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Burstone Group Limited
Approved as a REIT by the JSE
Incorporated in the Republic of South Africa
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Income tax reference number: 9332/719/16/1
("**Burstone**" or "**the Group**" or "**the Company**")

REVIEWED CONSOLIDATED RESULTS, CASH DIVIDEND AND NOTIFICATION OF FINANCIAL ASSISTANCE FOR THE YEAR ENDED 31 MARCH 2025

The board of directors of Burstone is pleased to announce the results for the year ended 31 March 2025.

HIGHLIGHTS

For the year ended 31 March 2025 ("FY25"), the Group has made significant progress in executing its stated strategy and growing its fund and asset management platforms. Key highlights during the period include:

- Results were in line with guidance, with distributable income per share ("DIPS") declining by 3.0% to 102.5cps (Mar-24: 105.7cps).
- The dividend payout ratio for FY25 was increased to 90%, increasing cash dividend per share by 3.1% to 92.22cps (Mar-24: 89.46cps).
- The Group has accelerated the expansion of its fund and asset management strategy across all regions in which it operates:
  - Strategic partnership with the Group's Pan-European Logistics portfolio ("PEL portfolio") and funds managed by affiliates of Blackstone Inc. ("Blackstone") (i.e. "the Blackstone transaction").
  - During the year, Irongate established an industrial platform with TPG Angelo Gordon, a global diversified credit and real estate investing platform within TPG, with approximately US$91 billion assets under management. Irongate now manages c.A$624 million of equity across office, industrial, retail and residential assets for some of the world's leading real estate investors (Ivanhoe Cambridge, Phoenix Property Investors, Metrics Credit Partners and TPG Angelo Gordon). Third-party assets under management ("AUM") has grown by 27% over the period.
  - Burstone has made significant progress with a cornerstone investor to seed and then build to scale a South African-focused diversified real estate platform ("SA Core Plus platform"). All material due diligence is now complete subject to various investment approval processes.
- The Group's balance sheet was significantly bolstered during the period:
  - The Group's adjusted loan to value ("LTV") reduced significantly to 36.3%* (Mar-24: adjusted LTV of 44.0%). Look-through gearing has reduced from 58% to c.45%.
  - Successful refinancing of R6.6 billion of Group ZAR and EUR debt in August 2024 that has improved margin, extended the debt profile and provided greater flexibility with respect to sales and facility settlement.
- The Group continued with its capital recycling programme, with c.R1 billion of South African sales at c.2.5% discount to book value concluded during the year.
- The results were underpinned by stable operational performances from the South African and European businesses, with like-for-like ("LFL") net operating income ("NOI") marginally improving by 0.2% in the South African portfolio and increasing by 0.5% (in EUR) in the PEL portfolio.
- Fee revenue grew by c.40% over the period to R88 million (Mar-24: R63 million), amounting to 10.7% of distributable earnings (Mar-24: 7.3%) driven by third party AUM which has increased by 2.6 times over the past year. The Group expects the funds and asset management initiatives to have a significant impact on earnings over the next few years.
- The Group has continued to maintain its cost discipline, growing costs by c.2% during the period, supported by the benefits of the internalisation transaction.
- Valuations of the South African portfolio marginally reduced from 31 March 2024.
- Net asset value ("NAV") decreased by 23.8% to R11.78ps (Mar-24: R15.45ps) largely as a result of the Blackstone transaction-related fair value and non-cash mark to market adjustments.

* Reported LTV is c.37%, which has been adjusted to include proceeds from sales of South African assets which have been agreed and all conditions met at the balance sheet date, but are still awaiting transfer.

FINANCIAL INFORMATION

	Reviewed 31 March 2025	Reviewed 31 March 2024	Movement
Revenue (ZAR'000)	**2 009 111**	2 052 008	(2.1%)
Operating profit (ZAR'000)	**1 241 163**	1 399 685	(11.3%)
Distributable earnings per share (cents)	**102.47**	105.67	(3.0%)
Net asset value per share (ZAR)	**11.78**	15.45	(23.8%)
Basic earnings per share	**(280.57)**	28.91	(309.48)
Diluted earnings per share	**(281.16)**	28.90	(310.06)
Headline earnings per share	**(138.93)**	28.21	(167.14)
Headline earnings per diluted share	**(139.22)**	28.20	(167.42)

FINANCIAL REVIEW

Performance highlights

The underlying South African and European portfolios continued to perform in line with expectations, with the South African portfolio delivering a marginal growth in LFL NOI of 0.2% and the PEL portfolio delivering a 0.5% increase in LFL NOI in EUR.

The South African portfolio benefited from strong letting across the portfolio with notable long dated leasing achieved in the industrial sector. The retail portfolio continued to post positive NOI growth, while the office and industrial sectors were impacted by ongoing negative rent reversions. Reversions across the portfolio improved to negative 4.6% (Mar: 24: negative 9.3%).

In the PEL portfolio, gross rental growth was driven by positive rental reversion, good letting and renewal activity. The portfolio recorded indexation of 3.2% across the portfolio and positive reversions of 14.8%. The Group has re-let or renewed 94% of space that expired over the period. Vacancy rates increased to 6.1% (Mar-24: 2.2%) which offset some of the growth in contracted rent.

The Group benefited from momentum in its fund and management activities with fee income growing by c.40% in the period to R88 million (Mar-24: R63 million). In addition, costs remain well controlled, growing by c.2% over the period, with the Group reaping benefits through cost optimisation initiatives and the internalisation.

Overall, Group distributable earnings were impacted by marginally dilutive sales despite the completion of a marginally accretive Blackstone transactional deal.

Considering the above-mentioned factors Group DIPS decreased by 3.0% to 102.5cps (Mar-24: 105.7cps).

Balance sheet highlights

The Group continues to adopt a prudent and disciplined approach to balance sheet management. It strives to maintain sufficient liquidity with diversified funding sources across various lenders. The Group's financial position remains strong, with sufficient liquidity and a strong capital base to support portfolio growth.

The Group has significantly de-levered its balance sheet with the LTV ratio decreasing from 44.0% at March 2024 to 36.3%. Look-through gearing reduced from 58% to c.45%.

Total Group debt net of cash amounts to R6.2 billion, with a ZAR cost of debt of 8.9%, EUR cost of debt of 4.3% and AUD cost of debt of 5.5%. Total ZAR swaps amount to R3.5 billion with a weighted average swap rate of 7.2% (Mar-24: 7.3%). The Euro debt is 100% hedged at an average weighted swap rate of 2.2% (Mar-24: 1.9%).

The Group has c.R2.6 billion of committed available facilities to settle short debt expiries.

Management continues to be cognisant of the volatile global interest rate environment and maintains a high 95% hedge against total debt (Mar-24: 98%) at Group level.

Euro currency risk is managed through the Group's policy to hedge against foreign income, by way of foreign exchange contracts which the Group has successfully managed, over time.

The Group's investment in Australia is 100% hedged AUD/ZAR via CCIRS in line with the Group's policy, with no significant refinancing risk in any single period.

The maturity of the swap book has been extended to an average expiry of 2.5 years (Mar-24: 2.0 years). The Group actively manages its interest rate exposure by assessing various swap strategies and takes advantage of opportunities to extend its swap profile at lower rates where possible.

PROSPECTS AND GUIDANCE

The strategic focus of the Group over the past year has been on its repositioning from a property investment business into an integrated international real estate fund and asset management business. The Group has made significant strides in executing on its stated strategy.

South Africa

While interest rate cuts and recent low inflation rates have supported improved market sentiment, the South African macro-economic environment remains marked by caution from investors and consumers remain under pressure. The environment remains characterised by heightened Government of National Unity ("GNU") volatility and the yet to be seen impact of tariffs recently advanced by the United States of America government.

The South African portfolio is expected to deliver modest LFL NOI growth in FY26, driven largely by the retail and office sectors. The retail sector is expected to benefit from steady consumer demand, whilst the office sector is also expected to recover to low single digit growth rates largely due to expected reduced negative reversions and a resilient vacancy outlook. The industrial sector continues to deliver positive letting activity whilst navigating increased vacancies.

Initiatives to reduce our client's cost of occupation continues to be a necessary focus to drive bottom line earnings. The Group is focused on retaining its core assets whilst executing its asset sales strategy to exit non-core assets. The Group is targeting a further c.R0.6 billion to c.R0.8 billion of assets disposals in the next 12 months. This will continue to fund local and international platform growth.

The Group will remain focused on sustaining the quality and relevance of its portfolio, executing its capital recycling programme, and launching a SA Core Plus platform which will see Burstone seeding the platform with up to c.R5 billion of South African retail and industrial assets that fit within the investment mandate and acting as a fund and asset manager.

Europe

A key strategic priority remains the maximisation of stakeholder value through our partnership with Blackstone.

Burstone retains a 20% co-investment in the approximately €1 billion PEL portfolio and continues to serve as the asset manager. Looking ahead, Burstone intends to leverage this partnership to further expand and grow the PEL platform, with a focus on aggregating industrial and logistics properties across core European markets.

Burstone will also explore the creation of new platforms in Europe, building on the existing expertise, infrastructure and proven track record of its European team within the industrial sector.

Australia

The Irongate business has continued to perform ahead of expectations, maintaining strong relationships with its core investor base while actively engaging with new capital partners. The business is focused on leveraging a robust pipeline of opportunities and is well-positioned to benefit from the growth of its recently established industrial platforms. As capital is deployed alongside new partners, we anticipate an increase in Irongate JV's contribution to overall earnings.

The year ahead is expected to deliver continued strong performance from the management company and solid investment income returns, with earnings from the management platform expected to at least double and investment income to deliver double digit earnings over the next 12 months.

Balance sheet

The Group's balance sheet is strong, with sufficient financial headroom to capitalise on potential future growth opportunities, which is key to delivering shareholder value and short-to-medium-term growth across the Group's core regions and strategies.

Effective capital optimisation remains a key strategic imperative and investment opportunities will be considered in line with the Group's capital allocation framework and overall leverage. The Group will continue to target a longer-term leverage ratio below 35% with a medium-term LTV between 34% to 36%.

The Group will continue to assess several opportunities to fund its growth strategy and decrease reliance on its balance sheet, including continued asset recycling, the development of its South African fund management strategy and the introduction of LP capital partners to co-invest alongside Burstone.

Overall Group

Expanding the Group's fund and asset management model offers multiple benefits for Burstone, particularly the ability to achieve enhanced integrated real estate returns. This approach combines traditional real estate asset yields with additional upside from operating a funds, investment and asset management model, where the Group can earn management, leasing and acquisition fees, as well as potentially generate performance fees through outperformance.

This hybrid model of traditional real estate investment, integrated with expertise across fund management, investment management, asset management and development management support the Group's strategy of delivering enhanced returns on capital deployed and maximising operational leverage from its scalable platform.

The rollout of the Group's fund and asset management strategy, and the conclusion of recent transactions, is expected to generate a significant increase in fee revenue over the short to medium-term.

Maintaining portfolio quality is essential, and the Group will continue investing in structural capital expenditures to support this strategy.

Taking the above into account, and the underlying performance anticipated from the South African and European portfolio, the Group believes that FY26 earnings will deliver and reflect growth of between 2% and 4%. The upper range is contingent on the successful deployment of capital; however, ongoing global uncertainty and volatility are slowing this process, reinforcing a cautious outlook and supporting measured growth expectations over any near-term uptick.

The above guidance assumes that current normalised trading conditions will persist and does not consider the impact of any unforeseen circumstances, potential business failures or the occurrence of any other factors that are beyond the Group's control.

Strategically the Group is pleased with the progress made across the business, notably in the roll-out of its international fund and asset management strategy. With an underlying quality asset base and a strong balance sheet, Burstone has solid foundations for future growth. We believe that our integrated international hybrid business model will be a key differentiator as we continue to implement our strategic plan over the next few years.

ADDITIONAL INFORMATION: KEY FINANCIAL DATA

	Year ended 31 March 2025	Year ended 31 March 2024
Group information		
Group GAV	**R41.7bn**	R41.2bn
Third-party assets under management	**R23.4bn**	R8.9bn
LTV (gearing)*	**36.3%**	44.0%
Total Group debt (ZAR and Euro)	**R6.2bn**	R11.9bn
Debt maturity (years) (pre-refinancing)	**3.0**	2.2
Interest cover ratio	**3.1x**	2.7x
Hedge percentage on total Group debt	**95%**	98%
Weighted average all-in cost of funding (ZAR and Euro)	**7.1%**	5.3%
South African property portfolio		
Number of properties	**58**	73
Asset value	**R13.2bn**	R14.2bn
Base like-for-like NOI growth	**0.2%**	1.5%
Cost to income (excl. bad debts)	**23.9%**	22.7%
GLA (m^2)	**845 345**	971 331
Vacancy (by GLA)	**6.7%**	4.5%
WALE (years)	**3.0**	3.0
In-force escalations	**6.8%**	6.8%
Average reversions on renewals and new leases	**(4.6%)**	(9.3%)
% of space expiring let	**89.5%**	89.6%
PEL European property portfolio		
Asset value	**€1.0bn**	€1.1bn
Third-party AUM	**€0.8bn**	€0.2bn
Base like-for-like NOI growth	**0.5%**	6.2%
Vacancy (by GLA)	**6.1%**	2.2%
WALE (years)	**4.3**	5.3
Average positive reversions on renewals and new leases	**14.8%**	5.2%
Indexation	**3.2%**	7.8%
% of space expiring let	**94%**	96%
Australian property portfolio		
Asset value	**A$1.2bn**	A$1.0bn
Third-party AUM	**A$624m**	A$490m

* Reported LTV has been adjusted to include proceeds from sales of South African assets which have been agreed and all conditions met at the balance sheet date, but are still awaiting transfer.

FY25 FINAL DIVIDEND

The Group hereby declares an FY25 final dividend of 47.64591cps (R383m) in respect of the twelve months ended 31 March 2025. This represents a 90% pay-out ratio of H2 FY25's distributable earnings of 52.93990cps. This brings the total dividend for FY25 to 92.22625cps, representing a full year pay-out ratio of 90% for the year's distributable earnings of 102.47361cps. The full year dividend meets the minimum distribution (75%) required to retain REIT status. In accordance with Burstone's status as a REIT, shareholders are advised that the cash dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("Income Tax Act"). The dividends on the shares will be deemed to be dividends for South African tax purposes in terms of section 25BB of the Income Tax Act. Compliance with REIT regulations requires payment of a dividend within 4 months of the Group's FY25 year-end.

Other information

Issued shares as at declaration date: 804 918 444 ordinary shares of no par value.

Tax implications for South African resident shareholders

Dividends received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax in terms of the exclusion to the general dividend exemption contained in section 10(1)(k)(i)(aa) of the Income Tax Act because they are dividends distributed by a REIT. These dividends are however exempt from dividend withholding tax ("Dividend Tax") in the hands of South African resident shareholders provided that the South African resident shareholders have provided to the CSDP or broker, as the case may be, in respect of uncertificated Shares, or the Group, in respect of certificated Shares, a declaration by the beneficial owner (in such form as may be prescribed by the Commissioner) that the dividend is exempt from dividends tax in terms of section 64F and a written undertaking (in such form as may be prescribed by the Commissioner) to forthwith inform the CSDP, broker or the Group, as the case may be, should the circumstances affecting the exemption change or if the beneficial owner ceases to be the beneficial owner.

If resident shareholders have not submitted the above-mentioned documentation to confirm their status as South African residents, they are advised to contact their CSDP, or broker, as the case may be, to arrange for the documents to be submitted prior to the date determined by the regulated intermediary, or if no date is determined, by the date of payment of the dividend.

Tax implications for non-resident shareholders

Dividends received by non-resident shareholders from a REIT will not be taxable in South Africa as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. It should be noted that up to 31 December 2013 dividends received by non-residents from a REIT were not subject to Dividend Tax. With effect from 22 February 2017, any dividend received by a non-resident from a REIT are subject to Dividend Tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the non-resident shareholder. Assuming Dividend Tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 38.11673cps. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Group, in respect of certificated shares:

- A declaration by the beneficial owner (in such form as may be prescribed by the Commissioner) that the dividend is subject to a reduced rate as a result of the application of the DTA; and
- A written undertaking (in such form as may be prescribed by the Commissioner) to forthwith inform, the CSDP, broker or the Group, as the case may be, should the circumstances affecting the reduced rate change or if the beneficial owner ceases to be the beneficial owner.

If applicable, non-resident shareholders are advised to contact the CSDP, broker or the Group, as the case may be, to arrange for the above-mentioned documents to be submitted prior to the date determined by the regulated intermediary, or if no date is determined, by the date of payment of the dividend, if such documents have not already been submitted.

Salient dates relating to the final dividend

Declaration of dividend	Wednesday, 28 May 2025
Last day to trade in order to receive distribution (cum-dividend)	Tuesday, 17 June 2025
Shares trade ex-dividend	Wednesday, 18 June 2025
Record date for shareholders to receive dividend	Friday, 20 June 2025
Dividend payment date	Monday, 23 June 2025

Shares may not be rematerialised or dematerialised between Wednesday, 18 June 2025 and Friday, 20 June 2025, both days inclusive.

The above dates and times are subject to change. Any change will be released on SENS.

FINANCIAL ASSISTANCE

Notice in terms of section 45(5) of the Companies Act No. 71 of 2008, as amended

Shareholders are advised that at the annual general meeting of the Group held on 15 August 2024, shareholders approved and passed a special resolution in terms of section 45 of the Companies Act No. 71 of 2008, as amended ("the Act") authorising the Group to provide financial assistance to among others, related or inter-related companies of the Group.

Shareholders are hereby notified that in terms of S45(5)(b) of the Companies Act No. 71 of 2008, as amended, the board of directors of the Company authorised the issue of guarantees and suretyships to third parties for finance and other facilities granted by those third parties to wholly-owned subsidiaries of the Company during the period 1 April 2024 to 31 March 2025.

The board has confirmed that, after considering the reasonable foreseeable financial circumstances of the Company, it is satisfied that immediately after providing such financial assistance, the Company would satisfy the solvency and liquidity test, as contemplated in terms of section 4 of the Act, and that the terms under which such financial assistance was given were fair and reasonable to the Company.

On behalf of the board

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

28 May 2025

FURTHER INFORMATION

The directors of Burstone are responsible for the preparation and fair presentation of this short-form announcement and its contents.

The reviewed condensed consolidated financial results for the year ended 31 March 2025 have been reviewed by PricewaterhouseCoopers Inc., who expressed an unmodified review conclusion. A copy of the auditor's review report is available for inspection at the Group's registered office together with the financial statements identified in the auditor's report. The report is also available in the full announcement.

This short-form announcement is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decision should be based on the full viewed announcement which can be accessed from Wednesday, 28 May 2025, using the following JSE link:

https://senspdf.jse.co.za/documents/2025/jse/isse/BTNE/YE25.pdf

Alternatively, the full announcement is available on the Group's website:

https://www.burstone.com/investor-relations/latest-announcements

The full announcement is also available at the Group's registered offices for inspection at no charge, during office hours. Copies of the full announcement may be requested by contacting Investor Relations on: investorrelations@burstone.com

Forward looking statements:

This short-form announcement is the responsibility of the directors and contains forward-looking statements that relate to the Group's future operations and performance. Such statements have not been reviewed or reported on by the Company's external auditors and are not intended to be interpreted as guarantees of future performance, achievements, financial or other results. They rely on future circumstances, some of which are beyond management's control, and the outcomes implied by these statements could potentially be materially different from future results. No assurance can be given that forward-looking statements will be accurate; thus, undue reliance should not be placed on such statements.

LINK TO RESULTS CALL

The Group will host a presentation on the full year results via webcast today at 14:00 (SA time). A virtual question and answer session will be accommodated during the presentation.

The webcast can be accessed at: https://www.burstone.com/investor-relations/latest-announcements

For further information please contact:

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Johannesburg
28 May 2025

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