

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 FOR THE SIX MONTHS ENDING 30 SEPTEMBER 2026

Burstone Group highlights

- SA Core Plus platform successfully launched as Burstone establishes SA funds management business
- Better-than-expected South African portfolio performance underpinning real estate earnings
- Demonstrative fund and asset management fee income growth, with the impact of international deployment weighted to 2H27
- Greater certainty regarding Blackstone partnership under agreed framework terms
- Full-year DIPS and DPS guidance maintained, representing 4-6% and 7-9% respectively

1. Pre-close update

The Group is pleased to give a pre-close trading update for the six months ending 30 September 2026 ("1H27"). An investor conference call will be held today, 28 September 2026 at 14:00 South African Standard time ("SAST") / 13:00 British Summer Time ("BST") (details are provided below).

Background

Burstone continues to advance its strategic positioning as a fully integrated international real estate investment, fund and asset management business. Its integrated real estate model combines real estate asset returns with additive fee income generated through funds, investment and asset management capabilities.

The Group currently has c. R42 billion gross asset value ("GAV") under management across South Africa, Europe and Australia of which c. R24 billion represents third-party GAV and c. R10.7 billion of Equity under Management ("EUM"). 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 is well positioned to grow its GAV and EUM under new and existing platforms, driving both earnings growth and operational efficiencies across the Group.

For 1H27, the Group's South African portfolio is expected to generate c. 80% of the Group's total income, whilst the remaining earnings are derived from co-investments in Europe and Australia, in conjunction with fees earned from fund and asset management activities – providing a well-diversified earnings base for the business.

Macroeconomic update

Global markets remain challenging: continuing geopolitical tensions and elevated economic pressures are adding significantly to inflationary and interest-rate uncertainty. With increased investor return requirements, institutional capital remains highly selective as higher return hurdles hamper capital deployment albeit that underlying investment opportunities remain attractive. However, real estate operating fundamentals remain resilient despite slower or muted economic growth and a weaker consumer backdrop.

Real estate:

South Africa's operating environment remains under pressure, with elevated fuel, transport and borrowing costs continuing to weigh on consumer spending. Progress regarding inflation has stalled, delaying the prospect of anticipated short-term interest rate cuts. From a domestic real estate perspective, retail continues to benefit from essential spending, although apparel and discretionary categories are experiencing pressure. Industrial demand remains robust, while office market fundamentals continue to improve, with vacancy reductions concentrated in well-located P- and A-grade nodes.

In Europe, logistics occupier conditions remain mixed. Amidst a recently softer occupier market, expansion demand remains selective as tenants continue to favour more modern logistics spaces. Vacancy remains elevated across parts of the market, although slowing development activity is helping improve supply-demand dynamics. As such, rental growth has moderated, with performance increasingly differentiated by asset quality and location. Investment activity is, however, recovering although uncertainty around the interest rate outlook and elevated investor return requirements continues to influence investment decision making.

Industrial fundamentals in Australia remain sound, with low vacancy and strengthening occupier demand supporting rental performance. Rental growth has, however, moderated from the strong levels experienced in recent years, with higher incentives also impacting effective rental growth in certain markets. Elevated investor return requirements continue to influence asset pricing and investment decisions, while recent tax reform is creating additional uncertainty for institutional capital.

Overall Group performance

- The Group expects to deliver 1H27 DIPS growth marginally below the 4-6% full-year guidance range given the effects of capital deployment in Australia and Europe expected to be more weighted to 2H27.
- This expected performance reflects strong growth from the South African Portfolio, partially offset by lower European real estate earnings amid a softer occupier market, and slower initial capital deployment in both European and Australia markets during 1H27.
- Full-year DIPS guidance of 4-6% growth remains unchanged.
- Full-year DPS guidance of 7-9% growth remains unchanged.

1H27 Strategic highlights

Burstone's strategy continues to gain momentum as the Group has progressed on a series of strategic initiatives aimed at enhancing sustainable earnings, strengthening balance sheet and establishing its international funds and asset management platforms, while continuing to deliver consistent performance from its direct and co-investment real estate portfolios across its core markets.

Strategic objective	Priority	Progress
Optimise current portfolio	Continue to drive underlying real estate performance in existing portfolios	The Group's diversified real estate base continues to underpin earnings resilience, with strong South African growth expected to offset European performance, while the Australian platforms continue to grow off a small base. • South Africa - The portfolio anticipates delivering better-than-expected performance for 1H27, with like-for-like ("LFL") net property income ("NPI") growth expected to exceed 7% year-on-year ("YoY"). ○ Expected outperformance is driven by the retail and office portfolios, supported by strong tenant trading, successful leasing execution and continued solar deployment. ○ Overall portfolio vacancy is expected at c.5-7% (Mar-26: 2.7%), primarily reflecting a single tenant industrial vacancy arising towards the end of 1H27.

		• Europe - The PEL platform continues to experience a deterioration in earnings amidst challenging operating conditions, with higher vacancies across France and Spain. Platform earnings are expected to be further impacted by higher interest rates and financing costs, as Euribor base rates have increased during 1H27. • Australia - LFL earnings are expected to improve, driven by NPI and earnings growth from existing industrial platforms through contracted rental reversions and asset management initiatives, albeit remaining a relatively small contributor to total Group earnings.
Growth	Scale fund and asset management platforms alongside capital partners	Scaling the Group's fund and asset management platforms alongside capital partners remains a core strategic priority as total fee income is expected to grow by c.20% YoY. This has largely been driven by the deployment of over R300 million of third-party EUM through the acquisition of c. R1 billion of GAV, under the Group's ELI platform. An additional c. R3 billion of GAV (equating to c. R1 billion of EUM) is currently under offer and in exclusivity and expected to complete in 2H27. • South Africa - successfully launched the South African funds management platform ("SA Core Plus platform"), with total EUM expected to grow by 4.5%. • Europe – fee income has remained constant in 1H27, with ELI deployment and associated fee income weighted to 2H27. • Australia – a marginal impact on fee income is expected due to no new deployment during 1H27, with EUM and associated fee income growth expected during 2H27.
Integration	Leverage international infrastructure, expertise and operational efficiency	Deepening integration across the Group's international infrastructure is expected to support operating leverage as platforms scale, maintaining a "fit-for-purpose" cost base, while continuing to deploy growth capital. Overall Group operating costs are expected to remain broadly flat YoY, reflecting true operational leverage as fresh capital deployment should drive earnings growth in 2H27.
Robust balance sheet	Build balance sheet capacity through effective asset recycling	Maintaining balance sheet strength and building capacity remain key priorities, providing the Group with flexibility to execute its growth strategy across its real estate and fund and asset management. • The Group expects pro-forma LTV to remain stable at 1H27, with the SA funds management transition expected to release significant capital and reduce standalone LTV to below c.20%, creating capacity to de-risk the Group's European first-loss exposure and to pursue growth opportunities within existing and new platforms. • Group net finance costs are expected to remain in line with 2H26, as debt levels are expected to hold broadly constant in 1H27; as YoY costs have increased due to lower net debt levels being held by the Group during prior period, 1H26. • The Group remains well-hedged, in line with its stated treasury policy.

Holistic sustainability	Further embed ESG initiatives	Strong progress continues in relation to the Group's solar rollout: projects are delivering attractive yields, with c. 3.1MW commissioned in 1H27, building an additional c. 30% capacity on the 9.8MW reported at 31 March 2026.
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2. Strategic Partner update

Partnership with Nedbank Property Partners (NPP)

Burstone has entered into binding transaction agreements with NPP to establish an initial South African funds management platform, seeded with a portfolio of 14 Burstone-owned retail and industrial assets with a GAV of approximately R5.4 billion ("SA Core Plus platform"). SA Core Plus platform represents the first real estate platform within a broader South African funds and asset management business. Burstone will retain a 50% equity interest and act as fund and asset manager, maintaining economic exposure to the underlying assets while generating recurring management fee income.

- **Strategic rationale** – Advances Burstone's co-investment and fund management strategy by recycling capital while retaining a 50% equity interest and associated fund and asset management mandates. The management contract supports a durable recurring fee income stream, while the partnership with NPP establishes a scalable, permanent-capital platform positioned to attract further third-party and institutional investment.
- **Key outcomes** – Raises R677 million of third-party equity and releases c. R4.5 billion of capital to de-risk the balance sheet and provide capacity for redeployment into local and international growth opportunities which NPP and Burstone are exploring.
- **Impact for the Group** – Strengthens the balance sheet, reducing reported LTV from 39.6% to c.19% and look-through LTV from 48.6% to c.41%. The transaction scales the fund and asset management business, increasing third-party AUM by 10.9% to R26.8 billion and EUM by 4.5% to R11.5 billion, supporting recurring fee income. The transaction is expected to be earnings accretive to Burstone.

Framework for the transition of the Blackstone Partnership

Burstone and Blackstone have agreed non-binding framework terms ("proposed framework") and are working on definitive agreements that would facilitate an orderly transition of their existing European partnership and joint investment in the PEL platform. The proposed framework intends to provide greater certainty regarding Burstone's remaining equity investment in PEL; its first-loss obligations in relation to the platform; and the transition of the existing investment and asset management arrangements.

Burstone currently has a 20% equity interest in PEL, valued at c. €85.8 million (R1.7billion). Under the existing partnership arrangements, the Group has a maximum first-loss exposure of c. €52.8 million (R1billion), which is scheduled to arise in November 2026. The Group has recognised a balance sheet provision of c. €29.1million (R569 million) against this exposure. In addition, the existing management agreement with Blackstone is terminable from December 2026.

The proposed framework addresses these matters comprehensively:

1. Sale of Burstone's remaining equity interest

As part of the proposed framework, Burstone intends to sell the majority of its remaining equity interest in PEL to Blackstone. This is expected to provide Burstone with an orderly exit from the majority of its remaining equity exposure.

2. Settlement of first-loss exposure

In relation to the first-loss exposure, certain assets would be acquired by Burstone and brought onto its balance sheet. The remaining assets would be retained by Blackstone, with Burstone settling its agreed first-loss

obligations in respect of the overall first-loss asset position.

3. Transition of management arrangements

As part of the proposed framework, the existing investment and asset management arrangements between Burstone and Blackstone would be terminated. The proposed transition provides Burstone with greater certainty regarding its future exposure to the existing partnership and enables the Group to redirect capital and management resources towards its broader funds management strategy.

The targeted financial impact of the transition, based on the proposed framework terms, is expected to be as follows:

LTV: following SA Core Plus platform implementation and the PEL transition, Group LTV is expected to stabilise within the Group's medium-term target range, reflecting:

- **Funding requirement:** bringing the select first-loss assets onto balance sheet and settling any residual first-loss exposure.
- **Funding sources:** cash proceeds realised from the SA Core Plus platform, proceeds from the sale of Burstone's remaining equity interest in PEL and new debt finance.

NAV: The transaction, when effected, is expected to be concluded at or around NAV. Burstone has existing provisions for the first-loss liability (31 March 2026: R569 million) and call option liability (31 March 2026: R7 million). The net settlement of any first-loss exposure owing to Blackstone under the proposed framework, together with any impairment arising from the first-loss assets being brought onto the Group's balance sheet, is expected to be adequately covered by these existing provisions, including in respect of Burstone's remaining equity interest.

DIPS: the Group's full-year DIPS guidance will remain unchanged at 4-6% growth.

The information set out above reflects the position as at the date of this announcement, subject to the execution of definitive agreements. Shareholders will be updated on any material developments as appropriate.

Concluding remarks

The Group's expected operational performance for 1H27 remains underpinned by South African real estate portfolio, enhanced by growing funds and asset management activity. As Burstone continues to scale its fund and asset management capabilities, fee income and co-investment returns are becoming significant contributors to Group earnings.

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

- Launch of the South African funds and asset management business, and execution of its strategy to build a diversified, capital-efficient international real estate investment and funds management business
- Expected earnings growth marginally below guidance, supported by:
 - Resilient underlying real estate performance, with South Africa expected to continue making a strong contribution to earnings growth
 - Continued growth in fund and asset management fee income
 - Operational leverage, with optimisation and integration, is expected to support a broadly flat cost base.
- Disciplined capital allocation and recycling, including disposal of South African assets; as well as selective investment into the various global funds management platforms.
- Ongoing delivery alongside global capital partners, with initial ELI deployment demonstrating execution of our strategic partnership with Hines.
- Agreement with Blackstone on strategic transition, providing both operational and investment certainty in respect of the European funds management business and first-loss exposure.

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. The Group remains committed to meeting its full year guidance of DIPS growth of 4–6%. and DPS growth 7–9% respectively.

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, 28 September 2026 at 14:00 South African time / 13:00 UK time. Participants should register for the conference call by navigating to:

<https://www.corpcam.com/Burstone28092026>

Interim results

The interim results for the period ending 30 September 2026 are scheduled for release on 2 December 2026.

For further information please contact:

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Profit Forecasts

The forward-looking financial information contained in this announcement constitutes profit forecasts for purposes of the JSE Listings Requirements (the Profit Forecasts) and relates to the interim period ending 30 September 2026.

The Profit Forecasts are the responsibility of the Board and have not been reviewed or reported on by the Group's external auditor. The Profit Forecasts have been prepared in accordance with IFRS, using accounting policies consistent with those applied in the Group's audited financial statements for the year ended 31 March 2026, and with reference to the relevant line items therein.

Assumptions

The Profit Forecasts are based on the following material assumptions:

Factors within the influence of the Directors:

- The Group's business plans and operational initiatives are implemented substantially as forecasted.

Factors outside the influence of the Directors:

- No material changes occur in the political, economic or regulatory environment that materially affect the Group.
- No material business disruptions occur that significantly affect the Group's operations.
- Relevant exchange rates, interest rate curves and tax rates remain materially consistent with those prevailing at 28 September 2026.
- No material changes occur in market conditions, client demand or the competitive environment.

Johannesburg

28 September 2026

JSE Equity and Debt Sponsor and Financial Advisor: Investec Bank Limited