Transform potential

Results for the year ended 31 March 2024

MAY 2024

Burstone
REAL ESTATE PARTNERS

Burstone at a glance

We are a fully integrated international real estate business

- **30 years +** track record
- **R37bn** on-balance sheet assets
- **R4.7bn** third-party capital under management
- **50+** real estate professionals
- **9** countries

Investing in best of breed assets in select markets

Fund Management	Investment Management	Asset Management	Development Management

Global reach with local presence

€1.1bn GAV

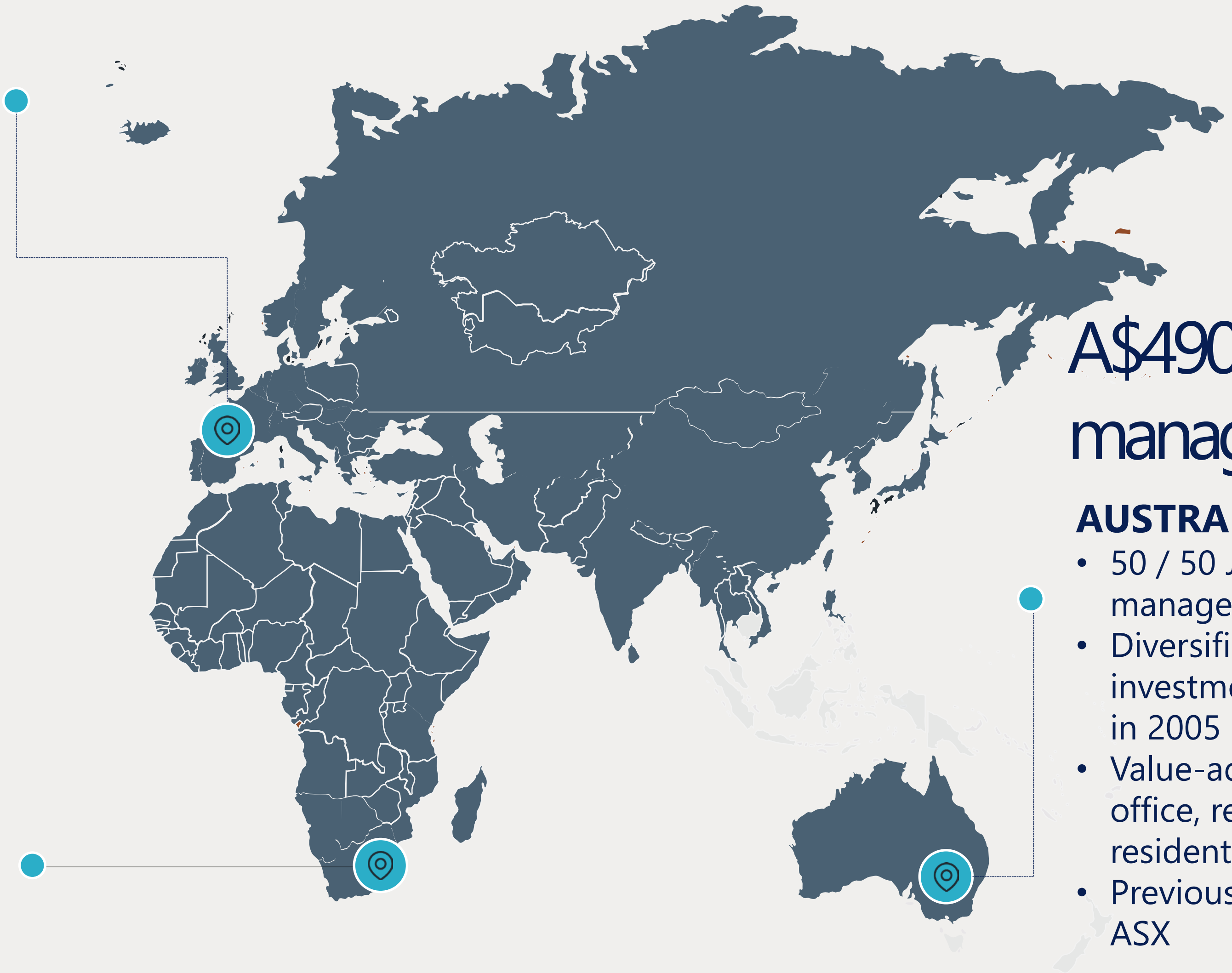
EUROPE

- Logistics and industrial portfolio across 7 countries
- Platform established in 2017
- Proven track record of buying, working and profitably selling logistics real estate

R14bn GAV

SOUTH AFRICA

- Diversified real estate manager listed on the JSE in 2011
- Retail: niche assets or those that are the dominant offering within their respective locations
- Office: multi-tenanted, well-located, with strong amenitisation
- Industrial: good-quality functional space in established nodes with consistent / stable demand



A$490m equity under management

AUSTRALIA

- 50 / 50 JV in Irongate funds management platform
- Diversified real estate investment manager founded in 2005
- Value-add investments across office, retail, industrial and residential
- Previously listed on the JSE and ASX

01

Overview of results

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Highlights

Full year results in line with guidance
DIPS up 1.0% to 105.67cps
(Mar-23: 104.64cps)

Solid operational performances
SA LFL NOI: up 1.5%
EU LFL NOI: up 6.2% (EUR)

NAV: down 4.5% R15.45ps
(Mar-23: R16.17ps)
Unrealised MTM on derivatives
Marginal EU valuation impact

Dividend payout ratio: 85%
Total dividend of
89.46cps (Mar-23: 99.41cps)
75% payout ratio going forward

Delivered annualised net management fee saving 8% ahead of deal case

Delivered several cost saving initiatives
EU: c.€2.1m corporate savings and
absorbed R66m of increased funding costs due to rate increases

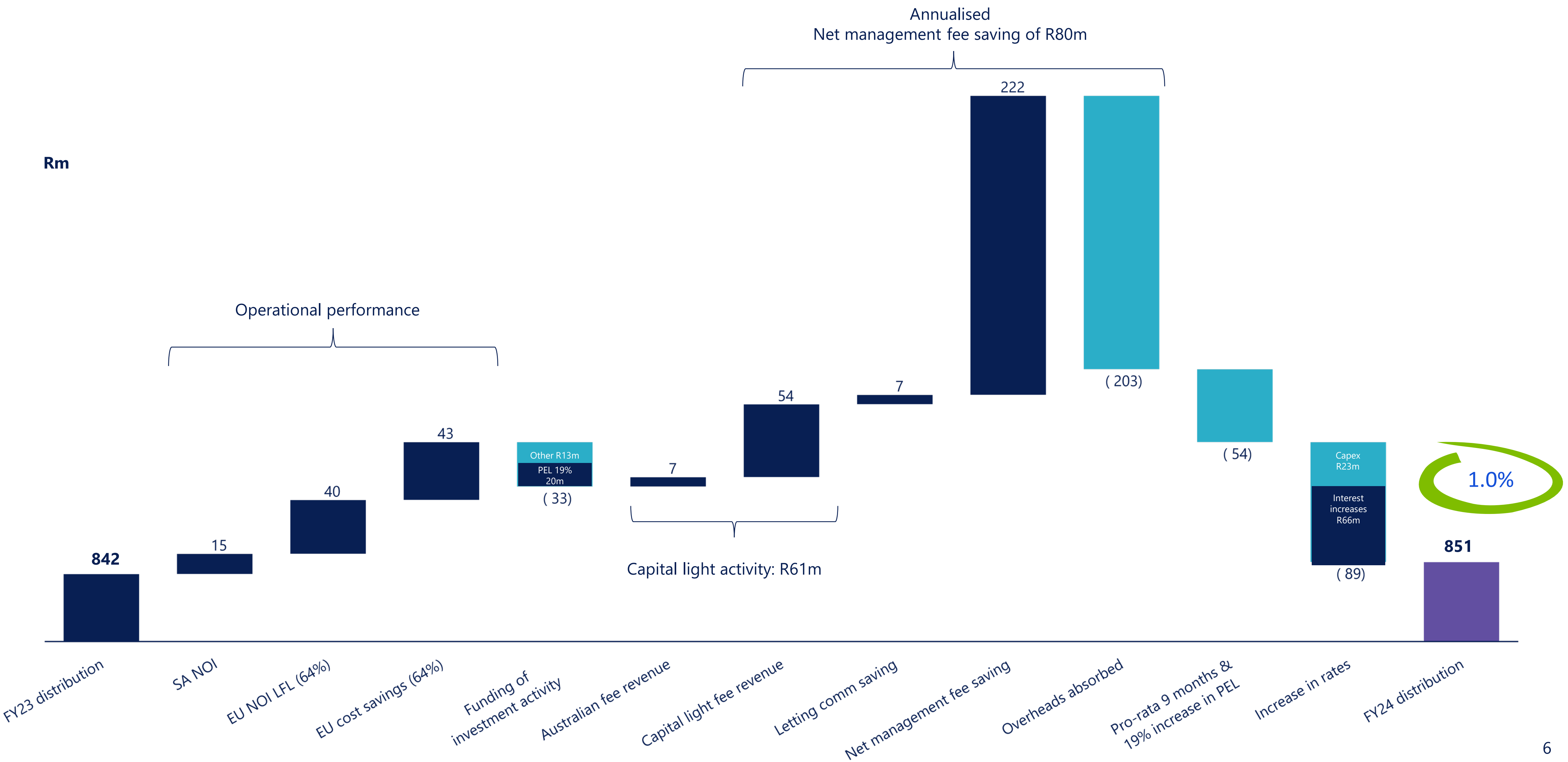
Delivered R1.3bn asset sales at a c.1.5% premium to book

Pro-forma LTV is 44.0%
(Mar-23: 42.0%)
clear plan to reduce to 37% to 40% in next 12 months

Capital light business transition taking shape
R61m contributing c.7% to earnings

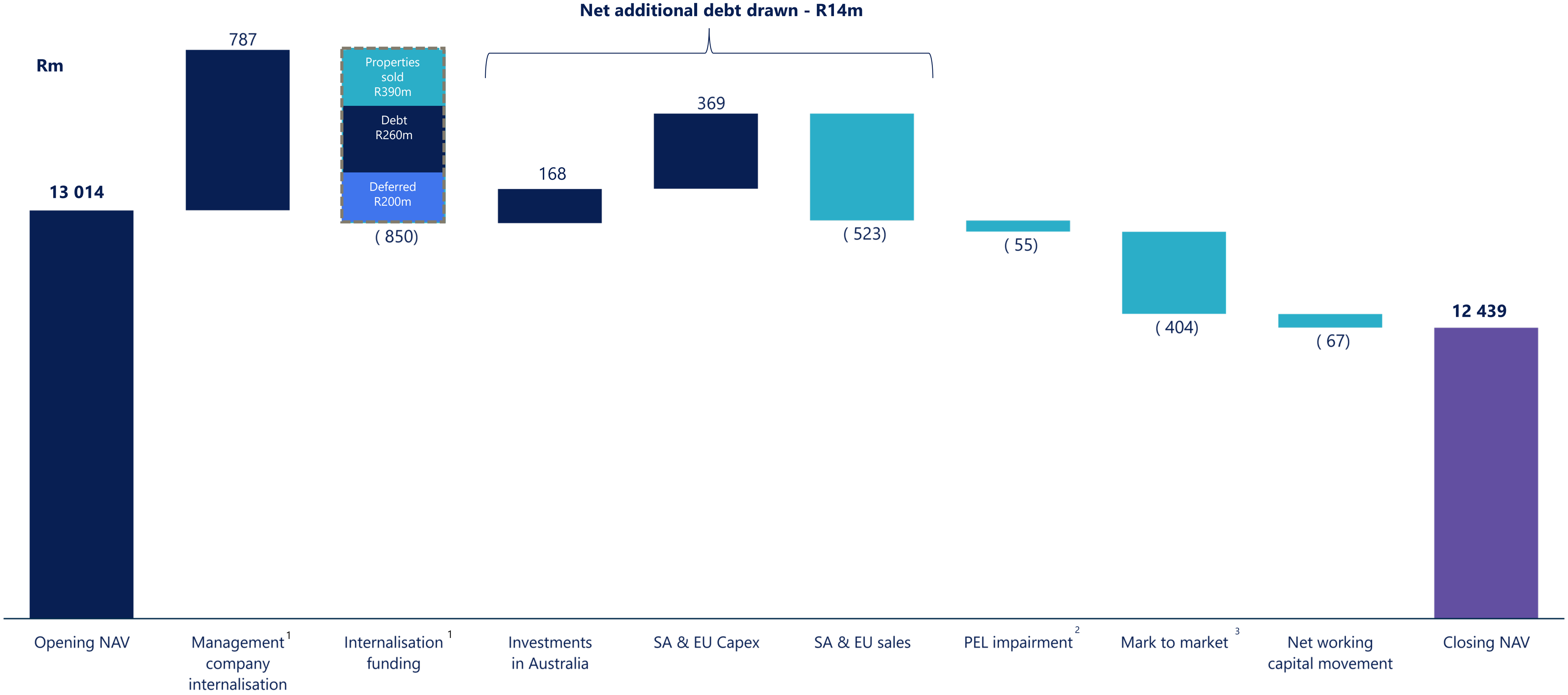
Distributable earnings bridge

Benefited from internalisation, offset by higher funding costs



Net asset value bridge

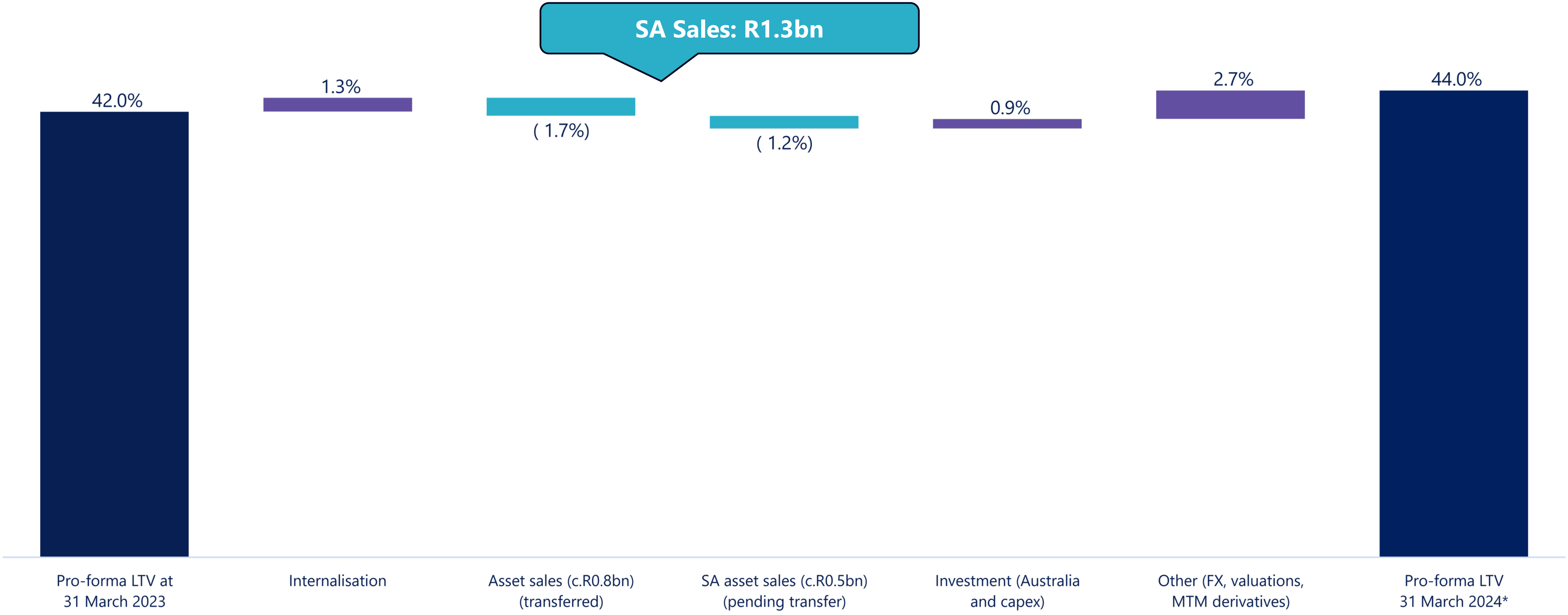
NAV per share down 4.5% to R15.45 (FY23: R16.17)



[1] Management companies net of amortisation of intangible asset
[2] PEL impairment of c.1% offset by fx
[3] Mark to market movement on derivative book

LTV y-o-y to 31 March 2024

Delivered on the sales we committed to



* Reported LTV is 45.5%, 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 still awaiting transfer, to derive a LTV of 44% as disclosed in the highlights and LTV flightpath.

02
Strategic overview

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We have a clear strategic focus in the short and medium term

Integration

- Unlock distribution synergies and capability across geographies
- Active international investor and stakeholder engagement
- Leverage cross-border skills, knowledge, experience and expertise
- Leverage processes and systems to maximise efficiencies and drive best practices

Optimise current portfolios

- Maintain stability
- Client retention and experience
- Enhance quality of recurring earnings
- Reduce cost of occupation
- Exit non-core assets
- Extract cost savings across the Group
- Consider broader cost and operational synergies

Maintain a robust balance sheet

- Clear path to reducing LTV
- Capital recycling to create capacity
- Actively manage refinance and interest rate risk
- Maintain an appropriate dividend policy that supports our long-term strategy

Growth

- Funds management roll-out in all regions
- Seek value-add / core plus opportunities

Holistic sustainability

- Further embed ESG principles and processes across our business
- Focus on initiatives that can meaningfully impact our priority UN SDGs
- Further develop solar roll out strategy
- Aim to achieve net-zero emissions

Creating long-term sustainable value

2.1
Integration

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Management company internalisation

- The internalisation was completed in July 2023
- **Transition to an integrated business is key to the Group delivering on its growth ambitions**
- **Unlocks several strategic advantages for the Group**
- Key outcomes from the integration of our international platforms:
  - Global brand roll out, with Investec Property Fund and Urban Real Estate Partners being rebranded Burstone
  - Global executive, investment and credit committees created
  - Centralisation of core international functions (i.e. marketing, treasury),driving best practices and efficiencies, but retaining local expertise
  - Joint international capital roadshows, leveraging extensive local and international experience across the teams

Integration starting to reap benefits

- Benefiting from synergies created by the internalisation and integration of our business and our enhanced international footprint:
  - **Annualised net management fee saving** – 8% ahead of deal case of R74m
  - New **third-party management mandate** in Germany
  - **Discussions taking place with global equity and debt investors across both international geographies** (Australia and Europe). This unlocks distribution synergies and capability.
  - **Delivery of several cost saving initiatives** including c.€2.1m corporate savings in Europe during the year, with further synergies expected in FY25

130 Gazelle – Midrand, Johannesburg

2.2
Optimise current portfolios

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2.2.1 Performance – South Africa

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SA snapshot of performance

Stable operational performance in a persistently challenging environment

- **Stable portfolio with sound LFL NOI growth**
- Strong letting activity across all sectors
- Improved average vacancy and solid industrial performance
- Disciplined cost management
- Arrears well-managed
- Valuations stable with base portfolio yield at 9.0% (Mar-23: 9.2%)
- Negative reversions persist, particularly in the office sector, but we are seeing some rental growth return and reversion levels are starting to flatten
- Disposed of 14 assets for R1.3bn at c.1.5% premium to book value (c.R0.5bn are awaiting transfer)

Financial performance

- +1.5% base LFL NOI growth (Mar-23: 5.3%)
- 22.7% CTI ratio (Mar-23: 22.8%)
- Arrears at 2.6% of collectibles (Mar-23: 3.0%)
- 73 properties: 971,331m^2

Letting performance

- 89.6% of space expiring let – 237,779m^2
- 88.6% tenant retention
- 9.3% negative reversion
- 1.1% incentives

Operational performance

- 4.5% vacancy (Mar-23: 3.9%)
- Average vacancy 3.7% (Mar-23: 6.2%)
- 3.0 year WALE (Mar-23: 2.9 years)
- 6.8% escalation (Mar-23: 6.8%)

Continued focus on

- Client experience
- Speed and responsiveness
- Reduce cost of occupation
- Energy security and ESG initiatives
- Asset disposal programme
- Select acquisitions
- Quality of the portfolio

SA retail portfolio

Continued improvement in trading metrics and growth momentum maintained

Sector trends

- Trading activity has shown strong growth
- Growing consumer debt is a concern
- Retailers under pressure from loadshedding

Financial and operational metrics

LFL NOI growth (Mar-23: 5.3%)	5.9%	Arrears (% of collectibles) (Mar-23: 3.8%)	3.1%
Cost-to-income (Mar-23: 19.5%)	19.4%	Vacancy (by GLA) (Mar-23: 4.5%)	3.7%
WALE (Mar-23: 2.9 years)	2.8 years	Reversion on new leases	3.8%

18 properties: 289,075m² R5.9bn

Trading stats*

Average turnover (Mar-23: +8.5%)	+4.6%
Trading density (Mar-23: R2,773/m²)	R2,901/m²
Cost of occupation (Mar-23: 6.3%)	6.1%

Achievements

Turnover increased by 8.4% year-on-year at Fleurdal Mall

c.7,000m² of letting completed at Dihlabeng Mall, including 1,500m² new Dischem

Solar farm completed at Newcastle Mall

80%

of properties (by GLA) with back-up power

*12-month averages; year on year growth.

SA industrial portfolio

Strong demand evidenced by letting activity and reduction in average vacancy

Sector trends

- Positive supply-demand dynamics
- Market rental growth is emerging
- Infrastructure challenges persist

Financial and operational metrics

LFL NOI growth (Mar-23: 9.2%)	9.5%	Arrears (% of collectibles) (Mar-23: 0.9%)	0.8%
Cost-to-income (Mar-23: 19.0%)	18.2%	Vacancy (by GLA)* (Mar-23: 1.9%)	3.0%
WALE (Mar-23: 2.8 years)	2.8 years	Reversion on new leases^	**Total:** -13.7% **Long-dated:** -17.3% **Short-dated:** -3.6%

28 properties: 446 979m² R3.3bn

Achievements


63,000m² of letting concluded at Alrode Multipark, with a 100% retention ratio

AGCO renewal for 10 years, 12 months before lease expiry

43% of properties (by GLA) with back-up power

*Average vacancy declined from 5.4% to 2.2%. ^Long-dated refers to renewal of leases 5 years or longer and short-dated refers to renewal of leases that were less than 5 years from initial term.

SA office portfolio

The Group's vacancy rates remain amongst the lowest in the sector

Sector trends

- Loadshedding and change in corporate strategy is driving a return to office
- Clients prioritising aesthetics, amenities and service which aligns with Burstone's client focus
- Activity has returned to Sandton node with a growing number of leasing deals concluded
- Oversupply still resulting in negative reversions
- Portfolio remains over rented by 10% to 15%, but this gap has narrowed in the stronger decentralised nodes such as Bryanston and Fourways, which comprises a notable portion of our portfolio

Financial and operational metrics

Gross income growth (Mar-23: 2.9%)	-3.5%	Arrears (% of collectibles) (Mar-23: 3.5%)	3.2%
LFL NOI growth (Mar-23: 2.1%)	-7.5%	Vacancy (by GLA) (Mar-23: 7.4%)	8.4%
Cost-to-income (Mar-23: 27.5%)	28.5%	Reversion on new leases^	Total: * -28.5% Long-dated: -47.3% Short-dated:-13.3%

99% Of properties (by GLA) with back-up power

27 properties: 235,277m² R5.0bn

Achievements

30 Jellicoe common area upgrade with canteen

Early Renewal for further 6 years at Woolworths house f(30,400m²)

The Firs showcased space resulted in 100% office occupation

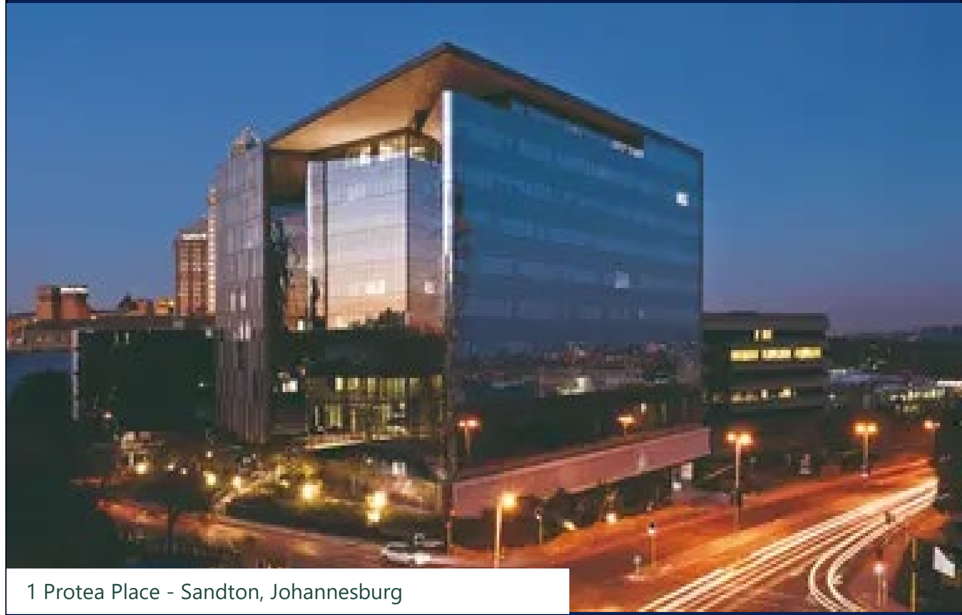
Renewal of Samsung at 2929 on Nicol for 8,000m²

7,500m² renewals let year to date at 3 Sandown Valley Crescent

*Largest reversions arising from renewals in Midrand at the end of a 10 year lease. ^Long-dated refers to renewal of leases 5 years or longer and short-dated refers to renewal of leases that were less than 5 years from initial term

SA portfolio outlook

- **In South Africa the Group has a stable and mature portfolio which supports a sustainable level of earnings**
- **However, the South African macroeconomic backdrop remains muted,** and the property sector faces many challenges
- The South African portfiolio is thus **expected to deliver low single digit growth that is reflective of the current operating environment**
- Supporting clients through continued initiatives **focused on reducing the cost of occupation** remains a key focus



1 Protea Place - Sandton, Johannesburg

2.2.2 Performance – Pan-European Logistics (PEL) Portfolio

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EU market overview

- The **European logistics sector remains robust** and over the past few years has experienced strong demand and low vacancy levels which have driven rental growth, further supported by positive indexation across the Eurozone
- **Rental growth and indexation are however, expected to slow** down across most European markets as interest rates remain high
- We have started to see a decline in the uptake in space by occupiers in certain of the markets in which we operate
- **New supply, however, remains constrained** due to rising construction and development funding costs
- **Significant interest rate increases have created pricing volatility** in asset markets and the impact on corresponding long-term valuation yields has been negative
- It is however, expected that **rates will start to decline in FY25** which should support more favourable earnings within the sector
- **We are starting to see debt and equity markets firming up**

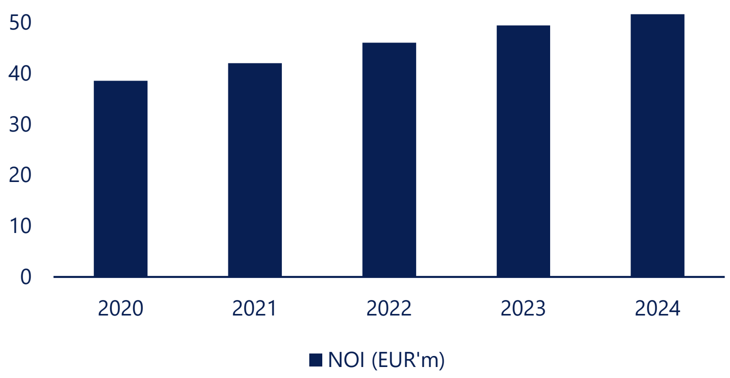
Toussieu Park, Lyon

PEL snapshot

Strong growth in contracted rent offset by adverse interest rate environment

- **Portfolio delivered rental reversion of c.5.2% demonstrating the ability to capture positive ERV growth**
- Vacancy rates remain low
- €2.1m of cost savings extracted with further savings expected in FY25
- Higher interest costs (€4.7m) largely absorbed through these initiatives
- 1.3% increase in EUR distributable earnings
- Arrears well managed at €2.9m (Mar-23: €2.5m)

A strong defensive portfolio



Financial performance

- 6.2% base LFL NOI growth (Mar-23: 7.4%)
- 8.5% CTI ratio (Mar-23: 8.4%)
- 32 properties: 1,124,555m^2
- ERV: 8% to 10%

Letting performance

- 96% of space expiring let – 195,013m^2
- 92.4% tenant retention
- +5.2% reversion
- 2.2% incentives

Operational performance

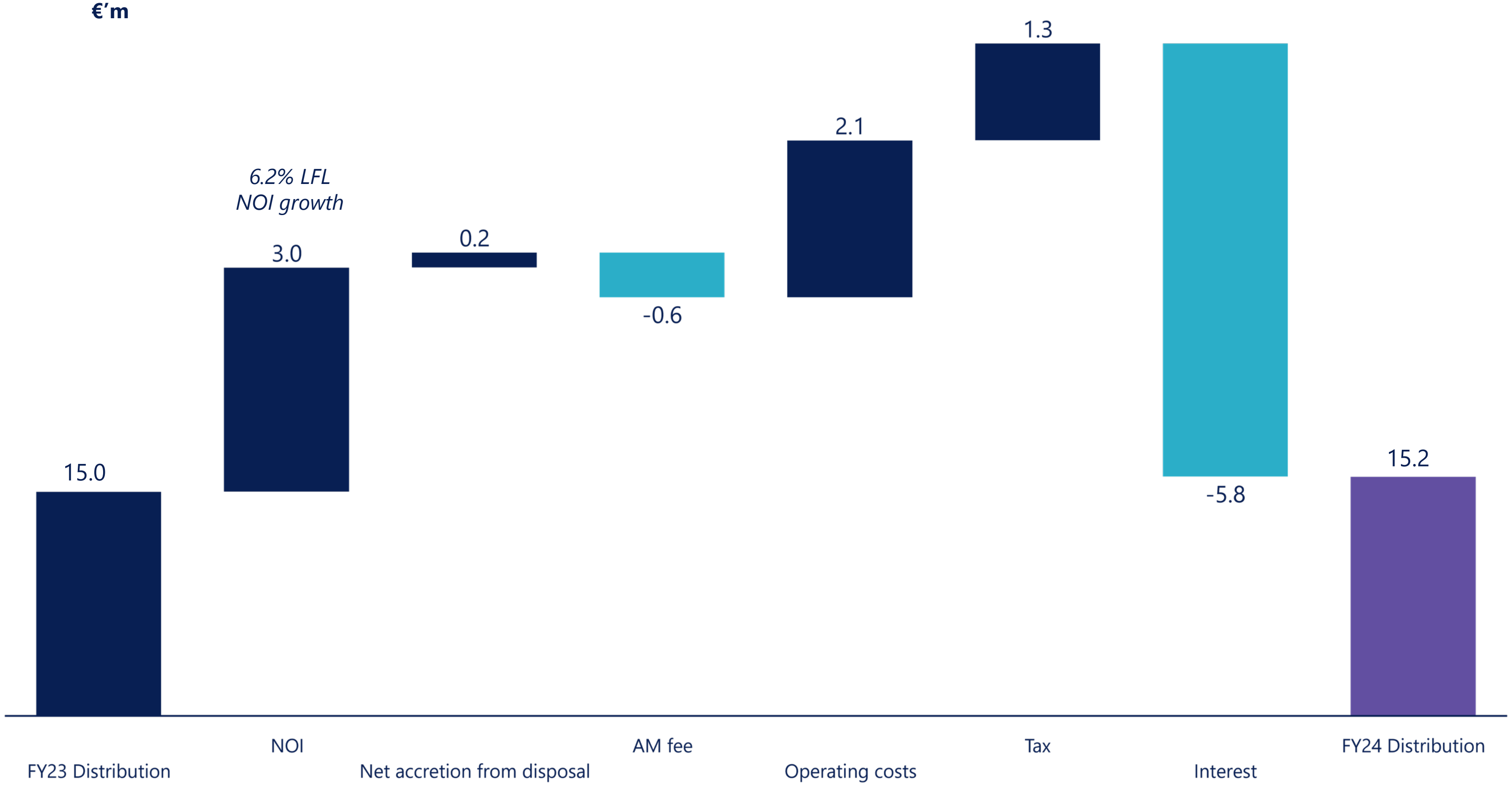
- 2.2% vacancy (Mar-23: 0.9%)
- 5.3 year WALE (Mar-23: 5.2 years)
- Indexation of c.7.8% on the leases indexed during the period
- Disposed Schiphol asset at 61% premium to book (3.1% net yield; €3,005/m^2)

Continued focus on

- Capital optimization and recycling of capital through asset disposals
- Roll-out funds management strategy
- Complete the debt refinancing
- Implement sustainability and ESG plan

PEL income statement

Quality of earnings enhanced through strong contracted rental growth and cost rationalisation



Strong LFL NOI growth **+6.2%** ▲

ERV unlock, indexation and stable vacancy

Lower costs ▼ **(31%)**

Restructuring initiatives starting to reap benefits

Higher interest **27%** ▲

Driven by c.4% increase in Euribor up to 93% hedged debt (cap of 1.4%)

Like for like growth **1.3%** ▲

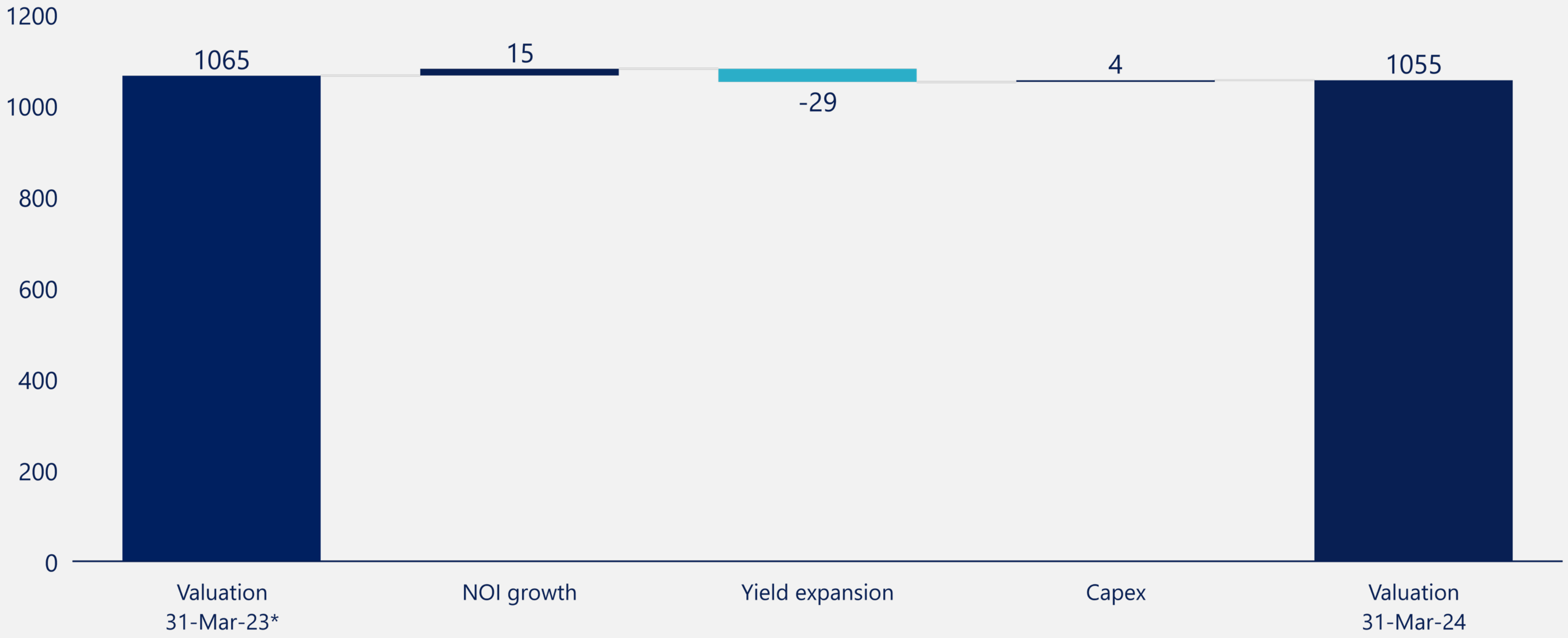
(in EUR)

11.5% growth in ZAR

PEL property valuations

Portfolio at valued €1,055m down 1% due to macro driven yield expansion, underlying growth in NOI remains sound

Valuation movement year-on-year (€'m)



- Equates to an equity (NAV) valuation of €469m
- Burstone Group share is €390m or R8.0bn

Yield[1]: 31 March 2023	5.1%
Yield[1]: 31 March 2024	**5.5%**

*Opening balance adjusted for the Schiphol asset sold in Apr-23
1. Yield calculated as contractual rent less non recoverables, ground rent and repairs and maintenance, adjusted for a vacancy factor divided by the Net Valuation ie valuation net of purchasers cost and real estate tax.

PEL portfolio outlook

- **Performance of the PEL platform is underpinned by a strong, defensive portfolio that has capitalised on sector dynamics consistently since acquisition**

- The portfolio is geographically diverse, with a strong tenant base and a varied lease expiry profile providing opportunities to drive rental income on a staggered basis, with the income derived from a wide spread of strong, household named companies

- **Growth in contracted rent is therefore expected to continue** as the management team actively works to capture ERV growth

- **The impact of higher interest rates is fully in the base for FY24, and FY25 earnings will be supported by growth in NOI of 3% to 4% and further cost synergies**

Venlo - Southeastern Netherlands

2.3
Maintain a robust balance sheet

Transform potential

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Sound balance sheet and continued pro-active management

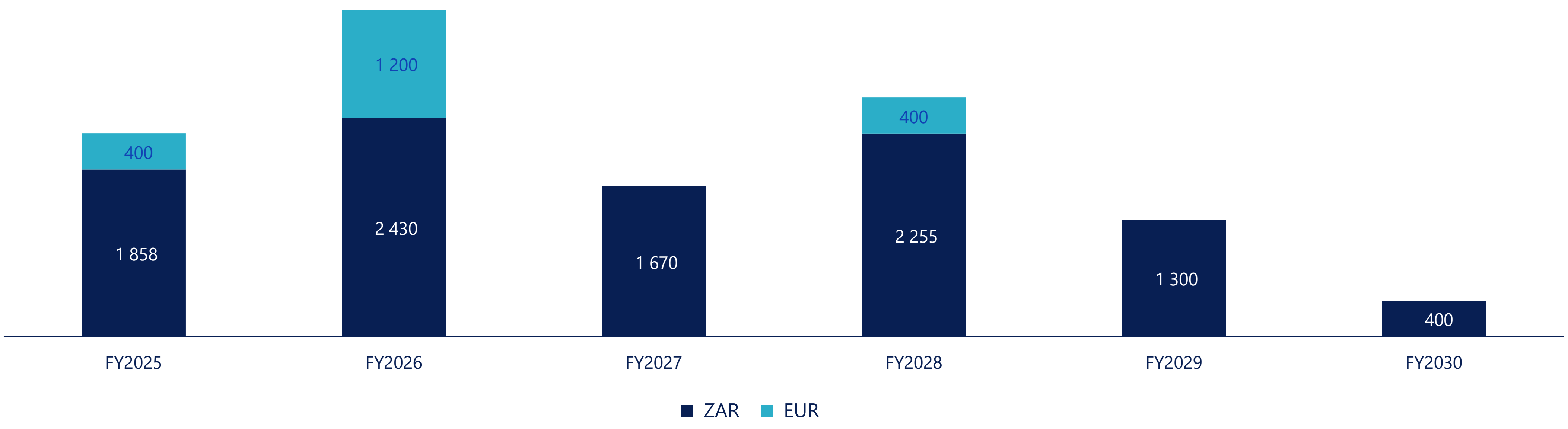
- **R1.1bn of undrawn committed facilities**
- **Group debt refinance on track,targeted completion Q1 FY25**
  - Expected annual margin saving of c.20bps
  - Expected: weighted average debt expiry extends from 2.2 years to 3.2 years
  - Creates sufficient liquidity to proactively manage any bond market expiries in next 12 months
- **PEL debt refinance well progressed, targeted completion Q2 FY25**
  - €566m of debt refinance underway on a cash neutral basis
  - Significantly reduces liquidity risk in Europe
  - Expected: weighted average debt expiry extends from 1.3 years to 4.5 years **(expires FY29**)
- **Interest rates continue to have an impact on earnings until the swap roll off refinanced in full**
  - Management continue to pro-actively manage the business, balance sheet, cost efficiencies, growth initiatives and sales to offset this impact
- **Covenant headroom across all regions**
  - Positive and stable cash generation ensures strong interest cover ratio: ICR at 2.7x
  - LTV headroom in both regions (Group 44% versus covenant of 50%) and PEL 53% v covenant of 70%

Group funding profile and liquidity

Limited risk with opportunistic refinance far progressed

- Healthy expiry profile with **R1.1bn of committed undrawn debt**
- **Opportunistic refinance underway**, to reduce margin, extend expiry and optimise cash management
- As at 31 March 2024, current debt expiry of 2.2 years, expected to **increase to 3.2 years**
- Average funding margin of 175bps – targeting to **reduce by 20bps**
- **Graph reflected below expected to spread further**

Current group debt expiry (Rm)



PEL funding profile and liquidity

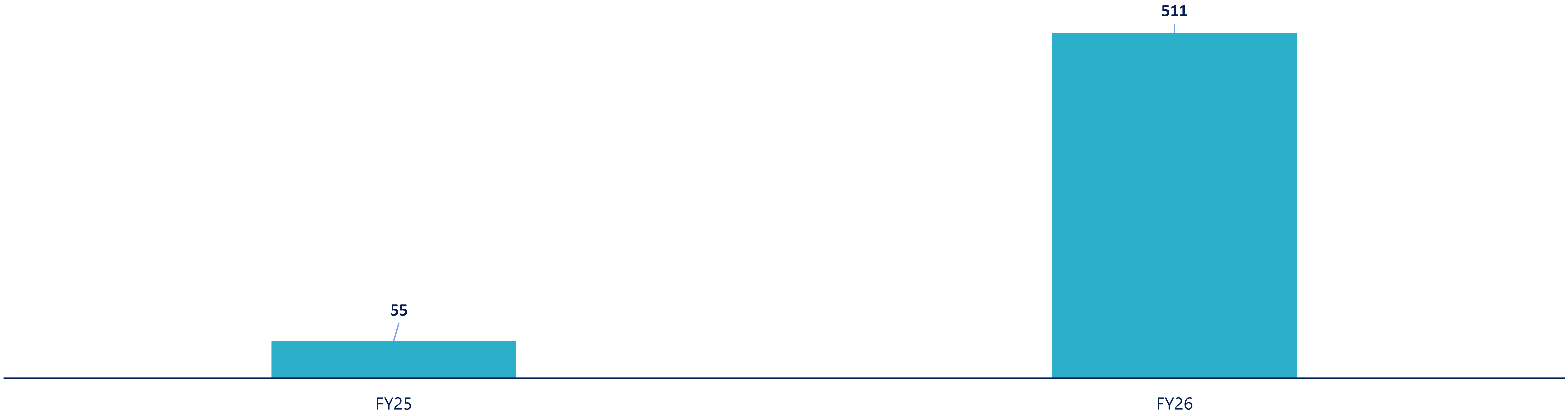
Proactive liquidity risk management with refinance far progressed

53%
LTV
(70% covenant)

10.1%
Debt yield
(7.5% covenant)

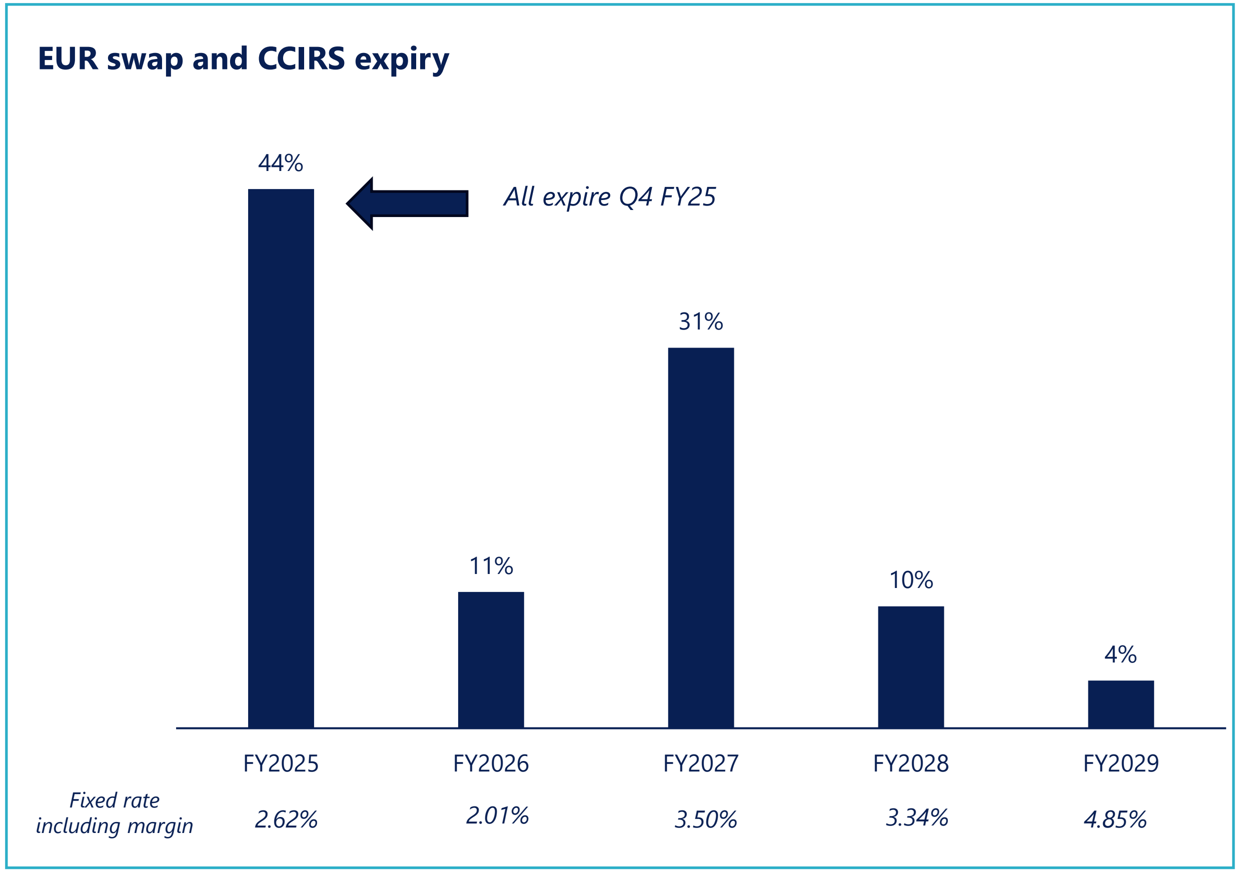
- €566m debt with an average expiry of 1.3 years
- Weighted average margin of 225bps
- Well progressed on a **cash neutral** refinance expected to close in Q2 FY25, which will **extend tenor to 4.5 years (FY29)**

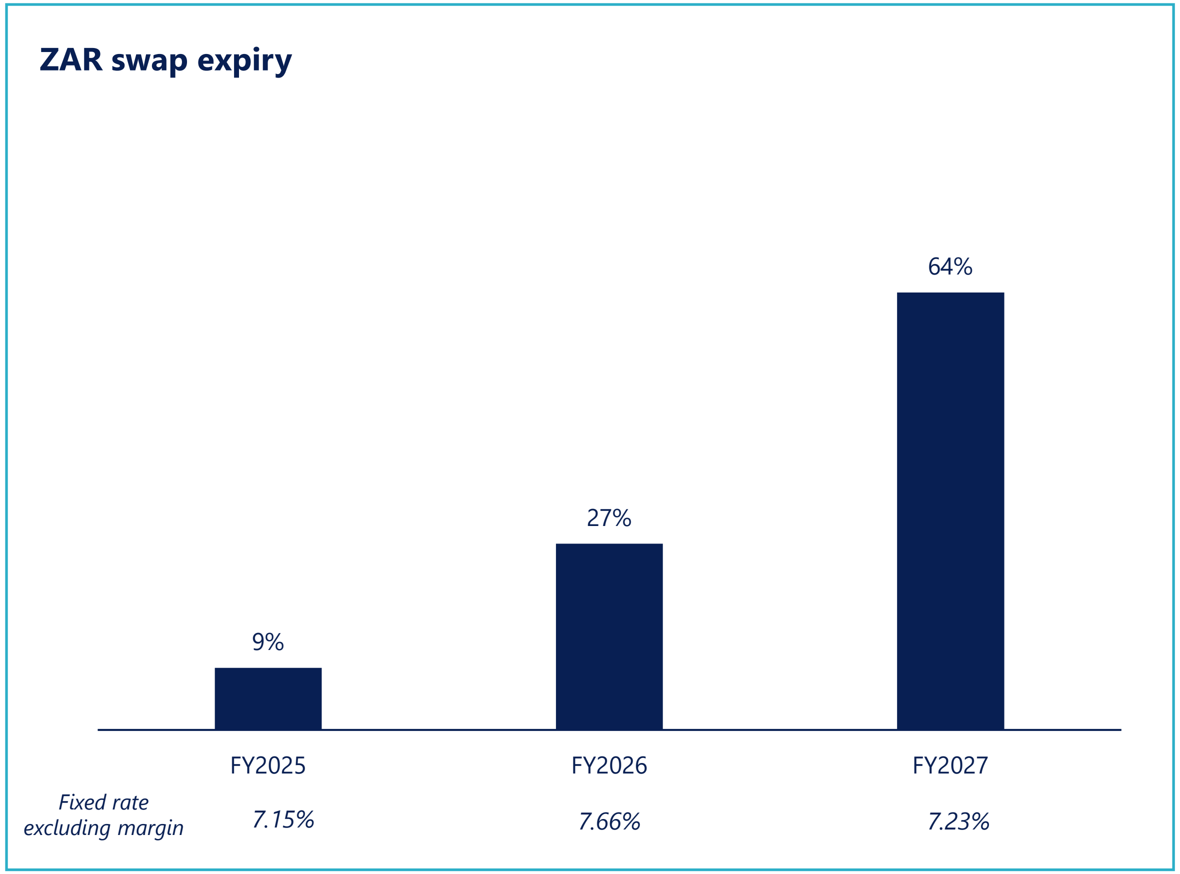
Debt expiry (€m) – PEL in-country debt



Group ZAR and euro swap expiry

Expiry profile proactively managed





2.4
Absorbing higher interest rates

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Managing short and medium-term interest rate impact

- The impact of rising global interest rates will impact funding costs by R70m in FY25
- We have proactively implemented several initiatives to help to absorb these costs in the short to medium-term

Reduction in LTV
Clear plan to reduce to 37% to 40% in next 12 months

Underlying operational performance
SA NOI: single digit growth
EU NOI: 3% to 4%

Cost saving initiatives
Already extracted €2m in EU platform with further savings anticipated across the business

Balance sheet optimisation
Margin savings through refinancing and restructuring the swap book

New revenue streams
Capital light initiatives supporting growth in earnings

Total expected earnings from proactive initiatives
c.R50m

Our proactive approach will absorb the impact of interest costs

2.5
LTV flightpath

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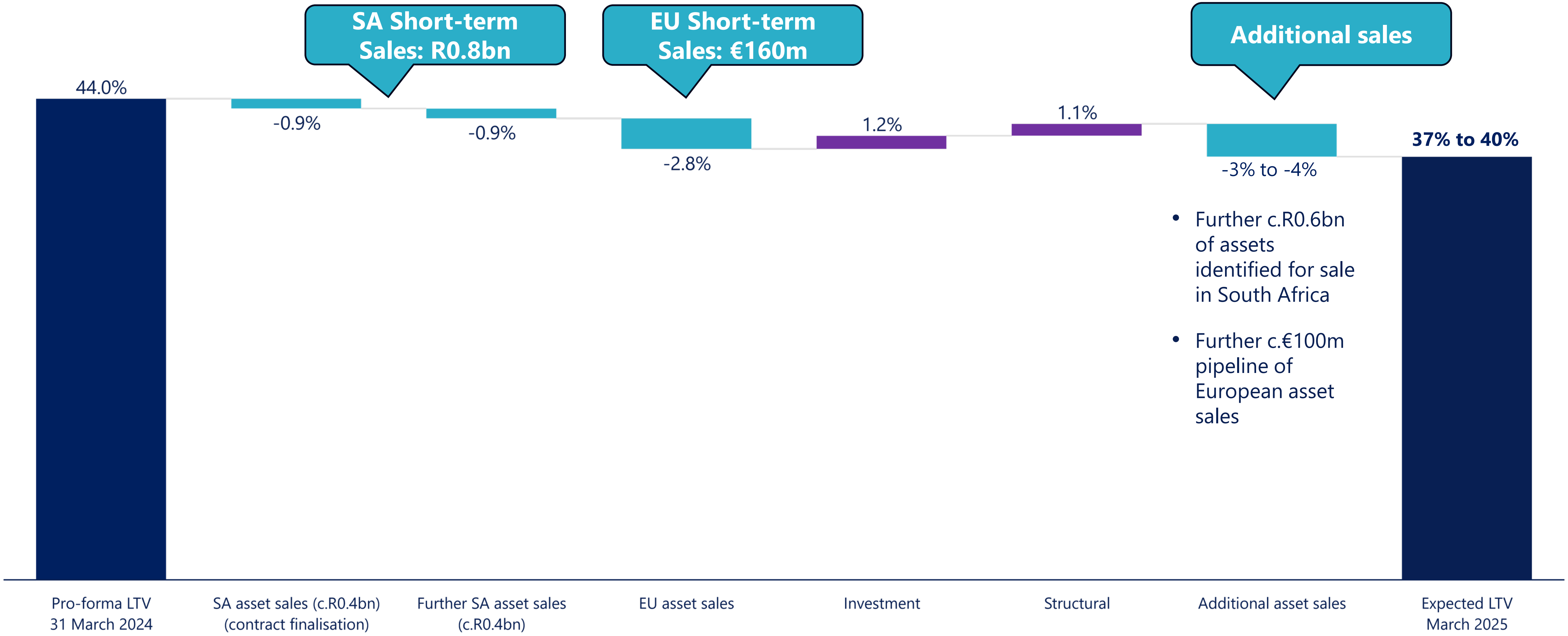
LTV flightpath

The Group is confident in achieving the anticipated sales during the next 12 months

FLIGHTPATH NEXT 6 – 12 MONTHS*



- Further c.R0.6bn of assets identified for sale in South Africa
- Further c.€100m pipeline of European asset sales

*Flightpath ignores impacts such as valuations, FX movements etc. Structural includes capex, amortization of intangibles etc.
Look through gearing will decrease from c.58% at March 2024 to c.55% on implementation of the LTV flightpath, with further reduction as and when a strategic partner is brought into the European platform

2.6
Effective capital allocation

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Effective capital allocation is a key component of our strategy

- Ensure we deploy/recycle capital into the best international/local opportunities that will support our longer-term strategic plan and continue to create shareholder value
- We will continue to internally generate capital through select asset disposals to support our planned reduction in LTV from 37% to 40% over the next 12 months
- Once achieved, we will consistently invest for the future whilst continuing to create internal capital

Positioning for the future whilst managing LTV

Effective capital allocation and recycling

Sales during the year	GAV	Selling yield	Profit on sale	Net proceeds
South Africa	R1.3bn[1]	7% to 9%	1.5% premium	R1.3bn
EU	€33m	3.1%	61% premium	R0.2bn
Total sources				**R1.5bn**

Recycled into	Return	Investment value
Smithfield and ITAP (Australia)	>18% IRR	R0.2bn
Capital investment (SA and EU capex)	defensive	R0.4bn
Internalisation	9.4%[2]	R0.9bn
Total uses		**R1.5bn**

Positioning for the future whilst managing LTV

Schiphol, Netherlands

Disposed asset at 61% premium to book (3.1% net yield)

Builders warehouse, The Glen, JHB

Disposed asset at book (8.5% net yield)

1. R0.8bn transferred and cash flowed in FY24, R0.5bn awaiting transfer but no conditions outstanding
2. Net management fee saving on acquisition value of R850m

Effective capital allocation
Case study: The Neighbourhood Square

Strategic rationale

- As part of its core strategic objectives, Burstone regularly assesses opportunities to enhance its portfolio with quality assets where management can leverage its expertise and unlock value over time
- Best-in-class retail asset with predictable, long-term income streams supporting Burstone's strategic objective of delivering sustainable returns across its portfolio
- The opportunity to partner with Flanagan and Gerard Frontiers Proprietary Limited (F&G), a leading property development and investment company with a core focus on dominant regional malls and niche community centres

Property and market thesis

- A newly built, high quality open-air, dominant nodal convenience retail shopping centre
- Exceptional trading statistics; average trade density of c.R7,000/m² and cost of occupation below 4.5%
- Resulting in a significant amount of turnover rental already being paid
- The centre is expected to deliver long-term returns in excess of typical core assets due to demand for space in the premises
- Best-in-class anchors in Checkers and Woolworths, both with exceptional trade figures, further complemented by Dischem and others
- A retail offering which is easily accessible and highly visible, with approximately 320 metres of frontage on Club Street (M16), in the predominantly upmarket residential suburb of Linksfield
- A sizable catchment area catering for a growing, high LSM node

4.3yrs WALE	0% Vacancy
86% national tenants	c.R380m* Price
R285m² Weighted average rental per m² per month	10.9k Rentable area (m²)
>15% Forecast levered IRR (40% gearing)	13% -14% BTN WACC

**Note: this is for 100% of the asset, BTN have a 50% undivided share*

Effective capital allocation

Case study: Irongate, Smithfield's transaction

Investment overview

- Acquisition of an established industrial estate in the Western Sydney suburb of Smithfield
- This transaction focuses on low-risk infill sites with large land holdings, acquisitions at below land-and-replacement cost and, underutilized, income-generating properties with strong positive rental reversion
- The acquisition is supported by a co-investment from APAC-focused private equity real estate investment group Phoenix Property Investors ("Phoenix") for 80% of the equity
- Irongate JV will provide the fund and asset management

Market thesis

- The Western Sydney Industrial market continues to perform strongly
- Limited stock supply and robust tenant demand
- Continued growth of the e-commerce and logistics sectors
- 27.5% increase in rents in the first half of 2023 and year on year growth of 48.2%
- The demand / supply imbalance across Western Sydney industrial supports the Smithfield estate capturing positive ERV

A$57.25m
Purchase price

1.7yrs
WALE

Equity
80% Phoenix
20% BTN

34k
Combined land area (m^2)

3.6%
Initial asset yield

6.9%
Stabilized asset yield

Details (A$)	Asset level	Combined manager and asset return	Net uptick from management fee
Ave cash on cash	2.5%	6.5%	+4.0%
IRR*	12% - 15%	18% - 20%	+3-5%

**Note: this excludes performance fees*

Dividend payout

- Effective capital optimisation and lowering LTV remain key strategic imperatives
- We also strongly believe that continued investment in several growth opportunities is key to delivering longer term shareholder value
- **We therefore intend to manage our balance sheet and dividend payout ratio in an appropriate manner to support first and foremost our planned reduction in LTV**
- Considering the Group's planned reduction in LTV, its growth strategy and structural capital re-investment into the business the Board has resolved to apply a payout ratio of 75% for the six months ending 31 March 2024 (previously 90% to 95%)
- The Group will apply a 75% payout ratio going forward and will continue to assess the appropriateness of this payout policy in light of the Group's long-term strategy and after considering its LTV position, capex funding requirements and any potential taxation impacts

Maintain an appropriate dividend policy that supports our long-term strategy

2.7
Growth

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Funds management strategy

OVERVIEW

- A fully aligned and internalised business, creates an opportunity for Burstone to further expand fund management strategies across all regions
- **The Group is well positioned to deliver against this strategy** given the track record of the Irongate and European teams, having previously successfully aggregated portfolios and crystallised value for third party capital investors (Hansteen, PELI, Ares, IAPF)
- **The funds management model will have numerous benefits for Burstone:**
  - Releases capital and serves as a de-gearing mechanism for the Group, as Burstone sells into and seeds new portfolios
  - Diversifies the investment base and capitalises on operational synergies
  - Access to capital to facilitate growth
  - Creates new revenue streams for the Group, through fund management fees and enhancing the return on Burstone's deployment of capital

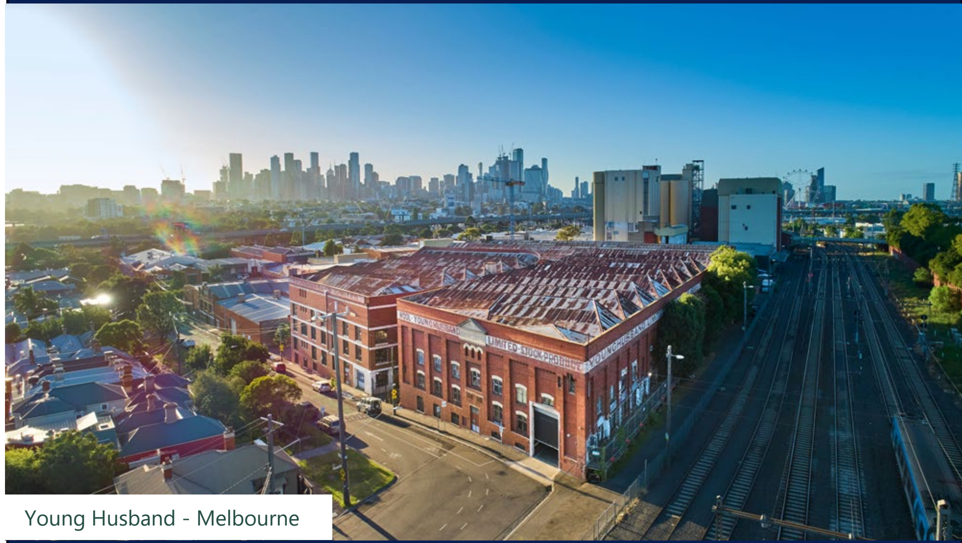
CONTRIBUTION TO EARNINGS

- **In the current year:**
  - Total third party capital under management: R4.7bn
  - R61m contribution to group earnings, representing c.7% of the Group's earnings
- **Looking forward:**
  - We expect an increase in AUM and earnings contribution in FY25, and for these initiatives to have a more material impact to earnings within 2 to 3 years time

Irongate Group

Leading Burstone's fund management roll-out

- **Currently manages over A$490m of equity (up 8% since acquisition) on behalf of some of the world's leading investors,**
  - Ivanhoe Cambridge, Phoenix Property Investors and Metrics Credit Partners
- **First industrial property acquisition to seed a new industrial platform made in November 2023**
- The Irongate JV contributed R7m to Group earnings in FY24 and this is expected to materially increase in FY25
- **Strong pipeline of industrial assets and supportive capital partners**



Young Husband - Melbourne

Rundle Place - Adelaide

Europe

- **New asset management mandate of c.€170m** of a light industrial portfolio in Germany, with opportunity for future co-investment
  - Contributed R10m to earnings in FY24 and is expected to increase in FY25

- **PEL strategic partner**:
  - The Group will continue to assess the option to introduce a strategic partner into the PEL portfolio via a sell down to 50/50 or below
  - Maximising shareholder value and ensuring long-term sustainability of the business remain key considerations in this strategic assessment and the Group will continue to explore opportunities in this regard


Hoppegarten - Berlin


Massvlakte Park - South Holland

South Africa

- The Group **has built the foundation for a third-party fund management platform** in which institutional capital can invest
- We do anticipate a slower roll out of initiatives given the relative depth of the local capital market
- Will look to align over time with the strategies adopted in the EU and Australia
- Any fund management platforms will initially focus on our core sectors

The FIRS – Rosebank, Johannesburg

Design Quarter – Fourways, Johannesburg

2.8
Holistic sustainability

Transform potential

Burstone
REAL ESTATE PARTNERS

Our sustainability strategy

We aim to **create broader long-term stakeholder value** that:

01

Is financial and impactful

i.e. profitable and impacts our priority UN SDGs

Environmental impacts

Social impacts

02

Improves lives and livelihoods

of our staff, tenants and communities

Supporting **property entrepreneurs** and enterprise development

03

Acts as an enabler of ESG

for our clients, shareholders and investors

Providing our tenants with **energy and water security**

Opportunity to co-invest in **responsible, green and impactful** properties

1st

SA REIT to issue a sustainability-linked bond

04

Aims to achieve net-zero emissions

and lead the carbon transition in property

Decarbonising and greening our portfolios and **roll-out solar across the entire portfolio**

Integrating ESG – South Africa

Driving down cost of occupation for our clients and transforming the society in which we operate

	Strategy	Description
Climate and energy	**Solar**	• 14.8MWp solar PV
	Energy Performance Certificates	• 32 buildings
	Carbon Disclosure Project	• B-rating
	Reducing cost of occupation	• 70% of properties (by GLA) with back-up power • Supporting clients through loadshedding • Reducing cost of occupation through energy assessments, wheeling considerations, interfacing solar to generators
Sustainable buildings	***Green star ratings and green leases***	• Total 28 buildings (82% office; 18% industrial portfolio) • Market leader – Burstone piloted the rollout of industrial certifications and achieved 4-star Industrial Green Star certification for 5 of our buildings. • Achieved 3 new 4-star ratings in our office portfolio, and recertification on 9 4-star ratings • Multiple green leases with clients on solar shared savings models
Water	***Water***	• Exploring borehole as alternative source to reduce reliance on municipal supply • First borehole pilot studies implemented at 3 properties, with pleasing results • Further feasibility studies being undertaken at 4 sites
Transformation	***Social***	• Maintained our level 1 B-BBEE status • Total spend of c.R7m on enterprise, supplier and social development and several other CSI initiatives • Scatterlings Early Childhood Development centre at Balfour Mall opened in Feb-23 • Partner with Property Point on an enterprise and supplier development program to support AMP tenants over a 2-year period – 9 candidates in first intake

Delivering ESG – Europe

Continue to assess initiatives to further embed ESG into business practices

	Strategy	Description
Climate and energy	***Solar***	• The business has planned to deliver a photovoltaic roll-out which will produce around 4.5MWp across the portfolio over the next 12 to 18 months
	LED lighting	• Over past 3 years invested over €1m, and continuing to invest into LED lighting, thereby enhancing the sustainability of our portfolio and reducing costs for our clients
	Energy Performance Certificates	• All 47 buildings have EPC certificates
	Smart-metering	• Smart meters installed across the entire portfolio
Sustainable buildings	**BREEAM ratings**	• The European business performed BREEAM In-USE pre-assessments across the entire portfolio – 82% of assets by contracted rent reported ratings C or above – 64% of assets by contracted rent have a B or above (or equivalent) energy rating – 22% of assets by contracted rent have an A (or equivalent) energy rating

03
Looking ahead

Transform potential

Burstone
REAL ESTATE PARTNERS

Reflecting on the past year

- Significant time and resource spent on internalisation – now well placed to benefit
- Strategic focus on repositioning from a property investment business into an integrated international real estate fund and asset management company
- Results for the year have been supported by strong underlying operational performances both in South Africa and the EU
- We have invested for the future and driven new earnings steams in Australia and EU
- We delivered on the sales we committed to and continue to effectively recycle capital
- The balance sheet remains sound and we are well progressed on our refinancing initiatives
- Best in class local management teams well settled and ready to move forward
- Benefits of synergies already coming through with material impact to come over 24 to 36 months
- **We believe that an integrated international offering will be a key differentiator as we implement our strategic plan over the next few years**

30 Jellicoe – Rosebank, Johannesburg

Looking ahead

3 to 6 months	6 to 12 months				2 – 5 years
Conclude Group and PEL refinancing	**Target LTV of 37% to 40% – clearly identifiable and executable plan**	**Manage the impact of rate increases on future earnings**	**Continue to seek growth opportunities**	**PEL strategic partner remains a key consideration**	**Drive our Fund Management strategy**

Conclude Group and PEL refinancing

- Refinancing is well progressed and on track to be concluded by Q2 FY25
- PEL:
  - Extend facility by 3.2 years
  - Cash neutral
- Group
  - Extend facility by 1 year
  - Expect margin reduction

Target LTV of 37% to 40% – clearly identifiable and executable plan

- South Africa: Target sales of c.R1.2bn to R.1.4bn
- EU: Target sales of c.€150m to €250m
- The Group is confident in achieving these sales during the next 12 months

Manage the impact of rate increases on future earnings

- Focus on absorbing higher funding costs through:
  - reduction in LTV
  - underlying operational performance
  - further cost savings and optimization initiatives
  - balance sheet optimisation
  - new revenue streams

Continue to seek growth opportunities

- Seed new platforms in EU and South Africa
- Within targeted LTV range of 37% to 40%

PEL strategic partner remains a key consideration

- The Group will continue to assess the option to introduce a strategic partner into the PEL portfolio via a sell down to 50/50 or below

Drive our Fund Management strategy

- Continued investment in growth opportunities as we look 2-5 years out from now
- Capital light initiatives currently contribute c.7% to earnings and we will look to increase this percentage over time

DELIVER LONG-TERM SUSTAINABLE GROWTH

In conclusion

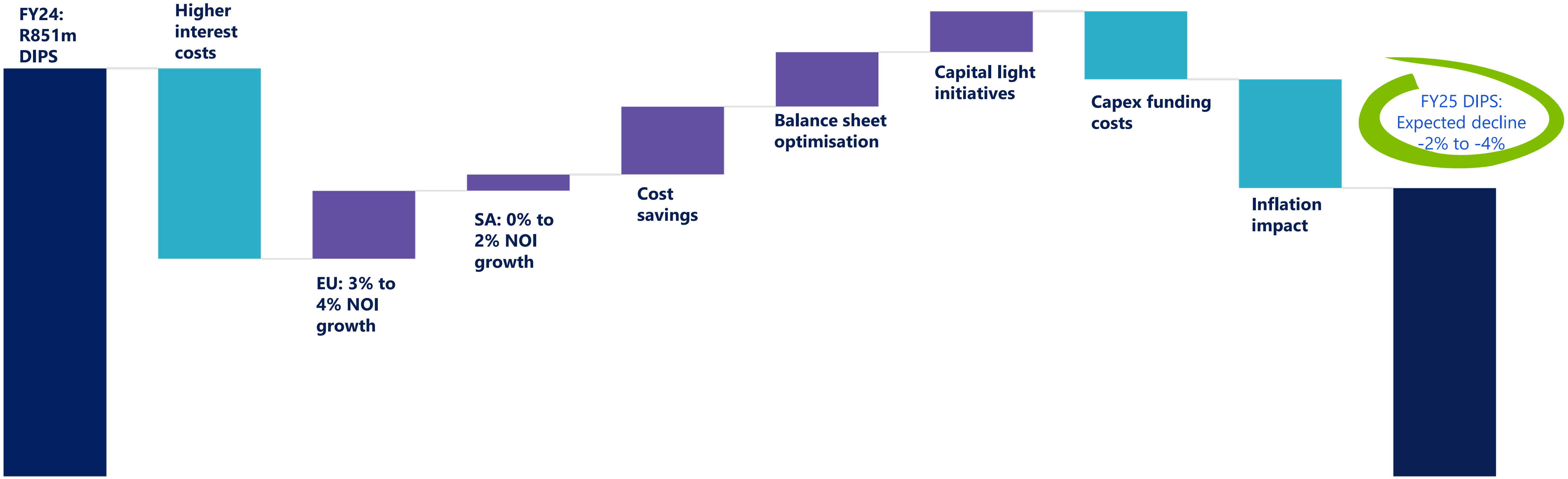
Looking forward

- The **South African portfolio is stable** and is expected to deliver low single digit growth that is reflective of the current operating environment
- Given sector dynamics, growth in contracted rent is expected to continue within the **PEL platform with base NOI expected to grow between 3% and 4% over the next 12 months**. In addition, positive earnings growth will be supported by embedded cost savings initiatives
- **The contribution from capital light / fund management activities** is expected to increase from R61m in FY24
  - Irongate (Australia):
    - Strong pipeline of opportunities and supportive capital partners
    - Expect significantly higher contribution to earnings in FY25
  - Europe:
    - Contribution of new management mandate in Germany
    - Look to execute on co-invest opportunity at the right time
- **Asset disposals in South Africa and EU will deliver LTV of 37% to 40% in the next 12 months**
- **The balance sheet refinancing is well progressed and on track to be concluded by Q2 FY25**
- Interest costs based on higher curve will increase funding costs by R70m in FY25
- As outlined in detail, the Group has **proactively implemented several cost savings, balance sheet and other optimisation efforts, which together with the reduction in LTV and new revenue streams will absorb a significant portion of these increased interest costs**

In conclusion

Guidance

Taking the above into account, and the underlying performance anticipated from the South African and European portfolios and growth from new revenue streams, the Group expects to deliver a decline in DIPS of between 2% and 4% in FY25



With an underlying quality asset base and a planned LTV reduction, Burstone has strong foundations for future growth

*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.

We transform potential into value

A successful history of creating, building and managing real estate businesses

Real estate purists

Hands on asset management and best of breed assets underpin all our decisions

Dynamic capital allocation

Disciplined capital allocation and continued capital rotation to meet risk-adjusted targets

Pro-active management

Specialist management with the right asset strategy and a track record of value creation and operational excellence

Entrepreneurial yet disciplined

Providing sustainable outcomes for all stakeholders, supported by agility and nimbleness

Client centric

Deliver purposeful and authentic client experiences with agility, speed and passion

Holistic sustainability

We aim to create broader long-term stakeholder value that is profitable and impactful in the areas where we operate

Partnership focused

Transform potential

Results for the year ended 31 March 2024

MAY 2024

Burstone
REAL ESTATE PARTNERS

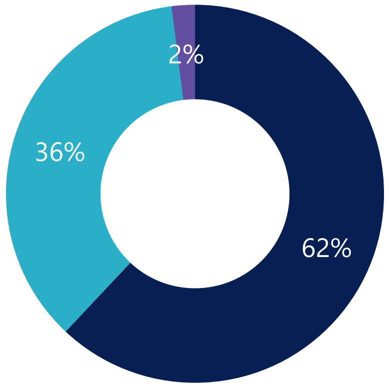
Annexures

Transform potential

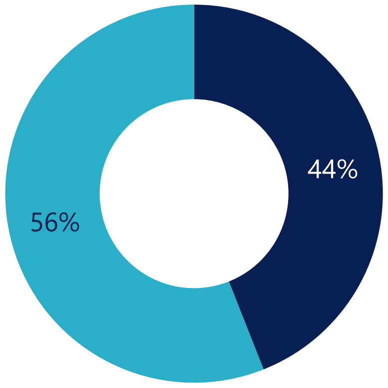
Business snapshot

At 31 March 2024

IFRS balance sheet construct

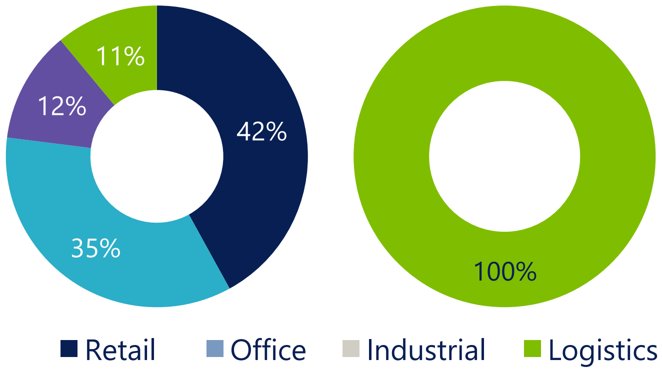


Proportionally consolidated*



	South African direct property	Pan-European logistics	Australia
No. of properties	73	32	-
Ownership interest	100%	83.15%	50/50 JV and 18.67% In ITAP
Asset value (local currency)**	R14.2bn	€1.1bn	A$490m equity under management
Value of investment (Rbn)**	R14.2bn	R8.0bn	R0.5bn
GLA (m^2)	971 331	1,124,555	n/a
WALE to expiry (years)	3.0	5.3	n/a
Vacancy by GLA	4.5%	2.0%	n/a

Sectoral composition (by asset value)



*Based on proportionate ownership of GAV; Australian GAV excluded as properties are still under development
**Excluding Izandla assets

Financial review

Burstone
REAL ESTATE PARTNERS

Distributable earnings statement

Rm	Year ended 31-Mar-24	Year ended 31-Mar-23	YoY % change
SA portfolio	**761**	**756**	**0.7%**
Net property income	1 150	1 159	(0.8%)
Finance costs	(389)	(403)	(3.5%)
Investment income	**303**	**228**	**32.9%**
Europe – PEL	284	208	36.5%
Izandla	19	20	(5.0%)
Fee income[1]	**196**	**0**	**100.0%**
SA	14	-	100.0%
Europe[2]	175	-	100.0%
Australia	7	-	100.0%
Expenses	**(260)**	**(110)**	**(136.4%)**
Fund expenses	(38)	(36)	(5.6%)
Management fees[3]	(19)	(74)	74.3%
Overheads and payroll[2]	(203)	-	(100%)
Profit from operations	**1 000**	**874**	**14.4%**
Australia (notional cost of funding iTap)	28	-	100%
Residual finance costs	(177)	(32)	(453.1%)
Net distributable earnings	**851**	**842**	**1.0%**
Number of shares	805	805	
Distribution per share (DIPS)	**105.67**	**104.64**	**1.0%**
Available H1 distributable earnings per share	51.07	53.78	(5.0%)
Available H2 distributable earnings per share	54.60	50.86	7.4%

Notes:
1. Asset management fee income of R165m is paid from PEL to the management company in Europe and R10m received from the new German management arrangement
2. Fee income, management fees, overheads and payroll costs arose on the internalisation of the asset management businesses in Europe and SA and are analysed together
3. Management fees in the prior year only includes SA management fee paid to the Investec Group

Marginal increase in DIPS in line with guidance

1.0%

Sound operating performance in both regions

Increased investment income

Increased investment in PEL

+33%

Capital light revenues

- acquisition of 50% interest in Irongate Fund Manager
- German management mandate
- Amount to c.7% of earnings

R61m

Increased finance costs

Additional debt incurred to fund additional stake in PEL and higher interest curves impacted unhedged debt

+41%

+24% rate increases
+17% acquisition activity

Summarised balance sheet

Rm	As at 31-Mar-24	As at 31-Mar-23	YoY % change
Property related investments			
South Africa	14 450	14 885	(2.9%)
Europe - PEL[1]	9 339	8 231	13.5%
Australia	491	336	46.1%
Goodwill and intangible assets[2]	787	-	100%
Total investments	**25 067**	**23 453**	**6.9%**
Derivative financial instruments	172	68	152.9%
Property, plant and equipment	12	-	100%
Trade and other receivables	313	327	(4.3%)
Cash	284	264	7.6%
Total assets	**25 848**	**24 111**	**7.2%**
Shareholder interest	12 439	13 014	(4.4%)
Total funding	**13 409**	**11 097**	**20.8%**
Long term borrowings	12 254	10 450	17.3%
Derivative financial instruments	371	-	100%
Other liabilities	785	647	21.2%
Total equity and liabilities	**25 848**	**24 111**	**7.2%**
Net asset value per share (cents)	1 545	1 617	(4.5%)

Notes:
1. Includes capex facility loaned to PEL
2. Comprises of goodwill and other intangible assets which arose as part of the internalisation of the management company

SA valuations stable

Stable business and improved metrics; disposals during the period

PEL portfolio

On-balance sheet EUR value declined by 1%: largely due to a negative revaluation of €36m due to macro driven yield expansion, partially offset by strong underlying NOI growth and FX gains. And includes a capex facility provided to PEL

Continued capital recycling

Managing LTV; redeploy into value enhancing opportunities

Internalisation benefit and saving achieved

Internalisation benefit	Rm	Notes
Management fee saved – SA*	74	*Per income statement - amount paid to Investec in FY23*
Management fee saved – EU*	148	*Per PEL income statement €7.9m x 83.15% (previously paid to Investec)*
Fee revenue – SA*	14	*Per income statement*
Letting commission	7	*This is included in SA NOI, per related party note, this was R22m in FY23 amortised over 3-year average lease*
EU new revenue*	10	*Included in fee income in the income statement*
Fees earned 3rd party*	30	*Per PEL income statement €7.9m x 16.85%*
Overheads absorbed	(203)	*Per income statement*
Net management fee saving	**80**	

Per the SENS announcement, we disclosed a net management fee saving of R74m

**Management fee saving = R276m*

SA REIT BPR ratios

	Note	SA REIT BPR	Burstone methodology
FFO per share (cps)	1	107.85	111.31
NAV per share (cps)	2	1,408	1,545
LTV	3	47.0%	45.5%*
Cost of debt	4	4.9%	4.9%
SA cost-to-income ratio	5	49.3%	31.0%
SA vacancy	6	4.5%	4.5%

* Reported LTV is 45.5%, 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 still awaiting transfer, to derive a LTV of 44% as disclosed in the highlights and LTV flightpath.

Notes

1. SA REIT NAV per share adjusts NAV by the H2 FY24 dividend declared
2. MTM on derivative instruments is included in SA REIT LTV and not included in Burstone's calculation.
3. Total cost of funding at Burstone Group level – includes ZAR debt, EUR debt and CCS used to fund offshore investment
4. SA REIT cost-to-income ratio is based on a gross income and expense basis. Burstone calculates this ratio using like-for-like net NOI (i.e., netting off recoveries against expenses)
5. SA vacancy is based on the SA Portfolio (Office, Industrial, Retail), this is based on the vacancy rates during the financial period

Performance – South African property portfolio

Burstone
REAL ESTATE PARTNERS

SA income statement

Stable operational performance in a persistently challenging environment

Rm	Year ended 31-Mar-24	Year ended 31-Mar-23	YoY % change
Gross income	1 343	1 306	2.8%
Net expense	(316)	(294)	7.5%
Base net property income	**1 027**	**1 012**	**1.5%**
Office	372	402	(7.5%)
Industrial	277	253	9.5%
Retail	378	357	5.9%
Developments	47	38	23.7%
Acquisitions and disposals	76	109	(30.3%)
Net property income (excluding straight lining)	**1 150**	**1 159**	**(0.8%)**
South African finance costs	(389)	(403)	3.5%
South African distribution	**761**	**756**	**0.7%**
Property base net cost to income ratio (excluding bad debts)	22.7%	22.8%	
Arrears as % of collectibles	2.6%	3.0%	

LFL NOI growth +1.5%

Strong letting activity across all sectors

Lower interest 3.5%

Due to disposals

SA office portfolio

Sector oversupply resulting in negative reversions

Rm	Year ended 31-Mar-24	Year ended 31-Mar-23	YoY % change
Gross income	529	548	(3.5%)
Net expense	(157)	(145)	(8.3%)
Base net property income	**372**	**402**	**(7.5%)**
Acquisitions and disposals	27	46	(41.3%)
Net property income (excluding straight lining)	**399**	**449**	**(11.1%)**
Property base net cost to income ratio (excluding bad debts)	28.5%	27.5%	
Arrears as % of collectibles	3.2%	3.5%	

- The sector reported a decrease of 7.5% in LFL NOI for the year, largely as a result of negative reversions and a cancellation fee received in FY23 that was not repeated in FY24.
- Net expenses remain well controlled, although bad debt provisions were higher in FY24 largely relating to two clients.
- The sector's cost-to-income ratio increased to 28.5% (Mar-23: 27.5%) as a result of the decrease in gross rental income as explained above.
- Arrears as a percentage of collectibles amounted to 3.2% (Mar-23: 3.5%).
- Office vacancies were well-managed at 8.4% by GLA (Mar-23: 7.4%).

Key portfolio metrics

	Mar 2024	Mar 2023
No. of properties	27	30
Property asset value	R5.0bn	R5.4bn
GLA (m^2)	235 277	243 500
Vacancy (by GLA)	8.4%	7.4%
WALE (years)	3.3	2.8
In-force escalation	7.0%	7.1%

345 Rivonia- Sandton, Johannesburg

SA industrial portfolio

Strong demand evidenced by letting activity and reduction in average vacancy

Rm	Year ended 31-Mar-24	Year ended 31-Mar-23	YoY % change
Gross income	342	312	9.6%
Net expense	(65)	(59)	(10.2%)
Base net property income	**277**	**253**	**9.5%**
Acquisitions and disposals	33	33	0.0%
Net property income (excluding straight lining)	**310**	**286**	**8.4%**
Property base net cost to income ratio (excluding bad debts)	18.2%	19.0%	
Arrears as % of collectibles	0.8%	0.9%	

- Average vacancies declined over the year, although the vacancy at March 2024 (3.0%) was higher than the prior year (1.9%) due to one property that became vacant at the year-end. The portfolio has a 94% retention ratio.
- As a result, the industrial sector delivered the strongest base LFL NOI growth for the year at 9.5%.
- Net expenses increased as a result of council overbillings and bad debts (excluding these items expenses increased by 5%). The cost-to-income ratio of the sector decreased to 18.2% (Mar-23: 19.0%).
- Arrears as a percentage of collectibles amounted to 0.8% (Mar-23: 0.9%).

Key portfolio metrics

	Mar 2024	Mar 2023
No. of properties	28	30
Property asset value	R3.3bn	R3.3bn
GLA (m^2)	446 979	475 500
Vacancy (by GLA)	3.0%	1.9%
WALE (years)	2.8	2.8
In-force escalation	7.0%	7.3%

Alrode Multipark – Alberton, Ekurhuleni

SA retail portfolio

Continued improvement in trading metrics and growth momentum maintained

Rm	Year ended 31-Mar-24	Year ended 31-Mar-23	YoY % change
Gross income	472	446	5.8%
Net expense	(94)	(89)	(5.6%)
Base net property income	**378**	**357**	**5.9%**
Developments	47	38	23.7%
Acquisitions and disposals	16	30	(46.7%)
Net property income (excluding straight lining)	**441**	**425**	**3.8%**
Property base net cost to income ratio (excluding bad debts)	19.4%	19.5%	
Arrears as % of collectibles	3.1%	3.8%	

Key portfolio metrics

	Mar 2024	Mar 2023
No. of properties	18	19
Property asset value	R5.9bn	R5.9bn
GLA (m^2)	289 075	294 700
Vacancy	3.7%	4.5%
WALE (years)	2.8	2.9
In-force escalation	6.2%	6.5%

Dihlabeng Mall, Bethlehem

- The segment remains an attractive asset class within the Group's portfolio with LFL NOI growing 5.9% during the period, driven by contractual escalations, positive reversions and decline in vacancy.
- Despite the headwinds faced by loadshedding, high inflation and increased interest rates, a consistent improvement in trading metrics illustrates the defensive nature of the sector and consumer resilience.
- The cost-to-income ratio for the sector remained stable at 19.4% (Mar-23: 19.5%).
- Arrears as a percentage of collectibles amounted to 3.1% (Mar-23: 3.8%).
- Vacancy decreased to 3.7% (Mar-23: 4.5%), with the majority relating to our Balfour assets.

SA letting activity

Strong letting performance across all sectors with 90% of expired space re-let at 9.3% negative reversion

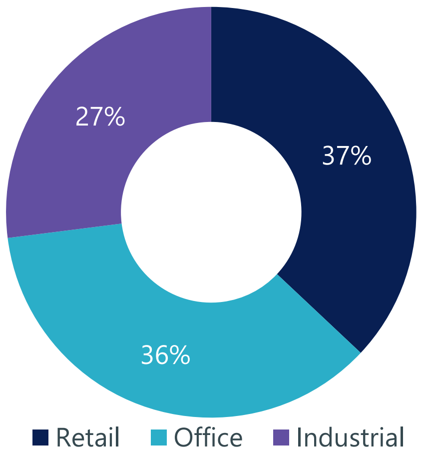
As at 31 March 2024	Expiries and cancellations GLA (m^2)	Renewals and new lets GLA (m^2)	Weighted average gross expiry rental R/m^2	Weighted average gross new rental R/m^2	Rental reversion %	Average escalation %	WALE years	Incentive % lease value	Retention %
Office	40 821	30 891	252	172	(31.6%)[1]	6.6%	4.2	5.5%[2]	83.3%
Industrial	90 309	83 299	79	74	(7.1%)	7.4%	3.1	0.5%	93.9%
Retail	53 726	44 357	435	441	1.5%	6.0%	4.5	1.0%	81.9%
Subtotal	**184 856**	**158 547**	**212**	**196**	**(7.8%)**	**6.8%**	**3.7**	**1.6%**	**84.4%**
Early letting	79 232	79 232	109	92	(15.1%)[3]	6.7%	4.9	0.0%	100.0%
Subtotal	**264 088**	**237 779**	**178**	**161**	**(9.3%)**	**6.8%**	**4.1**	**1.1%**	**88.6%**
Opening vacancy	42 368	19 796							
Total letting	**306 456**	**257 575**							

Notes:

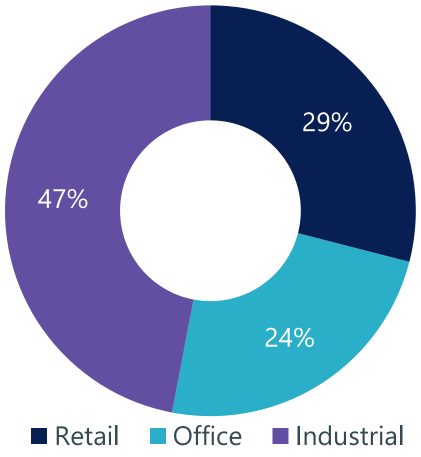
1. Largest reversions arising from renewals in Midrand, at the end of a 10 year lease
2. Incentives have largely comprised tenant installations
3. Early letting mainly driven by two tenants in the Industrial sector extending for 4 years and 10 years, respectively

SA portfolio composition

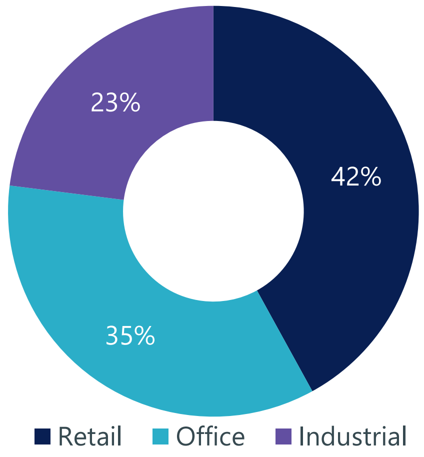
Sectoral spread by NOI



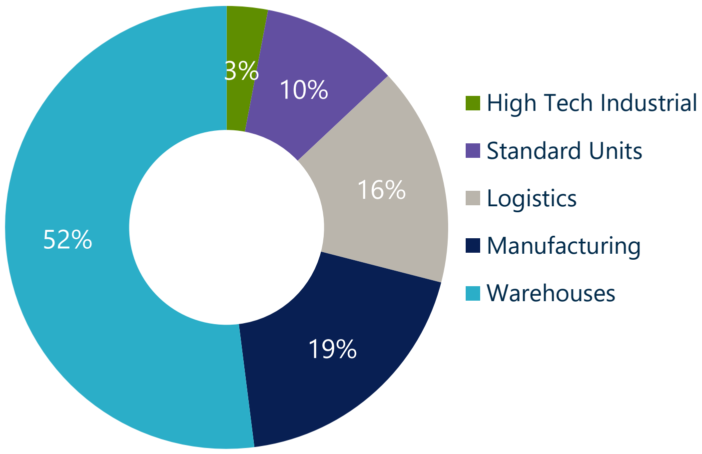
Sectoral spread by GLA



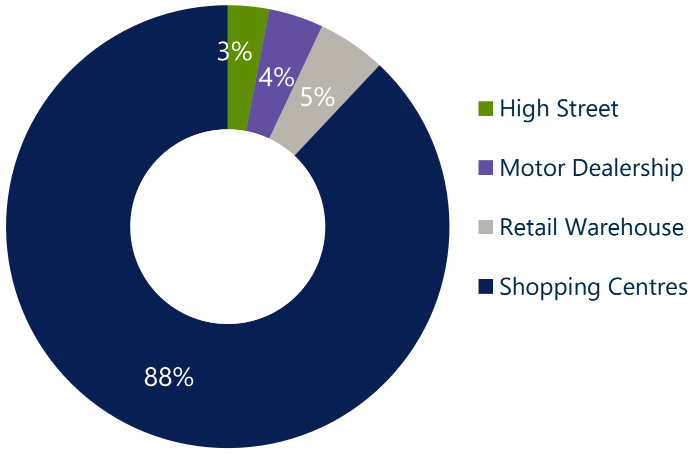
Sectoral spread by asset value



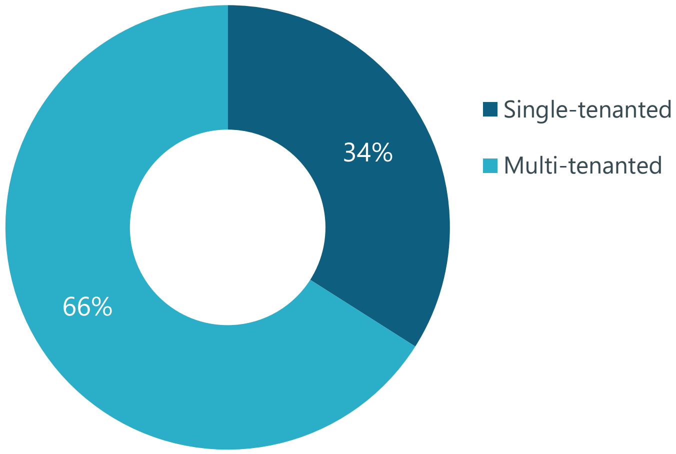
Industrial



Retail

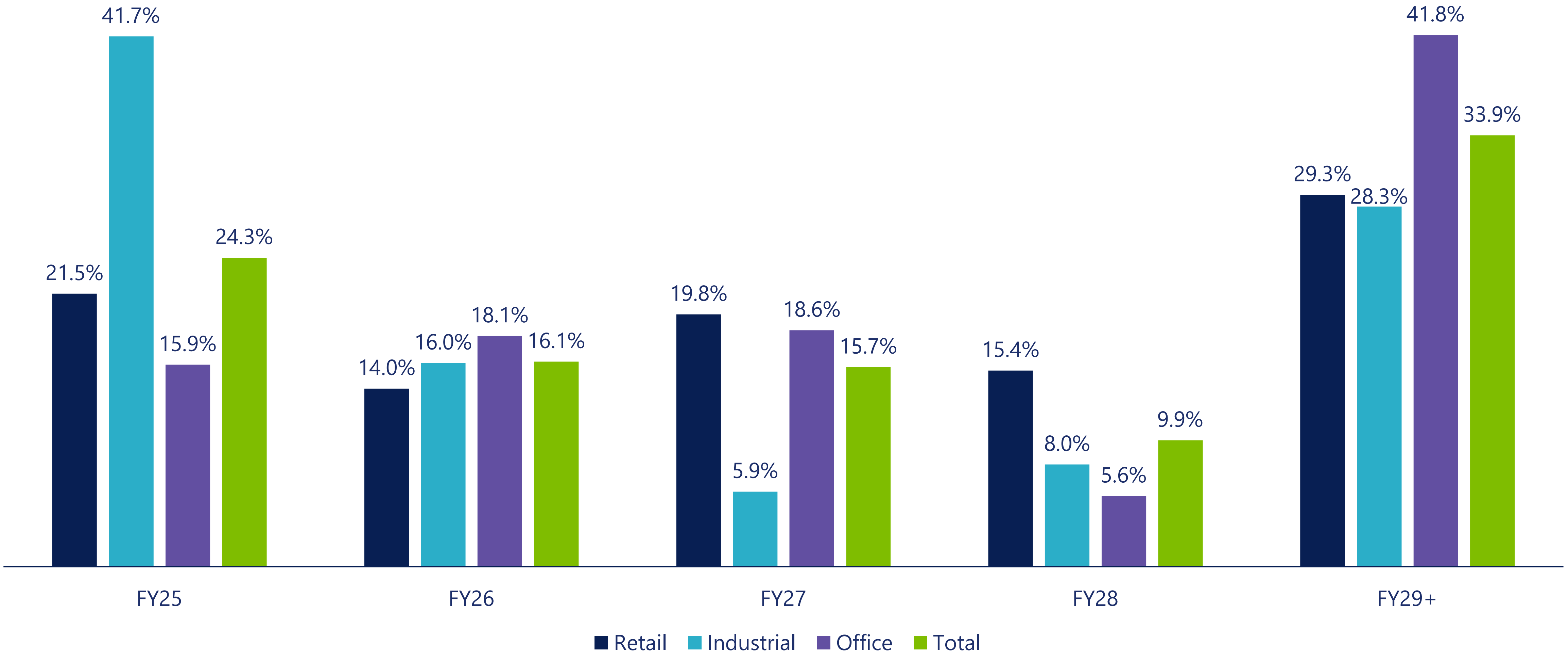


Office



SA lease expiry profile (by revenue)

The Group maintains a well-staggered lease expiry profile with 76% of leases expiring in FY26 and beyond



SA top 10 clients

Based on gross revenue and as % of total portfolio

Retail %		Office %		Industrial %	
Shoprite Checkers	4.1%	Woolworths	3.2%	Reload Aquarius Shipping International	2.5%
Foschini Retail Group	2.8%	Clidet No 887	2.7%	RTT Group (Pty) Ltd	2.1%
Mr Price Group	2.4%	Clover SA	1.5%	Sumitomo Rubber South Africa	1.4%
Pepkor Trading	1.8%	Samsung Electronics SA	1.3%	Motus Aftermarket Parts	1.3%
Masstores	1.5%	The Maisels Group	1.2%	The Beverage Company	1.3%
Pick 'N Pay Retailers	1.4%	Webhelp SA Outsourcing	1.0%	Anchor Park Investments 48	1.2%
Clicks Retailers	1.0%	OFP Finance Africa	1.0%	Waco Africa	1.2%
Builders, A Division Of Massmart Retail	0.9%	National Youth Development Agency	0.8%	SMD Technologies	1.2%
Woolworths	0.9%	Investec Bank Limited	0.8%	Adcock Ingram Healthcare	1.1%
McCarthy	0.8%	Iress MD RSA	0.8%	Kees Beyers Chocolate	1.1%

Performance – PEL

PEL income statement

Quality of earnings enhanced through strong contracted rent growth and cost rationalisation

€m	Year ended 31-Mar-24	Year ended 31-Mar-23	YoY % change
Net rental income	56.7	52.9	7.2%
Property expenses	(5.2)	(4.4)	18.1%
Base net property income	**51.5**	**48.5**	**6.2%**
Disposals	0.1	1.0	-
Net property income	**51.6**	**49.5**	**4.2%**
Asset management fees[1]	(7.9)	(7.3)	(8.2%)
Other operating expenses	(4.6)	(6.7)	31.3%
Tax	(1.6)	(2.9)	44.8%
Interest	(22.3)	(17.6)	(26.7%)
Distributable earnings	**15.2**	**15.0**	**1.3%**
Cost-to-income ratio (property expenses, excluding bad debts, as a % of net rental income)	8.5%	8.4%	
Arrears as % of collectables[2]	1.4%	1.0%	
Recon PEL earnings to Burstone income:			
Earnings attributable to Burstone stake[3]	12.6	10.2	23.9%
Translation rate	22.5	20.4	10.5%
Distributable earnings in ZAR (m)	**284.2**	**207.9**	**36.7%**

Strong LFL NOI growth +6.2%

ERV unlock, indexation and stable vacancy

Lower costs (31%)

Restructuring initiatives starting to reap benefits

Higher interest 27%

Driven by c.4% increase in Euribor up to 93% hedged debt (cap of 1.4%)

Notes:

1. 83.15% relates to Burstone and the remainder to outside interests
2. Includes arrears in respect of rent only and not service charges
3. Taking into account Burstone's increased ownership from effective c.68% at 31 Mar 23 to 83.15% at 31 Mar 24

PEL summarised balance sheet

€m	31-Mar-24	31-Mar-23	% change
Investment property	1 055	1 066	(1.0%)
Investment property – held for sale	-	33	-
Derivative financial instruments	17	28	(39.3%)
Trade and other receivables	36	33	9.1%
Cash	20	15	33.3%
Total assets	**1 128**	**1 175**	**(4.0%)**
Shareholder interest	417	436	(4.4%)
Total equity	**417**	**436**	**(4.4%)**
Long term borrowings	563	579	(2.8%)
Other liabilities	148	160	(7.5%)
Total liabilities	**711**	**739**	**(3.8%)**
Total equity and liabilities	**1 128**	**1 175**	**(4.0%)**

Investment property

Valuation reduction of 1% caused by macro driven yield expansion

▼ **(1%)**

Interest rate cap MTM

Hedge valuation decreased due to lower interest rate expectations affecting EURIBOR curve

▼ **39%**

Debt quantum

Reduced post sale of Schiphol property and settlement of associated debt

▼ **(3%)**

PEL LTV

Based on revised value

53%

PEL portfolio letting

Strong start to leasing with 96% of space expiring re-let at positive 5.2% reversion

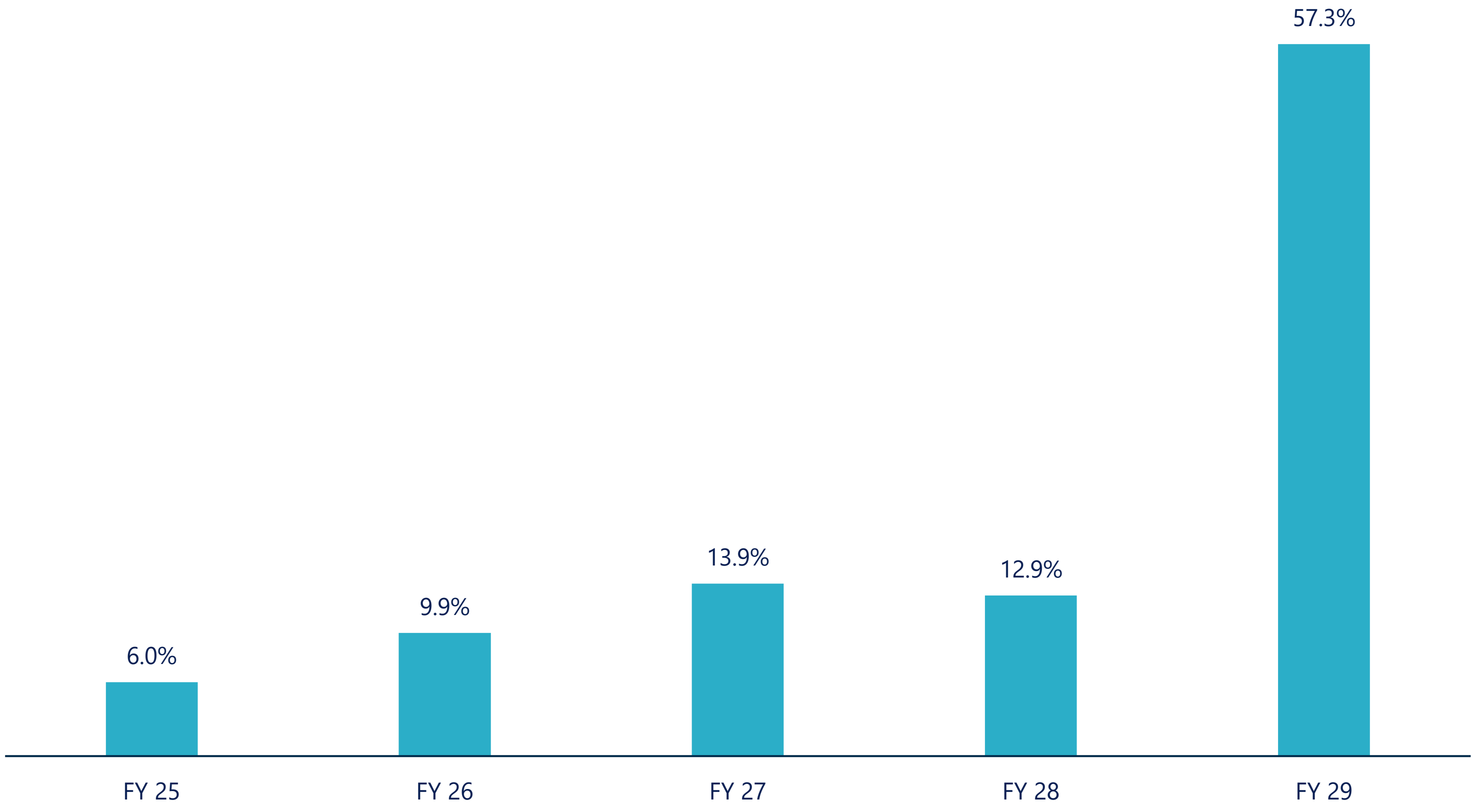
As at 31 March 2024	Expiries and cancellations	Renewals and new lets	Gross expiry rental	Gross new rental	Rental reversion	Incentive	Retention	WALE
	GLA (m^2)	GLA (m^2)	€/m^2	€/m^2	%	% lease value	%	Years
Germany	2 573	4 475	60.3	61.1	1.3%	0.0%	71.3%[1]	1.0
Netherlands	1 597	1 597	104.9	117.7	12.2%	1.6%	0%[2]	4.7
France	122 059	122 059	43.5	44.5	2.2%	3.7%	91.4%	2.9
Poland	20 469	20 469	56.7	61.8	9.0%	6.7%[3]	90.6%	2.0
Italy	46 146	46 146	49.3	54.5	10.6%	0.0%	100%	6.3
Subtotal	**192 844**	**194 746**	**47.2**	**49.7**	**5.2%**	**2.2%**	**92.8%**	**3.6**
Opening vacancy	9 816							
Total letting	**202 660**							

Notes:

1. Letting efforts in Germany are ongoing
2. Retention is 0% for Netherlands as only one lease expired in period and a new tenant signed
3. The tenant incentive for leases (renewals and new-lets) in Poland are generally higher compared to other markets

PEL lease expiry to break (by SQM)

Extended lease expiry profile with 57% of leases expiring beyond 5 years



Note:
WALE sits at 5.3 years with 24% of the portfolio income based in France, where leases are typically governed by a 3/6/9 year lease structure, pushing most lease expiry dates out past FY27.

PEL top 10 clients

Based on contracted rent and showing as % of total portfolio income

Client name	%
Rhenus	10.2
CHI Deutschland	4.3
Geodis Logistics	4.1
Empik	3.5
Tiesse S.p.a	3.3
H. Essers Logistics	2.9
AF Logistik	2.7
Procter & Gamble	2.6
Neele-Vat Maasvlakte	2.5
WOLTU*	2.5

*Indexed rent with WOLTU has moved the tenant in to #10

Balance sheet and treasury

Burstone
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Balance sheet metrics

As at 31 March 2024

	Group			PEL
	ZAR debt	EUR debt	Total Group	Europe
Quantum	R9.9bn	R2.0bn	R11.9bn	€566m
Debt maturity (years)	2.8	2.4	2.2	1.3
Swap maturity	2.0	1.8	2.0	2.5
Hedge percentage	97%	100%	99%	93%
Gearing %	-	-	44%	53%
Average all-in cost of funding	9.2%	3.5%	5.6%	3.9%
Average debt margin (local currency)	1.75%	2.12%	1.73%	2.2%
Average swap rate	7.3%	1.9%	4.6%	1.4%[4]
Encumbrance ratio[1]	-	-	48%	100.0%
% debt secured[2]	-	-	55%	100.0%
% Foreign debt and CCS of EUR investment[3]	-	-	75%	-

Funding of foreign investments (EUR-denominated debt at Burstone level)

Investment	Burstone's share of NAV	Nominal value of EUR debt & CCS	Weighted average expiry	Average all-in cost of funding	% dividends hedged
PEL (EUR)	€390m	€311m	1.7 yrs	3.5%	• 75% over 5 years • (R22.35 – R29.44)

Notes:
1. Secured assets as a percentage of total investments
2. Secured debt as a percentage of total debt facilities
3. Cross currency swaps are considered synthetic EUR funding
4. Comprises €453m debt at 1.1% and €56m debt at 4%, hedged via interest rate cap. €59m bridge loan remains unhedged

- Burstone is significantly progressed on refinances at both a Group level and in PEL anticipated to close by Q2 FY25
- The metrics in the table will be significantly improved following the execution of these refinances
- The weighted average expiry in both will be extended
- Expect Group average debt margin to reduce

Glossary

Glossary

Term	Definition
Board	Board of directors of Burstone Group Limited
Burstone or The Group	Burstone Group Limited including its subsidiaries, investments in joint-ventures and any other investments
CCS	Cross currency swaps
CGT	Capital gains tax
Cps	Cents per share
DIPS	Distributable income per share
DPS	Dividend per share
ESG	Environmental, social and governance
EV	Enterprise value
FEC	Foreign exchange contract
Gross income	Revenue from all investments aggregated on a proportionally consolidated basis
IAP	Investec Australia Property Fund
Investment yield	Income (earnings) and capital return over balance sheet equity value
ITAP	Irongate Templewater Australia Property
IWI	Investec Wealth and Investments
Izandla or Izandla Property Fund	Izandla Property Fund Proprietary Limited
Like-for-like or LFL	Comparable measure of growth
LTV	Loan to value, calculated as net debt / total investments net of minority interests
MTM	Mark to market
NAV	Net asset value
NOI	Net property income
PEL	Pan-European logistics
PELI	Pan-European light industrial
REIT	Real estate investment trust
SA	South Africa / South African
UK	United Kingdom
WALE	Weighted average lease expiry
WHT	Withholding tax
yoy	Year on year

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