

Transform potential

Pre-close trading update and investor presentation

24 MARCH 2025

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE FULL ANNOUNCEMENT MADE ON SENS ON 24 MARCH 2025

COMMENTARY ON THE GROUP'S FINANCIAL PERFORMANCE IN THIS PRE-CLOSE TRADING UPDATE COMPARES FORECAST FY2025 TO FY2024 AND FOCUSES ON DEVELOPMENTS WITHIN THE GROUP'S 2025 FINANCIAL YEAR (FY25)



01

Progress made on our strategic initiatives

Transform potential



Significant progress in executing our strategy...

1

De-gearing the balance sheet

- LTV expected to be in range of 34% to 36%

2

Expansion of the Group's fund and asset management strategy

- Successful close of the Blackstone transaction
- New Industrial JV in Australia with TPG Angelo Gordon

3

Successful debt refinancing and sound balance sheet management

- Improving margins and extending debt profile
- Negligible near-term refinance risk

4

Optimisation of operational costs

- Leveraging processes and systems to maximise efficiencies

5

Momentum in the integration process

- Leveraging cross-border skills, knowledge, experience and expertise

Strategic progress in our regions



South Africa

- Burstone is targeting implementation of the **SA Core Plus platform** on the following basis:
 - Burstone to seed the platform with up to c.R5 billion of South African retail and industrial assets that fit within the investment mandate
 - Burstone is expected to retain a significant equity interest in the SA Core Plus platform, which proportion of equity should naturally reduce over time
 - A target LTV of c.40%
 - Burstone will act as a fund and asset manager of the SA Core Plus platform



Europe

- **Successful completion of Blackstone transaction**
- Marginally accretive in the short term
- Burstone retains a 20% co-investment in PEL and retains the asset management of the c.€1 billion PEL portfolio
- Reduced interest rate risk in EU and Group through hedge profiles



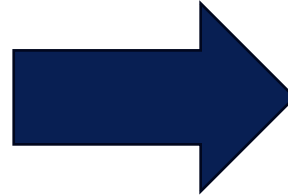
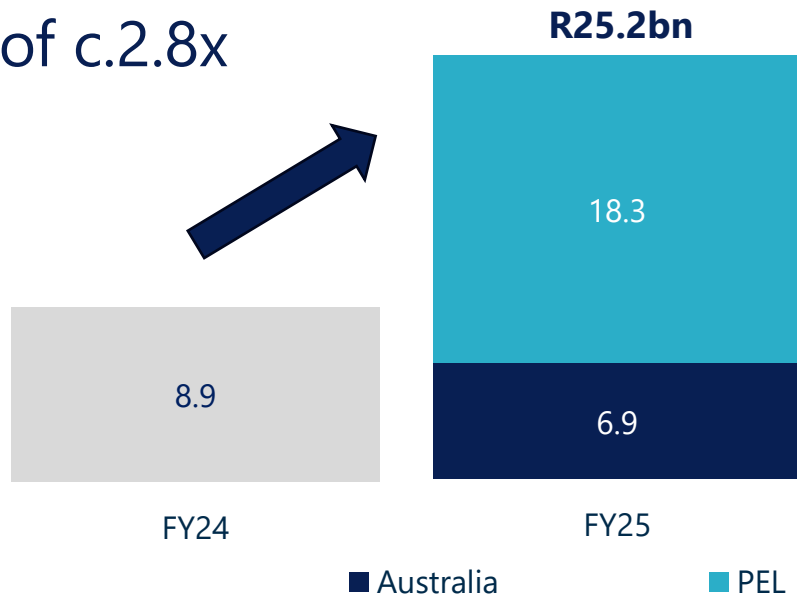
Australia

- **Irongate continues to provide a strong platform for Burstone to grow its fund management activities in Australia.**
- During the year, Irongate established an industrial platform with TPG Angelo Gordon:
 - The new industrial platform concluded the acquisition of A\$280 million of industrial logistics assets in New South Wales and Queensland, deploying approximately A\$133 million of equity into four assets
 - Burstone's equity investment into this platform, alongside TPG Angelo Gordon, is c.A\$20 million (15%)
- Irongate now manages c.A\$625 million of equity across office, industrial, retail and residential assets which is an increase of 28% from last year

Accelerating the expansion of the Group's fund and asset management strategy

Third party AUM* (Rbn)

An increase
of c.2.8x



Fund and asset management fees

Driving increased returns on capital deployed

Fund and asset management fees:

- Fee income expected to comprise 11% of earnings (FY24: 7.3%)

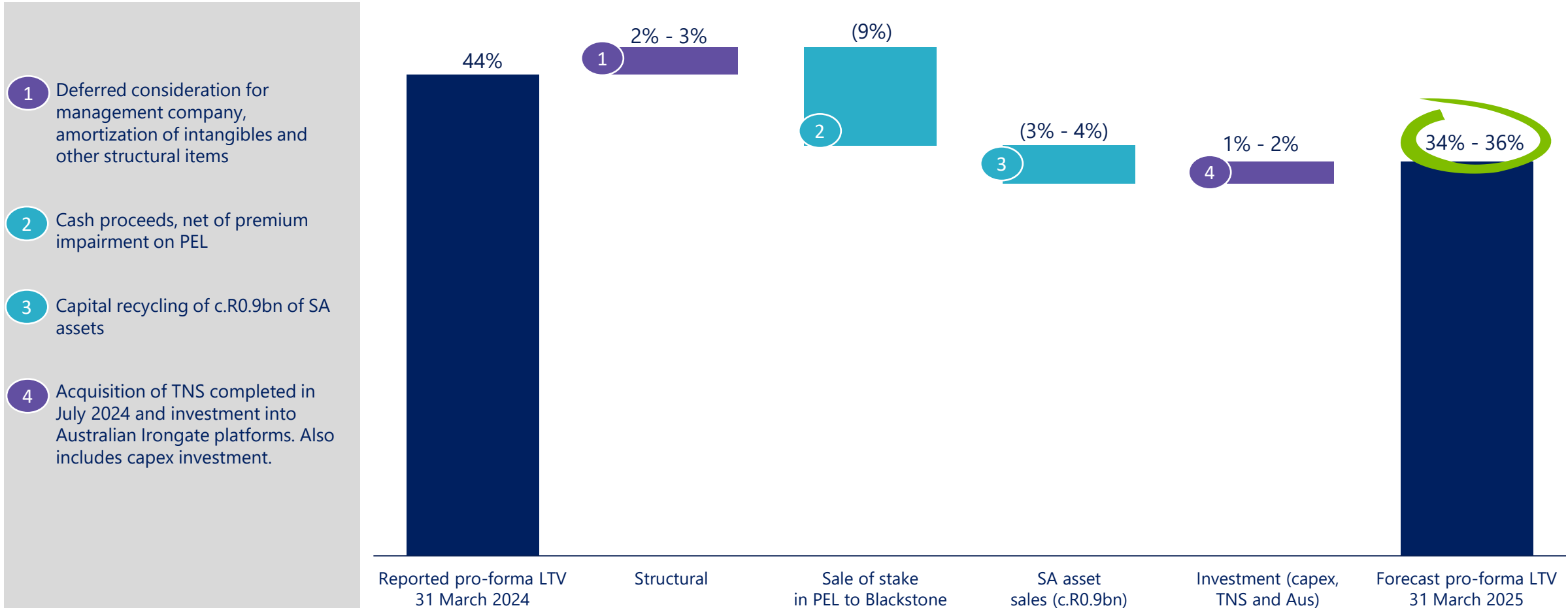
Total GAV of c.R42bn with 61% third party AUM

Total GAV 69% offshore with 100% of third-party AUM offshore

* Comprises 50% of A\$1.1bn third-party AUM in Australia and our Equity Partner's proportionate share of GAV for PEL.

De-gearing of the Group's balance sheet

Provides significant headroom to support the Group's strategic initiatives



02

Expected Group performance FY25

Transform potential



Overall Group performance

- The Group is expected to deliver full year results in line with previous full year guidance provided of approximately 2% to 4% lower than the 2024 financial year (FY24)
- This would deliver FY25 distributable income per share (DIPS) of between 101.44cps and 103.56cps (FY24: 105.67cps).
- The dividend payout ratio is expected to be in line with the interim period (i.e., 90%), resulting in an expected increase in dividends per share of between 2% to 4% compared to FY24)

SA LFL NOI performance is expected to be in line with PY

European business is expected to deliver marginal increase in LFL NPI

Group fee income is expected to grow significantly over the period to c.11% of earnings (FY24: 7.3%)

Cost optimisation initiatives are expected to limit growth of operating costs to between 1% and 2%

Group net interest costs are anticipated to reduce significantly largely because of the Blackstone transaction

DIPS expected to be c.2% to 4% lower than PY (in line with previous guidance)

Overall Group performance: in line with guidance

Key elements which have underpinned the Group's performance:

- The South African base like-for-like ("LFL") net property income ("NPI") is expected to be in line with the prior year, reflecting a resilient retail performance which is offset by declining growth in the office portfolio which continues to be impacted by negative reversions
- The European business is expected to deliver a marginal increase in LFL NPI mainly driven by positive rental reversions and indexation
- Group fee income is expected to grow significantly over the period, driven by European and Australian fund and asset management activity, resulting in fee income representing approximately 11% of earnings (FY24: 7.3%)
- The Group has continued to focus on cost optimisation initiatives with operating costs expected to increase by between 1% and 2%
- Group net interest costs are expected to decline significantly, impacted by:
 - Proceeds from the Blackstone transaction and proactive refinancing efforts that have reduced the all-in cost of debt;
 - Partially offset by further investment in the Group's Australian platform and maintenance capital expenditure in South Africa; and
 - The c.R0.9 billion in South African asset sales at a c.2.5% discount to book value, that led to net interest savings and contributed to a lower LTV ratio. However, the transactions were earnings dilutive
- The Blackstone transaction, which was effective from 12 November 2024, is expected to be marginally accretive on the Group's results in FY25

Performance of the South African business

- LFL base NPI for the South African portfolio is expected to be in line with the prior year
- Total average vacancies across the portfolio are expected to increase to c.5.5% (Mar-24: 4.2%) driven by a large industrial asset that became vacant in the second half of the year
- Total reversions over the period are expected to improve to negative c.5% (Mar-24: negative 9.3%)
- The retail sector continues to deliver positive NPI growth, however, results have been impacted by the redevelopment of Zewenwacht Mall and associated vacancy linked to the introduction of a new second anchor
- The office sector continues to face negative reversions of c.20% (Mar-24: negative 31.6%) and average vacancies of c.8% (Mar-24: 6.4%)
- The industrial sector has experienced strong letting activity with overall reversions of negative 5% driven by long dated leases of negative 17%



1 Protea Place - Sandton, Johannesburg

Performance of the European business

- The performance of the PEL platform is expected to deliver a positive LFL NPI growth mainly driven by positive rental reversions (c.13%) and indexation (c.4%), partially offset by higher average vacancies of c.4% (Mar-24: 1%)
- Burstone has decided not to pursue the co-investment opportunity in the German light industrial platform. As such, the third-party management contract ended in December 2024



Venlo - Southeastern Netherlands

Performance of the Australian business

- The Group's investment in Irongate continues to perform well, benefiting from the significant growth in AUM and underlying real estate performance which is in line with the deal thesis
- The Irongate Group is well positioned to capitalize on a strong pipeline of opportunities
- Irongate's co-investment in the industrial platform with Phoenix Property Investors is performing well. The latest valuation shows a c.11% increase in asset value, driven by positive rental reversions and full occupancy, highlighting the platform's strong leasing performance



Young Husband - Melbourne

03

Closing

Transform potential



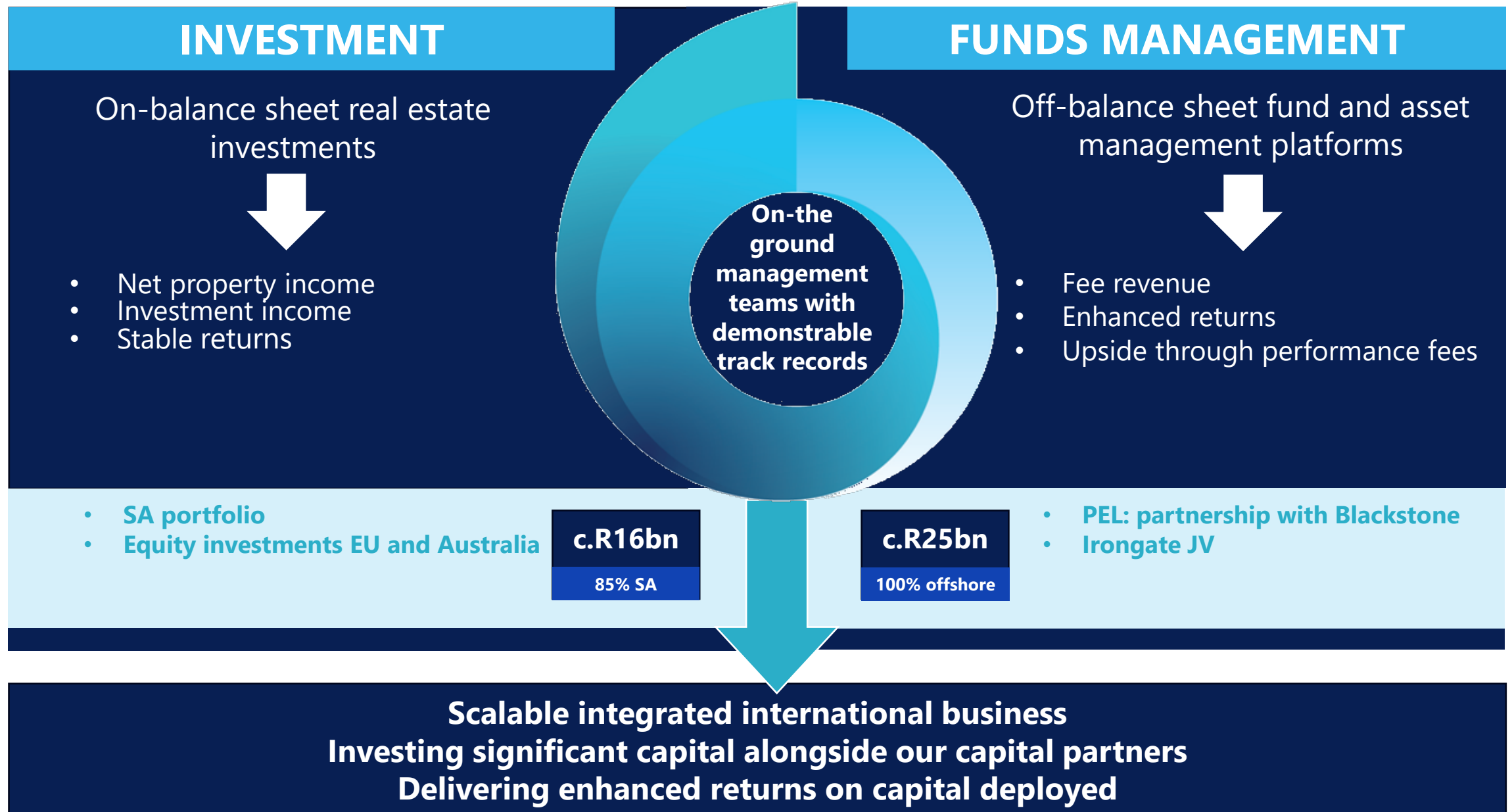
Concluding remarks

- The Group's real estate portfolio is performing as expected and in line with guidance
- Strategically the Group is pleased with the progress made across the business:
 - De-gearing the balance sheet, reducing LTV significantly;
 - Establishing a funds management business in Europe;
 - Driving solid AUM growth in Australia;
 - Advancing exclusive negotiations in South Africa to develop a fund management strategy;
 - Capitalizing on the internalisation, making strong strides in leveraging the Group's platforms, processes, skills, and expertise across regions; and
 - Successfully refinancing debt while maintaining prudent balance sheet management.
- The year ahead offers great opportunity for the Group as it looks to execute and grow the fund and asset management platforms.

Concluding remarks

- The Group will continue to focus on the recycling of direct on-balance sheet investments and using the proceeds to co-invest in fund management platforms, which will result in a significant increase in third party funds under management.
- Expanding the Group's fund and asset management model offers multiple benefits for Burstone, particularly the ability to achieve enhanced integrated real estate returns
- This approach combines traditional real estate asset yields with additional upside from operating a funds, investment, and asset management model, where the Group can earn management, leasing, and acquisition fees, as well as potentially generate performance fees through outperformance
- This hybrid model of traditional real estate investment, integrated with expertise across fund management, investment management, asset management and development management supports the Group's strategy of delivering enhanced returns on capital deployed and maximizing operational leverage from its scalable platform

Hybrid model: fully integrated international real estate business



Disclaimer

The information contained herein is for information purposes only and readers should not rely on such information as advice in relation to a specific issue without taking financial, banking, investment or professional advice. Although information has been obtained from sources believed to be reliable, Burstone Group Limited (Reg. No.2008/011366/06) and or any affiliates (collectively "Burstone"), do not warrant its completeness or accuracy. Opinions and estimates represent Burstone's view at the time of going to print and are subject to change without notice.

Past performance is not indicative of future returns. The information contained herein does not constitute an offer or solicitation of investment, banking or financial services by Burstone. Burstone shall not be held liable in respect of any claim, damages or loss of whatever nature arising in connection with such information. Burstone accepts no liability for any loss or damage of whatsoever nature including but not limited to loss of profits, goodwill or any type of financial or other pecuniary or direct or special indirect or consequential loss however arising, whether in negligence or for breach of contract or other duty as a result of use of or reliance on the information contained in this document whether authorised or not.

This document/publication may not be reproduced in whole or in part or copies distributed without the prior written consent of Burstone.