

BURSTONE GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Reg. No: 2008/011366/06)
Approved as a REIT by the JSE
Share Code: BTN
Bond Code: BTNI
ISIN: ZAE000180915
("Burstone" or the "Group")

Investor pre-close conference call and voluntary trading update ahead of the results for the year ending 31 March 2026

The Group is pleased to give a pre-close trading update for the year ending 31 March 2026 ("FY26"). An investor conference call will be held today, 24 March 2026 at 11:00 South African time / 09:00 UK time (details are provided below).

Background

Burstone is a fully integrated real estate investor, fund and asset manager. The Group currently has c. R40 billion gross asset value ("GAV") under management across South Africa, Europe and Australia of which c. R23 billion represents third-party GAV. Approximately 68% of the Group's GAV is offshore, across Europe and Australia, with the balance spread across its diversified South African portfolio.

The Group's South African portfolio generates c. 80% of the Group's total income, while the remaining revenue is generated from co-investments in Europe and Australia, in conjunction with fund and asset management activities.

In line with its strategy, Burstone is well positioned to grow its GAV under new and existing platforms, driving both earnings growth and operational efficiencies across the Group.

Burstone's integrated real estate model combines real estate asset yields with additive fee income generated through fund, investment and asset management capabilities.

Macroeconomic update

Global geopolitical tensions, particularly in the Middle East and broader political spheres continue to create volatility in financial markets, influencing key variables such as interest rates, exchange rates and inflation. Prior to these developments, global conditions had been stabilising, with moderating inflation and improving expectations for lower interest rates.

In South Africa, the operating environment is improving as business confidence stabilises. Retail and industrial sectors remain resilient, and the office sector is showing positive signs of recovery as occupier activity strengthens.

Across Europe, modest economic growth is supporting measured occupier demand, while improving debt markets are supporting moderate capital markets activity with a focus on logistics and light industrial sectors.

Australia's economy remains resilient, supporting strong fundamentals in industrial and logistics real estate. Although higher interest rates have impacted return expectations, competition for property acquisition opportunities remains strong due to increasing capital flows from Asia Pacific investors.

FY26 Strategic highlights

During FY26, the Group is set to deliver consistent and resilient performance, underpinned by its direct South African property portfolio, which accounts for c. 80% of Group income. The Group continues to demonstrate strong operating fundamentals, complemented by real estate performance and fee income generated through various co-investment platforms.

The focus remains on executing and delivering the stated strategy which focuses on scaling third-party capital platforms while maintaining selective co-investment exposure across the regions. This includes further expansion of its international fund and asset management business.

Strategic objective	Priority	Progress
Optimise portfolio	Drive performance of underlying real estate assets	<ul style="list-style-type: none"> • SA - strong performance which is expected to deliver net property income "NPI" growth of c. 4% - 5% year-on-year ("yoy") • Europe - expected to deliver marginally lower like-for-like ("LFL") performance yoy, driven by higher vacancy in the portfolio • Australia - earnings expected to grow meaningfully from a low base, as asset management initiatives take effect
Growth	Fund and asset management platforms	<ul style="list-style-type: none"> • Secured c. R4.4 billion of third-party equity commitments to deploy into international opportunities in the short to medium term • Europe - new light-industrial platform launched in partnership with Hines European Real Estate Partners III ("Hines") <ul style="list-style-type: none"> ○ Aggregation of light industrial assets in Germany and Netherlands ○ Burstone will invest c. 20% of the platform equity and perform the role of investment and asset manager ○ c. €130 million (R2.5 billion) of third-party equity under management ("EUM") once fully deployed – representing a 23% increase in Group EUM ○ First tranche of acquisitions nearing completion (c. €40 million) with strong near-term pipeline identified • Australia – additional A\$170 million (R1.9 billion) of equity commitment secured from TPG Angelo Gordon ("TPG") to deploy into value-add industrial opportunities • SA - Core Plus platform remains under consideration within the context of the Group's broader strategic positioning
Robust balance sheet	Build balance sheet capacity through effective asset recycling	<ul style="list-style-type: none"> • c. R0.8 billion SA assets sold during the year <ul style="list-style-type: none"> ○ Excluding Balfour, c. 4% - 5% premium to book value achieved
Integration	Leverage international infrastructure, expertise and operational efficiency	<ul style="list-style-type: none"> • Group overheads expected to decrease materially driven by continued optimisation and integration of operations
Holistic sustainability	Further embed ESG initiatives	<ul style="list-style-type: none"> • c. 8MW (c. 60% increase) in solar generation installed at attractive initial yields

Overall Group performance

- FY26 distributable earnings are expected to grow by c. 2% - 3%, in line with the lower end of full-year guidance. This expected performance would result in FY26 distributable income per share ("DIPS") of c. 104.60cps to 105.56cps (FY25: 102.47cps).
- The company expects to maintain a dividend payout ratio of 90% for the full year.
- Key elements which have underpinned the Group's performance include the following:
 - **South African portfolio:** LFL NPI from the South African portfolio is expected to grow by c. 4% - 5%, driven primarily by strong performance in the retail portfolio together with steady performance across office and industrial assets.
 - **Investment (real estate) income:** Earnings from the Group's co-investments into Europe and Australia is expected to deliver marginal upside from prior year on a LFL basis.
 - The Pan-European Logistics ("PEL") platform is expected to deliver slightly lower LFL performance relative to the prior year, resulting from a softening occupier market.
 - Australian earnings set to improve due to growing returns from current industrial investments, where contractual rent is still c. 20% below market.
 - **Fee income:** Fees generated from fund and asset management activities continue to be earnings enhancing for the Group and are expected to contribute c. 15% - 17% of Group earnings (FY25: 10.7%).
 - **Operating costs:** Group operating expenses are expected to decrease materially yoy because of cost optimisation initiatives and integration efficiencies
 - **Finance costs:** Group net funding costs are expected to decrease significantly compared to FY25, driven by:
 - proceeds from the Blackstone Transaction which concluded in 2H25.
 - proactive refinancing and hedging arrangements coupled with a general decrease in interest rates and reduction in the weighted average cost of debt.
 - partially offset by the timing of cash inflows related to the Blackstone transaction and capital deployment into recently acquired Australian assets which are initially lower yielding as well as the funding of capex and marginally dilutive disposals in South Africa during FY25.

Underlying real estate:

Performance of the South African real estate business

- The South African business continues to represent Burstone's deployment capabilities in direct real estate investment, with the portfolio demonstrating strong operating performance across a diversified asset base.
- Total vacancies across the South African portfolio are expected to improve to c. 3% - 4% (Mar-25: 6.7%) but negative reversions will persist, largely driven by renewals of long-dated office leases that have escalated to above market rental levels.
- Total expected portfolio LFL NPI growth of c. 4%- 5% will be underpinned by:
 - **Retail (45% of portfolio):** expected to deliver c. 8% - 10% LFL NPI growth driven by strong underlying trading performance and a reduction in vacancy.
 - **Office (35% of portfolio):** expected to deliver marginally improved LFL NPI as the benefit from reduced vacancy is offset by negative reversions on long-term leases.
 - **Industrial (20% of portfolio):** expected to deliver LFL NPI in line with prior year, driven largely by a single tenant failure offset by improved vacancy and strong positive rental reversions.

Performance of the European real estate investment

- PEL platform is expected to deliver slightly lower yoy LFL earnings performance, primarily due to higher platform vacancy rates, partially offset by:
 - continued indexation and positive rental reversions across the portfolio;
 - surrender premiums received during the period; and
 - lower base interest rates which benefit platform finance costs.

Performance of the Australian platforms

- Real estate earnings from industrial investments are expected to grow strongly from a low base.
- Asset management initiatives have captured market rental growth and enhanced the overall value of the underlying assets.

Performance of fund and asset management activities:

- Fees generated from fund and asset management activities continue to be earnings enhancing for the Group and are expected to contribute c. 15% – 17% of Group earnings (FY25: 10.7%).
- This has been supported by Group EUM growth of c. 12% resulting from new third-party equity deployed into industrial acquisitions in Australia and the first tranche of light industrial acquisitions in Europe. EUM and fee income from fund and asset management activity is expected to grow into FY27 as we continue to deploy the equity committed by both partners into further opportunities.

Balance sheet management

- Balance sheet discipline remains a key priority as the Group continues to scale its international platforms and fund management activities.
- The Group expects a loan-to-value (“LTV”) ratio of c. 40% for FY26, reflecting capital deployment into international platforms offset by asset sales.
- The Group continues to target a medium-term LTV below 40%, supported by the recycling of capital through South African asset disposals.
- The Group remains well hedged in line with its treasury policy and continues to benefit from declining South African interest rates.

Concluding remarks

The Group’s operational performance remains resilient, underpinned by strong and sustainable growth of the underlying South African real estate portfolio alongside growing international platform activity. As Burstone continues to scale its fund and asset management capabilities, fee income and co-investment returns are expected to become an increasingly meaningful contributor to earnings.

Key highlights underpinning the Group’s performance and strategic progress include:

- Earnings delivery in line with guidance, supported by:
 - Resilient underlying real estate performance, with South Africa, making a strong contribution to earnings.
 - Continued growth in fund and asset management income as the Group scales its international platforms and strengthens partnerships with global capital partners to advance its fund management strategy across Europe and Australia.
 - Optimisation and integration initiatives reducing operating costs, partially offset by the timing effects of finance costs and capex funding.
- Strategic partnership with Hines, signaling further progress in executing the Group’s international fund and asset management growth strategy.
- Disciplined capital allocation and recycling, including selective investment into international platforms and the disposal of South African assets at close to book value.

This hybrid model, integrating direct real estate investment with fund, investment and asset management capabilities, positions the Group to deliver sustainable long-term growth and unlock operational leverage across its international platform.

On behalf of the Board

Moss Ngoasheng (Independent Non-Executive Chairman), Andrew Wooler (Group Chief Executive)

Other information

The financial information on which this trading update is based, has not been reviewed and reported on by the Group's auditors.

Investor call

An investor conference call will be held today, 24 March 2026 at 11:00 South African time / 09:00 UK time.

Participants should register for the conference call by navigating to

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=KF7WXQun>

Full year results

The Group expects to release its results for the year ending 31 March 2026 on 27 May 2026.

For further information please contact:

Myles Kritzinger (CFO)

E-mail: investorrelations@burstone.com

Additional notes

Definitions

- Distributable income per share is equal to distributable earnings divided by the weighted number of shares in issue for the period. Distributable earnings equal the total NPI of the South African business, fee income plus investment income, less fund expenses and less funding/interest costs.

Profit Forecasts

The following matters highlighted in this announcement contain forward-looking statements:

- FY26 distributable earnings are expected to grow by c. 2% - 3%, in line with the lower-end of full year guidance. This expected performance would result in FY26 distributable income per share ("DIPS") of c. 104.60cps to 105.56cps (FY25: 102.47cps).
- The company expects to maintain a dividend payout ratio of 90% for the full year.
- South African portfolio: LFL NPI from the South African portfolio is expected to grow by c. 4% - 5%, driven primarily by strong performance in the retail portfolio together with steady performance across office and industrial assets.
- Investment (real estate) income: Earnings from the Group's co-investments into Europe and Australia is expected to deliver marginal upside from prior year on a LFL basis.
- Fee income: Fees generated from fund and asset management activities continue to be earnings enhancing for the Group and are expected to contribute c. 15% – 17% of Group earnings (FY25: 10.7%).
- Operating costs: Group operating expenses are expected to decrease materially yoy because of cost optimisation initiatives and integration efficiencies.
- Finance costs: Group net funding costs are expected to decrease significantly compared to FY25.

(collectively the ***Profit Forecasts***).

- The basis of preparation of each of these statements and the assumptions upon which they are based are set out below. These statements are subject to various risks and uncertainties and other factors – these factors may cause the Group's actual future results, performance or achievements in the markets in which it operates to differ from those expressed in the Profit Forecasts.
- Any forward-looking statements made are based on the knowledge of the Group as at 24 March 2026.
- These forward-looking statements represent a profit forecast under the JSE Listings Requirements.
- The Profit Forecasts relate to the full year period ending 31 March 2026.
- The financial information on which the Profit Forecasts are based is the responsibility of the Directors of the Group and has not been reviewed and reported on by the Group's auditors.

Basis of preparation

- The Profit Forecasts have been compiled using the assumptions stated below, and on a basis consistent with the accounting policies adopted in the Group's 31 March 2025 audited financial statements, which are in accordance with IFRS and are those which the Group anticipates will be applicable for the period ending 31 March 2026.
- The Profit Forecasts have been prepared based on (a) audited financial statements of the Group for the year ended 31 March 2025; (b) the unaudited management accounts of the Group for the 11 months to 28 February 2026; and (c) the projected financial performance of the Group's businesses for the remaining one month of the period ending 31 March 2026.

Assumptions

The Profit Forecasts have been prepared based on the following assumptions during the forecast period:

Factors outside the influence or control of the Group:

- There will be no material change in the political and/or economic environment that would materially affect the Group.
- There will be no material change in legislation or regulations impacting on the Group's operations or its accounting policies.
- There will be no business disruption that will have a significant impact on the Group's operations.
- The Rand/Euro and Rand/AUD and any other relevant exchange rates remain materially unchanged from those as at 24 March 2026.
- The Euribor and Jibar curves remain materially unchanged from those as at 24 March 2026.
- The tax rates remain materially unchanged.
- There will be no material changes in the structure of the markets, client demand or the competitive environment.

About Burstone

Burstone is a fully integrated international real estate business with c. R40 billion gross asset value under management. Burstone listed on the Johannesburg Stock Exchange (South Africa) in 2011 and currently operates in South Africa, select European markets and Australia. The Group has a strong management track record of more than 30 years' operating in both local and international markets. The Group is globally diversified and has the capability to invest across all aspects of the real estate life cycle, partnering with specific capital partners for specific opportunities. The Group operates a hybrid model of traditional real estate investment, stapled with expertise across fund management, investment management, asset management and development management. This approach supports the Group's strategy of delivering enhanced returns on capital deployed and maximising operational leverage from its scalable platform. Burstone strives to deliver purposeful and authentic client experiences with agility, speed and passion. The Group has the ability to identify potential that lies within something and then transform it into something of real value. Across all regions in which the Group operates, the manager has a presence on the ground with in-country expertise and adopts a hands-on approach to managing its properties. For more information, visit: www.burstone.com

Johannesburg

24 March 2026

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