed into substantive hearings and has received testimony from several senior officials and other stakeholders. The credibility and outcome of the Commission's work will be important in maintaining public confidence in state institutions. Should the inquiry be perceived as ineffective, unduly delayed or politically influenced, there remains a risk of declining trust in public institutions, which could contribute to increased protest activity, civil unrest or instability in communities facing existing socio-economic pressures.

Capacity and market issues

- Recent initiatives by the Department of Home Affairs, including the standardisation of visa requirements and implementation of the Trusted Tour Operator Scheme (TTOS), have improved accessibility for international travellers and contributed to a reduction in the overall risk assessment.
- The increasing importance of digital distribution channels, global distribution systems and third-party technology platforms creates exposure to supplier concentration, commission cost inflation, contractual dependency and service interruption risks. Management continues to focus on strengthening direct distribution channels, supplier diversification and contractual oversight.

OUR MATERIAL RISKS AND OPPORTUNITIES *continued*

- **The risk of single dependency on a supplier for critical services or products at a major node, compounded by the potential for supply chain interruptions, health and safety concerns or national shortages:** The increase in the risk rating reflects the group's growing reliance on third-party cloud infrastructure and technology service providers. This dependency increases exposure to operational disruption, cyber and information security threats, regulatory compliance obligations and potential service degradation arising from system instability, outages or failures within supplier-controlled environments.
- **An emerging risk relates to the group's dependence on global distribution channels, OTAs, booking platforms and related technology service providers:** Excessive reliance on these third parties increases exposure to commercial, operational and contractual risks, including escalating commission structures, foreign exchange cost volatility, potential rate dilution and system or hosting dependencies. These factors may adversely affect revenue integrity, margin sustainability and operational resilience. The group continues to focus on strengthening its direct distribution channels, loyalty programme and digital capabilities to maintain an appropriate balance between third-party distribution reach and direct customer engagement. A further consideration is the cost escalation risk associated with OTA bookings, particularly where guest migration to direct booking channels is not effectively achieved. However, the removal of rate parity arrangements together with improved visibility and management of commission tier structures mitigates this exposure.
- **Increased frequency and severity of extreme weather events:** The decrease in the risk rating reflects the assessment that the group's exposure to extreme weather-related supply chain disruption remains limited despite the broader increase in severe weather events across South Africa. This position is supported by the group's property footprint, which is generally not situated in regions with a high susceptibility to weather-related hazards. Furthermore, enhanced event preparedness protocols, access to government-supported early warning and hazard monitoring systems, institutional coordination at national and provincial levels, and greater supplier network diversification have collectively contributed to lowering the likelihood of significant operational interruption arising from extreme weather conditions.
- **The catastrophic loss of an airport terminal building in major nodes due to fire damage or major damage to national roads, critical infrastructure or a major city venue, could negatively impact domestic and/or international travel:** This risk has declined following the group's strengthened access to early warning and disruption monitoring channels, including engagement with key transport and tourism information networks such as Airports Company South Africa, local municipalities, the South African National Roads Agency Limited and South African Tourism. The risk profile is further supported by the geographic diversification of the hotel portfolio across multiple regions and feeder markets, which reduces concentration risk associated with reliance on any single airport node, transport corridor or metropolitan centre.

Crime, security, health and safety

- **The occurrence of major violent incidents during civil unrest can cause major infrastructure damage and limit our ability to trade:** The risk rating has decreased following a reassessment of asset vulnerability and historical unrest patterns. Although hotels operate as open and accessible environments, exposure to widespread damage or looting is mitigated by property design, which generally limits opportunistic access to ground-floor public areas. The group also maintains strong relationships with local law enforcement agencies and private security providers, enhancing preventative measures, intelligence gathering and incident response capability.
- **There is also an increased risk of financial fraud as guests and employees have been under financial pressure:** The risk rating has decreased as the group's internal control environment remains well-established and effective. Financial governance frameworks, segregation of duties, delegated authority structures, monitoring controls and oversight mechanisms continue to operate robustly, supporting the early detection, prevention and mitigation of potentially fraudulent activity.
- **The possibility of hotel robberies and/or follow-home robberies:** The risk of hotel robberies and/or follow-home robbery incidents remains low, supported by the group's established partnerships and strong working relationships with both public sector law enforcement agencies and private security service providers.

Cyber, IT and information management

- The cyber threat landscape continues to evolve rapidly. While the group has not encountered significant cybercrime incidents, during the year, the group successfully detected and contained suspicious activity involving credential theft tools and attempts to disable endpoint security, demonstrating the effectiveness of its cybersecurity monitoring and response capabilities. While no material cyber incidents were experienced during the year, the group remains exposed to cybercrime, ransomware, data privacy and technology disruption risks.
- The group continues to invest in cyber resilience, identity management, endpoint protection, employee awareness and third-party security oversight. Third-party cyber maturity assessments conducted by Performanta, aligned to recognised cybersecurity frameworks, confirmed continued improvement in the group's cybersecurity capabilities. This progress reflects ongoing investment in systems, processes and internal capability. Significant investment has been made into our corporate local area network (LAN) and security firewall solutions, including network access control (NAC) to improve physical and software defined network architecture.
- Risks around sub-optimal online transacting, hacking and hacktivism; social media risks, including abuse by employees; loss of sensitive information and consequential GDPR or POPIA sanction or fine; denial of service attacks or ransomware; high reliance on third-party suppliers; failure of key system upgrades or

full system changes; financial reporting system fails due to any peril or malicious act, including cyber. The risk impact has increased primarily due to escalating technology and system-related cost pressures, which heighten the potential financial and operational consequences should the risk materialise. Conversely, the probability of occurrence has decreased, reflecting the effectiveness of the current control environment and the maturity of implemented mitigation measures. In particular, the introduction of multi-factor authentication has strengthened access management controls, improved cyber risk governance and enhanced the group's risk transfer capability by supporting the placement and maintenance of cyber insurance coverage.

- Our operations, including online booking and hotel management systems, largely depend on our IT systems – The risk score has increased due to cost pressures arising from supplier pricing adjustments and contractual constraints imposed by service providers. However, the group has partially mitigated this exposure through the negotiation and implementation of fixed-term five-year contracts, which provide greater pricing certainty and reduce short to medium-term volatility in operating costs.
- Any disruption in the group's ability to provide access to its reservation system, whether arising from software or hardware failures, cyber attacks or other technology-related incidents, could result in lost revenue, customer dissatisfaction and reputational damage. The risk has been reduced through the implementation of system redundancy and resilience measures designed to minimise operational disruption and support business continuity. In addition, the increasing use of artificial intelligence technologies presents emerging risks relating to the potential disclosure of confidential information and inappropriate use of generative AI platforms. The group is addressing these risks through enhanced cybersecurity awareness initiatives, targeted employee training and the implementation of a formal AI governance framework and acceptable use policy.
- The performance and reliability of these systems (IT platforms) and the group's technology are critical to its reputation and ability to attract, retain and service customers and generate revenues – Higher IT system costs increase the potential impact, while the likelihood remains unchanged due to strong controls at major data centres.

Human resources

- **Changing B-BBEE and employment equity requirements:** The South African government has reaffirmed that Broad-Based Black Economic Empowerment (B-BBEE) remains a central pillar of its economic transformation agenda, with ongoing refinements to the policy framework and Codes intended to enhance the effectiveness of transformation initiatives. Furthermore, the promulgation of the Employment Equity Amendment Act introduces sector-specific representation targets. This requires the implementation of five-year employment equity plans aligned with prescribed benchmarks, supported by enhanced enforcement mechanisms and potential penalties for non-compliance. These regulatory developments have increased the likelihood of compliance and reputational risk exposure by one rating level, reflecting heightened legislative oversight and a stricter enforcement landscape.

- **Poor crisis management and/or failure to adhere to prescribed standards:** Risk profile improved following enhancements to governance, crisis management capabilities, compliance monitoring and control effectiveness, resulting in improved adherence to prescribed standards. This programme is informed by internal audit recommendations, incident reviews and control effectiveness assessments, supporting the ongoing strengthening of administrative accuracy, regulatory compliance and operational oversight.
- **Not being competitive in the labour market within which we operate and failing to attract, train, motivate and retain sufficient qualified and skilled employees to operate the business:** The likelihood of this risk materialising has been reduced through the group's continued efforts to strengthen relationships with educational and training institutions, supporting talent pipeline development, skills transfer and workforce capability-building initiatives.
- **Changes in labour legislation may negatively impact operational flexibility, increase labour costs or become unnecessarily managerial or administratively burdensome:** Risk profile improved following the group's proactive monitoring of legislative developments and adaptive labour management practices, reducing the likelihood of adverse impacts.
- **Scarcity of skills, unsustainable premiums being paid to retain or acquire scarce skills, and a decline in the company's ability to build and retain critical skills internally:** The group has implemented structured learning and development initiatives together with targeted retention programmes aimed at strengthening internal capability and supporting long-term talent sustainability. These interventions have contributed to a reduction in the likelihood of the risk materialising.
- **Unrealistic wage expectations, social pressures or unresolved disputes resulting in prolonged industrial action or protest:** The group maintains a strong and well-established capability in managing union engagement, collective bargaining processes and employee relations. These factors have contributed to a reduction in the likelihood of the risk materialising.

Public liability

- **The group has excellent health and safety as well as property maintenance standards so while there is a risk of multiple claims should guests or employees be injured at one of our operations due to fire or food poisoning, this risk is lower down on the criticality scale:** Taking fire risk exposure into account, the assessed impact has been reduced due to the presence of comprehensive fire detection, suppression and defence systems across the group's properties, supported by structured inspection, testing and maintenance regimes. These measures enhance asset protection and loss containment capability at property level. However, the likelihood has increased in light of constrained municipal emergency response capacity within Gauteng. Notwithstanding the Johannesburg Metropolitan Municipality's multi-year capital allocation of approximately R380 million towards fire engines, equipment and training, metropolitan fire services continue to face equipment and staffing shortfalls.

OUR MATERIAL RISKS AND OPPORTUNITIES *continued*

Readiness assessments indicate challenges in meeting prescribed response standards, elevating the probability of delayed or sub-optimal external fire response and increasing the potential for fire-related losses. Despite these external challenges, the group's internal fire prevention, detection and response capabilities remain robust and continue to support the effective management of public liability risk.

Unreliable and costly utilities and climate risks

- **The group has identified drought and water shortages, driven by climate change as an emerging risk. This risk has the potential to significantly disrupt operations, increase fire hazards, reduce tourism activity, and adversely affect guest services, environmental sustainability, and overall operational resilience.**

The risk description is now updated to reflect the progression of drought and water shortages from an emerging issue to a recognised operational risk, the inherent and residual risk ratings remain unchanged. This is because the underlying exposure, control environment, and mitigation measures are materially consistent with the prior assessment.

- Municipalities and utility providers continue to increase rates, property taxes, water and electricity to address municipal funding shortfalls, placing an additional cost burden on shareholder returns. The group assessed that the potential consequence of the risk remains unchanged; however, the likelihood has been reduced to a rating of 4 following the reassessment of this exposure and emerging developments supporting improved prospects for municipal-level green wheeling arrangements within South Africa.

The group continues to integrate ESG-related risks and opportunities into its risk management framework, with particular focus on environmental resilience, resource security and climate-related risks. This approach aligns with preparations for the implementation of IFRS S1 and IFRS S2 and supports the group's broader sustainability objectives.

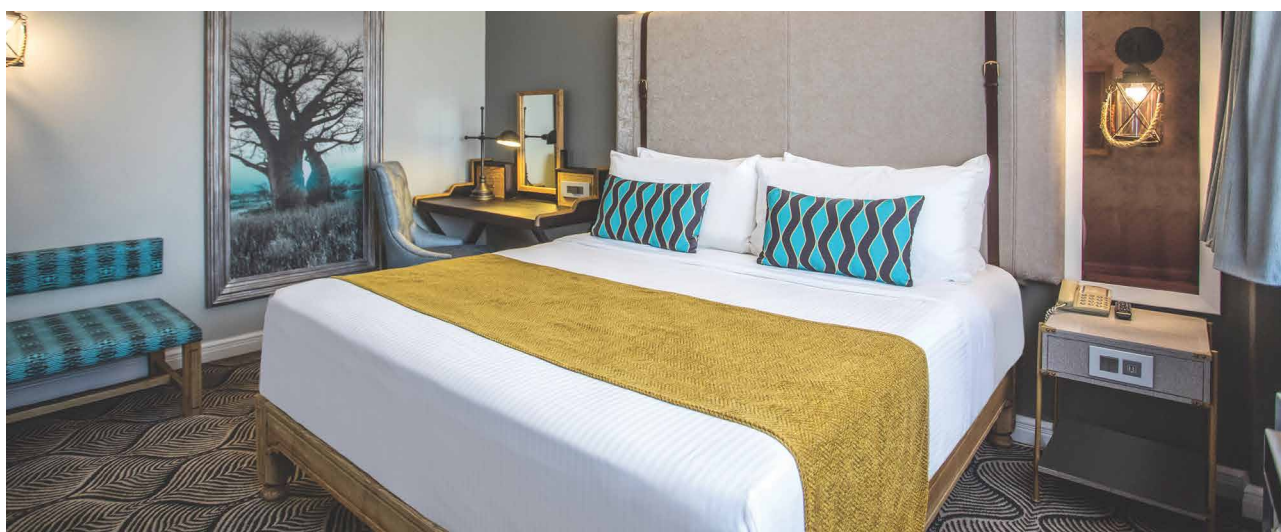
Regulatory change and compliance

- Increase in rates and property taxes: The likelihood has been reduced in light of the ongoing cyclical reviews of municipal property valuation rolls and the existence of established and robust objection and appeals processes. These governance mechanisms provide structured avenues for challenging inaccuracies and mitigating potential adverse financial exposure arising from revised property valuations. The implementation of the simplified JSE Listings Requirements and King V has been incorporated into the group's governance framework and is not expected to materially increase regulatory risk.

Opportunities

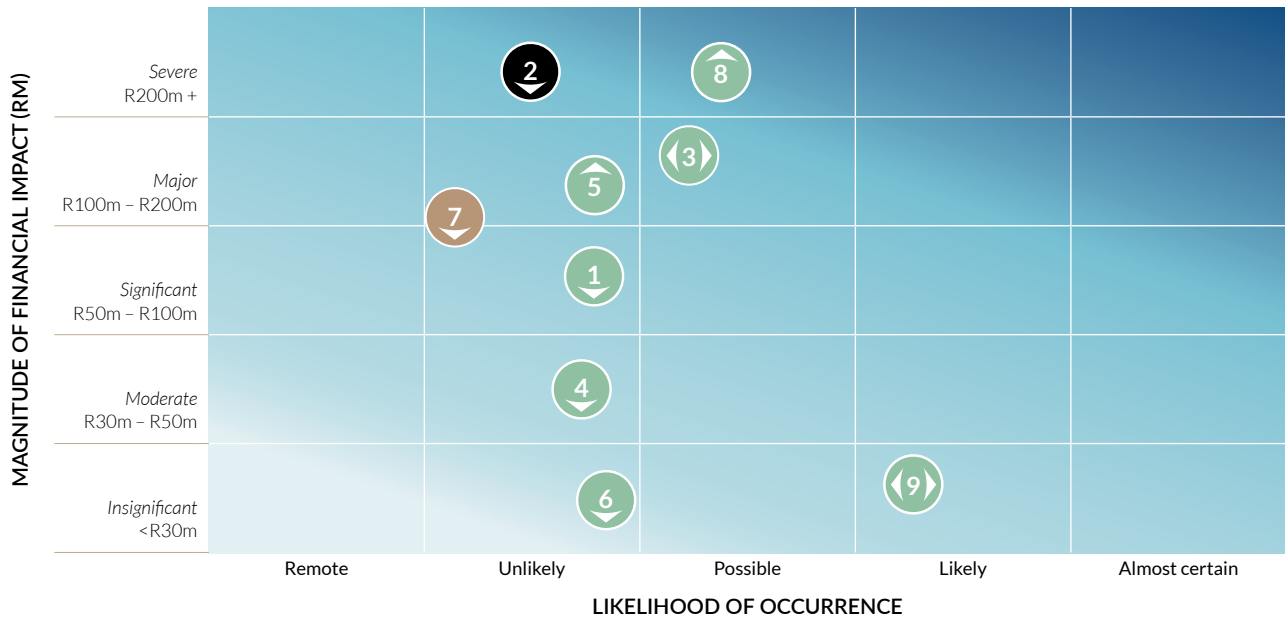
The following opportunities were identified through the group's risk assessment process and ongoing strategic review:

- Opportunity exists for the group to achieve organic revenue growth by leveraging improving demand to drive higher occupancy levels and support rate resilience. Continued investment in refurbishment, guest experience, digital capability, distribution channels and loyalty programmes enhances market competitiveness, creating opportunities to increase occupancy, improve average daily rates and strengthen market share within existing operating markets without reliance on expansionary capital investment.
- In the absence of attractive inorganic growth opportunities in the short to medium term, share repurchase programmes executed at a discount to intrinsic value present an opportunity to increase shareholder value.
- Ongoing investment in digital distribution channels, revenue management tools and customer analytics provides opportunities to improve operating efficiencies, enhance guest engagement and strengthen direct booking channels.
- Continued recovery in international tourism, supported by visa reforms, destination marketing initiatives and improved airline connectivity, presents opportunities for increased inbound leisure and business travel.
- Active portfolio management and selective capital investment provide opportunities to improve returns through refurbishment, repositioning of assets and disciplined capital allocation.



Southern Sun Lusaka

SOUTHERN SUN'S RISK AND OPPORTUNITY LANDSCAPE



KEY

Risk rating

Extreme High Moderate Low

Risk movement

▲ Increase ▼ Decrease ↔ Stable

Risk matters:

- | | |
|--|---|
| 1 Portfolio management and product relevance | 6 Human resources |
| 2 Macroeconomic environment | 7 Public liability |
| 3 Capacity and market issues | 8 Unreliable and costly utilities and climate risks |
| 4 Crime, security, health and safety | 9 Regulatory change and compliance |
| 5 Cyber, IT and information management | |

Strength of current risk responses

Very good Good Satisfactory Unsatisfactory Weak Uncontrollable



For a detailed understanding of how we manage risk, please refer to page 86 of the governance report.

STRATEGIC OBJECTIVES

- | | | | | | |
|------------------------------|--|-----------------------|-------------------------|-----------------------------------|--------|
| Deliver to our beneficiaries | Product relevance to customer experience | Regulatory compliance | Skilled human resources | Financial strength and durability | Growth |
|------------------------------|--|-----------------------|-------------------------|-----------------------------------|--------|

1 Who we are

2 Performance and value creation

3 Integrated governance

4 Shareholder information

OUR MATERIAL RISKS AND OPPORTUNITIES *continued*

Principal risk landscapes

1 PORTFOLIO MANAGEMENT AND PRODUCT RELEVANCE

SPECIFIC RISKS WE FACE

- Security of tenure over hotel operations including third-party leases and management contracts
- Major plant and equipment failures (lifts, transformers and/or switchgear, chillers, hot water plant) can disrupt operations for extended periods
- Ensuring our products and services remain relevant to consumers may require additional investment in customer experience through research and further refurbishment capex. As such, the group may be required to assume development risk to enhance or protect the value of its portfolio base
- Client base migration due to node shifts, driven by factors such as tourism appeal, infrastructure and safety, political instability, economic downturns, natural disasters, or changing travel trends.

RISK ASSESSMENT

Strength of risk response

■ Satisfactory

Magnitude of impact

Significant

Likelihood of occurrence

Unlikely

Risk rating

■ Moderate

STRATEGIC OBJECTIVES



Deliver to our beneficiaries



Product relevance to customer experience



Regulatory compliance



Financial strength and durability



Growth

RISK RESPONSES

- A diversified and concentrated portfolio within key nodes which would enable guest redistribution across owned, managed, and affiliate properties
- A well-established management company supported by an experienced executive team and centralised operational resources enhances contractual performance, operational stability, and landlord confidence
- Invest in facilities and maintenance capex to ensure product relevance and proper maintenance of equipment
- Mandatory statutory inspections conducted in accordance with regulatory requirements to ensure all lifts, transformers, switchgear, chillers, and hot water plant are certified and compliant
- Group-level agreements with accredited major service providers to ensure consistent maintenance standards, timely servicing, emergency response capability, and certification compliance. Invest in facilities and maintenance capex to ensure product relevance
- Market research to timeously spot trends and respond accordingly
- Overview of market and membership of various hospitality industry bodies to keep abreast with market movements and trends
- Social media interaction and monitoring and customer reviews
- Active corporate citizenship
- Employee volunteering in the communities where we operate
- Active portfolio management.



54 on Bath

SPECIFIC RISKS WE FACE

- Recent tensions between the USA and South Africa have led to the suspension of financial aid and uncertainty regarding the renewal of AGOA. These factors could negatively impact South Africa's economic growth prospects and consequently those of the group. Lowered interest rates to free up disposable income would further improve the risk
- Slowdown in GDP growth, high unemployment and a lack of policy certainty adversely impacting consumer confidence and consequently, the group's revenue growth
- The group's significant exposure to South Africa's macroeconomic environment means our financial performance is reliant on the country's GDP growth. GNU optimism, notable short-term improvements in electricity supply and South Africa hosting the G20 Summit has led to an improvement in political risk and the economic outlook
- South Africa may lose its appeal as a travel destination due to safety concerns arising from poor municipality service deliveries, accessibility to basic human rights (water, food, housing), terrorism, instability and rioting related to the political scenarios. The risk of riots, crime and potential terrorist attacks poses a significant threat to the group, with the potential for severe operational, financial, and reputational impacts. This risk is particularly acute in the Cape region, which has emerged as a highly attractive travel destination, thereby concentrating the group's financial and overall business continuity. It is key to note that this risk is being addressed through a multi-faceted approach involving government, law enforcement, and private sector collaboration
- Constrained growth in government, corporate, international, and conferencing markets will negatively impact trading
- Our operations are concentrated in South Africa and are affected by the cyclical nature of the hospitality industry.

RISK RESPONSES

- Renewed and focused marketing to access untapped markets as well as markets less sensitive to exchange rate volatility
- Consider further investment outside of South African borders to diversify revenue streams
- Leverage the frequentGuest rewards programme to stimulate business
- Disciplined cost control measures to protect the margin in a low revenue growth environment
- Extensive management of expenses and staffing levels. Furlough to minimise costs and protect margin in a low-revenue growth environment
- Proactive pricing, channel optimisation, and segmentation strategies to protect occupancy and ADR during economic cycles
- Ongoing engagement with government, law enforcement agencies, tourism authorities, and private sector forums to strengthen coordinated safety initiatives
- Reducing reliance on the national grid and municipal networks through strategic investments in infrastructure and utility resilience. This includes the deployment of renewable energy solutions such as power purchase agreements or solar, where feasible, the development of alternative water sources such as boreholes, rainwater harvesting storage and ground water use, and the maintenance of backup storage and supply chain contingencies to mitigate the impact of municipal service delivery failures.
- Maintain business continuity and disaster recovery plans to enable rapid recovery.

RISK ASSESSMENT

Strength of risk response

■ Uncontrollable

Magnitude of impact

Severe

Likelihood of occurrence

Unlikely

Risk rating

■ High

STRATEGIC OBJECTIVES



Deliver to our beneficiaries



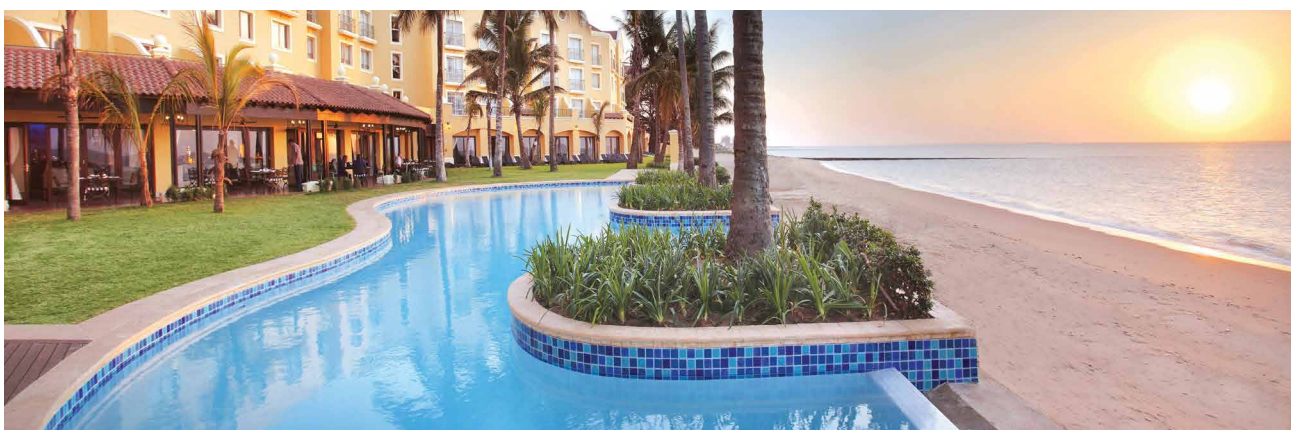
Product relevance to customer experience



Regulatory compliance



Growth



Southern Sun Maputo

OUR MATERIAL RISKS AND OPPORTUNITIES *continued*

3 CAPACITY AND MARKET ISSUES

SPECIFIC RISKS WE FACE

- The risk of single dependency on a supplier for critical services or products at a major node, compounded by the potential for supply chain interruptions, health and safety concerns or national shortages
- Over-reliance on global distribution, OTA, booking, and technology suppliers who may be disloyal or demand unsustainable incentives. This creates exposure to rising commissions, foreign exchange costs, rate erosion, contractual misalignment, system dependency, offshore hosting, service disruption impacting revenue, margins, and operational continuity
- An environmental catastrophe (earthquake, tsunami, flooding, fire) resulting in the total shutdown of a location and/or node, which would severely impact the group's capacity for extended periods of time
- Increased frequency and severity of extreme weather events
- The organisation's exposure to regulatory frameworks and government policies, particularly those impacting travel, tourism and foreign investment, pose a continuous risk that is closely monitored
- The catastrophic loss of an airport terminal building in major nodes due to fire damage, or major damage to national roads, critical infrastructure or a major city venue, could negatively impact domestic and/or international travel.

RISK RESPONSES

- Diversified supplier base with approved secondary and tertiary vendors, as well as actively building a procurement pipeline of qualifying emerging enterprises through the group's enterprise and supplier development programme, the Southern Sun Entrepreneurs
- Formal service level agreements (SLAs) with performance and continuity clauses
- Stockholding thresholds for critical consumables and supplies
- Contingency sourcing plans for national shortages or disruptions
- Continuous management of the group's various booking channels including online travel agents and travel management companies to ensure that the group is maximising revenue per transaction
- Implementation of fire suppression and structural protection measures, supported by regular emergency preparedness, evacuation, and crisis response training
- Comprehensive property insurance programme including business interruption and catastrophe cover
- Business continuity and disaster recovery planning across operations
- Immediately deactivate excessive room stock in the affected node by transferring guests into one hotel and minimising operating costs including, employee, food, cleaning, utility consumption, and security costs
- Further focus on cost containment
- Active participation in industry associations and tourism policy forums as well as ongoing engagement with government and regulatory stakeholders.

RISK ASSESSMENT

Strength of risk response
■ Satisfactory

Magnitude of impact
Major

Likelihood of occurrence
Possible

Risk rating
■ High

STRATEGIC OBJECTIVES



Product relevance to customer experience



Regulatory compliance



Growth



Riverside Sun

SPECIFIC RISKS WE FACE

- Crime, security, and safety concerns due to political instability in South Africa. Allegations of criminal infiltration within state institutions pose a major governance and stability risk, with potential to erode public trust and trigger unrest
- The occurrence of major violent incidents during civil unrest can cause major infrastructure damage and limit our ability to trade
- There is also an increased risk of financial fraud as guests and employees have been under financial pressure
- The possibility of hotel robberies and/or follow-home robberies.

RISK ASSESSMENT

Strength of risk response

■ Satisfactory

Magnitude of impact

Moderate

Likelihood of occurrence

Unlikely

Risk rating

■ Moderate

STRATEGIC OBJECTIVES



Regulatory compliance



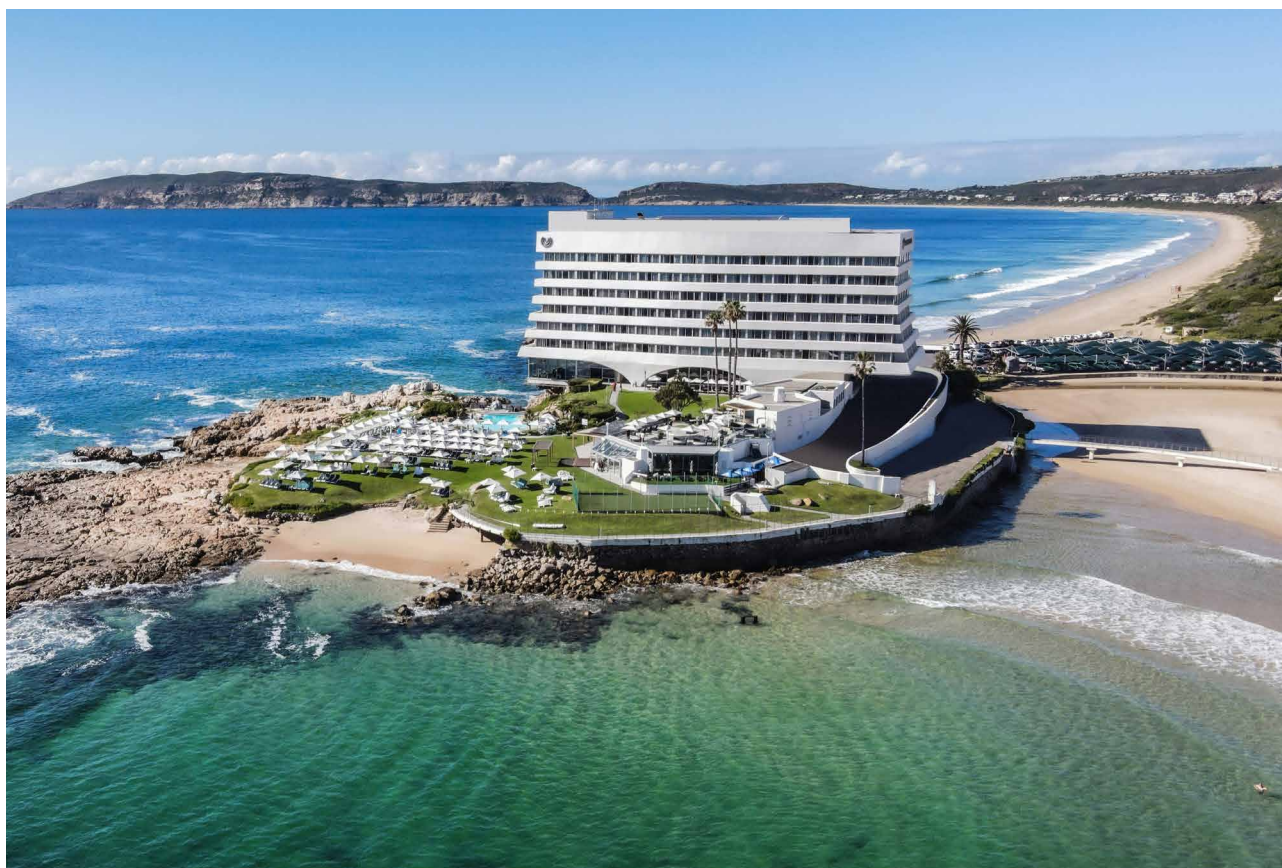
Financial strength and durability



Growth

RISK RESPONSES

- Physical security and surveillance procedures and crime intelligence
- To mitigate crime and safety risks, Southern Sun maintains coordinated engagement with the South African Police Services, private security firms, and local law enforcement. Strategic partnerships extend to city improvement district bodies such as the Cape Town Central City Improvement District, Durban's Urban Improvement Districts, and similar structures. In high-risk urban nodes like Sandton, Durban and Cape Town, collaboration with corporates and reactive security forums supports enhanced threat detection, rapid incident response, and shared intelligence
- Financial fraud risks involving guests and employees are mitigated through layered internal controls, including segregation of duties, access restrictions, and monitoring mechanisms. Incident response procedures support timely remediation. Internal audit provides independent assurance through risk-based reviews of high-risk areas, e.g. front office cash handling or frequentGuest programme, reporting findings to management and the audit and risk committee with follow-up to ensure resolution
- Whistleblowing mechanisms and confidential reporting channels.



Beacon Island Resort

OUR MATERIAL RISKS AND OPPORTUNITIES *continued*

5 CYBER, IT AND INFORMATION MANAGEMENT

SPECIFIC RISKS WE FACE

- Risks around sub-optimal online transacting, hacking and hacktivism; social media risks, including abuse by employees, loss of sensitive information and consequential GDPR or POPIA sanction or fine; denial of service attacks or ransomware; high reliance on third-party suppliers; failure of key system upgrades or full system changes; financial reporting system fails due to any peril or malicious act, including cyber
- Our operations, including online booking and hotel management systems, largely depend on our IT systems
- Any disruption in the group's ability to provide the use of its reservation system to customers, including as a result of software or hardware issues related to the reservation system or cyber-attacks will result in loss of revenue as well as customer dissatisfaction and will harm our reputation and business
- The performance and reliability of these systems and the group's technology are critical to its reputation and ability to attract, retain and service customers and generate revenues.

RISK ASSESSMENT

Strength of risk response ■ Satisfactory	Magnitude of impact Major
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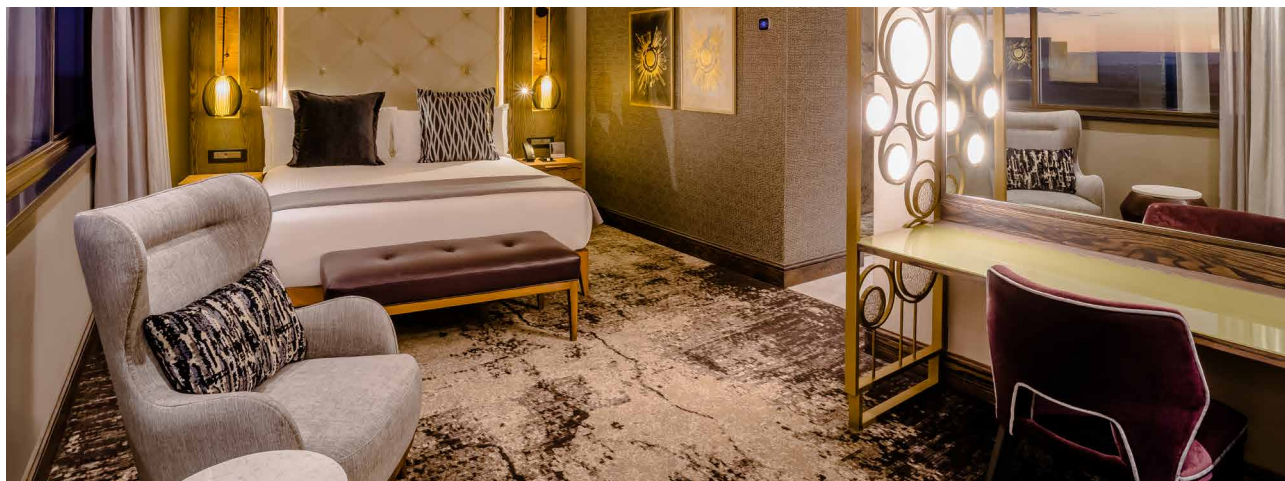
Likelihood of occurrence Unlikely	Risk rating ■ Moderate
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STRATEGIC OBJECTIVES

- | | |
|---|---|
|  Regulatory compliance |  Financial strength and durability |
|  Growth | |

RISK RESPONSES

- Continuous maturity of and improvements made to the IT security ecosystem. Implementation of robust cybersecurity controls including firewalls, endpoint protection, and multi-factor authentication
- Training of employees to identify potentially dangerous links and respond by alerting the IT security team
- Payment and card industry standard compliance
- POPIA and GDPR compliance with ongoing monitoring and staff training
- Chief Information Security Officer (CISO) services are rendered by Performanta who continue to provide high-level consultation to the group on cybersecurity matters and participates in the Change Advisory Board (CAB). In addition, independent third parties conduct internal and external penetration testing to assess the effectiveness of the group's cybersecurity controls and identify potential vulnerabilities
- Review online transaction and channel opportunities, to reduce the risk of a weak currency and website redirect alternative in the short term, or an alternative supplier selection and rewrite in the longer term
- Back-up IT systems for business-critical systems generally in different geographies and restores tested biannually for core solutions
- Continuous maintenance of hardware and databases to ensure warranties remain in order
- Fail overs and manual procedures to support any possible IT downtime, limiting impact on guests and our reputation
- Increase IT auditing and assurance (internal and external)
- Continual review of channel sources, to alleviate a reliance on one particular channel
- Maintenance of our existing telephony communications and three-year strategy to implement new cloud-based physical and virtual private branch exchange (PABX) technologies
- Social media security and access management
- Preservation and protection of creative and photographic assets and group heritage material.



Sandton Sun & Towers



HUMAN RESOURCES

SPECIFIC RISKS WE FACE

- Poor crisis management and/or failure to adhere to prescribed standards
- Not being competitive in the labour market within which we operate and failing to attract, train, motivate and retain enough qualified and skilled employees to operate. The loss of knowledgeable/skilled maintenance employees result in more frequent replacement of plant and machinery
- Changes in labour legislation may negatively impact operational flexibility, increase labour costs, or become unnecessarily managerial or administrative burdensome
- Scarcity of skills, unsustainable premiums being paid to retain or acquire scarce skills, and a decline in the company's ability to build and retain official skills internally
- Unrealistic wage expectations, social pressures or unresolved disputes resulting in prolonged industrial action or protest.

RISK RESPONSES

- Dedicated compliance monitoring aligned to applicable regulatory standards/labour legislation
- Regular internal and external audits of benefit fund processes and systems
- Strong governance framework overseeing medical aid and retirement fund administration
- Retention of employees through appropriate remuneration structures and employee benefits
- Performance driven culture
- Engaging with and empowering of employees
- Employment training and development with a focus on fast-tracking those with high-performance potential
- Labour rate parity allows for the standardising of pay across roles, eases internal equity tensions and positively impacts talent retention
- Engagement with industry bodies and labour policy forums.

RISK ASSESSMENT

Strength of risk response

■ Satisfactory

Magnitude of impact

■ Insignificant

Likelihood of occurrence

■ Unlikely

Risk rating

■ Low

STRATEGIC OBJECTIVES



Deliver to our beneficiaries



Product relevance to customer experience



Regulatory compliance



Skilled human resources



PUBLIC LIABILITY

SPECIFIC RISKS WE FACE

- The group has excellent health and safety as well as property maintenance standards so while there is a risk of multiple claims should guests or employees be injured at one of our properties due to fire or food poisoning, this risk is lower down on the criticality scale
- Contractual breaches by tenants could impact the group
- The nature of the group's business means that it is responsible for the health and safety of numerous guests staying in our hotels, attending conferences at our properties and dining in our food and beverage establishments.

RISK RESPONSES

- Stringent fire, life safety, and hygiene protocols which are subject to self-audit and audits by risk managers, recorded through the ORMS system
- Internal control frameworks and internal audit procedures that ensure operational safety, regulatory compliance, and effective risk management
- Incident reporting, investigation, and corrective action processes
- Preventative maintenance programmes for critical plant and equipment, including fire detection and protection equipment
- Adequate public liability insurance cover
- Robust lease and tenancy agreements with clear performance, payment, and default clauses
- Continuous employee training on safety, hygiene, as well as emergency response, evacuation, and crisis management protocols.

RISK ASSESSMENT

Strength of risk response

■ Good

Magnitude of impact

■ Major

Likelihood of occurrence

■ Unlikely

Risk rating

■ Moderate

STRATEGIC OBJECTIVES



Deliver to our beneficiaries



Regulatory compliance



Financial strength and durability

OUR MATERIAL RISKS AND OPPORTUNITIES *continued*

8

UNRELIABLE AND COSTLY UTILITIES AND CLIMATE RISKS

SPECIFIC RISKS WE FACE

- Service delivery, limited infrastructure investment and funding challenges at South Africa's municipalities have constrained their capacity to supply water and electricity to ratepayers
- Regular bulk water supply disruptions and unreliable electricity provision due to major electrical supply disruptions from nearby substations affect the operational capability of hotels to provide consistent services to guests. Loadshedding has been significantly reduced and consequently has been removed from the risk register due to the absence of current exposure
- Drought and water shortages linked to climate change have transitioned from an emerging issue to a recognised operational risk for the group, with potential impacts on operations, fire exposure, tourism activity, guest experience, environmental sustainability, and overall resilience
- Municipalities and utility providers also increase rates, property taxes, water, and electricity to fund internal inefficiencies, placing an additional cost burden on the returns to shareholders.

RISK RESPONSES

- Electricity-efficient demand-side management programme to reduce consumption
- Boreholes, desalination plants, and solar capacity have been investigated and implemented where feasible
- Management actively reduces controllable costs to offset rising utility expenses through leak detection, water-saving measures, and comprehensive staff training focused on conserving resources during daily operations. Additional measures include extended bed linen change intervals, automatic power-saving modes, and energy-efficient lighting. Green wheeling options are also being explored to manage future energy costs
- Self-reliance on generators for emergency electrical supply
- Water handling and/or storage capacity for emergency supply
- Partnerships with private suppliers and vendors to ensure rapid responses to shortages, as well as cost control and procurement optimisation strategies
- Integration of climate risk considerations into capital planning and operations
- Fire prevention systems and property risk engineering controls.

RISK ASSESSMENT

Strength of risk response

■ Satisfactory

Magnitude of impact

Severe

Likelihood of occurrence

Possible

Risk rating

■ High

STRATEGIC OBJECTIVES



Product relevance to customer experience



Financial strength and durability



Growth

9

REGULATORY CHANGE AND COMPLIANCE

SPECIFIC RISKS WE FACE

- Increase in rates and property taxes
- Increase in taxes, including VAT
- Visa regulations
- Aggressive tax authorities
- More aggressive regulatory authorities
- Increased complexity of compliance, e.g. Companies Act, POPIA, Consumer Protection Act and Financial Intelligence Act
- Degradation of formal skills set – a loss of skilled professionals undermines the organisation's capacity to respond to regulatory change and maintain compliance
- Legal or regulatory non-compliance resulting in adverse findings
- Changing B-BBEE requirements.

RISK RESPONSES

- Submit comments to lawmakers through formal comment structures
- Robust compliance procedures
- B-BBEE principles and standards integrated into strategy, policy and operations with annual auditing and certification of performance against targets across the B-BBEE Codes of Good Practice and Tourism Sector Scorecard framework
- Lodgement of appeals on assessments and property valuations
- Robust compliance procedures
- Continuous regulatory monitoring and engagement with policy and industry bodies which includes proactive engagement with authorities on tax, labour, and transformation requirements.

RISK ASSESSMENT

Strength of risk response

■ Satisfactory

Magnitude of impact

Insignificant

Likelihood of occurrence

Likely

Risk rating

■ Low

STRATEGIC OBJECTIVES



Deliver to our beneficiaries



Regulatory compliance



Growth

OUR SUSTAINABILITY STRATEGY IN ACTION

SOCIAL AND ETHICS COMMITTEE REPORT



Southern Sun is committed to conducting its business responsibly, ethically and sustainably. The social and ethics committee supports this commitment by monitoring and reporting on the group's activities in relation to social and economic development, responsible corporate citizenship, environmental sustainability, ethical conduct, labour and employment matters, and stakeholder relationships, in line with the Companies Act and applicable governance standards and best practice.

Chris Gina, Independent non-executive Chairman



DELIVER TO OUR BENEFICIARIES

As a responsible corporate citizen with a proud South African heritage, we are committed to inclusive economic participation and sustainable development. We aim to ensure that a portion of the economic benefits generated by the group flow to community, charitable and other socially beneficial organisations. We achieve this through meaningful citizenship programmes, direct and indirect broad-based ownership initiatives, responsible employment practices and active support of social, environmental and governance priorities.

Key performance indicators	2026	2025	2024
B-BBEE level	1	1	1
Black ownership (%)	65	63	67
Value added contribution to black economic empowered businesses, previously disadvantaged individuals and government (Rm)	4 007	3 626	3 133
CSI impact: Education, health and welfare organisations supported	240	282	270
Enterprise and supplier development (ESD) impact: SMMEs supported*	410	409	240

* The FY24 reported ESD indicators included only Southern Sun's direct SMMEs. To better reflect the full impact of the Southern Sun Entrepreneurs programme, the FY25 comparative and FY26 indicators have been expanded to include SMMEs participating in the flagship programmes, the HCI Enterprise Club and the Proudly South African Buy Local Summit.

2026 performance

Shareholders

The nature of HCI's indirect shareholding in the company contributes materially to our 64.7% black ownership. HCI's shareholding amounted to 45.0% at year end. HCI has provided a stable shareholder base for several years and has enabled the group to leverage opportunities and grow. The balance of the shareholding is diverse with adequate liquidity.



Refer to the group structure on page 02 for more information.

Community

Southern Sun is committed to making a lasting, positive impact in our local communities. Guided by the principle of active corporate citizenship, the group engages in partnerships that deliver measurable social and economic benefits while aligning with our long-term sustainability objectives. In support of this commitment, we invest in programmes that uplift under-resourced communities, foster enterprise development and contribute to sustainable growth. These initiatives are implemented through strategic partnerships, in-kind contributions, employee volunteering and enterprise and supplier development initiatives. Collectively, they aim to improve livelihoods, transfer skills and contribute meaningfully to inclusive economic growth.



Paradise Sun

1

Who we are

2

Performance and value creation

3

Integrated governance

4

Shareholder information

OUR SUSTAINABILITY STRATEGY IN ACTION *continued*

SOCIAL AND ETHICS COMMITTEE REPORT *continued*

Community development and corporate social investment (CSI)

The group's CSI strategy focuses on supporting non-profit organisations (NPOs) within the education, health, welfare and environmental sectors. These investments are collectively coordinated within our Caring Across Communities framework which is aligned with the B-BBEE socio-economic development (SED) criteria. Through this framework, we provide value-in-kind donations such as access to accommodation, venues, food, linen and equipment. Donations are supported by the efforts of the Southern Sun Volunteers programme, which mobilises our employees to participate in local community upliftment initiatives near the hotels where they are employed. All contributions are rigorously tracked to evaluate recipient benefits, monitor beneficiary sustainability, and guide future resource allocation.

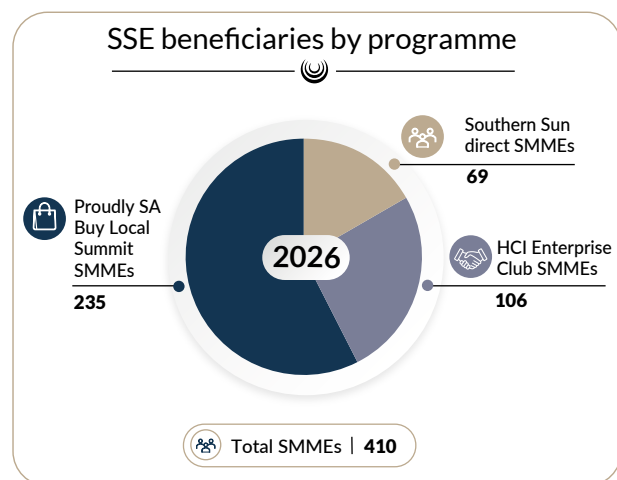
In 2026, the group supported 240 NPOs (2025: 282), with total social investment amounting to R17 million (2025: R14 million), most of which was value-in-kind. Of this total, R12 million was recognised B-BBEE SED investment, amounting to 1% of net profit after tax (NPAT) (2025: 1.8% NPAT) in line with the Tourism Sector Codes target. National beneficiaries included the HCI Foundation, the SPCA, Pink Drive, the Chaeli Campaign, Rise Against Hunger, Food Forward SA, and the South African Chefs Association.

Southern Sun Volunteers

The Southern Sun Volunteers programme enables the group's employees to visit, host and assist local NPOs and care for the natural environment during company time. The group encourages active volunteering in our local communities aiding in health, welfare, educational and environmental projects, fostering a culture of responsible corporate citizenship throughout the organisation.

In 2026, Southern Sun Volunteers dedicated a total of 5 583 volunteer hours to support 176 distinct causes in the areas surrounding our properties. These included participating in national initiatives like Mandela Day, Reach for a Dream Slipper Day, Casual Day, World Hunger Day, World Food Day and the CANSA Shavathon. Activities included food packing, cooking and serving meals, hosting donation drives, and beach and neighbourhood clean-ups.

Enterprise and supplier development (ESD)



Note: The previously reported ESD indicator included only Southern Sun's direct SMEs. However, to report the full impact of the Southern Sun Entrepreneurs, the SMEs in the flagship programmes: HCI Enterprise Club and Proudly South African Buy Local Summit are now included.

Southern Sun has a long-standing commitment to develop emerging enterprises and small businesses, particularly those defined as exempt micro enterprises (EMEs) and qualifying small businesses (QSEs) under the B-BBEE Codes of Good Practice – Tourism Sector Charter.

The group provides support to SMMEs in our own industry, such as guesthouses, B&Bs and tour guides, and those in other industries with the potential to become suppliers to our hotels. All ESD activities are coordinated through the Southern Sun Entrepreneurs (SSE) programme with its flagship partnerships, the HCI Enterprise Club and the Proudly South African Buy Local Summit. ESD beneficiaries receive a wide range of benefits, notably discounts, early payment terms, skills transfer and business training, advertising, market access opportunities, and operational equipment.

In 2026, a total of 410 SMMEs benefited from the group's support (2025: 409):

- 106 SMMEs received access to the HCI Club LearnHUB funded by Southern Sun, comprising 10 virtual certificated business courses over 90 modules with monthly live webinars.
- 8 SMMEs received professionally produced Legacy Series television adverts broadcast on etv and eNCA, three of which were sponsored by Southern Sun.
- 235 SMMEs were enabled to showcase their offerings at the Proudly SA Buy Local Summit hosted at the Sandton Convention Centre.
- 48 SMMEs were registered on the HCI Club TradeHUB and received their own fully funded and marketed web page promoting their business and exposing them to new markets.
- A total of 225 EMEs and QSEs supplied Southern Sun with products and services across the group.

The value of our support for the year was R43 million, which is in line with the B-BBEE Tourism Sector Code target of 3.5% of NPAT (2025: R35 million). Of the total, R37 million was allocated to supplier development, and R6 million to enterprise development.

Transformation

Southern Sun is committed to transformation and actively contributes to B-BBEE through inclusive practices that facilitate meaningful change, from maintaining the diversity of our workforce to providing skills development opportunities for employees and unemployed learners to supporting emerging enterprises through the SSE programme.

The group is a level 1 B-BBEE contributor, measured against the Department of Trade, Industry and Competition's (DTIC) revised Codes of Good Practice – tourism sector scorecard, and complies with the relevant guidelines. Formal verification audits are performed annually by an accredited economic empowerment rating agency.

For the year ended 31 March 2026, Southern Sun achieved the following consolidated B-BBEE results:

B-BBEE element	Target – tourism sector scorecard	2026	2025	2024
Ownership	27.0	27.0	27.0	27.0
Management and control	19.0	13.9	13.6	12.9
Skills development	20.0	17.7	18.1	19.0
Enterprise and supplier development	40.0	35.7	34.6	35.0
Socio-economic development	5.0	8.0	8.0	8.0
Overall score	111.0	102.3	101.3	101.9
Rating level	Level 1	Level 1	Level 1	Level 1

The group's contributor status remained at level 1, with a 135% procurement recognition level. We received a total score of 102.3 out of 111 available points on the tourism sector scorecard, which is 1 point more than the prior year result. Our black ownership is 64.7%, and black women ownership is 36.7%.

Industry bodies

Southern Sun actively participates in key business and industry bodies such as the Tourism Business Council of South Africa (TBCSA), the South African Tourism Board (SATB) and the Federated Hospitality Association of Southern Africa (Fedhasa). Our engagement extends to collaborative efforts with both national and regional tourism associations. The group contributes through the time, expertise, and strategic input of our management, helping to shape industry dialogue, influence tourism policy, and support the growth and resilience of South Africa's tourism and hospitality sector.

Tenants

Delivering quality hospitality, dining and conferencing experiences remains central to our value proposition and customer satisfaction strategy. Southern Sun continuously enhances its offerings to remain relevant and meet the evolving expectations of a diverse customer base. A key aspect of this strategy is tenancing, which ensures our properties provide access to premium office, retail, restaurant, and entertainment-related experiences. As at 31 March 2026, the group had 89 tenants across its portfolio, with tenant selection focused on curating offerings that complement our hospitality services and elevate the overall guest experience.

Suppliers

Southern Sun is committed to building long-term, mutually beneficial relationships with suppliers of goods and services, contributing to job creation and economic development across the value chain. These supplier partnerships support the group's sustainability and transformation goals by generating indirect employment and economic opportunity.

A growing portion of our procurement is centrally managed, allowing for improved consistency in product standards and pricing, while developing closer and more strategic supplier relationships. Wherever practically and commercially feasible, we prioritise procurement from local vendors, particularly those that are black-empowered.

The group's verified total procurement spend on black-empowered businesses amounted to approximately R2.3 billion (2025: R2.2 billion). Our B-BBEE score for preferential procurement, measured under the enterprise and supplier development element of the Tourism Sector Codes, improved to 20.7 out of 25 (2025: 19.6), reflecting enhanced procurement from black-owned, black women-owned, QSE and EME suppliers.

In addition to transformation objectives, environmental performance is a growing consideration in supplier selection. While the group continues to integrate climate change, water stewardship and waste management criteria into procurement policies and onboarding processes, we have also embarked on a formal process to expand our scope 3 greenhouse gas (GHG) emissions inventory by recording the emissions allocated to our procurement in order to determine our overall climate impact.

Third-party owners

The group leases hotel properties from and manages hotel businesses for third-party owners in areas where we seek brand presence, but do not own the property or the business.

Environment

Southern Sun's overall environmental impact is low relative to many other industries. Nevertheless, as a responsible corporate citizen, the group is committed to reducing the environmental footprint of our operations and proactively managing climate-related risks and opportunities. Our hotels require energy and water to operate, and they generate waste as part of their day-to-day activities. Accordingly, we seek to use these resources responsibly and efficiently while supporting the long-term sustainability and resilience of our business.

Environmental management is embedded within the group's business strategy and risk management framework and is overseen by the environmental steering committee. The group's environmental approach is guided by its environmental policy, which is reviewed annually and available on the Southern Sun website. Performance is monitored through internal management systems and reported to the social and ethics committee, with climate-related disclosures and sustainability reporting governance overseen in coordination with the audit and risk committee.

OUR SUSTAINABILITY STRATEGY IN ACTION *continued*

SOCIAL AND ETHICS COMMITTEE REPORT *continued*

During the year, the group continued to enhance its sustainability reporting capabilities and governance frameworks in preparation for anticipated sustainability-related reporting requirements. This included ongoing assessment of the IFRS Sustainability Disclosure Standards, the continued development of internal reporting processes and data management capabilities, and the further strengthening of the systems and governance structures required to support future reporting obligations.

As part of our phased approach to implementation, the group continued work on climate scenario analyses and the assessment of scope 3 emissions categories across its value chain. The group also continued to consider sustainability-related risks and opportunities within its broader enterprise risk management framework, supporting the ongoing development of its understanding of sustainability-related matters that may be material to the business.

These initiatives form part of the group's broader commitment to maintaining robust sustainability governance, supporting effective risk management and informed decision-making, and ensuring readiness for emerging regulatory and stakeholder expectations, including future sustainability-related disclosure requirements.

Southern Sun has disclosed our climate-related impacts to the Carbon Disclosure Project (CDP) annually since 2024. Prior to that, the group's impacts were consolidated and disclosed as part of the broader HCI group. The CDP assesses corporate environmental transparency and performance on a scale from D- to A. The progression represents the maturity of a company's environmental journey. In the latest disclosures, Southern Sun retained a "B Management" evaluation, indicating "coordinated climate action" by the group, as we continue to outperform the global sector average of "C Awareness".

Environmental performance remained resilient despite increased trading activity. Energy consumption and total scope 1 and scope 2 emissions increased by only 1% although occupancy increased by 4%, reducing energy intensity per room night sold. Water consumption

increased by 2% year-on-year, however, water intensity reduced by 5% to 310 litres per bed night sold aided by water conservation initiatives including 36 operational boreholes at various hotels. During the year, 4 507 tonnes of waste were measured, of which 72% was diverted from landfill through recycling and organic waste management initiatives.

Environmental impact overview

For the purposes of internal measurement, the group tracks performance using intensity-based metrics, such as tonnes of CO₂e per room night sold and water consumption per bed night sold, to drive improvements in environmental performance. Further refinement of food and beverage-related metrics remains underway. To support enhanced scope 3 emissions reporting and future sustainability disclosure requirements, the group has commenced value chain mapping through a formal supplier engagement initiative to facilitate the collection of GHG emissions allocated to its procurement and obtain the requisite data across its supply chain.

Scope and boundaries of emissions measurement

Southern Sun reports scope 1 and scope 2 emissions for all owned and leased operations in South Africa and offshore, excluding tenant emissions. The group calculates its carbon footprint in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and applies emission factors sourced from the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines. For South African operations, selected local conversion factors issued by the Department of Forestry, Fisheries and the Environment (DFFE) are also applied.

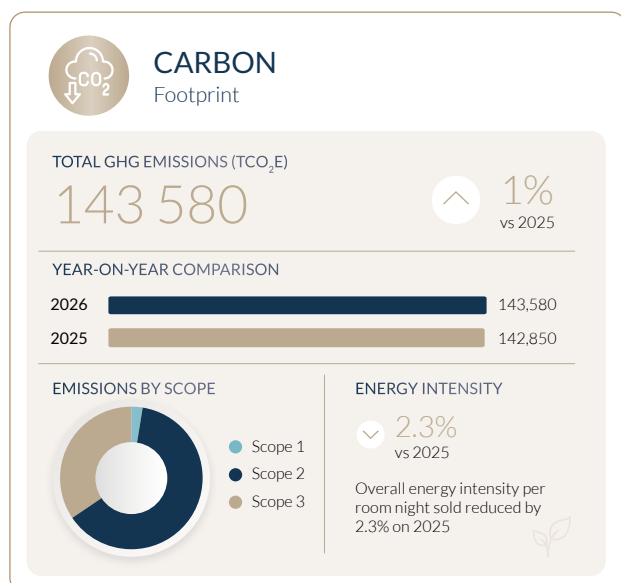
Tenant emissions, together with emissions associated with managed properties, outsourced laundry services, business travel and other value chain activities, are reported as scope 3 emissions. Fugitive emissions, primarily from refrigerants, are not considered material to the group's overall emissions profile.

Carbon footprint

Total emissions (tCO ₂ e)	2026	2025 Revised*	2025	% change 2026 vs 2025	2024
Scope 1	3 703	3 622	3 622	2	7 920
Petrol and diesel (owned company vehicles)	83	85	85	(2)	120
Diesel consumed (owned businesses)	1 272	1 361	1 361	(7)	5 460
Liquefied petroleum gas (LPG) and natural gas usage (owned businesses)	2 348	2 176	2 176	8	2 340
Scope 2	90 411	89 241	89 241	1	86 578
Energy consumed (owned businesses)	90 411	89 241	89 241	1	86 578
Scope 3	49 466	49 987	49 868	(1)	49 542
Energy consumed (tenants)	26 897	27 772	27 676	(3)	28 099
Energy consumed (managed properties)	10 920	10 898	10 875	-	11 209
Laundry services (outsourced)	11 240	10 983	10 983	2	9 939
Business travel	409	334	334	22	295
Total emissions (tCO₂e)	143 580	142 850	142 731	1	144 040

* Gross emissions are calculated under the GHG protocol using a rolling base year framework, where prior-year data is retroactively recalculated to incorporate structural or methodological changes for a like-for-like comparison. To comply with IFRS S1 and S2, we present both "As Reported" figures reflecting historical boundaries and "As Revised" figures adjusted for current-year changes.

Carbon emissions



Scope 2 emissions at owned properties increased by 1% on the prior year to 90 411 tCO₂e, reflecting increased trading activity and occupancy across the portfolio. The increase was contained through ongoing energy-efficiency initiatives, including continuous energy management programmes, consumption monitoring, behavioural change initiatives, including the “SOS” (Switch Off Something) campaign for employees, and the optimisation of major plant and equipment. The installation and use of energy-efficient technologies remains a focus area across the group.

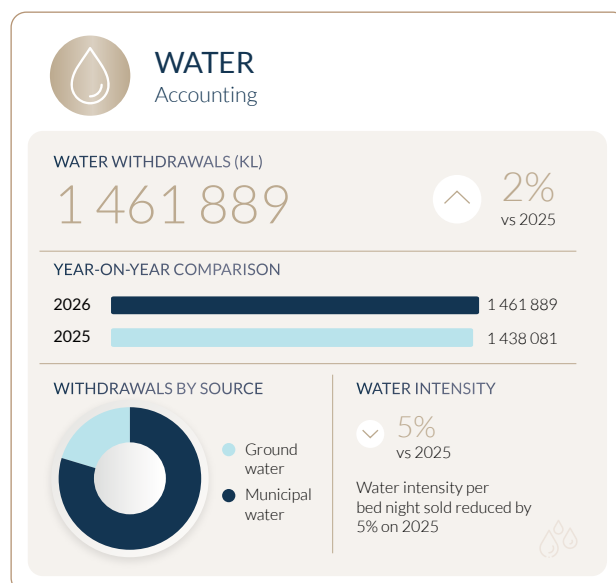
LPG and natural gas: Scope 1 emissions from the consumption of LPG and natural gas increased by 8% to 2 348 tCO₂e, primarily due to increased trading activity and occupancy levels across the portfolio.

Petrol and diesel – vehicles: Scope 1 emissions from the consumption of petrol and diesel in company-owned vehicles decreased by 2% to 83 tCO₂e, reflecting ongoing efforts to optimise fleet usage and travel requirements.

Diesel – stationary: Scope 1 emissions from the consumption of diesel decreased by 7% to 1 272 tCO₂e, mainly due to the reduction in grid interruptions and the resultant reduced reliance on generators during the year. Diesel expenditure for the owned portfolio amounted to R11 million in FY26, compared to R12 million in FY25.

Scope 3 emissions: Scope 3 emissions from tenants decreased by 3% to 26 897 tCO₂e, reflecting continued energy-efficiency initiatives despite the rise in business activity. Emissions from properties managed by the group remained stable at 10 920 tCO₂e. Scope 3 emissions from outsourced laundry services increased by 2% to 11 240 tCO₂e, primarily due to higher trading activity. Business travel-related emissions increased by 22% to 409 tCO₂e, as a result of an increase in travel volumes; however, the quantity remains immaterial relative to the group's overall emissions profile.

Water accounting



Although supply interruptions arising from ageing municipal infrastructure continue to increase, and medium-term water shortages remain a risk in certain regions, the group does not currently face any material operational water risks. Most of the group's properties are located in urban areas and rely on potable water supplied by local municipalities. To strengthen water security, the group continues to invest in alternative water sources, including borehole water to supplement potable water and water storage facilities for harvested rainwater. Several of the group's hotels use surface, river or dam water for irrigation and landscaping.

Water consumption at owned properties increased by 2% to 1 461 889 kilolitres, due to increased occupancy and trading activity. Despite this increase, water intensity reduced by 5% to 310 litres per bed night sold due to ongoing conservation initiatives and operational efficiency measures.

Additional boreholes commissioned during the year increased the total number of operational boreholes to 36 across the portfolio. Together with groundwater systems at several resorts, these provide alternative water sources that reduce water security risks and enhance operational resilience.

The group continues to optimise the provision of bottled water through its partnership with Topia Water. Through onsite bottling and reusable glass bottles, Topia Water reduces reliance on pre-packaged water, while supporting lower transport-related emissions and reduced electricity consumption through lower refrigeration requirements. The initiative contributes to waste reduction and lower scope 3 emissions across the portfolio. The group has substantially reduced the use of pre-packaged water bottles through the ongoing roll-out of its Topia Water initiative. During FY26, the initiative was extended to a further two hotels, bringing the total number of participating hotels to seven. The group intends to continue expanding the initiative across its luxury and full-service portfolios, further reducing plastic waste and supporting its environmental sustainability objectives.

1 Who we are

2 Performance and value creation

3 Integrated governance

4 Shareholder information

Waste management



The group's hybrid waste management strategy addresses both general and organic waste through an integrated method. Efforts to improve waste management practices and divert waste from landfill are underway across most properties through a combination of employee awareness and training programmes, together with partnerships with waste management contractors committed to responsible waste handling and recycling.

The group's hotels are registered in accordance with Government Notice 41175 of 11 October 2017, which requires the registration of facilities undertaking activities such as the sorting, shredding, grinding, crushing, screening or baling of general waste. The group also continues to align with applicable provincial waste management requirements and remains committed to reducing waste generation, particularly single-use plastics and paper.

In support of Western Cape legislation requiring 100% diversion of organic waste from landfills by 2027 and national government's phased transition toward zero waste to landfill, Southern Sun has implemented a range of organic waste treatment solutions across our portfolio, including Bokashi composting systems at 20 hotels and Black Soldier Fly technology at several others. Plans are in place to expand these initiatives to additional properties, particularly those with substantial food preparation facilities. The group therefore expects to further improve its organic waste diversion rate in the year ahead.

BOKASHI

Bokashi is an organic waste treatment process originally developed in Japan. It uses wheat bran inoculated with beneficial microorganisms to ferment food waste, including cooked food, meat and dairy products. The process reduces pathogens and odours associated with decomposition, enabling the treated waste to be safely composted and diverted from landfill.

SOLDIER FLY

An organic waste treatment process that uses Black Soldier Fly larvae to convert food and other organic waste into nutrient-rich compost and soil-enhancing products, thereby reducing waste sent to landfill.

Spotlight on: effective organic waste diversion

Southern Sun has made significant strides in sustainable waste management during FY26, expanding its reporting framework to encompass 52 hotels, all of which have successfully integrated organic and food waste processing methodologies. A cornerstone of this initiative is the Bokashi Bran® system – a Gauteng-manufactured, Effective Microorganisms (EM) based fermentation technology that diverts food waste from landfills to create nutrient-rich compost.

Servicing Southern Sun hotels for over nine years, and currently deployed across 20 hotels, Bokashi remains the group's preferred methodology due to its proven effectiveness in reducing organic waste close to the statutory zero percent target. The 20 hotels successfully diverted 763 tonnes of food waste from landfills, avoiding approximately 527 tonnes of CO₂e emissions, returning 229 tonnes of compost to soils, and achieving a standout milestone with Sandton Sun becoming the first property to exceed 100 000 kg (100 tonnes) of diverted waste in a single fiscal year.

Additionally, four hotels have adopted Black Soldier Fly larvae (BSFL), an innovative biological treatment where larvae rapidly consume organic waste, reducing its overall volume while producing valuable protein-rich biomass and nutrient-rich frass.

Looking ahead to FY27, the group aims to further scale its environmental impact by adding 12 more hotels to its organic waste reporting structure. This expansion will continue to leverage both Bokashi and localised composting systems across the new hotels, building upon the momentum of Southern Sun's waste management.



Food waste treated with Bokashi; food waste composting (Don't Waste)

Southern Sun's implementation of these organic waste treatment systems resulted in the diversion of 3 244 tonnes of waste from landfill during the 2026 financial year. This represents a diversion rate of 72% of total waste. These initiatives have not only reduced the group's environmental footprint but also reflect our ongoing commitment to sustainability and innovation in environmental management.

For the 2026 financial year, Southern Sun's total measured waste stream amounted to 4 507 tonnes, comprising 1 170 tonnes of recyclables, 9 tonnes of hazardous waste, 2 065 tonnes of organic waste and 1 263 tonnes of general, non-recyclable waste. The proportion of total waste sent to landfill was 28%.

Wherever possible, the group's hotels utilise recyclable and biodegradable products, including straws, water bottles, guest amenities, copy paper and printed collateral. We also seek to ensure that suppliers understand and support our sustainability objectives, as reflected in our procurement policies. The group remains focused on responsible waste management, encouraging employee-driven innovation and supporting participation by tenants in the implementation of our waste management strategy and implementation plan.

Looking ahead

Community development

We remain committed to supporting local communities in accordance with our Caring Across Communities framework. We will continue to monitor and evaluate the impact of our social investment initiatives to ensure that they deliver meaningful and sustainable benefits to beneficiaries while supporting our objective of creating shared value within our local communities.

Enterprise and supplier development

The SSE programme remains well positioned to support the growth and development of emerging enterprises in a meaningful and impactful manner. Through our flagship partnerships with the HCI Enterprise Club and Proudly South African, the programme will continue to provide benefits and opportunities to SMME beneficiaries. The group will continue to explore innovative and accessible ways to expand the reach and impact of its enterprise and supplier development initiatives to further support emerging enterprises to become sustainable.

Transformation

Transformation remains a priority for the group. We will continue to focus on all elements of the B-BBEE scorecard, including ownership, workforce diversity, skills development, supplier diversity, enterprise and supplier development and socio-economic development. Emphasis will be placed on developing existing employees, creating opportunities for future talent, maintaining our focus on supplier diversity, supporting the growth of EMEs and QSEs within our supply chain and investing value-in-kind in under-resourced communities.

Environment

The group will continue to advance its sustainability and climate-related reporting capabilities, including ongoing participation in the CDP and continued preparation for alignment with the IFRS Sustainability and Climate Disclosure Standards. Building on the climate scenario analyses and gap assessments undertaken during the year, management will continue to develop and implement initiatives that strengthen the group's climate resilience and support its decarbonisation transition and long-term sustainability and objectives.

The implementation of the group's power purchase agreement (PPA) with Discovery Green remains a key strategic initiative and is expected to result in more than 90% of the electricity consumption at seven flagship properties being supplied from renewable energy sources. This initiative directly supports the group's decarbonisation transition, contributes to energy security and reinforces Southern Sun's commitment to responsible environmental stewardship.

The group will continue to implement its environmental policy and sustainable environmental management programme (SEMP) to embed sustainability into daily operations. Focus areas include improving energy and water efficiency, reducing waste to landfill, expanding organic waste diversion initiatives, expanding scope 3 emissions inventories and supporting the transition to a lower-carbon operating model.

In addition, the group will continue to evaluate waste stream composition and pursue opportunities to reduce waste generation through responsible procurement practices, operational efficiencies and strategic partnerships with waste management service providers.

1

Who we are

2

Performance and value creation

3

Integrated governance

4

Shareholder information

Southern Sun citizenship



CARING ACROSS COMMUNITIES

Southern Sun supports local communities through initiatives focused on education, health and welfare, primarily through in-kind contributions, volunteerism and strategic partnerships. During the year, the group supported 240 non-profit organisations and community-based initiatives, contributing R17 million in social investment.



SOUTHERN SUN ENVIRONMENT

Environmental sustainability remains a key component of Southern Sun's responsible business practices. Through ongoing initiatives focused on energy efficiency, water conservation, waste reduction and renewable energy, the group continues to reduce its environmental footprint while strengthening operational resilience.



SOUTHERN SUN ENTREPRENEURS

Through the Southern Sun Entrepreneurs programme and flagship enterprise and supplier development partnerships, HCI Enterprise Club and Proudly South African, the group supports SMMEs through discounts, mentorship, market access, advertising and business development to foster growth and sustainability, while enhancing the group's procurement pipeline and maintaining the diversity of its supplier base.



SOUTHERN SUN VOLUNTEERS

Through the Southern Sun Volunteers programme, employees contribute skills and resources during company time, to support and uplift local NPOs and under-resourced communities. During the year, volunteers participated in a range of community, environmental and social upliftment projects.





PRODUCT RELEVANCE TO CUSTOMER EXPERIENCE

1

Who we are

2

Performance and
value creation

3

Integrated
governance

4

Shareholder
Information

The group remains responsive to evolving consumer trends, continuously refreshing its hotel offerings and integrating technologies that enhance the guest experience.



PRODUCT RELEVANCE TO CUSTOMER EXPERIENCE *CONTINUED*

To consistently deliver the diverse and high-quality experiences our customers expect at competitive price points, we continuously invest in and monitor the following key areas:

- **Physical infrastructure:** Investment in hotel operating equipment, maintenance, refurbishment projects and product enhancements ensures that our properties remain attractive, relevant and aligned with guest expectations.
- **Technology:** Ongoing investment in guest-facing and operational systems supports seamless service delivery, including reservations and hotel operating systems, online distribution channels, revenue management and customer relationship management platforms.
- **Customer accessibility:** Ensuring convenient access to our products and services through appropriate physical infrastructure, including parking and mobility-friendly facilities, intuitive reservation and booking channels, and the availability of accurate and relevant information for both trade partners and individual guests.
- **Brand development:** Strategic branding initiatives and continued investment in our brands are vital to shaping and strengthening customer perceptions and reinforcing our market and competitive position.

Key performance indicators	2026	2025	2024
Rewards programme membership contribution to revenue (%)	30	28	28
Guest satisfaction (%)	84	83	87
Compliant brand audits	✓	✓	✓
Compliant hygiene audits	✓	✓	✓
Maintenance capital spend (Rm)	600	450	298

2026 performance

Product relevance

Delivering the experiences our customers value requires Southern Sun to continually align its products and services with evolving customer expectations. Guests increasingly seek seamless technology, convenient locations, quality food and beverage offerings, and brands they can trust. By maintaining relevant and differentiated offerings across our portfolio, we aim to enhance guest satisfaction, encourage repeat business and strengthen long-term customer loyalty.

The group remains responsive to evolving consumer trends, continuously refreshing its hotel offerings and integrating technologies that enhance the guest experience. To ensure our properties remain attractive and relevant, we invest in ongoing maintenance and refurbishment programmes, supported by a disciplined five-year rolling capital expenditure planning process. This approach enables the proactive identification of hotels requiring upgrades, together with essential plant and infrastructure replacement requirements.

Continued investment in our properties, facilities and guest experience supports our ability to compete effectively across its target markets and maintain the quality standards associated with its brands. Importantly, no material deviations from brand standards were recorded during the year, underscoring our commitment to quality, consistency and product relevance.

Product development

The development, refurbishment and maintenance of hotel real estate remain critical components of the group's strategy and long-term value creation. During the year, Southern Sun invested approximately R600 million in major refurbishment and capital

projects across its portfolio, reflecting its ongoing commitment to maintaining high-quality assets and ensuring the continued relevance and competitiveness of its hotels. Significant projects completed in recent years include Southern Sun Cullinan, Southern Sun Rosebank, Southern Sun Sandton, Radisson Blu Gautrain and Paradise Sun. These investments support guest satisfaction, strengthen the group's market position and contribute to long-term organic growth.

The group continues to implement a disciplined capital allocation and five-year rolling capital expenditure planning process, enabling the proactive identification of refurbishment opportunities and infrastructure replacement requirements. Looking ahead, refurbishment programmes are planned or underway at several properties across the portfolio, including Mount Grace Hotel & Spa, Southern Sun Newlands, Southern Sun Hyde Park, Southern Sun Waterfront, Southern Sun Elangeni & Maharani and Hazyview Sun. These projects form part of the group's ongoing investment programme aimed at maintaining product relevance, enhancing guest experience and supporting long-term revenue growth.

The ability to develop, refurbish and maintain high-quality hotel assets is a core competency of the business. Success in this area depends on strategic site selection, effective project execution, ongoing property maintenance and disciplined asset management. The group employs experienced development, project management and facilities management professionals whose expertise is complemented by a trusted network of consultants and specialists. Together, these capabilities support the delivery of refurbishment, maintenance and development projects while preserving institutional knowledge and maintaining the quality standards associated with the group's brands.

IT

Information technology strategy, governance and decision-making form part of a coordinated and integrated process across relevant business functions. Technology decisions are taken in collaboration with operational and commercial teams, ensuring that systems and investments support the group's strategic objectives, operational requirements and evolving customer expectations.

The group continues to utilise industry-leading hospitality technology platforms supplemented by selected internally developed applications and integrations that enhance operational efficiency,

customer experience and commercial performance. We believe specialist technology providers are generally best positioned to invest in research and development and respond to the rapid pace of technological change. Southern Sun therefore actively partners with its technology providers, while directing application development and integration requirements to meet the specific needs of the business.

An increasingly important focus area has been collaboration with travel industry partners to facilitate seamless integrations across booking, distribution, reservations and customer service platforms. These integrations support a more connected customer journey, improve operational efficiency and enhance the overall guest experience.

The group continues to embrace cloud-based technologies that support scalability, resilience and operational efficiency. These technologies facilitate more efficient system upgrades and implementations, strengthen business continuity capabilities and contribute to reducing the technology infrastructure footprint at hotel level.

Southern Sun's core business systems remain current, fully supported and free from material legacy system risk, reflecting the group's continued investment in technology. During the year, the successful migration to SAP S/4HANA was completed and stabilised, providing an enhanced platform for financial management, reporting, governance, risk management and compliance. Together, these initiatives support improved operational efficiency, enhanced decision-making and a more seamless experience for guests, employees and business partners.

The group's core property management, reservations and customer information systems continue to operate reliably and support hotel operations across the portfolio. Ongoing enhancements are implemented to improve functionality, strengthen data protection and support compliance with the Protection of Personal Information Act (POPIA) and the European Union General Data Protection Regulation (GDPR).

Technology governance and cybersecurity remain key priorities. Southern Sun has established a comprehensive information security management framework governed through formal technology governance structures, including the IT governance committee, information security committee, change control board and dedicated project management office. These structures support oversight of technology risk, cybersecurity, project delivery and regulatory compliance.

The group continues to partner with Performanta in managing its cybersecurity programme and security operations capabilities. During the year, cybersecurity maturity improved further, supported by enhanced endpoint protection, patch management, asset management, managed vulnerability management, identity threat protection, multi-factor authentication and mobile device management capabilities. Annual penetration testing and cyber maturity assessments continue to be performed, with identified findings addressed through ongoing remediation programmes.

Employee awareness remains an important component of the group's cyber-resilience strategy. Ongoing cyber awareness and training initiatives continue to promote responsible information security practices and strengthen the group's ability to prevent, detect and respond to evolving cyber threats.

IT services include the sourcing, implementation and support of key business systems, including reservations, property management, financial management, sales and catering, human capital management and payroll systems. These services also encompass cloud and on-premises infrastructure, business hardware, mobile technologies, networking, hotel connectivity solutions and guest WiFi infrastructure.

Information security services focus on safeguarding the personal information of guests, employees, suppliers and business partners, protecting the group against cybercrime and external threats, and supporting compliance with applicable regulatory and data protection requirements.

Southern Sun brand portfolio management

Southern Sun continues to strengthen its position as one of Southern Africa's leading hospitality groups through a clear and differentiated brand strategy. Our core value propositions – delivering memorable guest experiences, offering quality products and providing trusted service – remain central to our operations and are reflected across our portfolio of brands.

The group's brand architecture is unchanged, with our luxury, full-service and economy offerings continuing to meet the needs of a diverse customer base while supporting operational clarity and commercial decision-making. This consistency strengthens brand recognition, reinforces customer trust and supports loyalty across multiple market segments and geographies.

The Southern Sun brand family continues to be united by the iconic sunburst emblem, which serves as a recognisable symbol of the group's heritage and hospitality offering. Together with ongoing investment in brand standards, customer experience and marketing initiatives, this cohesive brand identity enhances market visibility and supports long-term value creation.

Customer satisfaction

Our customers' satisfaction is of utmost importance and we pay careful attention to customer feedback throughout the guest journey, including interactions before, during and after their stay.

We actively monitor website traffic, social media engagement and online reviews to assess brand visibility, understand customer sentiment and engage directly with guests. In 2026, the group achieved an overall guest satisfaction score of 84% on third-party review platforms, compared to 83% in 2025. The result reflects the continued strength of the group's brands, products and service offering, notwithstanding increased trading activity and a significant increase in review volumes during the year. We will continue to closely monitor guest satisfaction trends and customer feedback to ensure that our products, services and guest experience remain aligned with our brand promise.

OUR SUSTAINABILITY STRATEGY IN ACTION *continued*

SOCIAL AND ETHICS COMMITTEE REPORT *continued*

Website: southernsun.com	2026	2025
Page views	6 860 000	6 290 000
Purchases	118 000	91 300

Social media platform following	2026	2025
Facebook	932 812	917 949
X	42 385	42 794
Instagram	146 437	120 449
LinkedIn	58 384	55 805
TikTok	13 900	12 900
Total	1 193 918	1 149 897

The popularity and strength of our brands and products, together with the high levels of guest satisfaction achieved, is further evidenced by strong engagement across the various digital and social media platforms through which we interact with guests and prospective customers. During the year, the group's consolidated social media footprint grew by 3.8% to 1.19 million followers, while website page views increased by 9.1% to 6.86 million. Online purchases increased by 29.2% to 118 000, reflecting increased demand and direct bookings, as well as improved digital conversion efficiency across the group's online channels.

Customer relationship management

frequentGuest, the group's rewards programme, remains synonymous with value and plays an important role in building long-

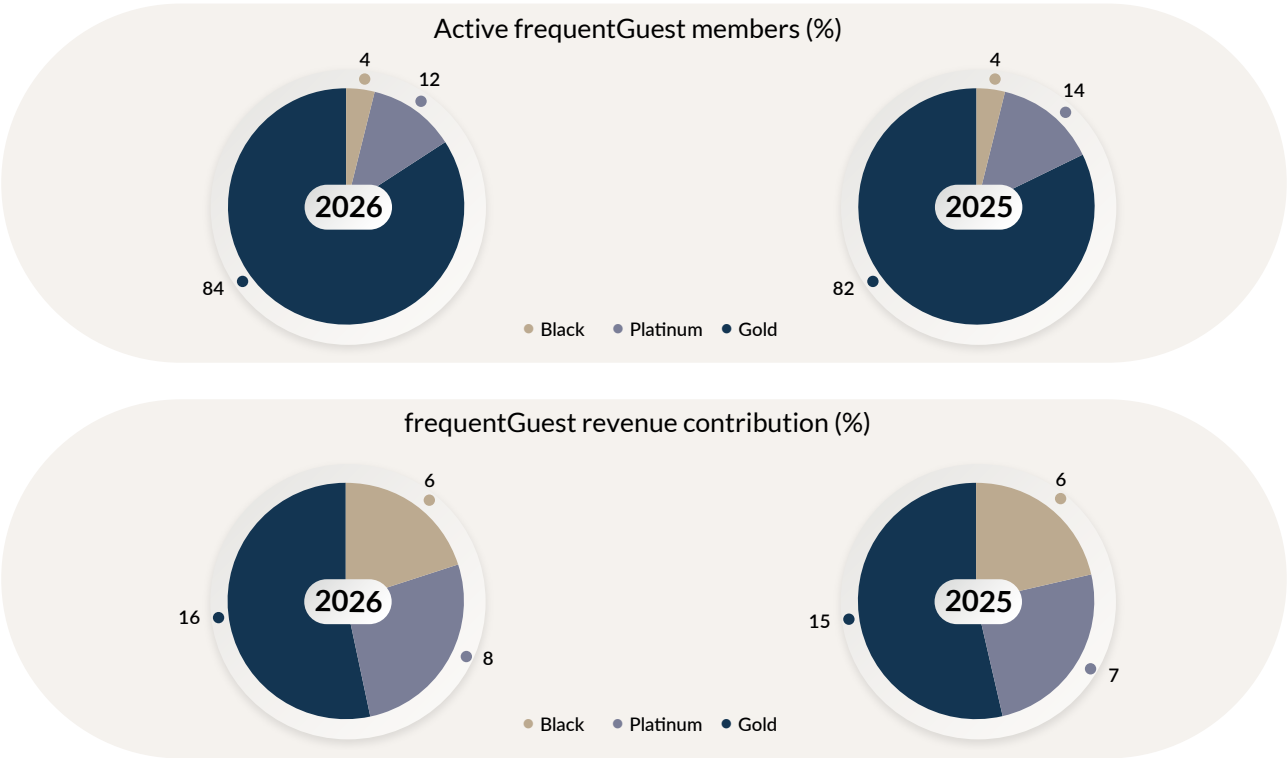
term customer loyalty, deepening guest relationships and driving direct bookings across the Southern Sun portfolio. Members earn SunRands for their support, which may be redeemed for accommodation, dining and spa experiences across participating hotels.

The frequentGuest programme provides the group with valuable customer intelligence, enabling a deeper understanding of guest preferences, behaviours and travel patterns. These insights support data-driven decision-making across marketing, product development and customer engagement initiatives, allowing the group to personalise our offerings, strengthen customer relationships and enhance the overall guest experience.

Southern Sun frequentGuest segmental analysis

At the end of the year, there were 154 035 active frequentGuest members (2025: 134 879), representing growth of 14% year-on-year. frequentGuest members contributed 30% of the group's total rooms revenue during the year (2025: 28%).

The increase in membership and revenue contribution reflects the continued success of the group's loyalty and direct booking strategy, supported by targeted promotional campaigns, including the SunBreaks holiday campaign, which encourage customer enrolment and repeat bookings. The programme continues to strengthen customer loyalty, increase direct engagement with guests and provide valuable insights that support personalised marketing and customer relationship management initiatives.



Health, safety and wellbeing

Southern Sun places the highest priority on the health, safety and wellbeing of both customers and employees. We uphold strict compliance with life-safety protocols and maintain top-tier safety equipment across all our facilities. Adherence to best practices in health, hygiene, fire protection, and life safety is a non-negotiable aspect of our management systems.

Each property undergoes thorough safety inspections as part of the ORMS audit process. Any deviations from standards, as well as incidents or events, are promptly reported and addressed.

All hotels and restaurants – including outsourced operations – are subject to regular, independent audits. These audits assess food safety practices, compliance with group standards, and legal requirements. Key focus areas include temperature control, personal hygiene, good manufacturing practices, product traceability, storage, cleaning protocols, and pest control.

Audits are conducted without prior notice and include random surface swabs, hand swabs, and food samples, which are tested for microbiological quality. No significant issues were identified during the most recent audit cycle.

Looking ahead

Customer relationship management

Southern Sun will continue to review its benefits and rewards to ensure the frequentGuest programme remains relevant and competitive. Key focus areas include growing active membership, increasing member engagement, encouraging repeat visits and incremental spend and further expanding the programme's contribution to room revenue.



The group will continue to leverage customer insights and data analytics to better understand guest preferences, behaviours and travel patterns. These insights will support more personalised customer engagement, targeted marketing initiatives and the ongoing refinement of products and services across the portfolio.

As digital engagement continues to grow, the group will remain focused on strengthening its online channels and customer touchpoints to deliver a seamless customer experience throughout the guest journey. At the same time, we will continue to safeguard customer information through robust information security controls and compliance with applicable data protection legislation, including the Protection of Personal Information Act (POPIA) and the European Union General Data Protection Regulation (GDPR).

IT

The group will continue to enhance its technology environment to support operational efficiency, customer experience and long-term business resilience. Following the successful implementation and

stabilisation of SAP S/4HANA, focus will shift towards further optimisation of the platform and leveraging its functionality to strengthen reporting capabilities, governance, risk management, compliance and decision-making across the business.

The group has made significant progress in modernising its technology environment through the implementation of cloud-based solutions, including the continued rollout of cloud telephony and the migration of selected technology platforms and infrastructure. These initiatives have enhanced operational efficiency, scalability, business continuity and security, while reducing reliance on onsite technology infrastructure. Further cloud migration and optimisation initiatives will continue where appropriate.

Cybersecurity and information security will remain key strategic priorities. The group will continue to invest in cyber resilience through enhanced security monitoring, managed detection and response capabilities, vulnerability management, identity protection, multi-factor authentication, mobile device management and employee awareness programmes. Regular cyber maturity assessments, penetration testing and remediation initiatives will continue to strengthen the group's ability to identify, prevent, detect and respond to evolving cyber threats.

The group will continue to work closely with its cybersecurity partner, Performanta, to enhance its security operations capabilities and maintain alignment with leading information security practices. Ongoing employee awareness and training initiatives will remain an important component of the group's cybersecurity framework, supporting a strong culture of information security across the organisation.

The group will continue to strengthen integrations with travel industry partners, travel agents and other stakeholders to simplify reservations, payments, loyalty programme interactions and customer engagement channels. These initiatives support a more seamless customer journey, improve operational efficiency and enhance data quality across the business.

Continued investment in network infrastructure, guest connectivity, business applications and technology support services will ensure that the group's technology environment remains modern, resilient and fit for purpose. Particular focus will be placed on maintaining robust business continuity capabilities, strengthening data governance, managing risks associated with third-party technology providers and integrations, and evaluating emerging technologies and automation opportunities that may enhance operational effectiveness while maintaining appropriate governance and security controls.

Maintaining the security, integrity and responsible use of customer, employee and business information remains a key priority. The group will continue to enhance its data protection controls and governance processes to support compliance with applicable regulatory requirements, including the Protection of Personal Information Act (POPIA) and the European Union General Data Protection Regulation (GDPR).

1

Who we are

2

Performance and value creation

3

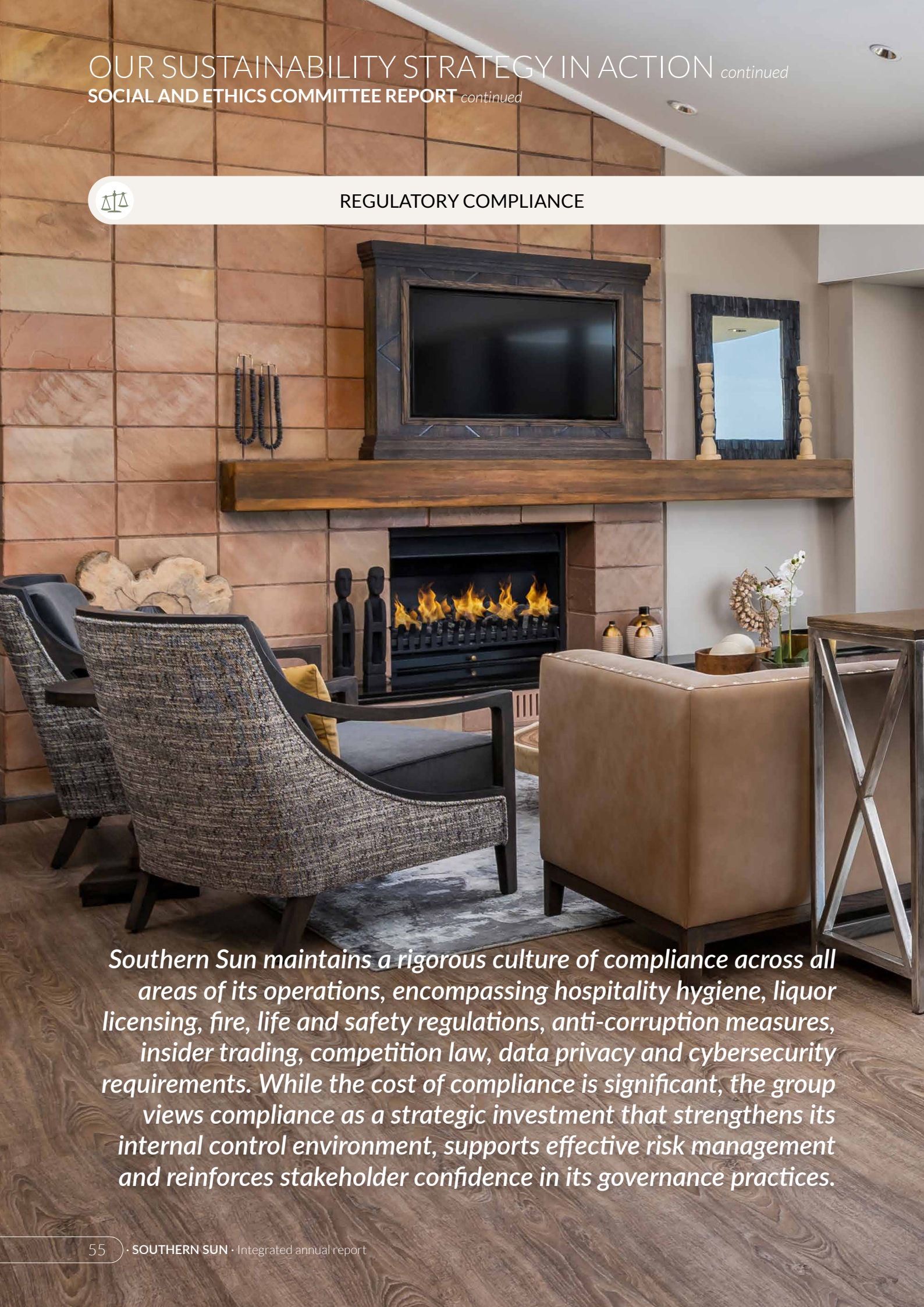
Integrated governance

4

Shareholder information



REGULATORY COMPLIANCE



Southern Sun maintains a rigorous culture of compliance across all areas of its operations, encompassing hospitality hygiene, liquor licensing, fire, life and safety regulations, anti-corruption measures, insider trading, competition law, data privacy and cybersecurity requirements. While the cost of compliance is significant, the group views compliance as a strategic investment that strengthens its internal control environment, supports effective risk management and reinforces stakeholder confidence in its governance practices.

The regulatory environment in which the group operates continues to evolve, with increasing legislative, regulatory and governance requirements across both South Africa and the offshore jurisdictions in which the group conducts business. During the year, the group continued to monitor and assess developments relating to the JSE Listings Requirements, the Companies Amendment Act and related regulations, B-BBEE and employment equity legislation, data protection requirements, cybersecurity obligations, the Climate Change, Carbon Tax and Environmental Management (NEMA) Acts and emerging climate and sustainability-related standards, frameworks and reporting requirements.

Executive management actively identifies applicable legislation and oversees the implementation of appropriate compliance frameworks, policies and procedures. Material legislative and regulatory developments are assessed for relevance and impact, with implementation plans developed where required. Oversight of regulatory compliance forms part of the audit and risk committee's mandate, ensuring that compliance risks are appropriately identified, assessed and managed.

The group's regulatory compliance function is supported by the integrated efforts of the company secretariat, risk, finance, legal and operational teams, together with specialist external advisers, corporate sponsors and the outsourced internal audit function. This coordinated approach assists the group in identifying emerging compliance risks, strengthening internal controls and ensuring consistent adherence to legal, regulatory and ethical standards across the organisation.

Compliance responsibilities are distributed throughout the group, with operational compliance processes embedded within hotel-level activities, while corporate-level oversight and group-wide compliance functions are coordinated centrally from head office. This model promotes accountability while enabling consistent monitoring and reporting of compliance obligations across the group.

Hotel level

The general manager of each hotel is responsible for ensuring compliance with legislation and regulatory requirements applicable to that property. This includes maintaining all required licences and permits, ensuring compliance with environmental, health and safety requirements, and upholding applicable fire, life safety, food safety, hygiene and data privacy standards.

The group's physical and operational risk exposures are identified, assessed and monitored through its proprietary Operational Risk Management System (ORMS). The programme is externally verified by DQS-UL and remains aligned with recognised international standards, including:

- ISO 14000 (Environmental Management);
- ISO 45001 (Occupational Health and Safety);
- ISO 22000 (Food Safety and Hygiene);
- ISO 50000 (Energy Management);
- ISO 28000 (Security Management);
- BS 25999 (Business Continuity); and
- SANS 1162 (Responsible Tourism).

Hotels conduct quarterly self-assessments to evaluate compliance across these areas. Any deficiencies or areas of non-compliance are escalated to the group Risk Manager, who performs cyclical verification audits based on the hotel's risk profile and size. Oversight is further supported by the relevant Regional Operational Director, with ORMS audit outcomes and remedial actions reported to the audit and risk committee.

The group continues to engage constructively with regulatory authorities and industry bodies to address compliance matters and maintain alignment with evolving regulatory requirements. During the reporting period, no material findings arose from regulatory inspections, and no material breaches of legislation were identified.

Corporate

Southern Sun's integrated risk management framework incorporates the ongoing identification, monitoring and mitigation of legal and regulatory risks across all levels of the organisation.

The group annually declares compliance with the JSE's continuing obligations applicable to listed companies and confirms that it has not breached any material requirements of applicable legislation. In addition, members of the board and executive management provide annual declarations confirming that they have not knowingly caused the group to contravene any applicable laws or regulations. During the year, the group also enhanced its governance processes to align with the JSE's revised Listings Requirements and evolving governance expectations.

The internal audit function plays an important role in assessing the adequacy and effectiveness of the group's compliance-related structures, systems and processes. Where control weaknesses or regulatory exposures are identified, findings and recommendations are reported to management and the audit and risk committee for consideration and remediation.



REGULATORY COMPLIANCES CONTINUED

The protection and lawful processing of personal and sensitive information remain key priorities. The group continues to strengthen its information governance, privacy and cybersecurity controls in response to evolving regulatory requirements and an increasingly sophisticated cyber-threat landscape. Information regarding the group's information technology governance and cybersecurity initiatives is included elsewhere in this report.

Southern Sun continues to engage the services of privacy law specialists Michalsons to provide guidance on privacy legislation, emerging regulatory developments, employee awareness training and best practices relating to data protection and information governance. The group's dedicated privacy channel supports the effective management of privacy-related enquiries, complaints and incidents and promotes accountability in the protection of personal information.

The group remains committed to maintaining a culture of integrity, accountability, transparency and regulatory responsibility across all aspects of its operations.

Key performance indicators	2026	2025	2024
Fines imposed for other regulatory breaches	Nil	Nil	Nil
Fines imposed for breaches of law	Nil	Nil	Nil

2026 performance

Southern Sun operates in an increasingly complex and highly regulated environment, requiring continuous monitoring of legislative, regulatory and governance developments. During the year, the group continued to assess and implement changes arising from developments in areas including the JSE's simplified Listings Requirements, the Companies Amendment Act, B-BBEE and employment equity legislation, data privacy regulation, cybersecurity, environmental and sustainability-related legislation and regulation, anti-corruption measures, competition law, consumer protection, taxation and labour legislation.

Heads of Function receive targeted updates and training on regulatory developments relevant to their areas of responsibility, while the audit and risk committee and board receive regular reports on material legal and regulatory matters. The group remains committed to complying with all applicable laws and regulations in every jurisdiction in which it operates and continues to maintain constructive relationships with regulatory authorities.

For the reporting period ended 31 March 2026, there were no material breaches of legislation and no significant regulatory fines or penalties were imposed on the group.



Garden Court East London



SKILLED HUMAN RESOURCES

1

More people

2

Performance and
value creation

3

Integrated
governance

4

Shareholder
information

At Southern Sun, our people are at the heart of delivering exceptional guest experiences, both front-of-house and behind the scenes. Our employees are fundamental to the success of our business and play a vital role in creating memorable moments for every guest.



SKILLED HUMAN RESOURCES *CONTINUED*

Every aspect of the business, from dining in our restaurants to the check-in and check-out at the front desk, relies on the skills, commitment and professionalism of our employees. Delivering consistently high service standards requires a diverse pool of qualified, trained and engaged individuals, supported by capable leadership, a strong organisational culture and effective and relevant support services.

CREATING EXCEPTIONAL EXPERIENCES



Be consistent

Delivering constantly high standards and services.



Be present

Engage meaningfully with guests, colleagues and stakeholders.



Have respect

Treat others with dignity, professionalism and care.

These commitments guide employee behaviour, reinforce our service culture and help ensure that our people consistently deliver the experiences guests have come to expect from our brands.

At a corporate level, Southern Sun depends on executives and managers who can identify and respond to both risks and opportunities while balancing short-term operational requirements with long-term sustainability. Their ability to make informed decisions, develop talent, foster engagement and drive performance is critical to the group's continued success and resilience.

To attract, retain and develop the talent required to support our business, the group continually seeks to enhance the employee value proposition through competitive remuneration and benefits, learning and development opportunities, employee wellness initiatives, career progression and a workplace culture that promotes engagement, inclusion and accountability.

Key performance indicators	2026	2025	2024
Management and control score	13.9	13.6	12.9
Skills spend on black people (%)	5.7	5.7	5.8
Employee resignations (%)	2.2	3.2	7.7

2026 performance

During the year, the group continued to focus on attracting, retaining and developing talent while maintaining a stable labour environment. The implementation of the group's new five-year employment equity plan, covering the period 1 September 2025 to 31 August 2030, was a key milestone following the introduction of revised employment equity legislation and sectoral targets. The group successfully obtained its first Employment Equity Compliance Certificate under

the new regulatory framework. Employee relations remained stable, with no collective bargaining arrangements in place and annual salary increases implemented without disruption. Union membership levels remained low at 9.1% of eligible employees, reflecting the group's long-standing approach of direct employee engagement and consistent remuneration practices.

Human capital management

We believe that the group's sustainable growth depends as much on our people as it does on our operational expertise. Our employment policies are designed to empower and develop employees and create an environment where each employee can perform and grow to their full potential. We also strive to attract and retain the highest calibre of employees while redressing historical imbalances where these might exist.

Job creation and employee stability

The group contributed 6 314 direct jobs at year end and supported 10 352 combined direct and indirect jobs (including 4 038 contractors employed by third-party service providers comprising security, cleaning and landscaping services) at our operations in South Africa. A total of 508 direct employees were employed outside South Africa.

Employee resignations reduced to 2.2% (2025: 3.2%), reflecting continued workforce stability and the group's focus on employee retention and career development.

Employee development

Southern Sun delivers employee training and development through its dedicated training and development division and is currently in the process of obtaining accreditation with the Quality Council for Trades and Occupations (QCTO). This accreditation is a strategic step in strengthening the group's learning and development framework and aligns with our commitment to skills development, ethical governance and socio-economic contribution within South Africa.

Offering QCTO-aligned occupational qualifications enables Southern Sun to provide structured, nationally recognised learning pathways for employees across critical hospitality roles, thereby enhancing employability, career mobility and long-term skills sustainability.

The in-progress QCTO accreditation demonstrates Southern Sun's commitment to investing in people, enabling lifelong learning and creating shared value for employees, the organisation and the broader hospitality sector.

In addition to the QCTO focus, the scope of the training provided varies from functional skilling of employees to management and leadership training that aims to prepare leaders for today and the future.

In the reporting year, Southern Sun invested R118 million in skills development, representing 7.7% of the leviable amount (2025: R101 million or 7.5%). Of this, R110 million, equivalent to 7.2% of the leviable amount, was allocated specifically to the skills development of black employees (2025: R93 million or 7.0%).

Furthermore, R87 million (5.7% of the leviable amount) was directed towards B-BBEE skills development spend, measured against the national black economically active population (NBEAP). This reflects an increase from R76 million (5.7%) in 2025, underscoring the group's ongoing commitment to transformation and inclusive growth and resulting in the skills development B-BBEE score of 17.7 out of 20. During the year, the group provided 18 formally certificated programmes to employees and provided 851 unemployed students with work-based learning opportunities to enable them to complete their studies and graduate, of whom 40 of them were subsequently employed.

The group's focus on youth employment and its contribution towards work integrated learning and the employability of tertiary education students forms part of our social responsibility in ensuring a qualified workforce exists within the hospitality industry and to the benefit of the country at large.

Employee engagement

Employee engagement at Southern Sun is centred on reinforcing the group's purpose and commitments, while embedding hallmark behavioural standards that define our culture. These standards support our employer brand and ensure that, as a service-driven organisation, our people consistently deliver the intended guest experience.

Southern Sun's purpose is to create exceptional experiences, and this is guided by three core commitments:

- **Be consistent** – in service delivery and behaviour
- **Be present** – with attentiveness and engagement
- **Have respect** – for guests, colleagues, and the broader community.

By aligning employee engagement with these principles, we empower our teams to shape memorable and meaningful interactions at every touchpoint.

The group continues to foster a culture of open engagement and direct communication with employees. This approach has contributed to stable labour relations across the business and supports the group's ability to implement remuneration reviews and operational changes effectively.

Employee wellness

We are committed to supporting the health and wellbeing of our employees through various initiatives, including employee assistance programmes designed to help staff manage personal and professional challenges.

At the end of the financial year, the Tsogo Sun Group Medical Scheme, of which the group remains a participating employer, had 3 611 principal members, of which 1 496 were Southern Sun

employees, along with 237 pensioner members. The Scheme remained financially sound during the year, maintaining reserves of approximately R93 million and continuing to focus on its long-term sustainability and resilience. Regular communication with members and beneficiaries ensured that they remained informed of relevant healthcare industry developments and the benefits available to them.

Health and safety

The hospitality industry is generally considered a safe working environment compared to many other sectors. At Southern Sun, we uphold this standard through rigorous safety protocols and regular inspections. All our properties undergo comprehensive safety audits as part of the ORMS audit process, with any deviations from agreed standards, as well as incidents and events, promptly reported, investigated and addressed.

Importantly, no employee fatalities occurred as a result of health and safety incidents at any of our properties during the year under review.

The lost-time injury frequency rate (LTIFR) increased to 1.7 in 2026, up from 1.5 in 2025. This metric reflects the number of injuries resulting in an employee being unfit for duty for one shift or more, per 200 000 hours worked. While the increase indicates a higher incidence of lost-time injuries during the year, the group's overall safety performance remains strong. Continuous safety audits, training programmes and operational risk management initiatives remain integral to maintaining a safe working environment and reducing workplace incidents.

Unions

Southern Sun respects the right to freedom of association of employees, and we recognise that collective bargaining forms an integral part of labour relations.

Of the 5 806 active employees in the South African operations, 4 915 are eligible to join a union and 447 (9.1%) were members of a recognised trade union at year end. Three unions maintained sufficient representation levels to warrant organisational rights and check-off facilities at certain hotels.

Although there are organisational rights (recognition) agreements in place, there are currently no collective bargaining arrangements with any union and therefore no wage negotiations took place during the year. Salary increases were implemented on the applicable review dates without labour disruption.

We believe in fostering transparent and constructive relationships with employees, promoting a culture of open engagement throughout the business. This approach is supported by a consistent and fair methodology in determining annual salary increases, applied even during periods of economic uncertainty. As a result, the group has experienced a notably low level of industrial action over the past decade, reflecting the strength and stability of our employee relations environment.

OUR SUSTAINABILITY STRATEGY IN ACTION *continued*

SOCIAL AND ETHICS COMMITTEE REPORT *continued*

Employment equity

The principles of empowerment and diversity are entrenched in Southern Sun's ethos. Our employment equity is set out in the table below:

Employment equity profile

Occupational level	South African male				South African female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	1	–	–	6	1	1	–	5	–	–	14
Senior management	5	2	4	22	9	4	9	18	2	–	75
Mid-management	153	31	44	70	168	47	52	64	9	2	640
Skilled	526	70	27	16	834	125	72	45	4	3	1 722
Semi-skilled	1 299	84	27	10	1 589	60	6	3	13	4	3 095
Total permanent	1 984	187	102	124	2 601	237	139	135	28	9	5 546
Temporary employees	14	–	–	1	12	1	–	2	–	–	30
Total 2026	1 998	187	102	125	2 613	238	139	137	28	9	5 576
Total 2025	1 972	189	102	126	2 547	243	134	144	33	10	5 500

Note:

Our employment equity profile includes South Africa only. It excludes terminations; offshore expatriates; individual independent contractors; including operational support staff (OSS) and flexi employees.

Unlike Permanent Full-Time employees, who work fixed full-time hours, Permanent Flexi employees work according to flexible rosters that are aligned to business needs and are guaranteed a minimum number of hours each month. Operational Support Staff (OSS) also work on flexible rosters based on business demand however, they do not have guaranteed working hours. Although OSS employees are permanently employed, their contracts provide greater flexibility in scheduling and hours of work to accommodate seasonal, project-based, or fluctuating operational requirements. Similarly, Permanent Flexi employees are engaged on a variable-hour basis to support changing business demands and provide flexibility in rostering, working hours and contractual arrangements.

We ensure our workforce reflects the group's focused employment equity philosophy and commitment to transformation. As of the end of the reporting period, female employees represented 56.1% of the total workforce, compared to 56.6% in 2025, while black employee representation increased to 95.3% from 95.1% in the previous year. In line with our B-BBEE management control objectives, measured against the NBEAP demographic published by Statistics South Africa, black representation was 21.4% at top management level (2025: 25.1%), 44.0% at senior management level (2025: 42.5%) and 77.3% at middle management level (2025: 75.8%). While progress continues across most occupational levels, succession planning, targeted recruitment and employee development remain key focus areas in improving representation in senior leadership positions.

On 15 April 2025, the Department of Employment and Labour released the final employment equity sector targets. During the year, Southern Sun implemented its new employment equity plan for the period 1 September 2025 to 31 August 2030 and successfully obtained its first Employment Equity Compliance Certificate under the amended employment equity framework. The group continues to

make meaningful progress in addressing the underrepresentation of suitably qualified individuals from designated groups across all occupational levels. However, the significantly increased sectoral targets introduced by the Department of Employment and Labour present additional challenges, particularly at senior and top management levels, requiring a sustained focus on succession planning, leadership development and targeted recruitment initiatives.

Looking ahead

Employee development

We will continue to invest in the development of our employees by providing training, learning and development opportunities that enhance performance, support career progression and strengthen leadership capability across the business. Through our training and development division, employees at all occupational levels will continue to have access to learning programmes, enabling them to develop technical, operational and leadership skills relevant to their roles.

The group will continue to focus on succession planning and leadership development to ensure a sustainable pipeline of talent for critical positions. Particular emphasis will be placed on developing employees from designated groups in support of the group's employment equity plan and long-term transformation objectives.

In addition to employee training, Southern Sun will continue to support work-integrated learning, internships and learner development programmes that provide practical workplace experience and create pathways to employment within the hospitality industry. Management coaching and mentorship programmes will remain a key focus area to ensure leaders are equipped to develop, engage and support their teams in achieving their full potential.



1 Who we are

2

Performance and value creation

3

Integrated governance

4

Shareholder information

OUR SUSTAINABILITY STRATEGY IN ACTION *continued*

CHIEF FINANCIAL OFFICER'S REVIEW



The 2026 financial year was another year of strong operational and financial performance for Southern Sun. The group grew earnings, continued investing in its hotel portfolio, returned capital to shareholders through dividends and share repurchases, and strengthened its balance sheet. These achievements position the group well to continue executing its strategy and creating sustainable long-term value for shareholders.

Laurelle McDonald, Chief Financial Officer

Annual review

The 2026 financial year was another strong year for Southern Sun, characterised by record profitability, strong cash generation and continued balance sheet strengthening. Total income increased by 9% to R7.2 billion, while Ebitdar grew by 12% to R2.4 billion and adjusted HEPS increased by 19% to 90.1 cents per share (2025: 75.6 cents). The board declared a final dividend of 30.0 cents per share, an increase of 20% on the 2025 final dividend of 25.0 cents per share.

Free cash flow generation remained strong at R909 million for the year, only R43 million lower than the prior year despite increased capital expenditure of R600 million (2025: R450 million) and income tax payments of R420 million (2025: R326 million). Capital expenditure focused on major refurbishment projects at Southern Sun Waterfront, The Westin Cape Town, Southern Sun Sandton, Paradise Sun, Birchwood Hotel & OR Tambo Conference Centre, Southern Sun The Cullinan, Mount Grace Hotel & Spa, Southern Sun Mbombela, Southern Sun Newlands and Southern Sun Rosebank. Strong cash generation enabled the group to continue investing in the portfolio while funding dividend payments of R344 million and share buybacks of R359 million. The group also settled its remaining USD-denominated debt during the year and ended the financial year in a net cash position of R86 million compared to net debt of R266 million at 31 March 2025.



Mount Grace Hotel & Spa

This strong financial performance was supported by disciplined cost management, continued demand recovery across the South African market and the group's portfolio mix, notably its significant ownership exposure to the Western Cape, which continued to benefit from strong leisure, corporate and international inbound travel demand.

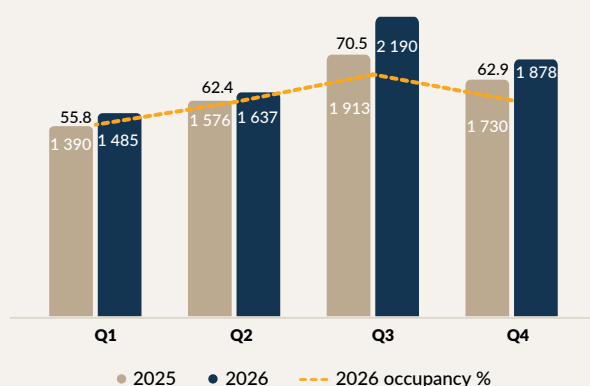
Combined South African and offshore hotel trading statistics, excluding hotels managed on behalf of third-party owners and those leased by third parties, are as follows:

For the year ended 31 March	2026	2025
Occupancy (%)	62.9	60.8
Average room rate (R)	1 525	1 463
RevPar (R)	959	890
Rooms available ('000)	5 078	5 050
Rooms sold ('000)	3 194	3 071
Rooms revenue (Rm)	4 870	4 493
frequentGuest loyalty expense (Rm)	(94)	(79)
Rooms revenue per the income statement (Rm)	4 776	4 414

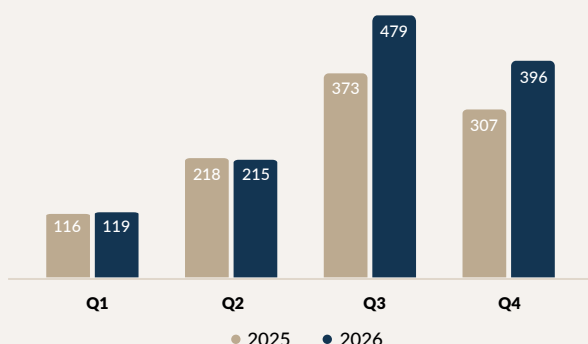
The group's operating costs remained well controlled, increasing by 8% during the year despite inflationary pressures, increased trading activity and continued investment in technology and systems. Employee costs increased by only 4%, while operating costs were impacted by higher information technology expenditure associated with the SAP S/4HANA implementation, increased property costs arising from electricity tariff increases, municipal charges and water-related costs, and higher distribution channel costs linked to increased online travel agent activity. The suspension of loadshedding contributed to lower diesel expenditure during the year, partially offsetting utility cost increases.

The group generated Ebitdar of R2.4 billion (2025: R2.2 billion), translating to an Ebitdar margin of 34% (2025: 33%). The margin improvement reflects the group's operating leverage, disciplined cost management and the strong performance delivered across the South African portfolio, which more than offset the temporary impact of refurbishment activity within the offshore portfolio during the first half of the year.

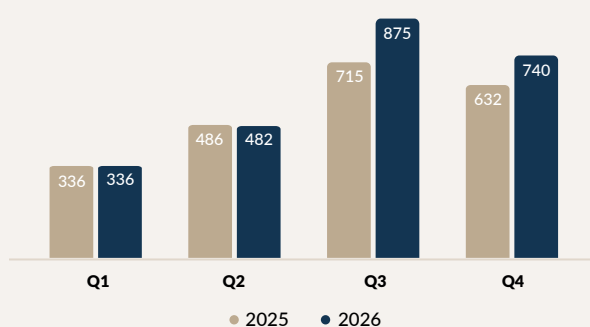
Quarterly performance – Revenue and occupancy (Rm)



Quarterly performance – Adjusted earnings (Rm)



Quarterly performance – Ebitdar (Rm)



AT A GLANCE

Revenue up
9% to **R7.2 billion**

Ebitdar up
12% to **R2.4 billion**

Adjusted HEPS up
19% to **90.1 cents**

Net debt reduced
to a net cash position of
R86 million

Dividend increased
20% to **30.0 cents per share**

*A standout year, with
robust growth in
income, earnings and
cash generation.*

OUR SUSTAINABILITY STRATEGY IN ACTION *continued*

CHIEF FINANCIAL OFFICER'S REVIEW *continued*

Summarised income statement review

Income statement (Rm)

	2026	2025	Note
Income	7 190	6 609	← 1
Rooms revenue	4 776	4 414	
Food and beverage revenue	1 743	1 593	
Property rental income	294	272	
Other income	377	330	
Overheads	(4 757)	(4 440)	
Ebitdar	2 433	2 169	← 2
LTI expense	(26)	(27)	
Property rental expense	(151)	(121)	
Property rental expense	(421)	(349)	
Property rentals – IFRS 16	270	228	← 3
Amortisation and depreciation	(466)	(423)	
Amortisation and depreciation	(285)	(284)	
Amortisation and depreciation – IFRS 16	(181)	(139)	← 3
Exceptional items	33	(36)	← 4
Profit before interest and taxation	1 823	1 562	
Finance costs (net)	(175)	(219)	← 5
Finance costs (net)	(33)	(85)	
Finance costs – IFRS 16	(142)	(134)	
Share of profits from associates	37	99	← 6
Income tax	(434)	(420)	← 7
Non-controlling interests	(14)	2	
Profit attributable to equity holders	1 237	1 024	← 8

• NOTE 1: INCOME

Total income for the year ended 31 March 2026 was R7.2 billion (2025: R6.6 billion), reflecting an increase of R581 million or 9% on the prior year. This performance was driven by an 8% increase in rooms revenue, which grew to R4.8 billion (2025: R4.4 billion), and a 9% increase in food and beverage revenue to R1.7 billion (2025: R1.6 billion). Occupancy improved from 60.8% to 62.9%, a rise of 2.1 percentage points, while the average room rate (ARR) increased by 4% from R1 463 to R1 525. Property rental income grew by 8% to R294 million (2025: R272 million), and other income increased by 14% to R377 million (2025: R330 million), reflecting the continued strength of trading activity across the group's operations.

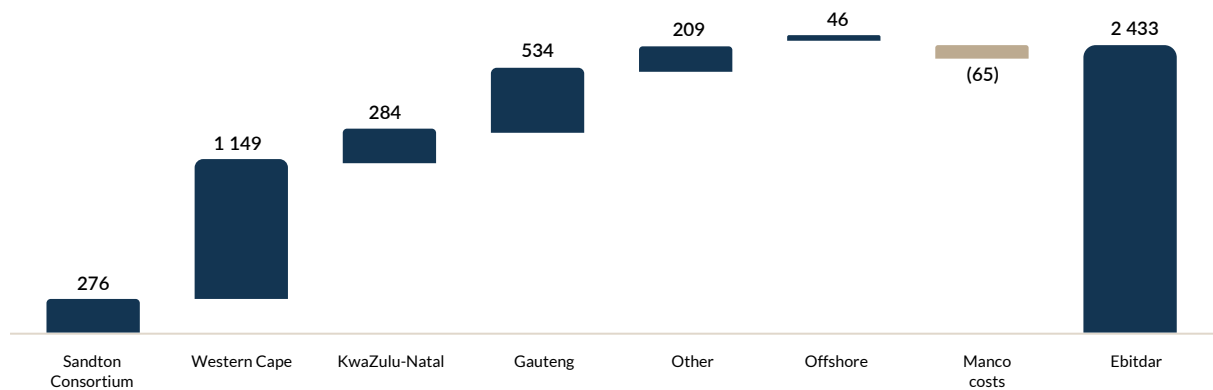
• NOTE 2: EBITDAR

The group's operational gearing is reflected in the 9% increase in total income converting to a 12% increase in Ebitdar to R2.4 billion (2025: R2.2 billion) for the year ended 31 March 2026, equating to an Ebitdar margin of 34% compared to 33% for the prior year. The margin improvement reflects the strong performance of the South African portfolio together with disciplined cost management.

• NOTE 3: IFRS 16 LEASE ADJUSTMENTS

The increase in the IFRS 16 rental adjustment and depreciation charge relates to the accounting treatment of the Sandton Consortium leases. 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 lease liability for the forthcoming year. Each remeasurement of the right-of-use asset is depreciated annually over the period to which it relates, offsetting the benefit recognised in the rental line. The R42 million increase in the IFRS 16 rental adjustment mainly reflects the remeasurement of the Sandton Consortium leases as at 31 March 2025. The higher IFRS 16 depreciation charge largely relates to the remeasurement of the Sandton Consortium right-of-use asset, which is depreciated over the period to which it relates, i.e. annually. Refer to note 16 of the annual financial statements for further details.

Segmental analysis of Ebitdar for the year ended 31 March 2026 (Rm)



1 Who we are

2 Performance and value creation

• NOTE 4: EXCEPTIONAL ITEMS

Exceptional gains for the year of R33 million (2025 loss: R36 million) relate mainly to the net impairment of property, plant and equipment of R37 million (2025: R129 million), net of fair value gains on investment properties of R75 million (2025: R105 million) and losses on disposal of property, plant and equipment of R5 million (2025 profit: R1 million).

Impairments recognised against property, plant and equipment include the write-down of refurbishment capital expenditure at the Radisson Blu Gautrain Hotel, undertaken to refresh the product and support average room rate growth; an impairment at Southern Sun Pretoria due to a decline in corporate and government conferencing demand in the central Tshwane node; and a further impairment at The Edward hotel in Durban due to continued subdued trading levels.

• NOTE 5: FINANCE COSTS

Net finance costs for the year ended 31 March 2026 amounted to R175 million (2025: R219 million), including interest on capitalised leases of R142 million (2025: R134 million). Excluding the IFRS 16 component, net finance costs declined by 61% to R33 million (2025: R85 million), reflecting the continued reduction in the group's net debt position and improved cash management.

• NOTE 6: SHARE OF PROFITS FROM ASSOCIATES

The share of profit from associates amounted to R37 million (2025: R99 million) and includes the group's share of exceptional gains of R4 million (2025: R29 million), largely arising from fair value adjustments on investment properties and interest rate derivatives at associate level. Excluding these exceptional items, the contribution from the group's UK investments decreased from R38 million to R33 million for the year ended 31 March 2026. This decrease reflects the smaller IHL portfolio following the recent property disposals, offset by improved trading and profitability in the RBH Hospitality Management portfolio due to the cost restructure undertaken during the year. Dividends received from associates totalled R91 million (2025: R32 million), of which R76 million related to the group's share of proceeds from the disposal of three Travelodge hotels owned by IHL.

• NOTE 7: INCOME TAX

The income tax expense for the year ended 31 March 2026 was R434 million (2025: R420 million), which equates to an effective tax rate of 26.3% (2025: 31.3%). Of the 5.0 percentage point (pp) decline year-on-year, 2.0pp relates to an increase in exempt income largely relating to non-taxable accounting adjustments. A further 3.4pp of the reduction in the effective tax rate relates to a decrease in non-deductible expenses compared to the prior year. Refer to note 14 of the annual financial statements for further details.

3 Integrated governance

4 Shareholder information

OUR SUSTAINABILITY STRATEGY IN ACTION *continued*

CHIEF FINANCIAL OFFICER'S REVIEW *continued*

• NOTE 8: ATTRIBUTABLE PROFIT

	2026 Net of tax Rm	2025 Net of tax Rm	% Change
Profit attributable to equity holders	1 237	1 024	21
Loss/(profit) on disposal of PP&E	2	(1)	
Fair value adjustment of investment properties	(59)	(83)	
Net impairment of property, plant and equipment	31	129	
Impairment reversal relating to associates	-	(32)	
Share of associates' headline earnings adjustments	(4)	(29)	
Pre-opening costs	-	13	
Share of minorities' headline earnings adjustments	2	-	
Derecognition of derivative financial instruments	-	(7)	
Adjusted headline profit	1 209	1 014	19
Weighted number of shares in issue (million)	1 341	1 340	-
Adjusted headline profit per share (cents)	90.1	75.6	19

The strong performance of the South African portfolio, together with the successful reopening of Paradise Sun and disciplined cost control, cash management and debt reduction, resulted in a 19% increase in adjusted headline earnings to R1.2 billion (2025: R1.0 billion). The weighted average number of shares in issue remained largely unchanged at 1.341 billion shares, resulting in a 19% increase in adjusted headline earnings per share to 90.1 cents (2025: 75.6 cents).

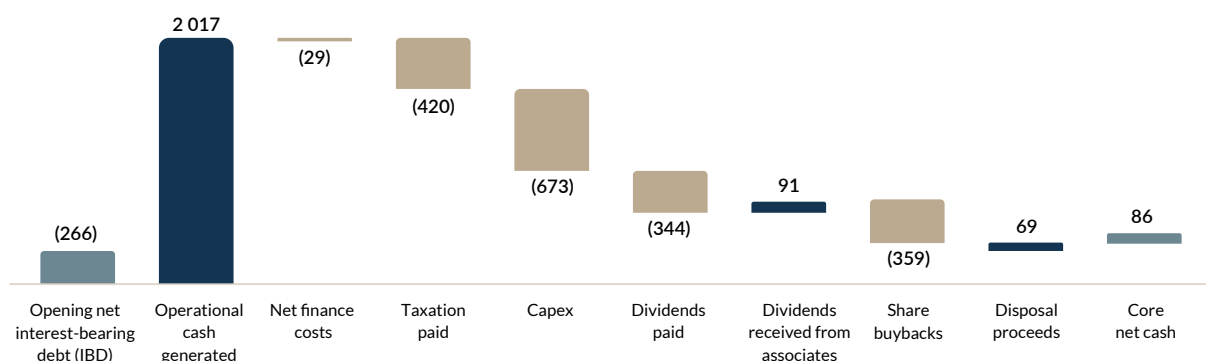
Liquidity, funding capacity and covenants

Interest-bearing debt net of cash at 31 March 2026 amounted to a net cash position of R86 million, representing an improvement of

R352 million compared to the net debt position of R266 million at 31 March 2025. Strong operating cash flows and disciplined working capital management enabled the group to settle its remaining USD-denominated debt and end the year in a net cash position. Cash flows are summarised in the chart below. The group remained well within its covenant requirements for the year ended 31 March 2026.

With cash and cash equivalents totalling R635 million (2025: R396 million) and access to R1.5 billion (2025: R1.8 billion) in undrawn facilities at 31 March 2026, the group has sufficient funding capacity to meet its obligations and support planned capital expenditure and growth initiatives over the next 12 months.

Summarised cash flow for the year ended 31 March 2026 (Rm)



IBD net of cash at 31 March 2026 (Rm)

	2026	2025
External debt – Offshore (USD-based)	-	453
External debt – South Africa (Rand-based)	550	210
Pre-paid borrowing costs	(1)	(1)
Gross IBD	549	662
Cash on hand – South Africa	(508)	(209)
Cash on hand – Offshore	(127)	(187)
Net IBD	(86)	266
Analysed as: South Africa	41	-
Offshore	(127)	266

Debt maturity profile (Rm) at 31 March 2026



The group successfully concluded a refinancing of its debt facilities during the year, enhancing liquidity and improving financial flexibility.

The group settled the USD24.7 million facility in Southern Sun Mozambique and raised a five-year term loan facility (Facility C) with Absa to provide additional headroom on Term A and B which are short-term RCF facilities.

Since the group is accumulating significant cash reserves and to avoid interest leakage, with effect from 31 March 2026, Facility C was converted from a five-year term loan with a bullet repayment profile to a five-year RCF which can be repaid and redrawn at each interest payment date.

The revised funding structure provides an appropriate balance between liquidity, funding certainty and cost efficiency, while positioning the group to fund future refurbishment programmes, growth opportunities and working capital requirements as they arise.

Laurelle McDonald
Chief Financial Officer (CFO)

31 July 2026



FINANCIAL STRENGTH AND DURABILITY

Maintaining an appropriate capital structure is essential to ensuring the group's long-term sustainability and resilience across economic cycles. This is particularly important in the hospitality sector, where performance is closely linked to macroeconomic conditions and can be influenced by cyclical fluctuations in travel demand, consumer spending and business activity.

Periods of oversupply or undersupply in the hotel market can significantly influence occupancy levels, pricing power and profitability. To navigate these cycles effectively, the group follows a disciplined approach to capital management, balancing investment in the portfolio with prudent liquidity management and appropriate funding levels.

This approach underpins Southern Sun's ability to withstand external shocks, preserve liquidity and capitalise on growth opportunities when market conditions improve.

Approach

The group actively manages its capital structure through ongoing monitoring of liquidity, leverage, funding requirements and covenant compliance. Key measures include the leverage ratio (net debt to Ebitda), interest cover and available liquidity. The group maintains access to committed long-term credit facilities and cash resources sufficient to support operational requirements, capital expenditure programmes and strategic opportunities while ensuring resilience during periods of economic uncertainty.

Key performance indicators	2026	2025	2024
Net debt:Ebitda (times)	-	0.1	0.7
Unutilised facilities including cash (Rm)	2 085	2 186	1 959

2026 performance

Funding capacity and interest-bearing debt

The group's funding package is diversified across all four major South African banks to reduce counterparty concentration risk and ensure continued access to liquidity through varying economic cycles. This diversified funding base, together with strong cash generation and substantial committed facilities, provides the group with significant financial flexibility and resilience.

The group's policy is to maintain surplus committed funding capacity appropriate to the cyclical nature of the hospitality industry and to ensure that adequate liquidity is available to meet operational, capital expenditure and strategic requirements. At 31 March 2026, the group had R1.5 billion in unutilised committed facilities (excluding cash) out of total committed facilities of R2.0 billion, providing substantial liquidity headroom and financial flexibility (2025: R1.8 billion out of total committed facilities of R2.5 billion).

The group continues to apply a disciplined approach to capital allocation and cash management. During the year, strong operating cash flows enabled the group to settle its remaining

USD-denominated debt and move from a net debt position of R266 million at 31 March 2025 to a net cash position of R86 million at 31 March 2026. This was achieved after paying dividends of R344 million to shareholders, repurchasing shares to the value of R359 million and investing R614 million in maintenance and expansion capital expenditure. In the absence of significant acquisition opportunities or further share repurchases, free cash flow will continue to support the group's refurbishment programme and strategic investment requirements.

Interest rate and currency risk management

The group manages interest rate risk through floating-to-fixed interest rate swaps, which convert variable-rate borrowings into fixed-rate obligations in line with group policy. The policy targets a long-term hedge ratio of approximately 50% of gross debt, with flexibility to adjust between 25% and 100% depending on prevailing market conditions and the interest rate cycle.

All existing swap contracts matured on 30 September 2024. In light of declining debt levels, strong liquidity and expectations of a lower interest rate environment, the audit and risk committee approved a temporary deviation from the minimum hedging threshold and no new swaps were entered into during the year. As at 31 March 2026, none of the group's gross debt was hedged through interest rate swaps.

The weighted average pre-tax effective interest rate increased marginally during the year as a result of movements in benchmark interest rates and the changing mix of debt and cash balances. The impact of interest rate risk has reduced significantly following the group's transition to a net cash position.

The group has materially reduced its foreign currency exposure through the settlement of all USD-denominated debt during the year. Foreign currency risk continues to arise from offshore trading operations and the translation of foreign assets and earnings into Rand for reporting purposes. Foreign cash balances are maintained primarily in the currencies required to support offshore trading operations and working capital requirements.

Looking ahead

The group generated free cash flow of R909 million during the 2026 financial year and ended the year in a net cash position. Assuming continued strong cash generation and in the absence of significant acquisition opportunities or further share repurchases, management intends to continue funding planned maintenance capital expenditure from internally generated cash flows.

The successful refinancing completed during the year provides the group with a flexible and cost-effective funding structure, substantial liquidity headroom and access to committed facilities across a diversified lender base. Management will continue to assess opportunities to optimise funding costs, manage liquidity efficiently and deploy capital in a manner that supports long-term shareholder value creation. Interest rate hedging strategies will continue to be reviewed in line with debt levels, market conditions and the group's overall risk management objectives.

OUR GROWTH STRATEGY IN ACTION



GROWTH STRATEGY IN ACTION

We recognise that the value of a business is determined by the present value of future cash flows generated through the effective deployment of its various capitals. While all capitals are essential to creating value, we view growth in free cash flow as one of the most important indicators of the group's ability to generate sustainable long-term value for shareholders.

Free cash generated of
R909 million

KEY PILLARS

Organic growth



Material risks

- Macroeconomic environment
- Crime, security, health and safety
- Portfolio management and product relevance
- Capacity and market issues
- Cyber, IT and information management
- Regulatory change and compliance
- Local authority capability.

Investment expenditure of
R614 million

KEY PILLARS

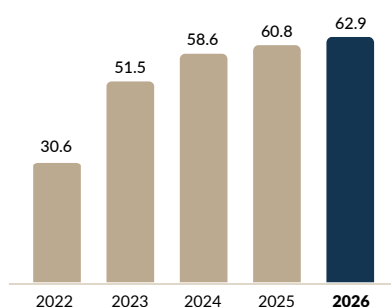
Inorganic growth



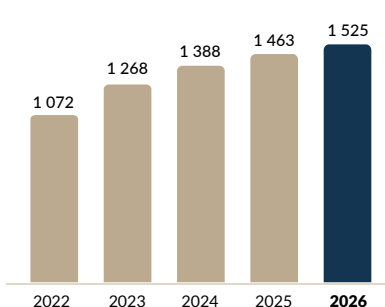
Material risks

- Missed strategic opportunities
- Capital allocation and execution
- Funding and liquidity management
- Integration and execution risk.

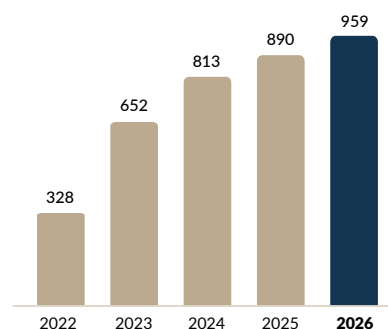
Occupancy (%)*



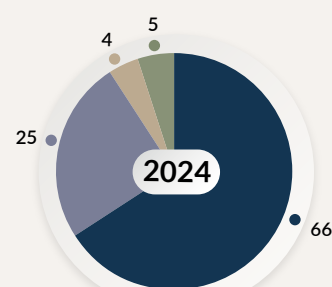
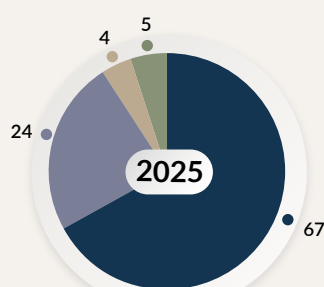
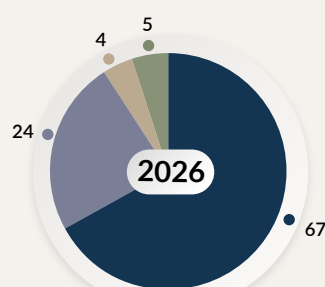
Average room rate (R)*



RevPar (R)*



Hotel revenue by nature (%)



• Rooms • Food and beverage • Rental income • Other

* Combined South African and offshore hotel trading statistics, excluding hotels managed on behalf of third-party owners and those leased by third parties.



ORGANIC GROWTH

Organic growth remains central to our strategy and supports our objective of generating sustainable long-term value for shareholders.

Organic growth is a critical indicator of a company's underlying health and long-term sustainability. Unlike growth driven by acquisitions or external investments, organic growth reflects a business's ability to increase revenue, improve profitability and generate cash flow through enhanced operating performance, customer loyalty, product relevance and effective capital allocation.

At Southern Sun, organic growth is driven by disciplined investment in our portfolio, the strength of our brands, operational excellence and our ability to deliver exceptional guest experiences. Sustained improvements in occupancy, average room rates, RevPar and free cash flow generation demonstrate the group's ability to create value from its existing asset base while maintaining financial resilience and flexibility.

Operational review

Sandton Consortium

This segment comprises Sandton Sun and Towers, Garden Court Sandton City, and management fees from the Sandton Convention Centre. Income increased by 21% to R801 million (2025: R663 million), while Ebitdar grew to R276 million (2025: R211 million), underpinned by strong conferencing demand, including the G20 and B20 conferences, and the reopening of Sandton Towers following its refurbishment.

Western Cape

Income increased by 7% to R2.5 billion (2025: R2.3 billion), while Ebitdar rose by 9% to R1.1 billion (2025: R1.0 billion), contributing 47% to group Ebitdar. Cape Town hotels benefited from strong foreign inbound travel and largescale events, including the G20 and international conferences hosted at the Cape Town International Convention Centre. The group's channel strategy and effective use of OTAs have been particularly successful in this region, supporting higher volumes and improved ARR's during off-peak periods.

Gauteng

Despite a challenging first half of the financial year, characterised by cost overruns from water outages and subdued trading at Birchwood Hotel & OR Tambo Conference Centre (Birchwood) in September due to weaker conferencing demand and public holiday disruptions, trading rebounded in the second half. Income from Gauteng increased by 7% to R1.7 billion (2025: R1.6 billion), while Ebitdar rose by

9% to R534 million (2025: R491 million). Strong MICE demand, spearheaded by the G20 Summit across the region, including the Sandton, Rosebank and Airport nodes, underpinned this performance. In addition, the refurbishments of Southern Sun Rosebank and Southern Sun Sandton contributed positively, with the enhanced product driving volume and rate upside.

KwaZulu-Natal

Income increased by 13% to R1.1 billion (2025: R997 million), while Ebitdar rose by 15% to R284 million (2025: R247 million), driven by stronger corporate and government conferencing demand alongside robust domestic leisure travel. Trading improved progressively over the year, supported by increased event activity and better demand across both midweek and peak leisure periods. Durban beachfront hotels continue to be highly reliant on consistent MICE demand, and the group is actively collaborating with Durban Tourism and the Convention Bureau to unlock further opportunities.

Other

This segment comprises Mpumalanga, the Eastern Cape, Kimberley, Bloemfontein and Polokwane. Income increased by 9% to R755 million (2025: R695 million), while Ebitdar rose by 12% to R209 million (2025: R186 million). Trading performance improved notably in the second half of the year, supported by increased demand from G20-related conferences and sporting events. This uplift drove stronger occupancy and improved operating leverage across the regional portfolio, particularly during peak event periods.

OUR GROWTH STRATEGY IN ACTION *continued*

Offshore

Offshore operations weighed on group performance, with income declining by 4% to R377 million (2025: R393 million) and Ebitdar decreasing by 10% to R46 million (2025: R51 million). Trading improved in the second half of the year. The refurbishment at Paradise Sun was well received by the market, with the hotel achieving occupancy of 64.7%, compared to 59.9% in the comparable pre-refurbishment period.

In Mozambique, both Maputo hotels delivered a solid fourth quarter, underpinned by improved occupancies, particularly at Southern Sun Maputo. Demand benefited from SANDF and Portuguese military deployments supporting flood relief efforts in northern Mozambique.

Business sentiment in Zambia, particularly in Lusaka, is increasingly optimistic, driven by stronger consumer demand and a recovering corporate sector which has led to an increase in transient travel demand. As a result, Southern Sun Ridgeway delivered a strong performance, with Ebitdar increasing by 15% year-on-year.

Trading at Southern Sun Dar es Salaam in Tanzania has been subdued since reopening in October 2024, and this trend has continued into the current financial year. Performance was adversely affected by political unrest surrounding the country's October 2025 presidential elections, which significantly disrupted the city's role as Tanzania's economic hub.

Manco

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

Maintenance capital expenditure

The group invested R600 million (2025: R450 million) in maintenance capital expenditure during the year, including major refurbishment projects at Southern Sun Waterfront, The Westin Cape Town, Southern Sun Sandton, Paradise Sun, Birchwood & OR Tambo Conference Centre, Southern Sun The Cullinan, Mount Grace Hotel & Spa (Mount Grace), Southern Sun Mbombela, Southern Sun Newlands and Southern Sun Rosebank, together with ongoing asset replacement and maintenance programmes across the portfolio. These investments ensure that the group's hotels remain competitive, operationally efficient and aligned with evolving guest expectations.

The refurbishment of flagship properties forms part of the group's ongoing investment programme aimed at maintaining product relevance, enhancing guest experience and supporting long-term revenue growth. The successful completion of 652 upgraded bedrooms during the year positions the portfolio to benefit from continued demand growth across both leisure and corporate travel segments.

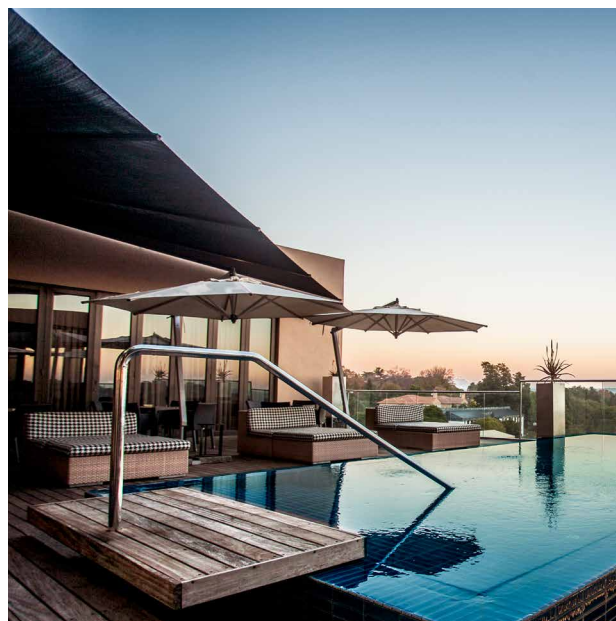
Looking ahead

The group remains well positioned to benefit from improving demand fundamentals in the South African tourism and hospitality sector. Continued growth in international arrivals, the recovery of corporate and conferencing demand and further occupancy gains in selected regions present opportunities for future revenue and earnings growth.

The group is encouraged by ongoing reforms aimed at supporting tourism and economic growth, including initiatives by the Department of Home Affairs to simplify visa requirements and improve access for key source markets such as China and India. Improvements in energy supply stability and continued investment in tourism infrastructure are also expected to support business and leisure travel demand over the medium term.

While global economic uncertainty, geopolitical tensions and domestic policy challenges may continue to influence consumer and business confidence, Southern Sun's diversified portfolio, strong balance sheet and disciplined capital allocation approach position the group well to navigate these risks and capitalise on opportunities as they arise.

Customer experience remains central to Southern Sun's value proposition. The group will continue to invest in its portfolio, enhance its products and services, and leverage its brands, loyalty programme and distribution capabilities to deliver exceptional experiences for guests and sustainable long-term value for shareholders.



Southern Sun Hydepark



INORGANIC GROWTH

Inorganic growth is a key strategic lever for expanding the group's footprint and capabilities. This growth will be pursued through a balanced combination of capacity increases in existing operations, greenfield developments in new markets, and acquisitions aligned with the group's core competencies. Each initiative will be underpinned by disciplined due diligence and rigorous feasibility assessments to ensure value creation and long-term success.

Given the resource-intensive nature of growth projects, careful evaluation of financial and human capital requirements is essential. These projects must be assessed within the group's capacity tolerances to safeguard operational stability and uphold the pillars of sustainability. This disciplined approach ensures that inorganic growth enhances strategic positioning without compromising resilience or stakeholder value.

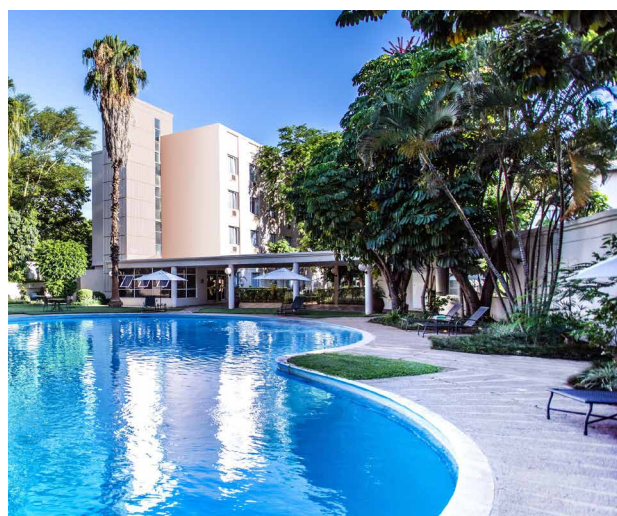
Investment activity expenditure (Rm)	2026	2025	2024
Four sectional title units at Garden Court Victoria Junction	-	-	7
Southern Sun Elangeni & Maharani Land in uMhlanga, for future development	7	-	-
Acquisition of 25% minority interest in Birchwood Hotel & OR Tambo Conference Centre (acquisition of land and certain moveable assets)	-	31	6
Sunswop units	-	-	160
Beverly Hills	3	5	5
	4	9	2
	14	45	180

Looking ahead

The group remains focused on disciplined capital allocation and believes that its strong balance sheet, net cash position and high-quality property portfolio provide a solid platform for future growth. The primary focus remains on enhancing shareholder returns through targeted refurbishment of the existing portfolio, operational excellence and continued market share gains. At the same time, management continues to pursue disciplined expansion opportunities that meet the group's strategic and return objectives while preserving financial flexibility.

Over the medium term, the group will continue to prioritise investment in markets demonstrating sustained demand and favourable long-term growth prospects. In parallel, management is

progressing a number of strategic development opportunities, including the proposed joint venture to develop two mixed-use properties in the Cape Town Foreshore precinct, participation in the Southern Sun Hotels & Residences Oceans uMhlanga development through its equity investment and management contract, and the continued planning and design of the proposed redevelopment and expansion of the Beverly Hills Hotel. These initiatives, together with the group's substantial liquidity headroom and strong operating cash generation, position Southern Sun to capitalise on attractive growth opportunities while maintaining a disciplined approach to capital allocation.



Southern Sun Ridgeway

1

Who we are

2

Performance and value creation

3

Integrated governance

4

Shareholder information

CORPORATE GOVERNANCE REVIEW

Southern Sun is committed to ethical and effective leadership and sound corporate governance.

The group's governance framework supports disciplined decision-making, effective oversight, responsible risk-taking and sustainable long-term value creation. It provides the foundation for how the group is directed, controlled and managed in the interests of shareholders and our broader stakeholders.

GOVERNANCE FRAMEWORK

Supporting ethical leadership, effective oversight and sustainable long-term value creation.



Good governance is integral to the way Southern Sun creates, protects and sustains long-term value. It underpins strategic decision-making, responsible risk-taking, effective oversight and accountability across the group.



COMPLIANCE

Southern Sun's governance framework comprises board-approved policies, charters, delegated authorities, governance processes and committee structures designed to support ethical leadership, effective oversight, informed decision-making and sustainable long-term value creation. The framework is aligned with King V, the Companies Act, the JSE Listings Requirements and other applicable governance and regulatory requirements.



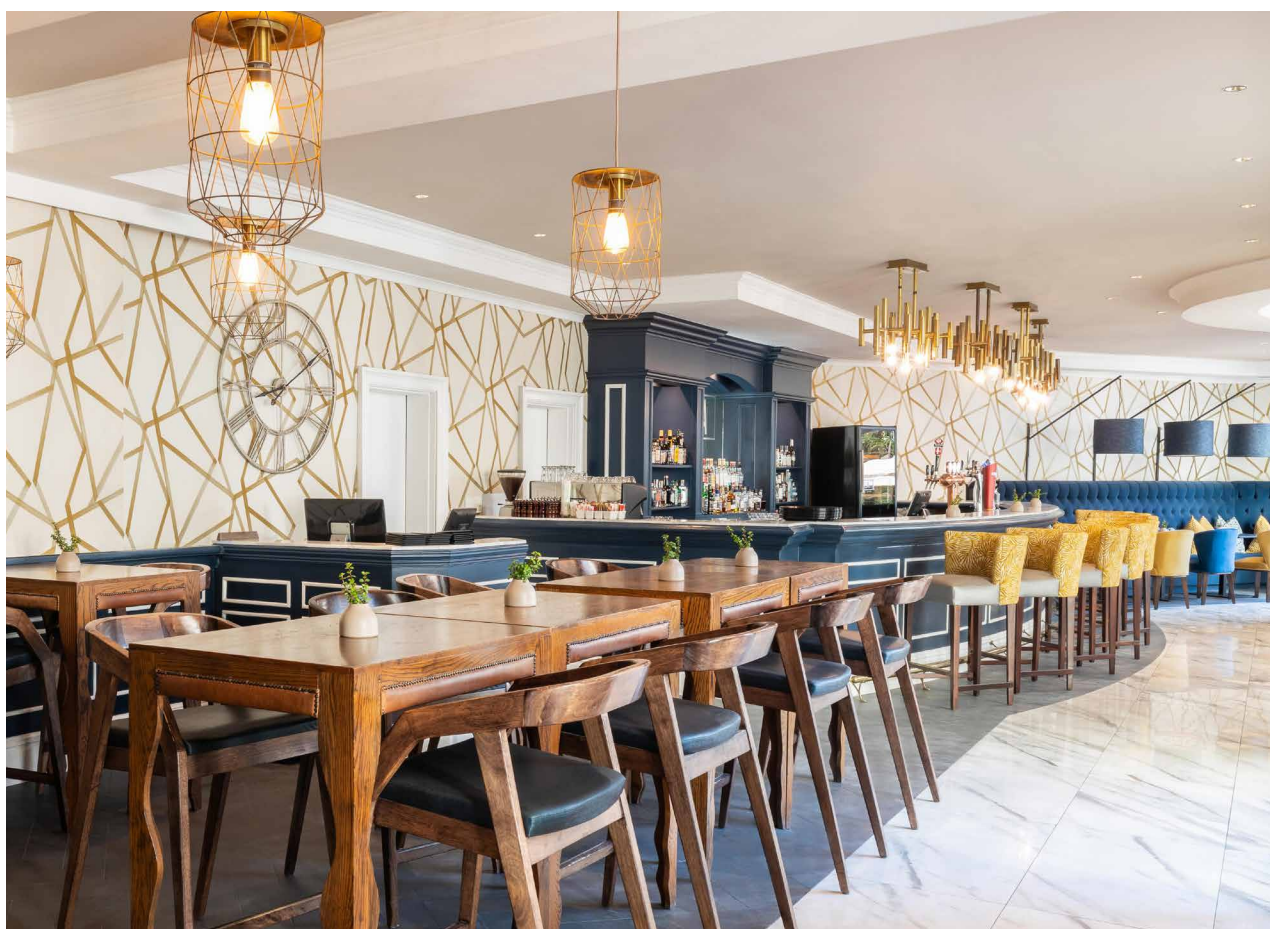
Our King V application register can be viewed on our website www.southernsun.com/investors/governance.

Organisational ethics and responsible citizenship

Ethical leadership underpins the group's governance framework and is fundamental to the manner in which Southern Sun conducts business. The board promotes a culture founded on integrity, accountability, transparency and responsible corporate citizenship, setting the tone for ethical behaviour throughout the organisation. During FY26, the group continued to strengthen its ethics and governance culture through leadership engagement, governance enhancements, policy reviews and targeted awareness initiatives.

The board recognises that maintaining a strong ethical culture requires continuous reinforcement through visible leadership, consistent decision-making and individual accountability, together with regular review to ensure that the group's governance practices remain effective, relevant and aligned with evolving stakeholder expectations.

The group's code of conduct, ethics policy and supporting governance policies establish the standards of behaviour expected of directors, employees and other stakeholders. During FY26 these policies were reviewed and enhanced to reflect King V, legislative developments and evolving governance expectations, including amendments relating to employment equity, anti-corruption and fraud prevention. The group also strengthened its anti-corruption governance framework through the implementation of an updated prevention and combating of corrupt activities policy, enhanced reporting obligations for designated employees and continued ethics awareness initiatives.



Southern Sun The Cullinan

CORPORATE GOVERNANCE REVIEW *continued*

OUR ETHICAL CULTURE

Our ethical culture underpins the way we conduct business. It is embedded in our values, supported by our governance framework and demonstrated through ethical leadership, responsible decision-making and individual accountability across the group.

OUR OUTCOME		
1	ETHICAL LEADERSHIP  The board sets the tone for ethical leadership and expects directors, management and employees to act with integrity, accountability and transparency, demonstrating the group's values in every decision and action.	 Strong ethical leadership and consistent decision-making throughout the group.
2	SPEAK-UP CULTURE  Employees and stakeholders are encouraged to report unethical conduct or concerns through secure, confidential and independently administered reporting channels, with confidence that reports will be treated appropriately and without fear of retaliation.	 A trusted reporting environment that promotes transparency, accountability and the early resolution of concerns.
3	CONFLICT MANAGEMENT  Actual, potential and perceived conflicts of interest are proactively prevented and managed through mandatory annual declarations by directors and designated employees, enhanced conflict management processes and regular governance oversight.	 Objective decision-making that supports the best interests of the group.
4	COMPLIANCE  Compliance is supported through governance policies, training, awareness initiatives, ongoing monitoring and regular oversight, reinforcing a culture of integrity and responsible business conduct.	 A strong culture of compliance that protects the group's reputation and licence to operate.
5	RESPONSIBLE BUSINESS  Responsible business practices create shared value for stakeholders through ethical business conduct, environmental stewardship, transformation, fair labour practices and positive community impact.	 Sustainable value creation for shareholders, communities and the environment.
6	ACCOUNTABILITY  Individual accountability is reinforced through clearly defined responsibilities, delegated authority, governance oversight and appropriate consequences where standards of conduct are not met.	 A culture of accountability that supports ethical behaviour and responsible decision-making.

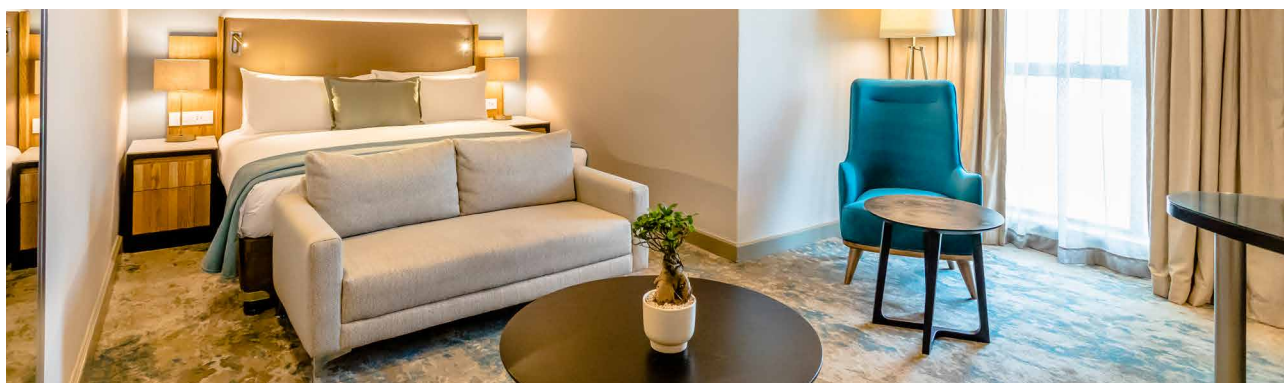
OVERSIGHT AND CONTINUOUS IMPROVEMENT



The social and ethics committee oversees the group's ethics framework and receives regular reports on ethical conduct, whistleblowing, conflicts of interest, fraud prevention, anti-corruption and related governance matters.



The board continues to assess and strengthen our ethical culture through stakeholder engagement, awareness initiatives, governance oversight and ongoing monitoring, supporting continuous improvement and long-term sustainable success.



Southern Sun Sandton

Southern Sun's ethical culture is supported by governance processes designed to protect the integrity of decision-making, promote transparency and reinforce accountability throughout the organisation. These governance safeguards assist the board in maintaining stakeholder confidence and ensuring that ethical standards are consistently upheld.

MAINTAINING INTEGRITY

Governance safeguards that underpin ethical leadership and build stakeholder trust



CONFLICTS OF INTERESTS

Proactively identifying, disclosing and managing actual, potential and perceived conflicts to ensure objective decision-making and maintain stakeholder trust.



SHARE DEALING

Upholding market integrity through responsible share dealing practices in accordance with the JSE Listings Requirements, the Financial Markets Act and our share dealing policy.



WHISTLEBLOWING

Encouraging the confidential reporting of unethical conduct through independent channels, without fear of retaliation, to promote accountability and continuous improvement.

Conflicts of interest

The board recognises that the effective identification, disclosure and management of actual, potential and perceived conflicts of interest are fundamental to sound corporate governance and objective decision-making. The board is committed to maintaining high standards of integrity and transparency and, in accordance with section 75 of the Companies Act, 71 of 2008, directors are required to disclose any personal financial interests in matters considered by the board or its committees.

General declarations of interests are submitted by directors annually and updated whenever circumstances change. During FY26, the group further strengthened its conflict of interest governance framework through enhanced disclosure requirements and regular governance oversight by the Company Secretary. Directors' declarations are circulated to the board and maintained in accordance with the group's governance processes to support transparency, accountability and informed decision-making. Where a conflict of interest exists, the affected directors recuse themselves from the relevant deliberations and decision-making process in accordance with the Companies Act and the board charter.

Share dealing

The board is committed to maintaining the integrity of the market in the group's securities through responsible share dealing practices. Dealings by directors, prescribed officers, their associates and other designated insiders are governed by the JSE Listings Requirements, the Financial Markets Act and the group's share dealing policy, which is designed to prevent insider trading and promote transparency and market integrity. It requires that:

- Prior written clearance is obtained from the Company Secretary or designated officer before any transaction in the group's securities;
- Dealings by directors and prescribed officers are announced through SENS where required by the JSE Listings Requirements; and
- Dealings are prohibited during closed periods and at any other time when a person is in possession of unpublished price-sensitive information or the group is subject to a cautionary announcement.

Compliance with the share dealing policy is actively monitored by the Company Secretary through ongoing communication, regular awareness initiatives and the administration of the pre-clearance process. During FY26, no breaches of the share dealing policy or applicable legislative requirements were identified.

CORPORATE GOVERNANCE REVIEW *continued*

Code of conduct

The group's code of conduct establishes the standards of ethical behaviour expected of directors, officers and employees and supports the board's commitment to ethical leadership and responsible corporate citizenship. It provides practical guidance to promote consistent decision-making, lawful conduct and responsible business practices across the group. The code outlines standards of behaviour and provides practical guidance on:

- Identifying and appropriately managing conflicts of interest;
- The acceptance and offering of gifts, donations and hospitality, in line with internal thresholds and approval procedures;
- Compliance with applicable laws, regulations and company policies;
- The responsible use and protection of confidential and proprietary information;
- Interactions with stakeholders, customers, regulators and the broader community; and
- Promoting a workplace that is respectful, inclusive and free from discrimination or harassment.

All employees formally acknowledge the code of conduct on joining the group and periodically thereafter. Ongoing awareness is reinforced through ethics training, internal communication and compliance monitoring.

Breaches of the code of conduct are investigated and addressed through the group's disciplinary and governance processes and may result in disciplinary, civil or criminal action where appropriate. Oversight of the effectiveness of the code is exercised by the social and ethics committee.

Anti-bribery and corruption

The board adopts and maintains a zero-tolerance stance towards bribery, corruption, fraud and other unethical conduct. The group's anti-corruption governance framework is aligned with the Prevention and Combating of Corrupt Activities Act, other applicable legislation and recognised international anti-corruption principles, and is designed to prevent, detect and respond appropriately to unethical conduct. Through ongoing oversight, policy enhancement and awareness initiatives, the board reinforces a culture in which unethical conduct is neither tolerated nor accepted.

The framework was further strengthened during FY26 through the implementation of the updated prevention and combating of corrupt activities policy and enhanced governance processes relating to declarations and reporting obligations.

The group maintains confidential whistleblowing and anti-corruption reporting mechanisms, including an independently administered anonymous ethics hotline available to employees, suppliers and other stakeholders. Oversight of these arrangements is exercised by the social and ethics committee.

Employees, suppliers and other stakeholders are encouraged to report suspected misconduct, unethical behaviour or actions that may compromise the group's values or reputation. All reported

matters are assessed and investigated in accordance with established governance protocols, with appropriate remedial action taken where necessary, including disciplinary, civil or criminal proceedings. During the year ended 31 March 2026, five whistleblowing reports were received through the ethics hotline (2025: 11). The matters reported did not identify any material governance failures or systemic control weaknesses and were investigated and addressed in accordance with the group's established governance, investigation and disciplinary processes.

The group further reinforces this framework through annual declarations by directors and executive management confirming compliance with the group's anti-bribery and corruption requirements, together with ongoing policy reviews, ethics awareness initiatives and targeted training. These measures support a culture of integrity and reinforce the board's commitment to ethical leadership and responsible corporate citizenship.

Governance framework and leadership

Southern Sun's governance framework supports ethical leadership, effective oversight, informed decision-making and sustainable long-term value creation. The board has adopted a governance framework that is aligned with King V, the Companies Act, the JSE Listings Requirements and other applicable regulatory requirements, while remaining appropriate to the group's strategy, operating environment and stakeholder expectations.

The governance framework provides the foundation for the effective stewardship of the group and supports the achievement of its strategic objectives while balancing the interests of shareholders and broader stakeholders.

The board remains committed to achieving the four governance outcomes advocated by King V – an ethical culture, good performance, effective control and legitimacy – and is satisfied that the group's governance framework supports the achievement of these outcomes. The board retains ultimate responsibility for the governance of the group and exercises oversight through clearly defined governance structures, delegated authorities, board committees and executive management.

The governance framework enables the group to:

- Promote ethical leadership, integrity and responsible corporate citizenship;
- Support informed decision-making, accountability and sustainable long-term performance;
- Maintain effective internal control, enterprise risk management and regulatory compliance; and
- Strengthen trust and legitimacy with shareholders and other key stakeholders.

The board regularly reviews the effectiveness and maturity of the group's governance framework through board evaluations, committee reporting, stakeholder engagement and ongoing monitoring of legislative and governance developments. The King V Governance Disclosure is reviewed annually and is available on the group's website.

BOARD OF DIRECTORS



Members	Meeting attendance
Executive directors	
MN von Aulock (CEO)	5/5
L McDonald (CFO)	5/5
Independent non-executive directors	
MH Ahmed (Lead independent)	5/5
SC Gina	5/5
LM Molefi	5/5
JG Ngcobo	5/5
CC September	5/5
Executive directors (by invitation only)	
JA Copelyn	5/5
JR Nicoella*	3/3
TG Govender^	2/2

* Resigned 9 February 2026.

^ Appointed 9 February 2026.



Board membership and analyses of its composition can be found on page 91.

The board is committed to maintaining a governance structure that promotes independent judgement, effective oversight and a clear allocation of responsibilities. The separation of leadership roles supports balanced decision-making, strengthens accountability and safeguards against the concentration of authority.

The respective roles of the Chairman and Chief Executive Officer (CEO) are formally documented and clearly differentiated. This separation supports sound governance by distinguishing the board's oversight responsibilities from executive management's responsibility for implementing the group's strategy and managing its operations.

- The Chairman, a non-independent non-executive director, provides leadership to the board, promotes its effective functioning, facilitates constructive engagement and ensures that directors are equipped to discharge their fiduciary and governance responsibilities.
- The CEO leads the implementation of the board-approved strategy and is responsible for the day-to-day management and performance of the group within the authority delegated by the board.

Recognising that the Chairman is a non-independent non-executive director, the board has appointed a strong lead independent director (LID) in accordance with King V to support objective decision-making and reinforce board independence. The LID:

- Chairs board meetings in the absence of the Chairman;
- Supports the Chairman in ensuring the effective functioning of the board;
- Provides leadership on matters where conflicts of interest may arise, particularly involving the Chairman; and
- Acts as an intermediary for other directors, where appropriate, and is available to shareholders should engagement through the normal governance channels be considered inappropriate or ineffective.

The board delegates authority to executive management through the responsibilities assigned to the CEO and the governance structures established across the group. Executive management is led by the CEO and Chief Financial Officer, who are responsible for implementing the strategy approved by the board and for the day-to-day management of the group's operations, performance and finances. Their oversight is supported by established management forums and regular reporting structures, while the board retains ultimate responsibility for governance, strategy and matters reserved for its approval. This governance structure promotes clear accountability, effective oversight and collective decision-making, ensuring that no individual exercises unfettered decision-making authority.



The terms of employment of board members are included in the remuneration report on page 100.

Responsibilities

The board is collectively responsible for the governance and long-term success of the group. In fulfilling its fiduciary duties, the board provides strategic direction, exercises independent oversight and promotes ethical leadership in a manner that supports sustainable value creation. The board's responsibilities are set out in a formally approved board charter, which is reviewed annually to ensure alignment with the Companies Act, the JSE Listings Requirements, King V and the group's evolving governance requirements.

THE BOARD'S RESPONSIBILITIES

How the board discharges its responsibilities to support effective governance and sustainable long-term value creation



ETHICAL LEADERSHIP

Provides ethical and effective leadership and promotes the long-term sustainability of the group.



STRATEGY AND PERFORMANCE

Sets the group's strategic direction by approving its strategy, business plans, budgets and material policies, and oversees their implementation and performance by management.



EXTERNAL REPORTING

Oversees the integrity of the group's external reporting, including the integrated annual report, annual financial statements and other material public disclosures.



RISK AND CAPITAL ALLOCATION

Oversees the group's principal risks and opportunities within its approved risk appetite, monitors operational and financial performance and approves significant strategic transactions, investments, capital allocation and funding decisions.



GOVERNANCE AND COMPLIANCE

Monitors governance effectiveness, operational and financial performance, and compliance with applicable legislation, governance standards and internal policies.



ACCOUNTABILITY

Acts in the best interests of the group while balancing the legitimate interests of shareholders and broader stakeholders through transparent, accountable and responsible decision-making.

The board retains ultimate accountability while delegating specific responsibilities to committees and management.

CORPORATE GOVERNANCE REVIEW *continued*

The board regularly considers the effectiveness of its composition, governance processes and performance to ensure that it continues to discharge its responsibilities effectively. While specific responsibilities are delegated to board committees and executive management, the board retains ultimate accountability for the governance, performance and affairs of the group.

The board charter is reviewed annually to ensure that it remains aligned with legislative developments, King V, the group's governance framework and evolving stakeholder expectations. It continues to provide a clear framework for the effective discharge of the board's responsibilities and supports sound governance across the group.

Diversity



The directors' varied backgrounds and experience, as set out in their CVs available on our website, provide an appropriate mix of knowledge and expertise necessary to manage the business effectively.

The board considers diversity holistically, including skills, experience, independence, race, gender, age, culture and diversity of thought. Board diversity is assessed and monitored annually. The board considers diversity a core measurement when appointing new members.



The board is satisfied that its current composition, the components of which are set out in the graphs on page 92, reflects an appropriate mix of knowledge, skills, experience, diversity and independence.

Appointments and succession

Board appointments are conducted formally and transparently. One-third of the non-executive directors retire by rotation at each annual general meeting (AGM) and, if eligible, may offer themselves for re-election by shareholders.

Mr Rob Nicoletta resigned as a non-executive director of the company with effect from 9 February 2026. Mr Kevin Govender was appointed to the board as a non-executive director on the same day.

For executive succession planning, Southern Sun seeks to appoint from within the group, and has access to a range of available resources, skills and expertise.

Accountability and compliance

The board is accountable to shareholders for the group's performance and recognises its broader responsibilities to stakeholders through transparent governance, responsible decision-making and effective oversight. The effectiveness of the board and its committees is evaluated regularly to support continuous improvement and good governance.

Management is accountable for implementing the group's strategy and achieving agreed performance objectives through regular operational and financial reporting, budget reviews and the assessment of individual key performance indicators (KPIs). Annual short-term incentives are linked to pre-agreed financial performance measures and individual KPIs.

The board and members of executive management annually declare that, to the best of their knowledge, they have not caused the group to contravene any applicable laws or regulations in the execution of their duties. These declarations form part of the group's broader governance and assurance framework, supporting legal compliance, ethical conduct and effective risk management.

The group maintains a structured legal and regulatory compliance framework, with oversight provided by the audit and risk committee through regular reporting and monitoring of material compliance matters.

The board is satisfied that it has discharged its responsibilities in accordance with its board charter, the group's memorandum of incorporation and applicable governance requirements, while acting in the best interests of the group and its stakeholders.



For further information, please refer to the remuneration policy and the remuneration implementation report on page 93.

Company Secretary effectiveness

The group's Company Secretary is Southern Sun Secretarial Services Proprietary Limited, represented by Laurinda Rosalind (Rosa) van Onselen. The Company Secretary supports the board in the effective discharge of its governance responsibilities and assists the group in maintaining compliance with applicable statutory, regulatory and governance requirements.

The Company Secretary is responsible for:

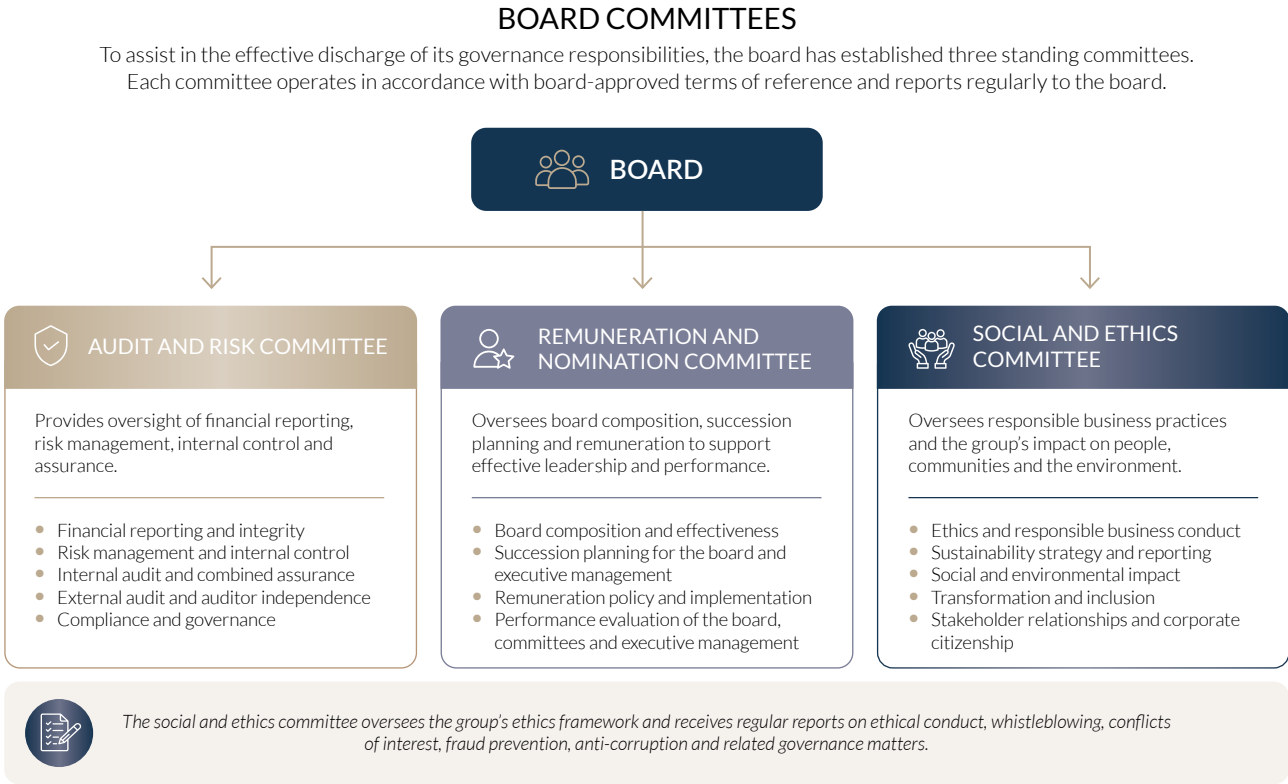
- Maintaining the group's statutory records and overseeing its corporate administration;
- Supporting compliance with the Companies Act, the JSE Listings Requirements and applicable governance requirements through advice, monitoring and governance processes;
- Providing the board and its committees with independent advice and guidance on corporate governance matters; and
- Facilitating the effective functioning of the board and its committees through appropriate meeting processes, agendas, minutes and governance support.

The Company Secretary is not a director of the group and maintains an arm's length relationship with the board, its committees and executive management. She attends board and committee meetings to provide independent governance advice and company secretarial support.

Directors have unrestricted access to the professional advice and services of the Company Secretary, who also assists the board with director induction, ongoing governance developments and procedural guidance where required.

Following its annual assessment, the board is satisfied that the Company Secretary possesses the competence, qualifications, experience and independence required to support the effective functioning of the board and to discharge the responsibilities associated with the office of Company Secretary.

Committees



DELEGATED OVERSIGHT • BOARD ACCOUNTABILITY • STRONG GOVERNANCE

The board has established the audit and risk committee, social and ethics committee and remuneration and nomination committee to assist it in discharging its governance responsibilities and to provide focused oversight in key areas of the group's governance framework. Each committee operates in accordance with board-approved terms of reference, which are reviewed annually to ensure they remain aligned with legislative requirements, King V and the group's governance framework.

While specific responsibilities have been delegated to the committees, the board retains ultimate accountability for the effective discharge of its responsibilities.

Following each committee meeting, the Chair reports to the board on the matters considered, key decisions and recommendations arising from the meeting.

The board is satisfied that its committee structure remains appropriate for the size, complexity and strategic requirements of the group. The composition of each committee is reviewed regularly to ensure that members collectively possess the skills, experience, diversity and independence necessary to discharge their respective responsibilities effectively.

AUDIT AND RISK COMMITTEE

The audit and risk committee assists the board in overseeing the integrity of financial reporting, risk management, internal control, assurance, technology and information governance, and regulatory compliance.



COMMITTEE COMPOSITION

The audit and risk committee comprises four independent non-executive directors



OUR PURPOSE

To provide independent oversight and assurance that supports the integrity of our reporting, the management of risk and the protection of stakeholder value.

OUR KEY AREAS OF OVERSIGHT



FINANCIAL REPORTING

Overseeing the integrity of financial reporting, accounting policies, financial statements and the integrated reporting process.



INTERNAL CONTROL AND ASSURANCE

Overseeing the effectiveness of the internal control environment, internal financial controls and the combined assurance framework.



INTERNAL AND EXTERNAL AUDIT

Overseeing the effectiveness, independence and performance of internal and external audit, approving their plans and fees, and recommending the appointment of the external auditor.



RISK MANAGEMENT

Overseeing the enterprise risk management framework, including the identification, assessment and opportunities within the board-approved risk appetite and tolerance.



TECHNOLOGY AND INFORMATION GOVERNANCE

Overseeing technology and information governance, including cybersecurity, information management and technology risks affecting the group.



COMPLIANCE AND OTHER MATTERS

Overseeing compliance with laws and regulations and material legal, regulatory, treasury, taxation, insurance and sustainability-related matters.



OUR RESPONSIBILITIES INCLUDE

- Approving non-audit services.
- Satisfying itself as to the expertise and experience of the CFO and the adequacy of the group's finance function.
- Considering significant development in accounting standards, financial reporting requirements and regulatory developments.
- Overseeing sustainability and climate-related disclosures where relevant to financial reporting and risk governance.
- Discharging our statutory responsibilities in terms of the Companies Act, the JSE Listings Requirements and our terms of reference.



We promote strong governance, effective risk management and reliable reporting to support informed decision-making and long-term value creation

INTEGRITY • INDEPENDENCE • ACCOUNTABILITY • ASSURANCE • VALUE CREATION



Paradise Sun

AUDIT AND RISK COMMITTEE



Members	Meeting attendance
Independent non-executive directors	
Mohamed Haroun Ahmed (Chairman)	3/3
Sipho Chris Gina	3/3
Lynette Moretlo Molefi	3/3
Jabulani Geoffrey Ngcobo	3/3



This report should be read in conjunction with the statutory report of the audit and risk committee on page 04 of the consolidated annual financial statements.

The board is satisfied that the members of the audit and risk committee collectively possess the financial literacy, skills and experience necessary to discharge their responsibilities effectively and contribute meaningfully to the committee's deliberations. The board recommends the members of the audit and risk committee for reappointment at the AGM to be held on 15 September 2026.

The audit and risk committee considered and satisfied itself that the CFO, Laurelle McDonald, has the appropriate expertise and experience to fulfil her role.

The audit and risk committee:

- Confirmed that the group has established appropriate and adequate financial reporting procedures; and
- Monitored compliance with the group's risk management policy and confirmed that the policy was complied with in all material respects.

Non-audit services approved throughout the year included mainly agreed-upon procedures for HCI group-related reporting and agreed-upon procedure certificates for property rentals. The audit and risk committee met three times during the year. *Ad hoc* meetings are held as required to consider special business. The CEO, CFO, external auditor, internal auditor, and senior management from the group's risk and IT departments attend all audit and risk committee meetings by invitation to contribute pertinent insights and information.

The committee's terms of reference were reviewed and approved by the board during the year to ensure alignment with applicable laws, King V and the JSE Listings Requirements. The board is satisfied that the audit and risk committee fulfilled its responsibilities during the year in accordance with its terms of reference.



KEY FOCUS AREAS ADDRESSED DURING THE 2026 FINANCIAL YEAR

- Monitored the implementation of new sustainability reporting requirements, including IFRS S1 and IFRS S2, and assessed the group's reporting readiness.
- Monitored the implementation of the Companies Amendment Acts and other significant legislative and regulatory developments affecting the group.



KEY FOCUS AREAS ADDRESSED DURING THE 2027 FINANCIAL YEAR

- Continue strengthening sustainability governance and oversight of IFRS S1 and IFRS S2 implementation.
- Monitor the continued application of King V and ongoing enhancement of the group's governance framework.
- Oversee implementation of significant legislative, regulatory and financial reporting developments affecting the group.
- Continue enhancing technology and information governance, including oversight of cyber resilience, IT control remediation, access and change management controls, data governance, privacy, AI governance and key digital and financial systems projects.
- Monitor the maturity and effectiveness of the group's combined assurance framework and internal control environment, including coordination between management, internal audit, external audit and other assurance providers, and continued monitoring of key control areas and remediation actions.



Southern Sun Dar es Salaam

SOCIAL AND ETHICS COMMITTEE

Oversees the group's ethical culture, responsible corporate citizenship, sustainability, stakeholder relationships and regulatory compliance.



PURPOSE

To promote ethical leadership, responsible corporate citizenship and sustainable business practices that can create value for our stakeholders and society in accordance with board-approved Terms of Reference.



5
MEMBERS

COMMITTEE COMPOSITION

- Five independent non-executive directors
- Appointed by the board
- CEO, CFO and General Manager: Corporate Affairs attend meeting by invitation
- Chair is an independent non-executive director

PRIMARY OVERSIGHT RESPONSIBILITIES



ETHICS AND CULTURE

- Overseeing the group's ethical culture, organisational ethics, anti-corruption measures and whistleblowing arrangements



STAKEHOLDER RELATIONSHIPS

- Monitoring the group's performance against applicable social, ethics and responsible corporate citizenship requirements



ENVIRONMENTAL SUSTAINABILITY

- Overseeing environmental sustainability, climate-related matters, environmental management and responsible tourism initiatives



PEOPLE AND TRANSFORMATION

- Overseeing transformation, including broad-based black economic empowerment (B-BBEE), employment equity, diversity and inclusion initiatives
- Overseeing employee wellbeing, including health and safety, employee development, employee engagement and labour and employment matters



ENTERPRISE AND SUPPLIER DEVELOPMENT

- Overseeing enterprise and supplier development, preferential procurement, socio-economic development and broader stakeholder impact



REGULATORY COMPLIANCE

- Monitoring material regulatory developments, stakeholder matters and disputes with regulators where relevant to the committee's mandate

GOVERNANCE OUTCOMES



ETHICAL CULTURE
A strong ethical culture and responsible behaviour across the group.



RESPONSIBLE CORPORATE CITIZENSHIP
Meaningful contribution to communities and society execution and long-term value delivery.



SUSTAINABLE BUSINESS PRACTICES
Environmental stewardship and responsible use of resources



POSITIVE STAKEHOLDER IMPACT
Stronger stakeholder relationships and enhanced trust.



The social and ethics committee supports the board in promoting ethical leadership, responsible corporate citizenship and sustainable value creation for all our stakeholders.

SOCIAL AND ETHICS COMMITTEE



Members

Meeting attendance

Independent non-executive directors

Sipho Chris Gina (Chairman)	2/2
Lynette Moretlo Molefi	2/2
Jabulani Geoffrey Ngcobo	2/2
Mohamed Haroun Ahmed	2/2
Cornelia Carol September	2/2

The committee reports regularly to the board on matters within its mandate and brings significant matters requiring the board's attention to the board as appropriate. The committee also reports annually to shareholders in accordance with the Companies Act.

The social and ethics committee meets at least twice annually, with additional meetings convened as required. The board is satisfied that the committee fulfilled its responsibilities during the year in accordance with its terms of reference.



KEY FOCUS AREAS ADDRESSED DURING THE 2026 FINANCIAL YEAR

- Oversaw implementation of the Employment Equity Act amendments and monitored progress against the group's employment equity plan and transformation objectives.
- Enhanced oversight of environmental sustainability, climate-related matters and environmental reporting.

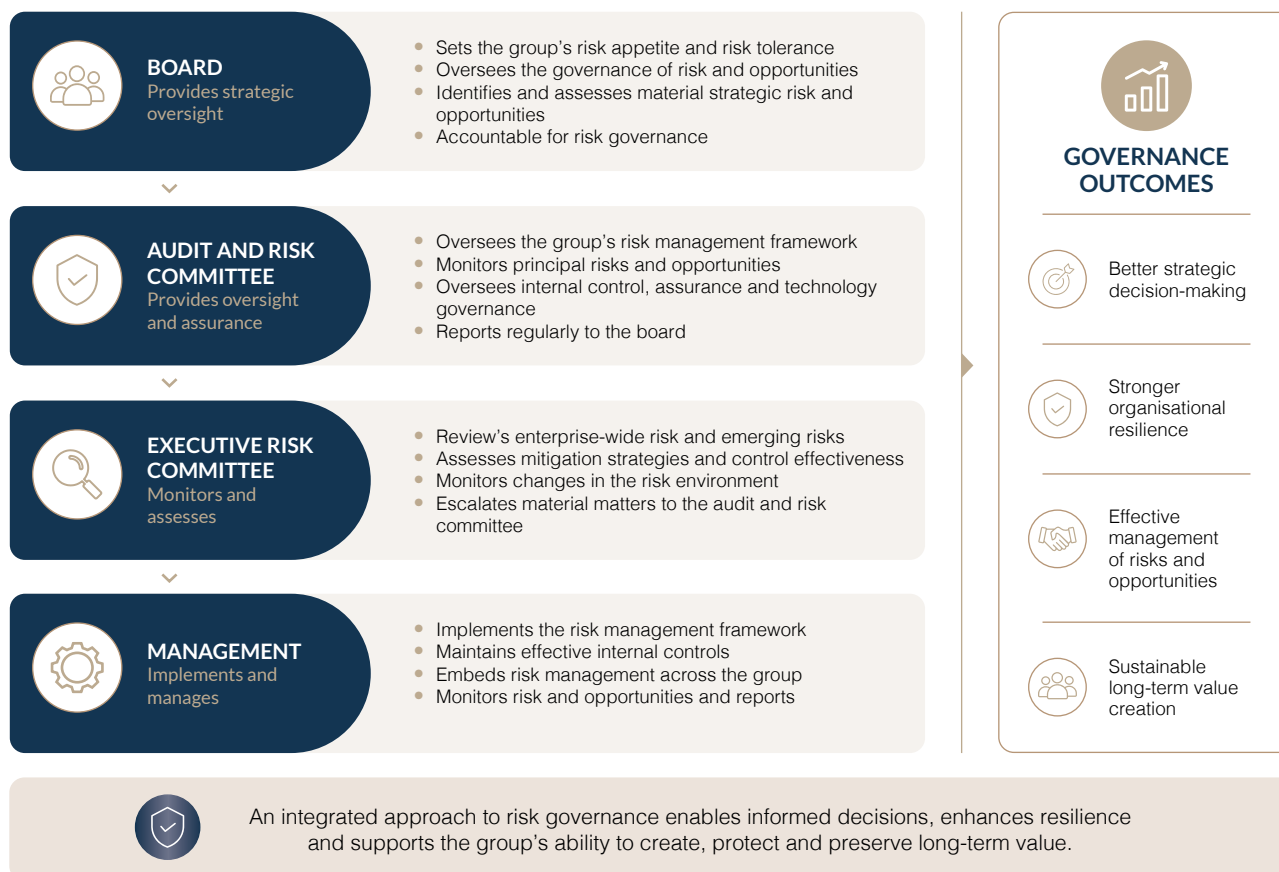


KEY FOCUS AREAS ADDRESSED DURING THE 2027 FINANCIAL YEAR

- Continue overseeing transformation, employment equity, diversity and inclusion initiatives, including implementation of the Employment Equity Plan and evolving legislative requirements.
- Continue strengthening environmental sustainability governance, climate-resilience initiatives and environmental performance reporting.
- Oversee responsible corporate citizenship, including enterprise and supplier development, socio-economic development and stakeholder impact.
- Monitor employee wellbeing, health and safety, employee engagement and culture.

RISK GOVERNANCE FRAMEWORK

Supporting strategic decision-making and long-term value creation.



Risk and opportunity

Risk governance is integral to Southern Sun's strategic decision-making and long-term value creation. The board is ultimately accountable for the governance of risk and opportunities and exercises ongoing oversight of the group's risk management framework.

The group's approach to risk governance recognises that effective decision-making requires consideration of both risks and opportunities arising from strategy formulation and execution. In addition to mitigating potential downside risks, the group seeks to identify and respond appropriately to opportunities that support sustainable growth and long-term value creation. While the board retains ultimate accountability for risk governance, oversight of the group's risk management framework has been delegated to the audit and risk committee, which reports regularly to the board.

Management is responsible for implementing the group's risk management framework, maintaining an effective system of internal control and embedding sound risk management practices throughout the organisation. The executive risk committee, comprising senior executives and operational management, reviews the group's enterprise-wide risk profile, emerging risks and the effectiveness of mitigation strategies on a regular basis. Material risks, opportunities and significant emerging risk themes are reported to the audit and

risk committee for oversight, with matters of strategic significance escalated to the board for consideration.

The group's treasury activities are governed by approved policies that prohibit speculative derivative transactions and limit the use of derivative financial instruments to approved commercial hedging activities undertaken in the ordinary course of business.

This integrated approach to risk governance supports informed decision-making, strengthens organisational resilience and enhances the group's ability to create, protect and preserve long-term value for shareholders and other stakeholders.



Southern Sun's material risks and opportunities are set out on page 29.

Internal controls

The board is responsible for overseeing the effectiveness of the group's system of internal control, which supports sound governance, effective risk management and the integrity of financial and operational reporting. The system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement, financial loss, fraud and non-compliance, recognising that no system of control can eliminate all risk.

INTERNAL CONTROL ENVIRONMENT

Supporting sound governance and reliable reporting



Management is responsible for implementing, maintaining and monitoring the effectiveness of the group's internal controls and for embedding an appropriate control environment throughout the organisation. Control responsibilities are communicated across the group to promote accountability, consistency and effective execution of the group's governance framework.

The audit and risk committee oversees the effectiveness of the group's internal control environment through regular reporting, internal audit, external audit and combined assurance activities, and recommends enhancements to the board where appropriate.

INTERNAL AUDIT

Independent assurance that strengthens governance and creates value



Internal audit

Internal audit performs risk-based assurance engagements in accordance with a board-approved annual internal audit plan, developed with due consideration of the group's risk profile, management priorities and the external audit plan.

During FY26, internal audit focused primarily on the effectiveness of internal financial controls, key operational controls and governance processes across the group.

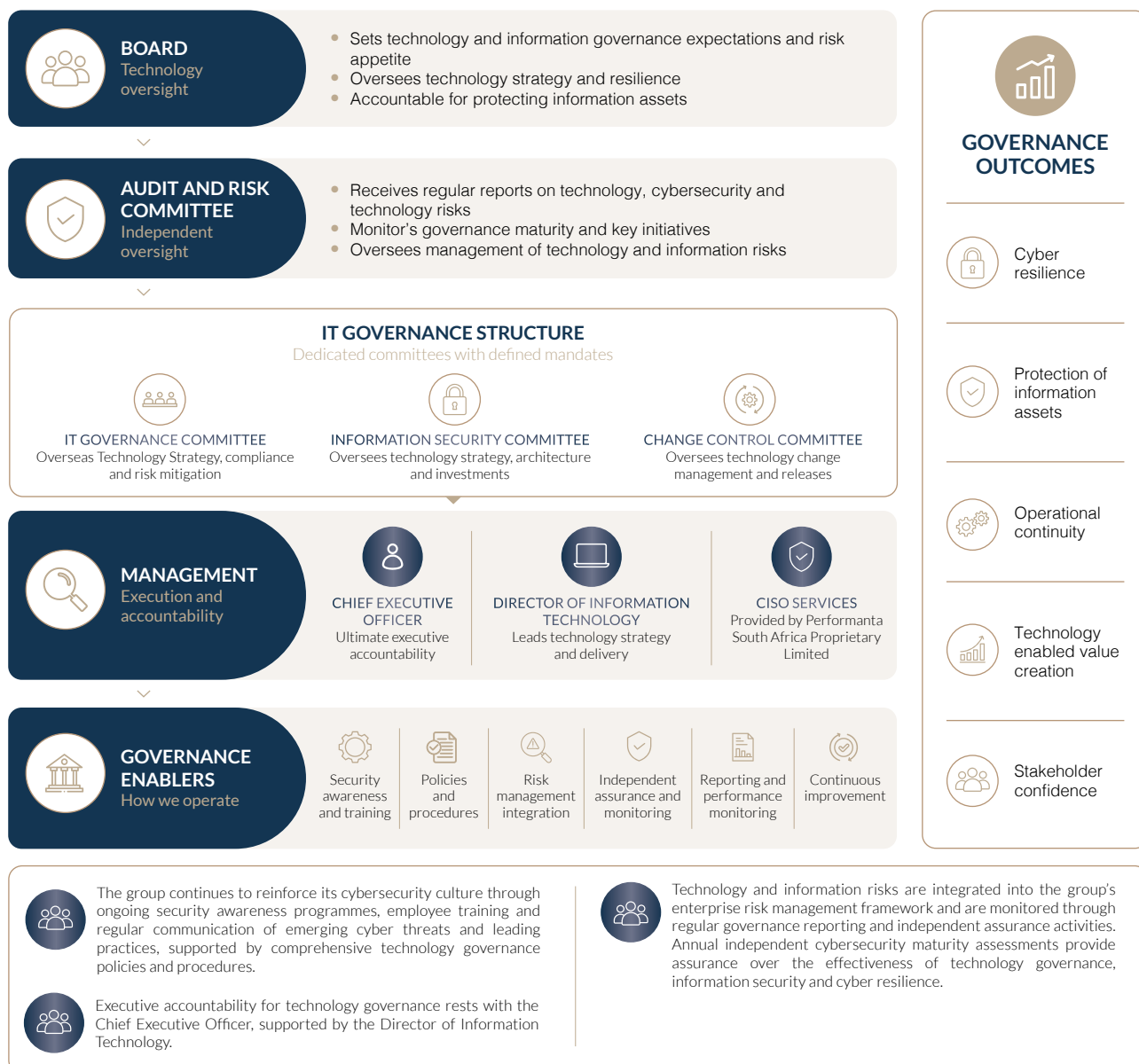
The audit and risk committee regularly reviews internal audit findings, monitors management's response to significant recommendations and assesses the effectiveness, independence and performance of the internal audit function.

The audit and risk committee is satisfied that the internal audit function possesses the necessary independence, expertise, experience and resources to fulfil its responsibilities effectively. The committee continues to assess the appropriateness and effectiveness of the internal audit function to ensure that it remains aligned with the group's size, complexity and risk profile.

TECHNOLOGY AND INFORMATION GOVERNANCE

Strong governance. Secure information. Sustainable value.

The board is accountable for technology and information governance and exercises oversight through the audit and risk committee, which receives regular reports on technology strategy, cybersecurity, technology risks and governance maturity.



Refer to page 51 of this report for more information on our IT strategy and governance.

The board is accountable for technology and information governance and recognises that effective technology governance is fundamental to achieving the group's strategic objectives, maintaining operational resilience and protecting information assets.

The group continues to strengthen its technology and information governance framework through the ongoing enhancement of its information security management framework, supporting policies and governance structures. Technology governance is supported by dedicated IT governance, information security and change control committees, each operating within clearly defined mandates to oversee technology initiatives, information security, cybersecurity and technology change management. The audit and risk committee receives regular reports on technology governance, cybersecurity, technology risks and governance maturity as part of its ongoing oversight responsibilities.

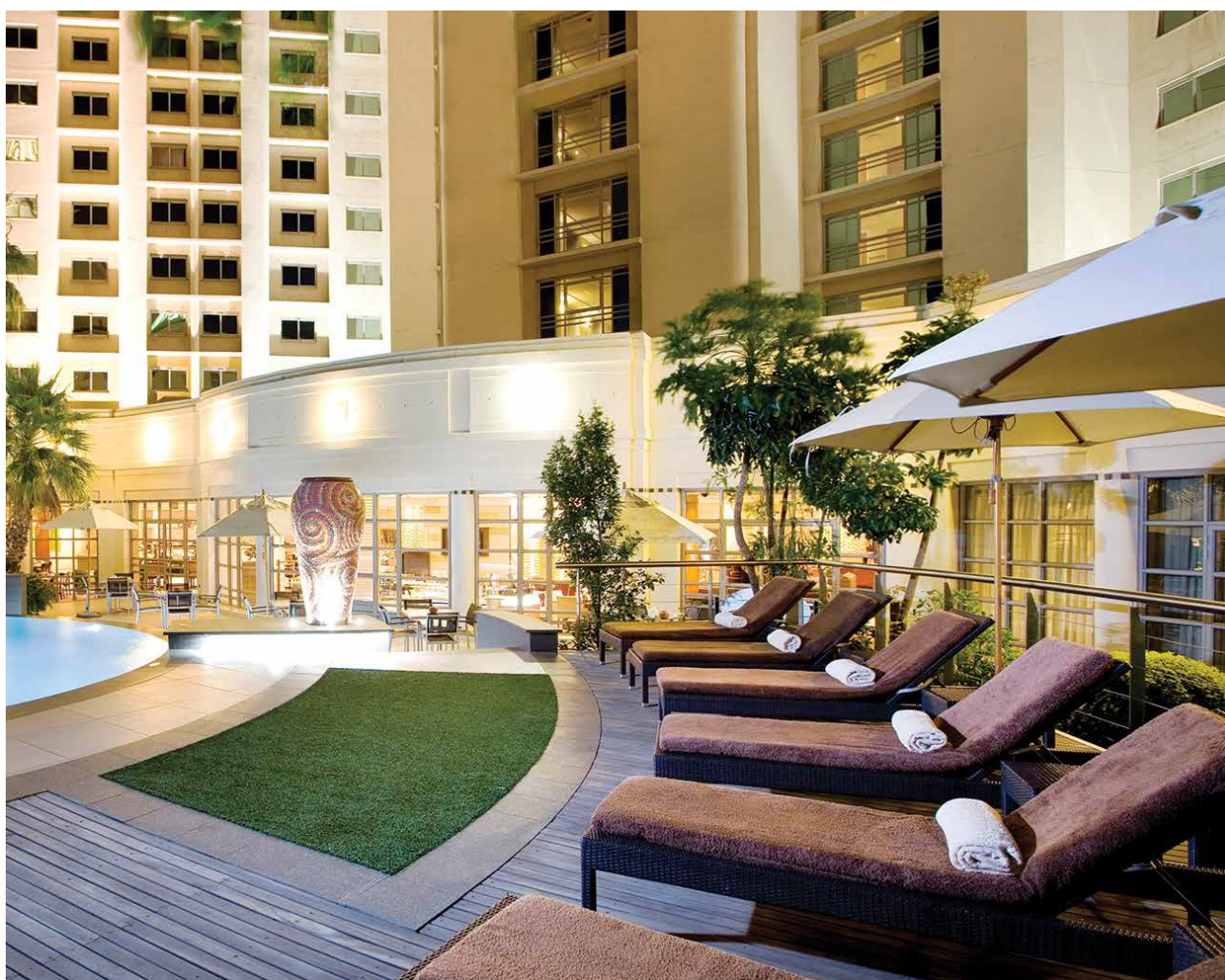
Chief Information Security Officer (CISO) services continue to be provided by Performanta South Africa Proprietary Limited.

During the year, a ransomware incident affected one third-party operated hotel. The incident was managed in accordance with established incident response processes and was resolved without any material impact on Southern Sun's operations.

The board is satisfied that the group's technology and information governance framework remained effective during the year and continues to support the group's strategic objectives, operational resilience and responsible management of technology and information risks.

Governance in action

Throughout this report, we have demonstrated how Southern Sun's governance framework supports ethical leadership, effective oversight and responsible decision-making. Governance is embedded in the way the group is directed and managed, enabling the board to exercise independent judgement, manage risk responsibly and seize opportunities that support the group's long-term strategy. Collectively, these governance practices give effect to the four governance outcomes advocated by King V and reinforce our commitment to creating sustainable long-term value for our shareholders and broader stakeholders.



Southern Sun Waterfront

OUR LEADERSHIP

The board as at 31 March 2026

Southern Sun's board comprises an appropriate balance of skills, experience, independence and diversity, supporting effective governance, robust decision-making and the discharge of its responsibilities in the best interests of the group and its stakeholders.

Executive directors



Marcel Nikolaus von Aulock (52)
Chief Executive Officer

BCom BAcc
Appointed:
10 May 2019



Laurelle McDonald (44)
Chief Financial Officer

CA(SA)
Appointed:
30 September 2011

Key and board membership (%)*



EXECUTIVE
DIRECTORS



NON-EXECUTIVE
DIRECTORS



INDEPENDENT
NON-EXECUTIVE DIRECTORS

Non-executive directors



John Anthony Copelyn (76)
Chairman and non-executive director

BA (Hons), BProc
Appointed:
10 May 2019



Theventheran Govindsamy Govender (55)
Non-executive director

BComm (Hons), BCompt (Hons)
Appointed:
9 February 2026



Summarised CVs can be found on Southern Sun's website at www.southernsun.com/investors/governance.

Independent non-executive directors



Mohamed Haroun Ahmed (61)
Lead independent non-executive director

BCom Acc
Appointed:
10 May 2019



Lynette Moretlo Molefi (57)
Independent non-executive director

BSc, MB ChB
Appointed:
10 May 2019



Sipho Chris Gina (67)
Independent non-executive director

Dip (Labour Law)
Appointed:
10 May 2019



Jabulani Geoffrey Ngcobo (75)
Independent non-executive director

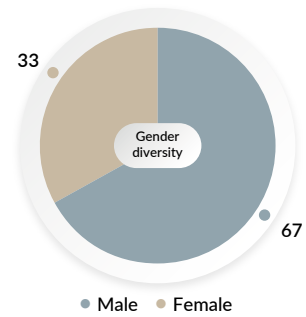
Appointed:
10 May 2019



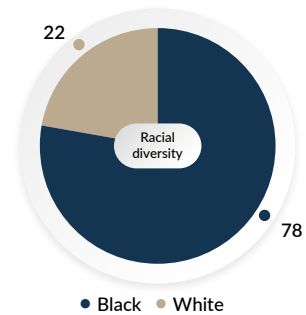
Cornelia Carol September (67)
Independent non-executive director

PhD, Masters in Technology Management, PGDip (Economic Policy), Adv Dip (Economics)
Appointed:
15 August 2019

Gender diversity (%)*



Racial diversity (%)*



* Mr Rob Nicoletta resigned as a non-executive director of the company with effect from 9 February 2026. Mr Kevin Govender was appointed as a non-executive director on the same day.

REMUNERATION REPORT



“The remuneration landscape continues to evolve, placing greater emphasis on transparency, fairness and accountability. Southern Sun remains committed to remuneration practices that support our strategy, reward sustainable performance and create long-term value for our shareholders, while ensuring we continue to attract, retain and motivate high-calibre employees. I am pleased to present Southern Sun's remuneration report for the year ended 31 March 2026, reflecting our commitment to remunerate fairly, responsibly and competitively.”

Mohamed Ahmed, Independent non-executive Chairman

REMUNERATION REPORT STRUCTURE

In accordance with the Companies Act, 2008 (as amended), and having regard to the remuneration principles of King V, this remuneration report comprises three sections:

1

BACKGROUND STATEMENT

2

REMUNERATION
PHILOSOPHY AND POLICY

3

REMUNERATION
IMPLEMENTATION
REPORT

This report has been reviewed and approved by the remuneration and nomination committee (the committee) and explains Southern Sun's remuneration philosophy, policy and implementation during the year.

The committee recognises that remuneration is a key driver of sustainable performance and responsible corporate governance. Accordingly, the group's remuneration framework seeks to reward the achievement of strategic and financial objectives, encourage prudent risk-taking, support the attraction and retention of high-calibre employees and reinforce a culture of accountability, integrity and long-term value creation. The group values ongoing engagement

with shareholders and other stakeholders to better understand their expectations and perspectives on remuneration and governance matters. Feedback received is considered by the committee as part of its annual review of the remuneration policy and its implementation, ensuring that the group's remuneration practices continue to reflect evolving market expectations, governance standards and legislative requirements.

This year's report has been enhanced to reflect the amended disclosure requirements of the Companies Act, including additional remuneration disclosures aimed at further improving transparency, accountability and comparability for shareholders.

REMUNERATION PHILOSOPHY

ATTRACT • RETAIN • MOTIVATE

REWARD SUSTAINABLE PERFORMANCE



SUPPORT STRATEGY



ALIGN WITH SHAREHOLDER INTERESTS



PROMOTE RESPONSIBLE BEHAVIOUR

LONG-TERM SUSTAINABLE VALUE CREATION

Chairman's background statement

The committee remains committed to ensuring that Southern Sun's remuneration framework is fair, responsible and competitive, while supporting the group's strategy, rewarding sustainable performance and creating long-term value for shareholders.

The group's approach to remuneration and annual salary increases continues to be guided by market conditions, affordability, individual performance and prevailing economic conditions, including inflationary trends. This balanced approach has enabled Southern Sun to maintain competitive remuneration practices, while recognising increases in the cost of living and reinforcing trust and confidence among employees.

When reviewing remuneration, the committee also considers independent market benchmarking, internal remuneration relativities, affordability, individual performance and broader economic conditions to ensure remuneration outcomes remain fair, responsible and competitive.

During the year, the committee continued to review the group's remuneration framework to ensure it remains aligned with evolving governance standards, market practice and legislative requirements. Particular focus was placed on enhancing the transparency and readability of the remuneration report to provide shareholders with clear, meaningful and decision-useful disclosure.

The committee also considered the additional disclosure requirements introduced by the Companies Amendment Act, 2024. The remuneration report has been updated accordingly and will continue to evolve to reflect legislative developments, governance best practice and stakeholder expectations.

Annual review of our remuneration policy

There were no material changes to the group's remuneration policy during the reporting period. The committee remains satisfied that the policy continues to support the group's strategic objectives and aligns the interests of employees, executives and shareholders.

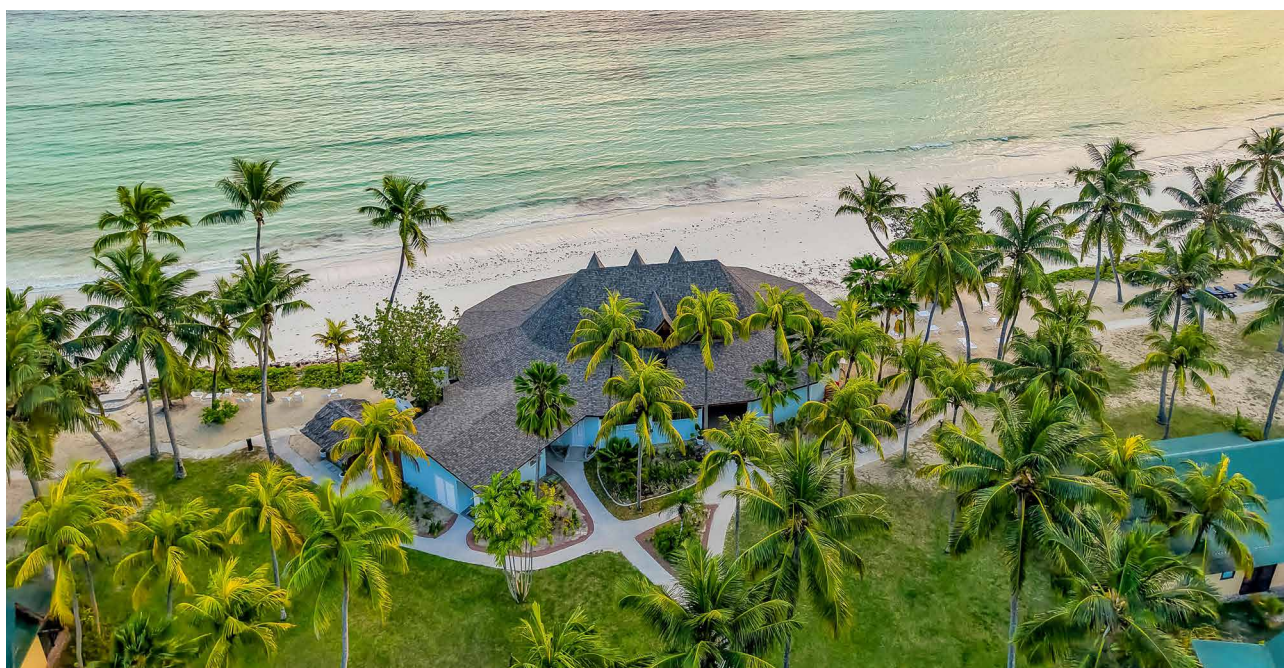
Shareholder engagement and voting

At the 2025 AGM, shareholders considered the remuneration policy and remuneration implementation report by way of non-binding advisory endorsements in accordance with the legislative framework applicable at the time. The voting outcomes for the past three years, together with the approval of the fees payable to non-executive directors, are set out below:

Shareholder non-binding advisory endorsement	2025	2024	2023
Remuneration policy (%)	83.7	87.2	95.0
Implementation report (%)	86.2	93.8	96.9
Approval of non-executive director fees (%)	99.8	100.0	99.7

At the 2025 AGM, shareholders representing 87.3% of the company's issued ordinary shares were present in person or by proxy. The remuneration policy and remuneration implementation report received shareholder support of 83.7% and 86.2%, respectively, while the special resolution approving the fees payable to non-executive directors received 99.8% shareholder approval.

Following the commencement of sections 30A and 30B of the Companies Act, 2008 (as amended), the shareholder approval process for remuneration matters has changed. From the 2026 AGM, shareholders will be requested to approve the remuneration policy and the remuneration report by separate ordinary resolutions.



Paradise Sun

REMUNERATION REPORT *continued*

Should the remuneration policy or the remuneration report not be approved, the company and the committee, as applicable, will comply with the requirements of sections 30A and 30B of the Companies Act, 2008 (as amended), including any subsequent shareholder engagement, reporting and approval requirements prescribed by the Act.

About the remuneration and nomination committee

The remuneration and nomination committee assists the board in ensuring that the group attracts, retains and motivates high-calibre talent through fair and responsible remuneration practices, while overseeing board composition, succession planning, remuneration governance and related human capital matters that support the group's long-term sustainability and strategic objectives.

Roles and responsibilities

The committee is responsible for and oversees board composition, diversity and succession, fair remuneration and performance measurement, and the setting and implementation of the remuneration policy for the group. The committee:

- Ensures the board has the appropriate balance of skills, experience, diversity and independence to discharge its responsibilities effectively;
- Oversees transparent and merit-based board appointments through a formal nomination process;
- Considers the group's diversity objectives when recommending appointments to the board;
- Oversees the establishment and annual review of the group's remuneration policy;
- Oversees succession planning for the board, executive management and senior management;
- Oversees remuneration fairness, internal equity and remuneration differential considerations;
- Oversees material human capital matters, including labour relations trends, workforce sustainability, employment equity developments and critical workforce risks;

- Oversees shareholder approval requirements relating to remuneration and the integrity of remuneration disclosures;
- Oversees shareholder engagement on remuneration matters and considers material shareholder feedback;
- Reviews the remuneration report for accuracy, completeness and transparency before recommending it to the board.

The committee comprises a majority of independent non-executive directors and is chaired by an independent non-executive director.

The board is satisfied that the committee fulfilled its responsibilities in accordance with its terms of reference for the year.

Composition	Meeting attendance 
Independent non-executive directors	
Mohamed Haroun Ahmed (Chairman)	2/2
Lynette Moretlo Molefi	2/2
Jabulani Geffrey Ngcobo	2/2
Non-executive directors	
John Anthony Copelyn	2/2
Executive directors (by invitation only)	
Laurelle McDonald	2/2
Marcel von Aulock	2/2

The committee meets at least twice annually. Additional meetings are convened as required to consider matters arising. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) attend meetings of the remuneration and nomination committee, or part thereof, by invitation if required to contribute pertinent insights and information.



2026 FOCUS AREAS

- Oversaw implementation of the remuneration governance requirements introduced by the Companies Amendment Act, 2024.
- Reviewed and updated the remuneration policy, remuneration report and related shareholder approval processes.
- Oversaw submission of the revised employment equity plan and monitored progress against the new sectoral numerical targets.
- Continued oversight of succession planning, executive remuneration and human capital matters.



2027 FOCUS AREAS

- Monitor the effectiveness of the remuneration governance framework following implementation of the Companies Amendment Act.
- Continue oversight of succession planning for the board and executive management.
- Monitor remuneration fairness and evolving market practice.
- Oversee implementation of the group's employment equity plan and progress against sector targets.
- Continue to enhance remuneration disclosures and shareholder engagement.



REMUNERATION PHILOSOPHY

The key goals of Southern Sun's remuneration philosophy are to remunerate fairly, responsibly and competitively to:

- Attract, reward and retain executive directors and employees of the requisite calibre, with the appropriate knowledge, attributes, skills and experience to allow them to add meaningful value to the company.
- Align the behaviour and performance of executive directors and management with the company's strategic goals in the overall interests of shareholders and other stakeholders.
- Promote a culture that supports initiative and innovation, with appropriate short and long-term incentives that are fair and achievable.

The remuneration and nomination committee approves the fixed and variable mix of the group's remuneration structure, which varies by employee level. This remuneration report outlines the components of the group's remuneration framework as applied under normal operating conditions.

The remuneration and nomination committee is satisfied that the remuneration policy achieved its stated objectives during FY26.

Fair, responsible and transparent remuneration

The remuneration structure is designed to ensure that above-average remuneration is earned only where above-average performance and sustainable shareholder returns are achieved.



FIXED REMUNERATION



GUARANTEED PAY

Basic cost to company

Median level for market

All permanent full-time employees, other than executive directors and management, receive guaranteed basic salaries. Employees who have completed up to three years' service are eligible for an annual bonus of up to one month's basic salary. The cost of medical, risk and retirement benefits is shared between the employee and the employer. Executive directors and management receive a guaranteed total remuneration package, with the cost of benefits structured within their total cost to company.

Variable remuneration			
Short-term incentives (STIs)		Long-term incentives (LTIs)	
Award	Terms	Award and vesting	Terms
Annually as recommended by the remuneration and nomination committee and as approved by the board.	Based on the achievement of financial targets and personal key performance objectives, calculated as a percentage of annual total package.	Annually, subject to a three-year minimum vesting period and equity-settled.	Aligned to shareholder returns.
Southern Sun seeks to remunerate employees responsibly, fairly and transparently by maintaining an appropriate balance between STIs and LTIs. This approach supports the achievement of short-term business objectives while promoting sustainable long-term value creation for shareholders.			

REMUNERATION REPORT *continued*

Short-term incentives (STIs)

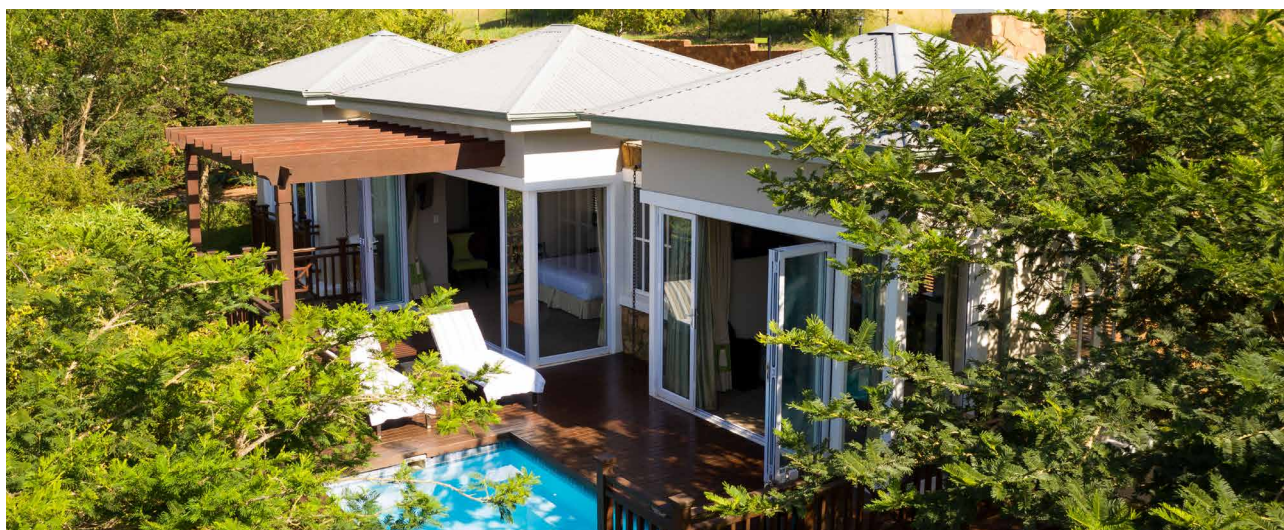
Southern Sun's STI scheme rewards participants for achieving both financial performance targets and pre-agreed personal key performance objectives.

Purpose and participation		
Executive directors and designated management employees participate in the STI scheme. Awards are determined using a combination of financial performance measures (Ebitdar and adjusted earnings per share) and pre-agreed personal key performance objectives, with the weighting varying according to employee level as follows:		
	Financial achievement targets	Personal key performance objectives
Proportion for the most senior level	85	15
Proportion lowest management participant level	60	40

The STI target split allows for:

- Recognising performance measures over which participants have direct influence, while ensuring that short-term financial performance is not achieved at the expense of sustainable long-term value creation. Personal key performance objectives are agreed upfront each year between participants and their immediate managers.
- The incentivisation of executive directors and management to achieve improved returns for shareholders by reaching or exceeding approved targets for Ebitdar and adjusted earnings per share.

Financial performance measure		
For STI participants to meet the financial performance targets, the group's actual performance must achieve or exceed 90% of targeted Ebitdar and adjusted earnings per share, as appropriate.		
Weighting	Budget and targets	Adjustments
• 50% Ebitdar • 50% adjusted earnings per share.	• Targets recommended by the remuneration and nomination committee, which are based on the relevant board-approved budget. • Budget and accompanying targets are adjusted up or down for material structural changes during the year to ensure they remain fair and relevant.	Adjustments relate mainly to acquisitions, disposals or corporate transactions that are not anticipated at the time of finalising the budget. Any adjustments to the targets are recommended by the remuneration and nomination committee and approved by the board.
Threshold		
• Set at 90% of the approved target: – Achievement below the threshold results in no award (0%). – Achievement of the approved target results in a score of 50%. – Achievement of 115% of the approved target (stretch performance) results in the maximum score of 100%.		

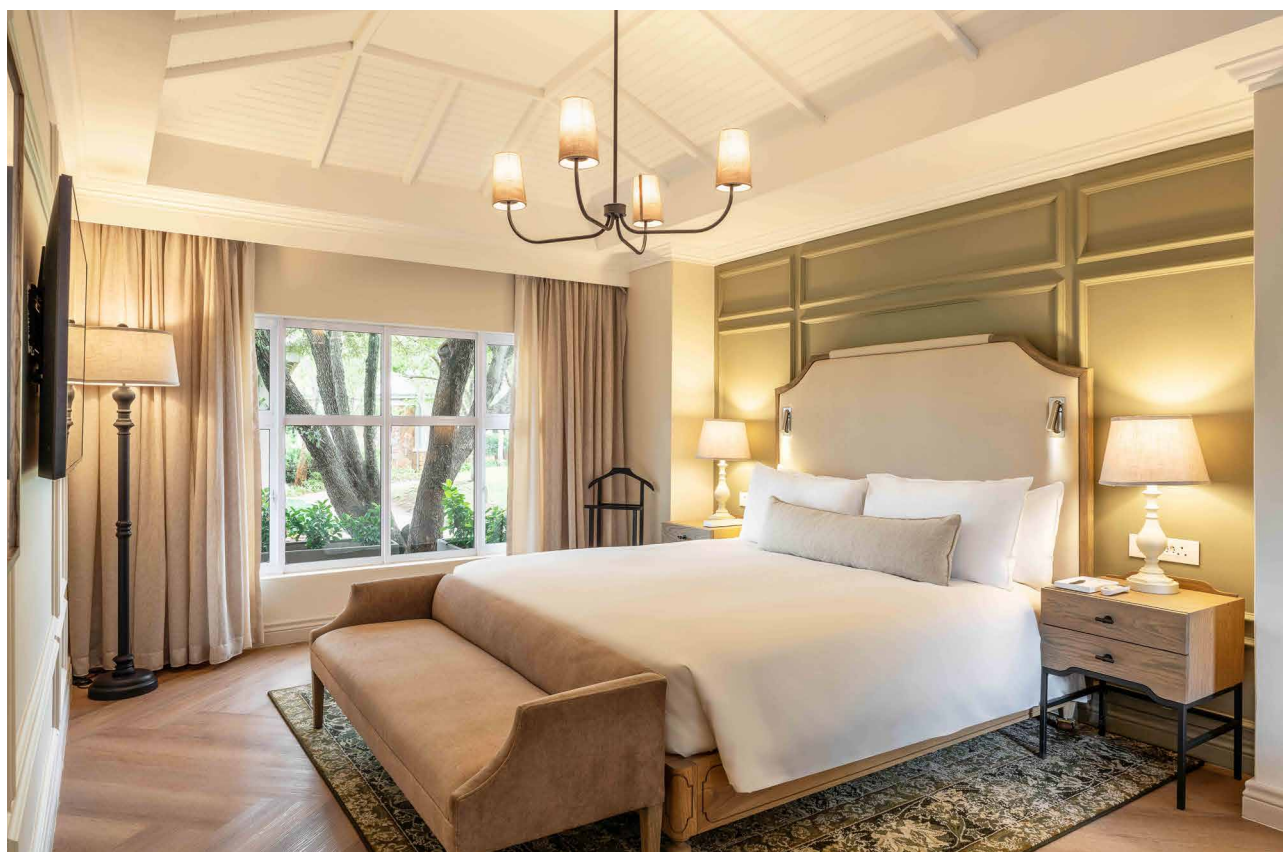


Mount Grace Hotel & Spa

Pre-agreed personal key performance objectives

- Vary depending on the employee's role within the organisation and could include elements such as growth, customer satisfaction, regulatory compliance, leadership, internal controls and cost control.
- An evaluation of the STI participant's achievement of his or her pre-agreed personal key performance objectives is completed at the end of the financial year.
- A bell-curve methodology is applied to the evaluation of personal performance, as provided for in the rules of the STI scheme, the outcome of which results in ranking all individuals in the bell curve based upon their relative achievement of personal objectives and personal performance, in a defensible manner. During FY26 the group continued to apply a bell-curve methodology in accordance with the STI scheme rules to evaluate individual performance. The methodology is currently under review, and any approved amendments will apply prospectively.

	Financial achievement on-target STI entitlement per employee level (% annual cost to company)	The maximum capped STI entitlement per level (% annual cost to company)
Chief Executive Officer	75	130
Chief Financial Officer	50	90
Heads of function	40	75
Senior managers	33	60
Designated management level employees	20	35
	Weighting (%) financial performance	Weighting (%) personal performance
Chief Executive Officer	85	15
Chief Financial Officer	80	20
Heads of function	75	25
Senior managers	70	30
Designated management level employees	60	40



Mount Grace Hotel & Spa

REMUNERATION REPORT *continued*

Long-term incentives (LTIs)

LTIs are awarded in the form of share appreciation rights (SARs) under the Southern Sun Share Appreciation Rights Plan. The plan aligns management with shareholders by rewarding participants through Southern Sun shares based on growth in the share price between the award and exercise dates, together with dividends declared over the same period. Accordingly, participants benefit only from the creation of sustainable shareholder value. No additional performance conditions apply to SAR awards.

Details of LTI allocations awarded to executive directors are provided in the remuneration implementation report on page 101.

Southern Sun Share Appreciation Rights Plan

Purpose and participation		
Selected key senior employees of the group participate in the SAR plan with the goal to incentivise, motivate and retain these key employees and recognise their contributions to the group. The purpose of the SAR plan is twofold, namely: - To offer employees the opportunity to receive shares in Southern Sun (SSU shares) through the award of share appreciation rights (SARs), which are settled in SSU shares. The SAR plan is primarily used as an incentive to participants to deliver on our business strategy over the long term. - To offer such participants the opportunity to share in the group's success, recognising the contributions made by these employees and providing alignment between the interests of participants and shareholders.		
Award date	Vesting period	Terms
Annually as recommended by the remuneration and nomination committee and approved by the board.	Three years from their award date and will lapse and accordingly not be capable of surrender for settlement in SSU shares, upon the sixth anniversary for awards granted prior to 1 April 2023 and upon the fourth anniversary for awards granted thereafter.	The number of annual SARs awarded to participants will primarily be based on the participant's annual salary, employee level, performance, retention and attraction considerations, as well as market benchmarks. Annual allocations will be benchmarked and set to a market-related level of remuneration, while considering the overall affordability thereof to the group.
Instruments and calculation		
SARs confer the right upon the participating employee to receive shares equal to the appreciation of the awarded SARs over the vesting period, being a minimum period of three years from the award date and subject to the participating employee's continued employment during this period.	Appreciation is calculated as the difference between the seven-day volume-weighted average price of the shares on the day before the date on which notice is given to surrender the SARs (exercise price) and the seven-day volume-weighted average price on the date on which the award was made to an eligible employee to participate in the scheme (the award price), multiplied by the number of SARs awarded.	The exercise price will be adjusted to take into account dividends (being a distribution as defined in the Companies Act and any dividends declared and paid in cash or in specie and on the unbundling of an asset or share) between the award date and the vesting date.
On settlement, participants receive Southern Sun shares equal in value to the appreciation in the share price over the award period together with dividends declared after the award date (net of tax).		

Malus and clawback

The group recognises the importance of aligning executive remuneration with shareholder interests and promoting executive accountability.

Malus and clawback provisions apply to both the STI scheme and the SAR plan. The board may invoke these provisions where a material financial misstatement or an error in the calculation of incentive awards has resulted in an overpayment.

Clawbacks may be effected from all gains derived from any STI or LTI award in the form of a reduction in the value of these awards in future years, or (other than for executive directors) in the form of a repayment plan over a period of up to 12 months. Executive directors are required to repay the amount in full.

In the event that an employee has left the services of the company, or where there is limited opportunity to recover amounts through future incentive awards, the company may institute legal proceedings to recover such amounts.

Executive directors' service contracts at 31 March 2026

Both the CEO and CFO are full-time salaried employees of Southern Sun. Their employment contracts are subject to three months' notice, contain no restraint of trade provisions and do not include any specific contractual conditions relating to termination.

Non-executive directors' terms of appointment

Non-executive directors are appointed in accordance with the provisions of the company's memorandum of incorporation (MOI) and do not have service contracts with the company.

Non-executive directors' remuneration comprises only:

- A basic annual fee for membership of the board and the audit and risk committee.
- A per meeting attendance fee for members of the social and ethics and remuneration and nomination committees.

Non-executive directors' fees are approved in advance by shareholders by special resolution at the company's AGM. Non-executive directors do not participate in any share-based incentive schemes or receive incentive awards linked to the company's share price or financial performance.



Southern Sun Sandton

REMUNERATION REPORT *continued*

REMUNERATION IMPLEMENTATION REPORT

This section of the report reflects the implementation of the remuneration policy. It provides details of the remuneration paid to executive directors and prescribed officers and fees paid to non-executive directors for the year ended 31 March 2026.

This section also sets out the STI and LTI outcomes, including vesting results, provides a summary of each executive director's and prescribed officer's performance together with each individual's single-figure remuneration, and includes the remuneration fairness and pay differential disclosures required by the Companies Act.

Executive directors' and prescribed officers' emoluments

	2026			2025		
	MN von Aulock R'000	L McDonald R'000	Total R'000	MN von Aulock R'000	L McDonald R'000	Total R'000
Salaries	9 290	3 117	12 407	8 657	2 966	11 623
Benefits	452	560	1 012	576	519	1 095
SARs exercised	31 873	20 313	52 186	23 066	5 692	28 758
Current year STI accrued	8 139	2 094	10 233	9 596	2 491	12 087
Fair value of equity-settled SARs awarded	4 450	3 073	7 523	4 486	2 716	7 202
Total single figure of remuneration	54 204	29 157	83 361	46 381	14 384	60 765
Current year vesting of equity-settled SARs	3 362	2 246	5 608	3 155	2 579	5 734
Fair value of unvested equity-settled SARs granted during the year	(3 541)	(2 336)	(5 877)	(3 424)	(2 027)	(5 451)
Financial statement remuneration	54 025	29 067	83 092	46 112	14 936	61 048
Current year STI not settled	(8 139)	(2 094)	(10 233)	(9 596)	(2 491)	(12 087)
Prior year STI settled	9 596	2 491	12 087	10 950	2 876	13 826
IFRS 2 charge on equity-settled SARs	(4 271)	(2 983)	(7 254)	(4 217)	(3 268)	(7 485)
Total cash equivalent value of remuneration	51 211	26 481	77 692	43 249	12 053	55 302

Annual salary review

In accordance with the remuneration policy, an annual salary review was conducted for all employees, including the executive directors, resulting in an average increase of 4.5% for executive directors and 4.5% for other employees.

Remuneration fairness and remuneration differentials

In accordance with the Companies Act, 2008 (as amended), the remuneration and nomination committee considered the group's remuneration differentials and pay outcomes as part of its annual review of the remuneration policy and its implementation. The committee is satisfied that the group's remuneration framework remains fair, responsible and appropriate, having regard to the nature of the group's operations, the composition of its workforce, market practice and the group's remuneration philosophy.

Measure ¹	FY26 R'000
Highest-paid employee	51 211
Lowest-paid employee	63
Average remuneration of all employees	286
Median remuneration of all employees	139

Measure ¹	FY26
Average remuneration of the highest-paid 5% of employees (R'000)	2 078
Average remuneration of the lowest-paid 5% of employees (R'000)	77
Remuneration differential ²	26.90:1

¹ Total remuneration is calculated in accordance with the Companies Act, 2008 (as amended) and includes salary, benefits, employer contributions to benefit funds, and all short-term and long-term incentives, including share options and incentive awards.

² The remuneration differential represents the average total remuneration of the highest-paid 5% of employees divided by the average total remuneration of the lowest-paid 5% of employees, expressed as a ratio.

For purposes of the above analysis, remuneration for employees who did not work for the full financial year has been annualised to ensure a like-for-like comparison. The employee population was determined with reference to the definition of “employee” in section 213 of the Labour Relations Act, 1995 (Act No 66 of 1995). To ensure consistency in the group’s workforce reporting, the analysis was prepared using the employee population included for the group’s employment equity reporting in terms of the Employment Equity Act, 1998 (Act No 55 of 1998). The analysis excludes employees who terminated employment during the reporting period, independent contractors, expatriates, temporary employees, trainees, receiving learnership allowances in terms of Schedule 2 of the National Minimum Wage Act, and employees whose remuneration consisted solely of tips or advances on earnings. For Operational Support Staff (OSS) and permanent flexi employees, remuneration was calculated by applying each employee’s applicable hourly rate to the standard monthly hours of 195 and 173.36 hours, respectively, and annualised for comparison purposes.

The remuneration differential reflects the group’s labour-intensive hospitality operating model and the makeup of its workforce, which includes a higher proportion of skilled and semi-skilled employees. Executive remuneration differs as it includes variable incentive awards and long-term share-based incentives that are linked to the achievement of strategic objectives, sustainable financial performance, and long-term shareholder value creation. The committee is satisfied that the remuneration differential is appropriate, having regard to the group’s remuneration philosophy, workforce composition, market practice and the requirements of the Companies Act.

The remuneration of the highest-paid employee for FY26 includes the value realised from the exercise of long-term share-based incentive awards that accumulated over a number of years. These awards comprise approximately 60% of the employee’s total remuneration for the year and, accordingly, the reported remuneration is not representative of recurring annual fixed remuneration.

The group complements its remuneration practices through continued investment in employee learning, development, leadership

programmes and internal career progression, providing employees at all levels with opportunities to develop their skills and advance within the organisation. Further information regarding the group’s investment in employee learning, development and career progression is provided in the Skilled Human Resources section of the integrated annual report.

The remuneration and nomination committee will continue to monitor remuneration fairness and remuneration differentials annually as part of its ongoing oversight of the group’s remuneration framework and compliance with the Companies Act, governance best practice and evolving stakeholder expectations.

Short-term incentives

The outcomes of the 2026 STIs, which were paid to scheme participants in June 2026 against targets set for the year are provided in the tables that follow.

	2026 approved targets		
	Ebitdar (Rm)	Adjusted earnings per share pre-LTI (cents)	Weighting of financial achievement (%)
Threshold (above 90% of target)	2 148	81.1	0
Target	2 387	90.1	50
Stretch (above 115% of target)	2 745	103.6	100
2026 actual achievement	2 433	91.6	
Financial achievement scores (%)	56.4	55.4	

Budget and accompanying targets are adjusted up or down and accordingly approved by the board on the recommendation of the committee, for material structural changes during the year or for corporate activities (acquisitions or disposals) undertaken that were not known at the time of budget finalisation and target approval.



Southern Sun Mbombela

REMUNERATION REPORT *continued*

2026 financial targets were achieved by the group, resulting in the award of STIs for executive directors as follows:

	Annual total package R'000	On-target bonus %	Maximum capped bonus entitlement as % of annual package	Maximum capped bonus entitlement R'000	Financial score weighting %	Weighted financial score achieved %	STI earned on financial achievement R'000	Personal score weighting %	Personal score achieved %	STI earned on personal objectives R'000	Total STI earned R'000
MN von Aulock	9 682	75	130	12 587	85	47.5	6 705	15	10.7	1 434	8 139
L McDonald	3 654	50	90	3 289	80	44.7	1 600	20	14.4	494	2 094

Personal performance objectives for the CEO and CFO are set at the beginning of the financial year and modified as required.

The personal objectives agreed for FY26, against which the executive directors' personal performance was assessed for purposes of determining the FY26 STI awards, included the following key areas:

- Successfully concluding negotiation with the eThekweni Municipality for the long-term lease and redevelopment of Southern Sun Elangeni & Maharani;
- The evaluation of key transactions, if deemed appropriate;
- The successful buyback of SSU shares in the open market;
- The successful planning and budgeting of refurbishment projects;
- Restructuring and refinancing (where applicable) of the group's debt facilities;
- Overseeing the successful implementation of major software update(s); and
- The retention of the cost efficiencies achieved through the material restructure of the business.

Long-term incentives

Details of unexpired SARs awarded to executive directors and prescribed officers prior to 1 April 2026 are set out below:

Fair value of SARs – executive directors and prescribed officers

Name	Award date	SARs awarded and still outstanding	Award price R	Strike price R	Fair value of SARs awarded R'000	Vesting date	Expiry date
MN von Aulock	14 January 2022*^	3 302 632	3.03	3.05	4 128	30 September 2025	30 September 2027
	14 January 2022*	3 302 633	3.03	3.05	4 266	30 September 2026	30 September 2027
	1 April 2023^	888 435	4.50	4.30	1 222	31 March 2026	31 March 2027
	1 April 2024	1 180 080	5.08	5.05	1 891	31 March 2027	31 March 2028
	1 October 2024	1 297 219	7.71	7.75	2 594	30 September 2027	30 September 2028
	1 April 2025	356 215	8.30	8.42	1 018	31 March 2028	31 March 2029
	1 October 2025	1 143 981	8.55	8.86	3 432	30 September 2028	30 September 2029
L McDonald	14 January 2022*^	1 651 316	3.03	3.05	2 064	30 September 2025	30 September 2027
	14 January 2022*	1 651 316	3.03	3.05	2 133	30 September 2026	30 September 2027
	1 April 2022^	1 048 752	3.34	3.45	1 786	31 March 2025	31 March 2027
	1 April 2023^	1 332 653	4.50	4.30	1 834	31 March 2026	31 March 2027
	1 April 2024	885 060	5.08	5.05	1 419	31 March 2027	31 March 2028
	1 October 2024	648 609	7.71	7.75	1 297	30 September 2027	30 September 2028
	1 April 2025	474 953	8.30	8.42	1 357	31 March 2028	31 March 2029
	1 October 2025	571 905	8.55	8.86	1 716	30 September 2028	30 September 2029

* SARs awarded on 14 January 2022 vest in three equal tranches on the third, fourth and fifth anniversary from 30 September 2021.

^ SARs vested and still outstanding.

SARs are equity-settled and will therefore have a dilutionary impact on shareholders on settlement. Based on the closing share price on 31 March 2026 of R10.20 and the average SSU share price for the 12 months to 31 March 2026 of R9.38, SARs that have a dilutionary impact amounting to 27 million (2025: 40 million) shares have been taken into account for the calculation of the diluted headline and diluted adjusted headline profit and the diluted number of weighted average shares.

Non-executive directors' fees

	2026 Directors' fees paid by the company R'000	2025 Directors' fees paid by the company R'000
JA Copelyn	517	489
MH Ahmed	638	604
SC Gina	485	460
LM Molefi	500	475
JG Ngcobo	500	475
JR Nicolella (Resigned 9 February 2026)	287	316
CC September	349	331
TG Govender (Appointed 9 February 2026)	48	-
	3 324	3 150

Fees are exclusive of VAT.

Non-executive directors' fees for approval by shareholders

The non-executive directors' fees for 2026 were approved by shareholders at the 2025 AGM held on 15 September 2025 and represented a 5.5% inflationary increase to the prior year.

At the AGM scheduled for 15 September 2026, the remuneration and nomination committee will propose a 4.5% increase in non-executive directors' fees, in line with the average increase for executive directors.



The board has approved the recommendation made by the remuneration and nomination committee and shareholders are referred to page 35 of the notice of AGM for the non-executive directors' fees proposed for the 2027 financial year.



Southern Sun Mbombela

ANALYSIS OF ORDINARY SHAREHOLDERS

as at 31 March 2026

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000	18 067	87.68	1 309 272	0.10
1 001 – 10 000	1 540	7.47	5 688 083	0.42
10 001 – 100 000	622	3.02	20 763 699	1.55
100 001 – 1 000 000	274	1.33	88 457 750	6.58
Over 1 000 000	102	0.50	1 227 198 443	91.35
Total	20 605	100.00	1 343 417 247	100.00

Distribution of shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Assurance companies	19	0.09	13 376 220	1.00
Close corporations	21	0.10	616 809	0.05
Collective investment schemes	183	0.89	307 658 779	22.90
Control accounts	1	0.01	3	–
Custodians	20	0.10	1 527 768	0.11
Foundations and charitable funds	24	0.12	51 790 399	3.86
Hedge funds	27	0.13	61 158 091	4.55
Insurance companies	1	–	4 489 891	0.33
Investment partnerships	17	0.08	428 922	0.04
Managed funds	13	0.06	835 714	0.06
Medical aid funds	7	0.03	4 058 728	0.30
Organs of state	9	0.04	118 786 797	8.84
Private companies	151	0.73	621 910 355	46.29
Public companies	6	0.03	5 570 091	0.42
Retail shareholders	19 139	92.89	40 846 831	3.04
Retirement benefit funds	744	3.61	50 007 783	3.72
Scrip lending	6	0.03	14 902 385	1.11
Stockbrokers and nominees	26	0.13	29 855 488	2.22
Trusts	187	0.91	15 595 601	1.16
Unclaimed scrip	4	0.02	592	–
Total	20 605	100.00	1 343 417 247	100.00

In terms of section 56(3)(a) and (b) and section 56(5)(a), (b) and (c) of the Companies Act, foreign disclosures have been incorporated into this analysis (increasing the number of shareholdings).

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-public shareholders	15	0.07	633 082 278	47.12
>35% TIH Prefco Proprietary Limited and subsidiaries	3	0.01	604 508 966	45.00
Directors, associates and related parties*	12	0.06	28 573 312	2.12
Public shareholders	20 590	99.93	710 334 969	52.88
Total	20 605	100.00	1 343 417 247	100.00

* The holding of related parties amount to 4 032 SSU (0.00%).

Fund managers with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Allan Gray	148 133 971	11.03
Public Investment Corporation	99 059 519	7.37
Steyn Capital Management	94 925 178	7.07
PSG Asset Management	56 207 765	4.18
Aylett & Co	45 082 312	3.36
Total	443 408 745	33.01

Beneficial shareholders with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
TIH Prefco Proprietary Limited	554 037 186	41.24
Allan Gray	113 076 352	8.42
Government Employees Pension Fund	107 215 738	7.98
Steyn Capital	59 517 617	4.43
PSG Asset Management	56 182 878	4.18
HCI Foundation	48 618 289	3.62
Total	938 648 060	69.87

	Number of shareholdings
Total number of shareholdings	20 605
Total number of shares in issue	1 343 417 247

Share price performance

Opening price 1 April 2025	R8.31
Closing price 27 March 2026	R10.05
Closing high for period	R11.29
Closing low for period	R7.15
Number of shares in issue	1 343 417 247
Volume traded during period	247 514 139
Ratio of volume traded to shares issued (%)	18.42
Rand value traded during the period	R2 320 408 795
Market capitalisation at 27 March 2026	R13 501 343 332

	31 March 2026				31 March 2025			
	Direct beneficial	Indirect beneficial*	Associates	Total	Direct beneficial	Indirect beneficial*	Associates	Total
Executive directors								
MN von Aulock	1 317 498	10 409 831	-	11 727 329	-	9 860 933	-	9 860 933
L McDonald	1 684 446	260 187	-	1 944 633	476 799	260 188	-	736 987
Non-executive directors								
JA Copelyn	-	14 855 338	-	14 855 338	-	14 855 338	-	14 855 338
TG Govender^	41 980	-	-	41 980	-	-	-	-
JR Nicolella^	-	-	-	-	-	-	59 479	59 479
Total	3 043 924	25 525 356	-	28 569 280	476 799	24 976 459	59 479	25 512 737

* Certain directors are nominees of HCI and they (or their associates) may have an indirect interest in Southern Sun as a result of those interests held in HCI.

^ JR Nicolella resigned and TG Govender was appointed to the board effective 9 February 2026. JR Nicolella's holding was excluded from directors' holdings at year end.

B-BBEE ANNUAL COMPLIANCE REPORT

Broad-Based Black Economic Empowerment Commission

COMPLIANCE REPORT BY COMPANIES LISTED ON THE JOHANNESBURG STOCK EXCHANGE (JSE) (in terms of Section 13G (2) of the Act)

SECTION A: DETAILS OF ENTITY

Name of entity/organisation: **Southern Sun Limited**

Registration number: **2002/006356/06**

Physical address: **4th Floor, South Tower, Nelson Mandela Square, Cnr 5th and Maude Streets, Sandton, 2196**

Telephone number: **+27 11 461 9744**

Email address: **Candy.Tothill@southernsun.com**

Indicate type of entity/organisation: **Hotel operators**

Industry/sector: **Tourism**

Relevant code of good practice: **Tourism**

Name of verification agency: **Empowerdex**

Name of technical signatory: **Jenny Brebnor**

SECTION B: INFORMATION AS VERIFIED BY THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT VERIFICATION PROFESSIONAL AS PER SCORECARDS

B-BBEE elements	Target score including	Bonus points	Actual score achieved
Ownership	e.g. 25 points		27.00
Management control	e.g. 19 points		13.89
Skills development	e.g. 20 points	0.63	17.69
Enterprise and supplier development	e.g. 40 points		35.74
Socio-economic development	e.g. 5 points	3.00	8.00
Total score	e.g. 109 points	3.63	102.32
Priority elements achieved	YES/NO and specify them	Yes	
Empowering supplier status	YES/NO and specify them	Yes	
Final B-BBEE status level		Level 1	

** Indicate how each element contributes to the outcome of the scorecard.*

SECTION C: FINANCIAL REPORT

1. BASIC ACCOUNTING DETAILS:

a. Accounting officer's name: **Laurelle McDonald**

b. Address: 4th Floor, South Tower, Nelson Mandela Square, Cnr 5th and Maude Street, Sandton, 2196

c. Accounting policy: (are your accounts done weekly, monthly, other – specify): **Monthly**

d. Has the attached financial statements and annual report been approved by the entity? **Yes**

2. PLEASE ATTACH THE FOLLOWING:

i. Copy of annual financial statement including balance sheet and income and expenditure report: **Attached**

ii. Annual report: **Attached**

3. ENTITY ANNUAL TURNOVER: **R7.2 billion**

Compliance Report (Form B-BBEE 1) (in terms of Section 13G (2) of the Act)

GLOSSARY AND KEY TERMS

TERM	DEFINITION
adjusted headline earnings	Headline earnings attributable to ordinary shareholders adjusted for exceptional items, being a non-IFRS performance measure used by the group to assess underlying financial performance
adjusted headline profit	Headline profit adjusted for exceptional items, being a non-IFRS performance measure used by the group to assess underlying financial performance
AFS	The audited consolidated annual financial statements of Southern Sun Limited for the year ended 31 March 2026
AGM	Annual general meeting
ARR	Average room rate
B-BBEE	Broad-Based Black Economic Empowerment
board	The board of directors of the company
capex	Capital expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CODM	Chief Operating Decision Maker
Companies Act	The Companies Act, 71 of 2008, as amended from time to time
company or Southern Sun	Southern Sun Limited (registration number 2002/006356/06), a public company incorporated and registered in accordance with the laws of South Africa and listed on the JSE
Company Secretary	The Company Secretary of Southern Sun Limited, namely Southern Sun Secretarial Services Proprietary Limited (registration number 1969/001208/07), represented by LR van Onselen
CPI	Consumer Price Index
CSI	Corporate social investment
directors	The directors of the company from time to time
Ebitdar	Earnings before interest, income tax, depreciation, amortisation, rent, share-based payment expense and exceptional items
group	Southern Sun Limited and its subsidiaries
HEPS	Headline earnings per share

1

Who we are

2

Performance and value creation

3

Integrated governance

4

Shareholder information

GLOSSARY AND KEY TERMS *continued*

TERM	DEFINITION
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS Accounting Standards	IFRS Accounting Standards issued by the International Accounting Standards Board
JSE Listings Requirements	The Listings Requirements of the JSE, as amended from time to time
King V	The King Report on Corporate Governance™ for South Africa, 2025
LTI	Long-term incentive
Manco	The group's hotel management company operations
MOI	Memorandum of Incorporation of the company
NED	Non-executive director
ORMS	Organisational Resilience Management Standards
PPE	Property, plant and equipment
Rand or R	South African Rand, the lawful currency of the Republic of South Africa
RevPar	Revenue per available room
SAICA	South African Institute of Chartered Accountants
SAR	Share appreciation right
SENS	Stock Exchange News Service of the JSE
Shareholders	Holders of the company's ordinary shares from time to time
SSU	The company's JSE share code
SSU shares	Ordinary shares in the issued share capital of the company
STI	Short-term incentive
Subsidiary	A subsidiary as defined in the Companies Act
Transfer secretaries	JSE Investor Services Proprietary Limited
Treasury shares	Ordinary shares repurchased by the company and held by it or one of its subsidiaries in accordance with the Companies Act
USD	United States Dollar
VAT	Value added tax

DIRECTORS

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

* Non-executive

Independent

COMPANY SECRETARY

Southern Sun Secretarial Services Proprietary Limited
represented by LR van Onselen

REGISTERED OFFICE

4th Floor, South Tower, Nelson Mandela Square,
Cnr 5th and Maude Streets, Sandton, 2196
(Private Bag X200, Bryanston, 2021)

TRANSFER SECRETARIES

JSE Investor Services Proprietary Limited
13th Floor, Rennie House 19 Ameshoff Street,
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

SPONSOR

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

AUDITORS

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

Forward-looking statement(s)

This integrated annual report contains 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 this document 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

LUXURY

54
ON BATH

BEVERLY HILLS

SANDTON
SUN & TOWERS

MOUNT GRACE
HOTEL & SPA

Arabella
HOTEL, GOLF & SPA

INTERCONTINENTAL
JOHANNESBURG O.R.TAMBO AIRPORT

Paradise Sun
prasilin seychelles

FULL SERVICE

Garden
Court

SUN
SQUARE

Southern Sun
RESORTS

Southern Sun
HOTELS

ECONOMY

stayeasy

SUN1

CONVENTION CENTRE

SANDTON
CONVENTION CENTRE

1

Who we are

2

Performance and
value creation

3

Integrated
governance

4

Shareholder
information

OVER 90 HOTELS & RESORTS

southernsun.com

in South Africa,
Africa, the Seychelles and
the Middle East

OVER 16,000 rooms  from luxury to economy

Luxury

54
ON BATH

Arabella
HOTEL, GOLF & SPA

BEVERLY HILLS

EXCLUSIVE
benefits &
rewards


INTERCONTINENTAL
JOHANNESBURG O.R. TAMBO AIRPORT


SANDTON
SUN & TOWERS


MOUNT GRACE
HOTEL & SPA


Paradise Sun
prasin seychelles

frequent 

Full Service

 Southern Sun
HOTELS

 Southern Sun
RESORTS

 SUN
SQUARE

 Garden
Court

Economy

 stayeasy

SUN 1

Convention
Centre

 SANDTON
CONVENTION CENTRE

OVER 300 CONFERENCE VENUES & banqueting facilities

VARIETY OF
 restaurants &  bars

CITIZENSHIP


Community
development


Entrepreneur
development


Environmental
education

LEVEL 1 B-BBEE
CONTRIBUTOR

PREFERRED
ACCOMMODATION
PARTNER
to South Africa's
leading sports
teams



Southern Sun

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)

southernsun.com