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
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ISIN: ZAE000180915
("Burstone" or "the Group")

Investor pre-close conference call and voluntary trading update for the six months ending 30 September 2025

The Group is pleased to give a pre-close trading update for the six months ending 30 September 2025 (“1H26”). An investor conference call will be held today, 23 September 2025 at 11:00 South African time / 10:00 UK time (details are provided below).

Background

Burstone is transitioning into a fully integrated real estate investor, funds and asset manager. The Group currently has c. R43 billion gross asset value (“GAV”) under management across South Africa, Europe and Australia of which c. R24 billion represent third-party assets under management (“AUM”). Approximately 68% of the Group’s GAV is offshore, predominantly across Western Europe and Australia. In line with delivering its global funds management strategy, Burstone is well positioned to grow its AUM under new and existing platforms, driving both earnings growth and operational efficiencies across the Group.

Burstone’s transition to an integrated real estate model combines real estate asset yields with additive fee income generated through funds, investment and asset management services.

Macroeconomic update

Global markets are showing signs of stabilisation as inflation moderates and interest rates begin to ease, although investor sentiment remains cautious.

In South Africa, economic growth is still muted, but declining inflation is paving the way for gradual interest rate cuts. In relation to the real estate sector, industrial and retail segments demonstrate resilience, while office demonstrates positive signs of recovery.

In Europe, occupier demand has softened but is showing signs of recovery as global trade starts to settle post the announcement of the United States of America (“USA”) related tariffs earlier this year. Capital markets activity remains subdued as investors continue to exercise caution given global economic volatility, and this is reflected in the lower transaction volumes across the region.

Meanwhile, Australia's economy has shown notable resilience and capital markets benefiting from capital flows into the Asia-Pacific region. Real estate fundamentals remain strong, with industrial assets leading the charge.

1H26 Strategic highlights

Burstone’s strategy continues to gain momentum as the Group transitions from a traditional real estate investor to a fully integrated real estate investor, and funds and asset manager business, deploying its capabilities selectively across each geography.

During the past six months, the Group consolidated its strategy, resulting in a period of stability and steady execution. This included expanding our international funds and asset management business while continuing to deliver consistent performance from our direct and co-investments into real estate across our core markets.

<table>
<tr><th>Key focus</th><th>Progress and delivery</th></tr>
<tr><td>Drive performance of underlying real estate assets.</td><td>South African portfolio is expected to deliver like-for-like (“LFL”) NOI growth of c. 4% - c. 5%.
Total investment income (Europe and Australia), on a LFL basis, is expected to marginally improve compared to prior year:
Europe: expected to be flat year-over-year (“YoY”), driven by higher vacancy resulting from a softer occupier market, offset by lower base interest rates.
Australia: expected to grow substantially on a relative basis, as asset management initiatives take effect.</td></tr>
<tr><td>Build out and leverage funds management initiatives.</td><td>Increase in fee revenue to c. 14% of earnings (1H25: 8.5%).
c. 3% increase in AUM to c. R24 billion (Mar-25: R23.4 billion).
Australia:
c. 7% increase in AUM to c. A$668 million (Mar-25: A$624 million).
Strong appetite from existing capital partners to support AUM growth.
Europe:
Strategic partnership with the Group’s Pan-European Logistics portfolio (“PEL”) and funds managed by affiliates of Blackstone Inc. (“Blackstone”) (i.e. “the Blackstone Transaction”) which concluded in November 2024.
Building a pipeline for PEL and exploring other industrial platform opportunities.
South Africa:
Remain committed to delivering a scalable South African focused, diversified real estate fund platform (“SA Core Plus platform”) alongside local institutional capital, pending final approvals.</td></tr>
<tr><td>Continued divestment of SA non-core assets to support capital deployment.</td><td>R0.4 billion signed sale agreements (limited conditionality) of the c. R0.6 billion – c. R0.8 billion expected sales for FY26.</td></tr>
</table>

Overall Group performance

- The Group is expected to deliver 1H26 distributable earnings growth of c. 2%, an outcome consistent with the lower end of full year guidance. This is a result of slower capital deployment during 1H26 due to global investor headwinds, together with a material business failure in the South African industrial sector. This expected performance would result in 1H26 distributable income per share ("DIPS") of c. 50.56cps (1H25: 49.53cps).
- The dividend payout ratio is expected to be maintained at 90%, resulting in an increase in dividends per share of c. 2% compared to 1H25.
- Key elements which have underpinned the Group's performance include the following:
  - The South African portfolio base LFL net property income ("NPI") is expected to grow by c. 4% - c. 5%. However, the net contribution to DIPS will be reduced by the impact of funding capex and marginally dilutive disposals from the prior year.
  - Investment income from the Group's co-investments, on a LFL basis, is expected to marginally improve driven largely by Australian upside.
  - Fee income from funds and asset management activity continues to be earnings enhancing for the Group over the medium term as the Group scales platforms and is expected to contribute c. 14% of Group earnings (1H25: 8.5%).
  - Group net funding costs are expected to decrease significantly relative to 1H25, driven by:
    - Proceeds from the Blackstone Transaction which concluded in 2H25.
    - Proactive refinancing and hedging arrangements coupled with a decrease in global interest rates.
    - Offset by the timing of anticipated cash inflows from the Blackstone transaction (Escrow and delayed internal refinancing), along with further capital deployment into initially low yielding Australian assets during the period.
  - The Group has c. R13.6 billion direct on-balance sheet real estate investments in South Africa and c. R2.5 billion equity co-investments across European and Australian platforms managed by the Group.

Performance of the South African business

- The South African business currently represents Burstone's deployment capabilities in direct real estate investment. The portfolio continues to reflect strong property fundamentals while delivering stable operational performance and income growth across a diversified asset base.
- LFL base NPI is expected to deliver growth of c. 4% - c. 5% and is a function of the following:
  - Retail: expected to deliver c. 8% - c. 10% LFL NOI growth driven by strong underlying performance and enhancement to NOI from Zevenwacht Mall, post its redevelopment in FY25. Vacancies are expected to remain in line with March 2025 at c. 4.5%.
  - Office: expected to return to LFL NOI growth of c. 3%, resulting from continued low vacancy of c. 7% - c. 9% (Mar-25: 7.7%) and significantly improved negative reversions of c. 15% (Mar-25: negative 21.1%)
  - Industrial: expected to deliver a c. 5% decline in LFL NOI, driven largely by a significant business failure, partially offset by strong positive rental reversions of c. 4% - c. 5%.
- Total vacancies across the South African portfolio are expected to remain low at c. 6% - c. 7% (March 2025: 6.7%).
- Total reversions over the period are expected to improve meaningfully to negative c. 2% - c. 4% (Mar-25: negative 4.6%).
- Burstone continues to work closely with a cornerstone institutional investor to deliver on its South African fund management strategy: providing a scalable South African focused, diversified real estate fund platform. The Group remains committed to the delivery of the SA Core Plus platform, pending final approvals.

Performance of the European business

- The successful completion of the Blackstone transaction last year marked the achievement of a key milestone for Burstone, establishing a foundational platform that stands as a clear demonstration of our strategic roll out of the funds and asset management business in Europe.
- The Eurozone has experienced a softening of the occupier market and rental growth during the period, reflecting broader economic volatility and the impact of USA tariffs uncertainty.
- The PEL platform is expected to deliver LFL investment income in line with prior year for the Group supported by:
    - Continued indexation and positive rental reversions across the portfolio;
    - Lower base interest rates, benefitting platform finance costs;
    - Offset by an increase in vacancy resulting from the softening occupier market.

Performance of the Australian business

- The Irongate Group joint venture ("Irongate" or "JV") continues to provide a pivotal platform for Burstone to grow its funds management activities in Australia and acts as a demonstrative framework for the Group's funds management strategy as the Group scales AUM over the medium term.
- AUM is expected to grow to c. A$668 million, up c. 7% since March 2025, driven by increased equity deployment alongside TPG Angelo Gordon.
    - In 1H26, Burstone has grown its exposure and AUM into Australian industrial and logistics platforms with two recent acquisitions:
        - Hemmant (Brisbane) – acquired for A$46.6 million.
        - Glendenning (NSW) – acquired for A$39.0 million.
    - Burstone's 15% co-investment across these acquisitions amounts to A$5.7 million.
- Earnings from the Irongate management platform are expected to grow by c. 70% - c. 90%, albeit off a low base, driven by AUM growth.
- Investment income from the Group's co-investments into industrial platforms alongside Phoenix Property Investors and TPG Angelo Gordon is expected to deliver meaningful contributions in earnings as asset management initiatives take effect.
- Through existing partnerships with leading international capital partners, Irongate has secured significant additional third-party capital commitment to support future deployment.

Balance sheet management

- Balance sheet stability with available optionality remains a key priority as the group continues to execute its stated strategy to grow its real estate platforms and funds management activities.
- Effective capital allocation remains a strategic imperative and investment opportunities will be considered in line with the Group's capital allocation framework and overall leverage.
- Burstone expects 1H26 LTV to be c. 38.5%. The Group will continue to target a leverage ratio of below 35% with a medium-term LTV outlook of between 34% - 36% supported by continued SA asset sales.
- As at the date of this announcement, the Group holds c. R1.4 billion in undrawn committed available facilities and cash, excluding proceeds from disposals that have yet to be completed.
- The Group has proactively reduced its South African interest rate hedge exposure to 75% from 100% at year end, taking advantage of lower floating rates.

Concluding remarks
Burstone continues to advance its funds management strategy, with a clear focus on achieving key milestones as a fully integrated real estate investor, fund, and asset manager.

Expanding the funds management model enhances returns, generates additive fee income, and unlocks long-term shareholder value. The Group's portfolio performance remains resilient and in line with guidance, as we reduce direct asset exposure in favour of strategic co-investment. Successful divestiture of non-core South African assets and investing alongside partners into existing and new platforms continues to attract meaningful third-party commitments, growing AUM and building long-term capital partnerships.

This hybrid model integrating real estate investment with fund, investment, asset, and development management positions the Group to deliver stronger returns and unlock operational leverage from its scalable platforms.

On behalf of the Board
Moss Ngoasheng (Independent Non-Executive Chairman), Andrew Wooler (Group Chief Executive)

Other information

Investor call
An investor conference call will be held today, 23 September 2025 at 11:00 South African time / 10:00 UK time. Participants should register for the conference call by navigating to

https://event.choruscall.com/mediaframe/webcast.html?webcastid=rWUgMwKq,

Interim results
The interim results for the period ending 30 September 2025 are scheduled for release on 19 November 2025.

For further information please contact:
Myles Kritzinger (CFO)
E-mail: investorrelations@burstone.com

Additional notes

Definitions

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

Profit Forecasts

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

- The Group is expected to deliver 1H26 distributable earnings growth of c. 2%, an outcome consistent with the lower end of full year guidance.
- This expected performance results in 1H26 distributable income per share ("DIPS") of c. 50.56cps (1H25: 49.53cps).
- The dividend payout ratio is expected to be maintained at 90%, resulting in an increase in dividends per share of c. 2% compared to 1H25.
- The South African portfolio base LFL net property income ("NPI") is expected to grow by c. 4% - c. 5%.
- Investment income from the Group's co-investments, on a LFL basis, is expected to marginally improve driven largely by Australian upside.
- Fee income from funds and asset management activity continues to be earnings enhancing for the Group over the medium term as the Group scales platforms and is expected to contribute c. 14% of Group earnings (1H25: 8.5%).
- Group net funding costs are expected to decrease significantly relative to 1H25.

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

- The basis of preparation of each of these statements and the assumptions upon which they are based are set out below. These statements are subject to various risks and uncertainties and other factors – these factors may cause the Group's actual future results, performance or achievements in the markets in which it operates to differ from those expressed in the Profit Forecasts.
- Any forward-looking statements made are based on the knowledge of the Group as at 23 September 2025.
- These forward-looking statements represent a profit forecast under the JSE Listing Rules.
- The Profit Forecasts relate to the interim period ending 30 September 2025.
- The financial information on which the Profit Forecasts are based is the responsibility of the Directors of the Group and has not been reviewed and reported on by the Group's auditors.

Basis of preparation

- The Profit forecasts have been compiled using the assumptions stated below, and on a basis consistent with the accounting policies adopted in the Group's 31 March 2025 audited financial statements, which are in accordance with IFRS and are those which the Group anticipates will be applicable for the period ending 31 March 2025.
- The Profit forecasts have been prepared based on (a) audited financial statements of the Group for the year ended 31 March 2025; (b) the unaudited management accounts of the Group for the 5 months to 31 August 2025; and (c) the projected financial performance of the Group's businesses for the remaining one month of the period ending 30 September 2025.

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

Factors outside the influence or control of the Group:
- There will be no material change in the political and/or economic environment that would materially affect the Group.
- There will be no material change in legislation or regulations impacting on the Group's operations or its accounting policies.
- There will be no business disruption that will have a significant impact on the Group's operations.
- The Rand/Euro and Rand/AUD and any other relevant exchange rates remain materially unchanged from those as at 23 September 2025.
- The Euribor and Jibar curves remain materially unchanged from those as at 23 September 2025.
- The tax rates remain materially unchanged.
- There will be no material changes in the structure of the markets, client demand or the competitive environment.

About Burstone
Burstone is transitioning into a fully integrated international real estate business with c. R43 billion (c. €2.1 billion) gross asset value under management. Burstone listed on the Johannesburg Stock Exchange (South Africa) in 2011 and currently operates in South Africa, select European markets and Australia. The Group has a strong management track record of more than 30 years operating in both local and international markets. The Group is globally diversified and has the capability to invest across all aspects of the real estate life cycle, partnering with specific capital partners for specific opportunities. The Group operates a hybrid model of traditional real estate investment, stapled with expertise across fund management, investment management, asset management and development management. This approach supports the Group's strategy of delivering enhanced returns on capital deployed and maximising operational leverage from its scalable platform. Burstone strives to deliver purposeful and authentic client experiences with agility, speed and passion. The Group has the ability to identify potential that lies within something and then transform it into something of real value. Across all regions in which the Group operates, the manager has a presence on-the-ground with in-country expertise and adopts a hands-on approach to managing its properties.

For more information, visit: www.burstone.com

Johannesburg
23 September 2025
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