



Integrated annual report 2024

and annual financial statements



Transform potential

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About this report

About this report

Burstone (the Group) is an internationally integrated real estate investor and asset and funds manager, with R37 billion GAV under management across South Africa, Western Europe and Australia.

Integrated thinking

This report covers the period from 1 April 2023 to 31 March 2024 and provides a holistic overview of all material matters influencing Burstone's ability to create value in the short-, medium- and long-term. The Group's use of, and effect on, the six capitals (see page 25) is presented, considering how the availability of these capitals, along with other factors within our operating context, have influenced Burstone's business model and strategic direction. We believe this report demonstrates how the Group seeks to fulfil its purpose.

The report also provides a balanced view of the Group's performance and prospects to enable providers of financial capital to make informed capital allocation decisions, while supplying information relevant to our broader stakeholders.

Reporting scope and boundary

Our integrated reporting boundary covers the risks, opportunities and outcomes arising from our:

Vision and purpose
(refer page 28)

Materiality
(refer page 3)

Corporate governance
(refer pages 102 to 108)

Our business model and
strategic scorecard
(refer pages 26 to 28)

Our performance
outcomes
(refer pages 29 to 31)

Reporting boundary for the integrated report defined by control and significant influence

Financial and statutory reporting boundary



Subsidiaries over which
Burstone has control

SA portfolio over which
Burstone has control

PEL portfolio over which
Burstone has joint control

Irongate Group funds
management business
over which Burstone has
joint control

Primary stakeholders

Providers of
financial capital

Clients

Our people

Brokers

Suppliers and service
providers

Industry bodies and media

Regulators

Communities

Internalisation

Investec Property Fund (IPF) concluded an agreement for the internalisation of its asset management business across South Africa and Europe, which was undertaken by Investec Limited, for an aggregate purchase consideration of R850 million settled by a disposal of properties, an upfront cash payment and deferred cash payments. A further Earn-out amount of R125 million will be payable by the Group over three years dependent on certain AUM growth targets being met. The transaction was approved by shareholders on 17 May 2023 and completed in July 2023. IPF was rebranded as the Burstone Group Limited in October 2023. The internalisation transaction creates a fully integrated international real estate company where the interests of a strong management team are aligned with that of the Group's shareholders.

Reporting principles and framework

This report is presented in accordance with the:

- International Integrated reporting <IR> Framework;
- Companies Act, No 71 of 2008, as amended (Companies Act);
- Johannesburg Stock Exchange (JSE) Listings Requirements and Debt Listings Requirements;
- South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the accounting practices committee;
- The sustainability information has been compiled with cognisance to the Global Reporting Index (GRI) standards; the GRI index is available on our website: www.burstone.com;
- International Financial Reporting Standards (IFRS); and
- King IV™ Report on Corporate Governance™* for South Africa, 2016 (King IV™).

Materiality

This report aims to disclose information about matters that have the potential to substantively affect our ability to create value in the short-term (the next 18 months), medium-term (18 months to five years) and long-term (beyond five years).

Our material issues are informed by the economic, social and environmental context in which we operate and therefore, encompass the global (especially the European and South African) trends, risks and opportunities facing the business (see pages 45 to 54), the expectations of our stakeholders (see pages 36 to 40), the risks and opportunities that arise from our context (see pages 42 to 44), as well as our strategic objectives (see pages 28 to 32). Our governance structures oversee these critical areas of the business, seeking to ensure we create and sustain shareholder value while reducing the risk of value erosion.

The issues we have identified as material in terms of the impact on Burstone's short-term and long-term sustainability include:

- Geopolitical and socio-economic growth uncertainty;
- Maintaining a robust balance sheet;
- Capital recycling to manage loan-to-value (LTV);
- Capital allocation between domestic and offshore investments;
- Refinancing and interest rate risk management;
- Carefully managing increased funding costs in a higher interest rate environment;
- Further development of our capital light strategy;
- Investing in growth opportunities to support our asset and geographic diversification;
- Optimisation of our portfolios, through a dedicated focus on client experience and reducing the cost of occupation for our clients; and
- A focus on holistic Sustainability through further integration of Environmental, Social and Governance (ESG) principles into our business.

Feedback

A soft copy of this integrated report is available online at <https://www.burstone.com/investor-relations>.

We are committed to improving this report year-on-year. Therefore, we appreciate and encourage constructive feedback. Please forward comments to: investorrelations@burstone.com.

We have identified, prioritised and integrated the material issues throughout this integrated report.



Newcastle Mall, KwaZulu Natal, South Africa

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About this report CONTINUED

Assurance

Business process	Nature of assurance	Assurance provider
External audit	Annual financial statements	PricewaterhouseCoopers Inc.
Internal audit	Processes, controls and financial information	Investec Limited
Carbon footprint / GHG inventory	Non-financial performance metrics	Terra Firma Solutions
Property valuations	Valuation report	Mills Fitchett (South Africa); JLL (Europe)
B-BBEE	Level 1 rating	Empowerdex
JSE requirements	Compliance reviews	Sponsor – Investec Bank Limited
Green buildings	Certification	Green Building Council South Africa (GBCSA)
Rating agency	Credit rating verification	Global Credit Ratings

Burstone's primary UN SDGs

The report will also explain our primary United Nations Sustainable Development Goals (UN SDGs), listed below, which are those most relevant to our business – considering our broader industry context and the unique contexts of the regions in which we invest. Refer to pages 42 to 44 for more details.

 Clean water and sanitation	 Affordable and clean water
 Decent work and economic growth	 Industry, innovation and infrastructure
 Sustainable cities and communities	 Responsible consumption and production
 Climate change	

Forward-looking statement

This report contains forward-looking statements in respect of the Group's future performance outcomes. While these statements represent our judgements and future expectations, various future uncertainties could cause actual results to differ materially from our expectations. Therefore, all forward-looking statements have not been reported on by our auditor.

The Board's statement of responsibility

The Board acknowledges our responsibility for the integrity of Burstone's integrated annual report. This report, presented in accordance with the International Integrated Reporting <IR> Framework (2021), provides a balanced view of the Group's performance and prospects to enable providers of financial capital to make informed capital allocation decisions while supplying information relevant to our broader stakeholders. It addresses all material matters influencing Burstone's ability to create value in the short-, medium- and long-term. The Group's use of, and effect on, the six capitals is presented, considering

how the availability of these capitals, along with other factors within our operating context, have influenced Burstone's business model and strategic direction. Furthermore, we believe this report demonstrates how Burstone seeks to fulfil its purpose and mission. It is the Board's opinion that this report presents a fair and balanced view of the Group's performance and outlook.

The integrated annual report, which remains the ultimate responsibility of the Board, is prepared under the supervision of executive management and subject to a rigorous process using both internal and external assurance. The integrated annual report is submitted to the audit and risk committee, which reviews the integrated annual report and recommends it to the Board for approval having reviewed the contents, as well as the collation process, and with reliance on the assurance provided on the various reporting elements.

This report was approved by the Board on 4 July 2024.



Mönchengladbach, Düsseldorf, Germany

Financial year 2024 (FY24) highlights



Management internalisation completed

Starting to reap benefits from our strategic repositioning and integration of our business



Full year results in line with guidance

DIPS up 1.0% to 105.67cps
(Mar-23: 104.64cps)



Dividend payout ratio: 85%

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



NAV: down 4.5% to R15.45ps

(Mar-23: R16.17ps)
Unrealised mark-to-market on derivatives
Marginal European valuation impact



Delivered annualised net management fee saving of R80 million

8% ahead of deal case



Delivered several cost saving initiatives

Europe: c.€2.1 million corporate savings



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



Absorbed R66 million of increased funding costs due to rate increases



Pro-forma adjusted LTV is 44.0%*

(Mar-23: 42.0%)

clear plan to reduce to between 37% to 40%
in next 12 months



Capital light business transition taking shape

R61 million earnings contributing c.7% to Group earnings

* 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.

European highlights

6.2%

growth in LFL NOI



2.2%

vacancy, remained low



96%

expiring space
re-let

5.2%

positive reversion
on new letting

South African highlights

1.5%

growth in LFL
NOI

4.5%

vacancy,
remained low

90%

expiring space
re-let

(9.3)%

negative reversion
on new letting

ESG highlights

3

additional Green Star
ratings achieved

14.8MWp

total solar photovoltaic
(PV) capacity

70%

of properties with
back-up power

28

buildings with
Green Star ratings

7%

reduction in total
tCO₂e emissions
(Scope 1, 2 and 3)

32

buildings with
Energy Performance
Certificates

BREEAM

in-use assessment done on full portfolio



Reflections from our chairman

Management internalisation and rebranding

It has been a transformative year for the Group as we completed the management internalisation of the business. Burstone is now a fully integrated international real estate company with a strong management team with the ability to increase operational leverage across its international portfolio and pursue its capital-light funds management strategy across the business.

The Group rebranded from Investec Property Fund to Burstone in October 2023 following the completion of the internalisation after a long and proud heritage under the Investec brand name.

Our new name reflects our vision to be a dynamic and agile fully integrated international real estate business, with a strong heritage, that has the unique ability to identify potential and unlock value for our shareholders and partners. We have a long history of creating, building and managing real estate businesses. Across the globe our people have the know-how, the heritage, the ability and the tenacity to transform the ordinary into the extraordinary.

The name, Burstone, is an inspiring story of transformation. It's about seeing the potential that lies within something and then transforming it into something of real value. We strive to deliver purposeful and authentic client experiences with agility, speed and passion. This has always been at the heart of our approach, entrepreneurial mindset and strategy.

Strategic objectives

Our strategic objectives for the short-to-medium-term are focused on five key areas of growth and operational excellence, each essential for driving long-term success and value creation. We have made significant strides towards achieving these initiatives and further details are provided in the various sections of our integrated report.

1. Integration

We aim to unlock distribution synergies and enhance capabilities across geographies by actively engaging with international investors and stakeholders. Leveraging cross-border skills, knowledge, experience, and expertise, we will use streamlined processes and systems to maximise efficiencies and drive best practices. This approach will ensure a seamless integration of our global operations, optimising our performance and market position.

2. Optimising current portfolios

Our commitment to maintaining stability, client retention and enhancing the quality of recurring earnings remains paramount. To drive operational efficiency, we will continue to reduce the cost of occupation, exit non-core assets and extract cost savings across the Group. By considering broader cost and operational synergies, we will further streamline our operations and improve our bottom line. Maintaining strong client retention and enhancing the client experience are central to our strategic objectives. These efforts will enable us to maintain a competitive edge and invest in areas that offer the greatest potential for growth and returns.

3. Maintaining a robust balance sheet

Our focus on balance sheet optimisation includes a clear path to reducing our LTV ratio through strategic asset disposals and capital recycling to create capacity. By actively managing refinance and interest rate risk and maintaining an appropriate dividend policy that aligns with our long-term strategy, we ensure financial stability and sustainable growth. This disciplined approach to balance sheet management will support our broader strategic goals and enhance shareholder value.

4. Growth

We are committed to expanding our footprint through the roll-out of funds management in all regions and seeking value-add and core plus opportunities. We are pleased with the contribution from capital light activities to earnings at around 7%, and we expect this contribution to increase significantly over the next few years.

5. Holistic sustainability

By continuously embedding ESG principles and processes across our business and focusing on initiatives that meaningfully impact our priority UN SDGs, we will foster sustainable growth.

Financial performance

Full year results were in line with guidance, with distributable earnings per share increasing by 1.0% to 105.67cps (Mar-23: 104.64cps). The results were underpinned by solid operational performances from the South African and European businesses, with like-for-like net property income up 1.5% and 6.2% (in EUR), respectively. The Group benefited from synergies created by the internalisation, integration of its business and its enhanced international footprint. The positive results from underlying operations were as expected, impacted by higher funding costs, with an increase in interest rates resulting in a c.R66 million increase in funding costs over the period. The dividend payout ratio was 85% with a total dividend of 89.46cps (Mar-23: 99.41cps).

A focus on delivering holistic sustainable value

We take a longer-term view on property fundamentals through varying cycles. We look to optimise our capital and unlock value by taking calculated, well-measured and managed risks. Our long-term track record is testament of this approach and our ability to deliver sustainable returns.

Sustainability is not only about returns, but we also fundamentally believe that the UN SDGs should form a cornerstone of our business practices and strategies.

We recognise the importance of rolling out a comprehensive sustainability strategy that is integrated throughout the business. Our sustainability strategy needs to create longer-term stakeholder value that is financial and impactful, improves lives and livelihoods, acts as an enabler of ESG and aims to achieve net-zero emissions.

During the year, Burstone achieved several key milestones across its operations. The Group maintained its Level 1 B-BBEE status and continued to invest over R7 million in South Africa on enterprise, supplier, and social development, as well as various CSI initiatives. In Europe, we conducted a comprehensive decarbonisation review and have planned a significant PV roll-out to generate 4.5 MWp across the portfolio within the next 12 to 18 months. Additionally, a smart meter roll-out was completed, providing live energy consumption data to promote energy efficiency and support our carbon reduction strategy. In South Africa, 70% of our portfolio now has back-up power and we have installed 14.8MWp of solar capacity to mitigate the energy crisis. Our first borehole pilot studies yielded positive results, and we entered multiple green leases with clients based on solar shared savings models. We also partnered with the GBCSA to achieve 4-star Industrial Green Star certification for five buildings and obtained three new 4-star ratings in our office portfolio, along with the recertification of nine 4-star ratings.

Governance

We as a board are confident in the corporate governance advancements we have made so far and appreciate the benefits of a diversified board, especially given the level of activity and engagement we have had over the past year. We value diverse thinking and continue to strive to create a culture that fosters constructive and robust debate.

We have not faced any major governance issues and are comfortable with the constitution and effectiveness of the Board. As part of our corporate governance practice, the Board, on an ongoing basis, evaluates factors such as independence, diversity, skills and attributes and rotation in determining the optimal board composition. In August 2023, Khumo Shuenyane retired from the Board having served on the Board since 2015. In November 2023, Sam Leon retired from the Board having served on the Board since 2013. The Board would like to express its gratitude to Khumo and Sam for their service and dedication to the Group. In November 2023, Paul Theodosiou was appointed as an independent non-executive director. The Board welcomes Paul to the Group and looks forward to his contribution.

Outlook and prospects

Despite a challenging operating environment, our leadership team has navigated this transformative period with passion and dedication, culminating in the successful internalisation of our business and the repositioning of our Group into an integrated international real estate business. We are already benefiting from our enhanced international footprint.

Burstone's balance sheet remains robust with a firm plan to reduce LTV to between 37% to 40% over the next 12 months. The Group is proactively managing its refinancing and interest rate risk and is actively engaging in the refinancing of its Group debt and the debt in its European (PEL) platform, with completion of the refinancing targeted for Q2 of financial year 2025.

Looking ahead, Burstone is entering an exciting phase of growth. While macroeconomic conditions in South Africa and internationally present constraints, we will pursue our growth objectives within these limitations. Our existing platforms provide a robust foundation for launching new funds management strategies, and I am confident that we have the right infrastructure and personnel in place to pursue this new growth path successfully.

Appreciation

I want to express my gratitude to the other members of the Board for their unwavering commitment and support throughout this past year, which was indeed a very busy one for the Group. I also extend my congratulations to the management team for their exemplary leadership, as well as our dedicated staff and partners who have continued to serve clients admirably through this transformative period. A final thank you goes to Burstone's shareholders and other stakeholders for your steadfast support as we internalised our business and set ourselves on a new strategic path.



Moses Ngoasheng
Chair

4 July 2024



Burstone at a glance

Burstone at a glance

We are a fully integrated international real estate business

30 years+
track record

R37bn
GAV

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 seven countries
- Platform established in 2017
- Proven track record of buying, working and profitably selling logistics real estate

R14.2bn GAV

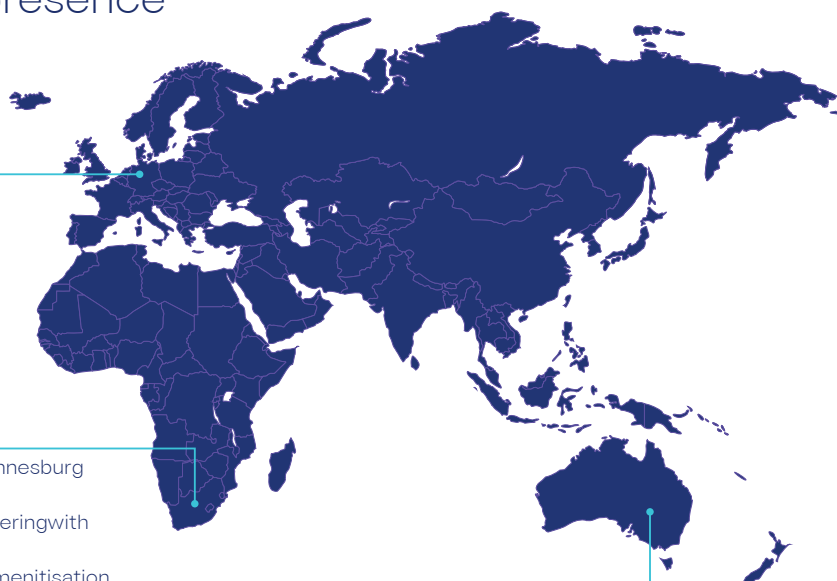
SOUTH AFRICA

- Diversified real estate manager listed on the Johannesburg Stock Exchange (JSE) in 2011
- Retail: niche assets or those that are dominant offering with 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 Joint Venture (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 Australian Securities Exchange (ASX)



Who we are

About Burstone

Burstone is an integrated international real estate business. The Group listed on the JSE in 2011 and has a strong management track record of more than 30 years, operating in local and international markets.

Internationally, the Group has invested and built platforms in markets where our management teams have extensive on-the-ground experience and proven track records. The Group invests in quality local and international property assets with the purpose of delivering attractive long-term returns and unlocking value.

In South Africa, the Group pursues a predominantly core investment strategy with a focus on quality income-producing assets in traditional asset classes. The South African portfolio comprises of 72 properties diversified across the retail, industrial and office sectors valued at R14.2 billion.

In Europe, the Group has an 83.15% investment in a Pan-European logistics (PEL) portfolio valued at R22 billion (€1.1 billion). The underlying portfolio comprises of 32 logistics properties that are located in seven jurisdictions across Europe, including the core regions of Germany, France and Benelux. In Europe, Burstone targets mid-size and big-box logistics facilities in core Western European markets where it adopts a core-plus or value-add investment strategy to unlock value from both income-producing assets and development opportunities.

In Australia, the Group has established a 50 / 50 JV with the management team of the Irongate Group which has A\$490 million equity under management and an estimated current realisable asset value of A\$3.2 billion. In addition, Burstone has a direct equity interest of A\$26 million (c.18.67%) in the Irongate Templewater Australia Property (ITAP) Fund managed by the Irongate JV. The Group also has a c.A\$7 million (19.9% interest) in Smithfield, an industrial property purchased in November 2023. The platform provides the Group an attractive entry point into the Australian market with potential to further scale its funds management strategy.



4 Sandown Valley Crescent, Sandton, Gauteng, South Africa

We transform potential into value

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

The Group has created value through varying economic cycles, by adhering to the following key operating principles:

1	2	3	4	5
<p>We are real estate purists who invest in best-in-class assets</p> <p>The Group's portfolio of investments has been built over the years by adhering to our investment philosophy of acquiring quality assets with compelling property fundamentals in strategically selected sectors and geographies where we have an in-depth understanding of the market dynamics in those areas.</p>	<p>We are client centric and proactively partner with our clients to provide the best client experience</p> <p>We believe in building trusted long-term relationships with our clients and stakeholders and creating enhanced returns through value-added initiatives.</p> <p>We embrace a client-centric approach in our business ethos, focusing on active, hands-on property and client interaction to ensure clients are provided with an exceptional experience.</p> <p>We aim to deliver purposeful and authentic client experiences with agility, speed and passion.</p>	<p>We are hands-on and highly skilled with strong local knowledge</p> <p>We operate in markets where we have people on the ground with proven track records. With a combination of hands-on property skills, financial expertise and passion for real estate, our team comprises both experienced and young professionals who operate in a highly collaborative and entrepreneurial environment. Collectively, the team possesses a deep-rooted understanding of how to deliver excellence in client service.</p>	<p>We rigorously manage our balance sheet and focus on dynamic capital allocation</p> <p>We actively manage our capital, gearing level and liquidity to ensure that our balance sheet is sound and can support our long-term strategic objectives.</p> <p>We believe in disciplined capital allocation and continued capital rotation to meet risk-adjusted targets.</p>	<p>We focus on delivering holistic sustainable value</p> <p>We take a longer-term view on property fundamentals through varying cycles. We look to optimise our capital and unlock value by taking calculated, well-measured and managed risks. Our long-term track record is testament of this approach and our ability to deliver sustainable returns.</p> <p>Sustainability is not only about returns, but we also fundamentally believe that the United Nations Sustainable Development Goals (SDGs) should form a cornerstone of our business practices and strategies.</p> <p>We aim to create broader long-term stakeholder value that is profitable and impactful in the areas where we operate.</p>

Who we are CONTINUED

Our Environmental, Social and Governance (ESG) strategy encapsulates achieving tangible value for our stakeholders:



Our clients

- The pursuit of smart and healthy buildings
- Sustainable buildings as a differentiator
- Aligned strategic ESG goals
- Advocating climate action alongside our clients and providing access to data and/or educational initiatives to clients to promote sustainable thinking
- Reducing cost of occupation



Our business

- Capital allocation that is not environmentally destructive or carbon-intensive and, where possible, investing in return-generating renewable energy roll-out
- Cost-saving through energy and water efficiency
- Attracting clients, investors and additional pools of capital



Our planet

- A commitment from leadership and the Board in advocating climate action both within our own business, alongside our clients and in providing access and/or educational initiatives to the communities in which we operate
- Reduce our carbon footprint over time
- Incorporate considerations regarding climate change into our decision-making processes



Our shareholders

- Optimising capital allocation
- Investing in return-generating, sustainable investments, such as solar
- Attracting different pools of capital aligned with our ESG approach
- Delivering sustainable total returns



The communities in which we operate

- Conscious contribution
- Entrepreneurship and skills development as a key underpin for what we do
- Leverage off environmental strategies in place at buildings, where possible



Our people

- Building a sustainable, value-based culture
- Creating a "connected" organisation – a sense of purpose and belonging
- Upskill and empower employees to perform extraordinarily

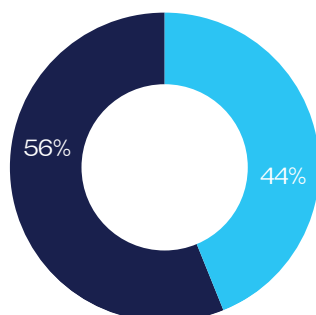


Sochaczew Park, Poland



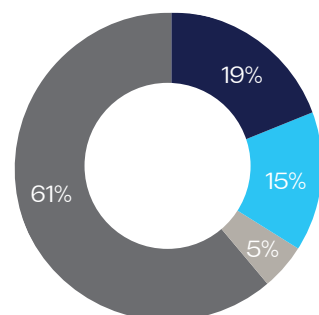
Our investment portfolio in a snapshot

Proportionally consolidated balance sheet exposure*



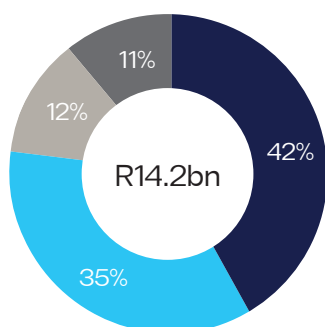
■ Europe ■ South Africa

Group sectoral exposure (proportionally consolidated)*



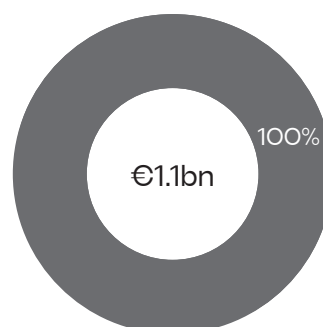
■ Retail ■ Office
■ Industrial ■ Logistics

South Africa sectoral composition (by asset value)



■ Retail ■ Office
■ Industrial ■ Logistics

Europe sectoral exposure



■ Logistics

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

South Africa (100% ownership) (100% management)

- Diversification across office, industrial and retail sectors
- Best of breed assets in their sub-market

Value of investment	R14.2bn
Asset value	R14.2bn
Number of properties	72
GLA (m ²)	971 331
WALE to expiry	3.0 years
Vacancy by GLA	4.5%

Europe (83.15% ownership) (100% management)

- Western Europe (>70% in core markets of France, Germany and Benelux)
- Big-box logistics

Value of investment	R8.0bn
Asset value	€1.1bn
Number of properties	32
GLA (m ²)	1 124 555
WALE to expiry	5.3 years
Vacancy by GLA	2.2%



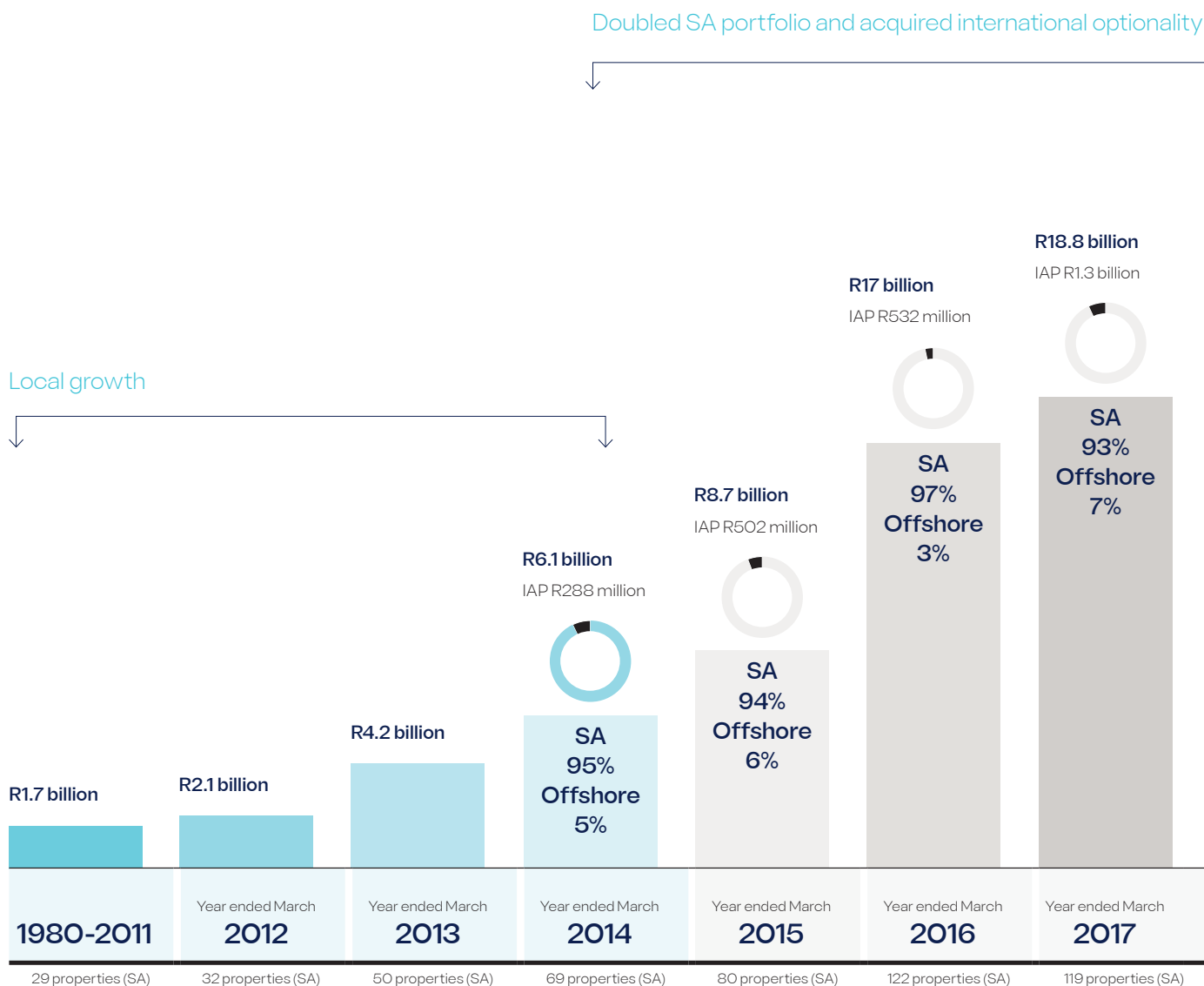
Younghusband, Melbourne, Australia

Australia (50%)

- 50 / 50 JV in Irongate Group
- 18.67% interest in ITAP fund
- 19.9% interest in Smithfield
- Capital light business

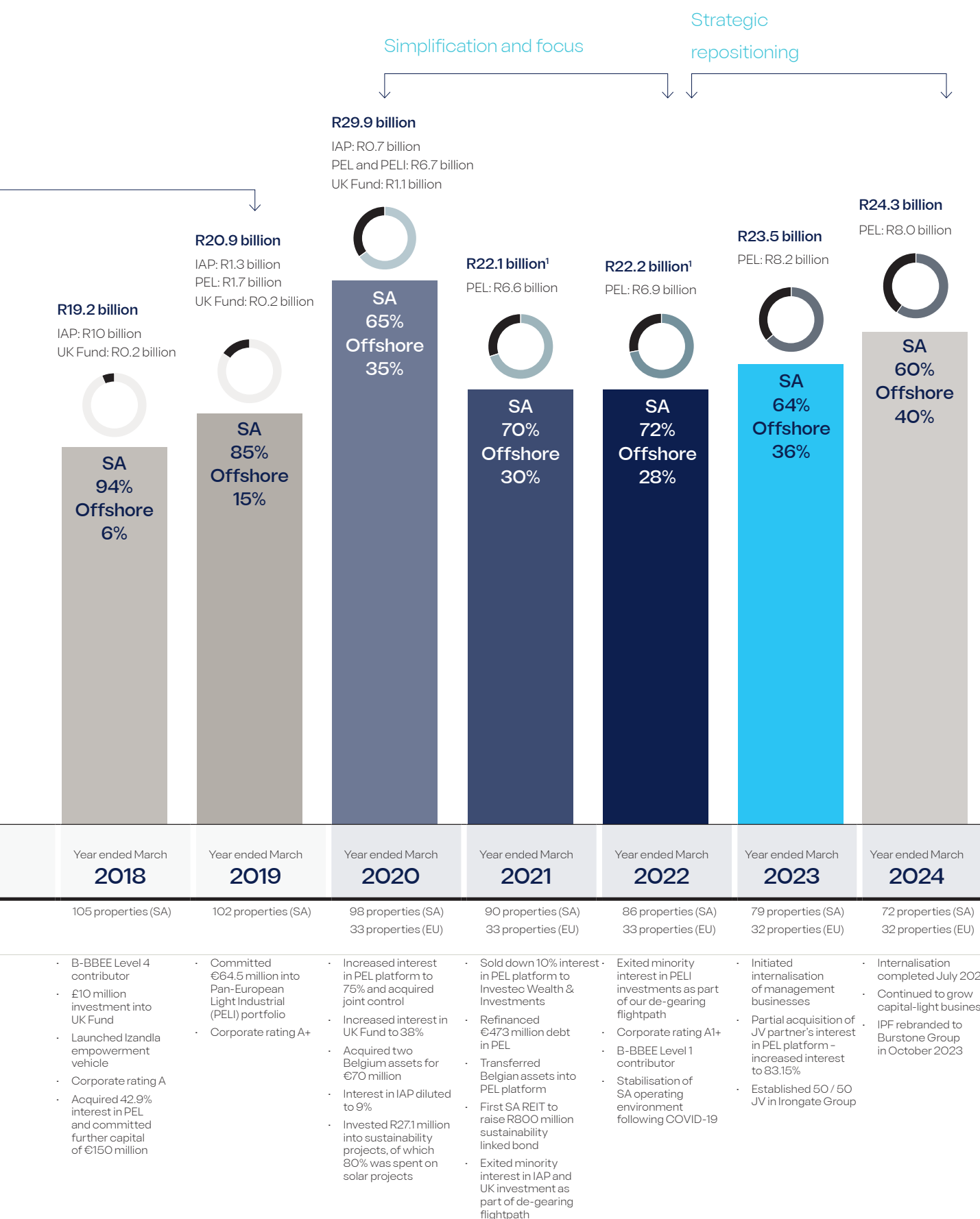
Equity under management	A\$490m
Realisable asset value	A\$3.2bn

Our milestones



Key events

- Investec Limited builds its property business through several acquisitions, listing of platforms and other initiatives. From around 2008 Investec starts to build Investec Property Fund (IPF)
- IPF is listed on the JSE in 2011
- REIT status (1 April 2013)
- First international acquisition in IAP (October 23)
- Corporate rating A-
- Secured rating AA
- B-BBEE Level 3 contributor 2014
- Doubled fund size through Zenprop and Griffin transactions (R7.9 billion)
- Acquired 10% interest in UK Fund for £10 million (R173 million)



¹ Similar investment value over 2021 and 2022 but composition between SA and offshore changed. SA value impacted by sale of properties and valuation write down and offshore value reduced despite valuation uplift of PEL portfolio, due to lower translated exchange rate at 31 March 2022 and sale of PELI portfolio.

Note: SA and offshore analysis based on IFRS on-balance sheet values.

Our leadership

Executive directors



Andrew R Wooler (42)
Chief Executive Officer
B Bus Sci (Finance Hons), FCA, PLD (Harvard)

Committees: **I** **N** **S** **A** **R**

Standing invitation to all committee meetings

Appointed: 2015

Having joined the Group's executive management team in August 2012, Andrew has been instrumental in growing the Group from R2 billion of local assets to its current portfolio comprising R37 billion GAV under management and R4.7 billion of third-party capital under management across South Africa, Western Europe and Australia. Andrew fulfilled the role of Chief Financial Officer (CFO) from August 2015 until 1 December 2018 when he became Joint Chief Executive Officer (CEO) of the Group. This position is a culmination of Andrew's commercial, corporate finance and property industry experience, leveraging his skill as a qualified chartered accountant for the benefit of the Group through all aspects of M&A opportunities, corporate activity, financial structuring and asset positioning to ensure consistent business growth, efficient capital recycling and industry leading returns. Prior to this, Andrew spent eight years in London where he qualified as a Chartered Accountant and worked in investment banking and corporate finance.



Jenna C Sprenger (38)
Chief Financial Officer
CA(SA) (BACC Rhodes; Post Graduate Diploma in Accounting)

Committees: **I** **N** **S** **A** **R**

Standing invitation to all committee meetings

Appointed: 2022

Jenna joined the Group in August 2014 and became an integral part of the management team in supporting the growth of the business. Jenna has well-rounded experience in the business being responsible for Finance, Reporting and Balance Sheet and acts as a strategic partner in all decision-making. She fulfilled the role of CFO from 1 December 2018 to 30 November 2020, at which time she stepped down from the role to spend more time with her young family. On 1 July 2022, Jenna reassumed the role of CFO. Jenna has extensive experience in managing the balance sheet and treasury function across both South African and European businesses. Prior to joining the Group, Jenna was the Financial Manager at Annuity Properties Limited, which she joined shortly after it listed until its sale to Redefine Properties. Post-graduation, Jenna completed her accounting articles and gained experience at KPMG Johannesburg and KPMG New York.

Committee membership key

- I** Investment committee
- N** Nominations committee
- S** Social and ethics committee
- A** Audit and risk committee
- R** Remuneration committee

Non-executive directors

**Nicholas P Riley** (45)

Non-executive director

B Com (Cum Laude), B Com Hons, CA (SA), CFA, PLD (Harvard)

Committees: **I**

Appointed: 2015; Non-executive 2018

Nick joined the Group on 1 April 2014, as part of the Group's executive management team. In 2015 Nick assumed the role of CEO until 1 December 2018 when he assumed a role within the Investec Group, heading up the combined Investment Banking and Principal Investment businesses of Investec Specialist Bank. Prior to joining the Group, Nick spent nine years at Investec Corporate Finance, where he was a senior investment banker responsible for a number of Investec's key client relationships.

Committee membership key

- I** Investment committee
- N** Nominations committee
- S** Social and ethics committee
- A** Audit and risk committee
- R** Remuneration committee

Our leadership CONTINUED

Independent non-executive directors



Moses (Moss) M Ngoasheng (67)
Independent non-executive chair
*BA Economics and Politics, BSoc Sci (Hons),
MPhil (Development Studies)*

Committees: I N (Chair) S R
Appointed: 2011; Chair 2021

Moss has served as a director on the Board of the Group since 2011 and acted as the Lead Independent Non-Executive Director up to 2016. Moss was appointed as Chair in 2021. Prior to 1994, Moss was involved in economic policy formulation as part of the ANC's economic policy division and joined the Presidency as Economic Advisor to Deputy and later President Mbeki from 1995 to 2000. He is currently the Deputy Chairman and CEO of Safika Holdings (Pty) Ltd, a substantial investment holding company which he formed in 1994. Moss serves on the boards of Sephaku Holdings Ltd, The Nelson Mandela Children's Hospital and other unlisted subsidiaries and associates of Safika Holdings.



Philip A Hourquebie (71)
Independent non-executive director
BAcc, BCom(Hons), CA(SA)

Committees: N R
Appointed: 2016

Philip gained over 38 years of experience at the global professional services firm, EY (formerly Ernst & Young). Between 2010 and 2014 he served as the Regional Managing Partner, Central & South Eastern Europe, for EY and prior to that he was the Regional Managing Partner, Sub Saharan Africa and CEO South Africa. He currently serves as non-executive chair of Aveng Ltd and board chair of Investec Ltd and Investec plc. He is a member, and past chair of the board, of the South African Institute of Chartered Accountants (SAICA).



Disebo C Moephuli (60)
Independent non-executive director
BA, MBA

Committees: S A
Appointed: 2022

Disebo has over 25 years' experience in executive roles within financial services, freight transport and logistics industries and specialises in risk management (both operational and financial) and treasury management. Until August 2021, she served as CEO of corporate and investment banking (CIB) South Africa for Standard Bank Ltd. In this role, she ensured alignment of the strategic direction, goals, growth initiatives and business objectives at a regional level within the overall CIB. Disebo has served as an independent non-executive director (INED) and the risk and investment committees of Nampak. Currently she is an INED of DBSA, HBZ Bank as well as a member TCTA Finance Committee. She holds a BA Economics degree from the National University of Lesotho, an MBA from Dalhousie University, Canada and an Executive Leadership Programme (LEAP) from INSEAD Business School. She further completed a Project Management course from Stellenbosch University, Property Development and Investment Course from the University of Cape Town and the Accelerated Directorship Programme with the Institute of Directors Southern Africa.

Committee membership key

- I Investment committee
- N Nominations committee
- S Social and ethics committee
- A Audit and risk committee
- R Remuneration committee

**CW Nosipho Molope** (59)

Independent non-executive director
B Sc (Med), B Compt (Hons) CTA, CA(SA)

Committees: **A** (Chair)

Appointed: 2021

Nosipho is a chartered accountant and an experienced non-executive director. She currently serves on a number of listed boards, namely, Alexander Forbes Group Holdings Limited, EOH Holdings limited, Exxaro Resources Limited and MTN Group Limited. She is also a member of the University of Johannesburg Council where she chairs the audit committee. Her board committee membership includes Audit, Risk and Compliance, Finance and Investment as well as Social and Ethics. She previously served on the Engen Board, Old Mutual Limited as well as various MTN Group subsidiaries and associates including MTN SA, MTN Uganda, MTN Rwanda, MTN Eswatini and MTN Zambia amongst others where she chaired the audit committees.

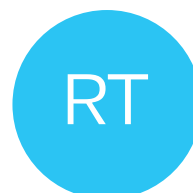
**Paul A Theodosiou** (61)

Independent non-executive director
CA(SA), MBA

Committees: **I** (Chair) **A**

Appointed: 2023

Paul is a Chartered Accountant of the SAICA and holds an MBA degree from the University of Cape Town. After a decade in the accounting profession, Paul started a commercial property development business in the early 1990s, leading to the JSE listing of Acucap Properties in 2002. When Acucap was acquired by Growthpoint in 2016, Paul returned to private equity property investment and has also participated in a number of tech-based start-ups. Outside of the workplace, Paul has a strong commitment to the work of theological training colleges. He has been a board member of the Bible Institute of SA for a number of years and has also enjoyed a long and fruitful involvement with George Whitefield College.

**Rex G Tomlinson** (61)

Independent non-executive director
BCom

Committees: **N** **S** (Chair) **A** **R** (Chair)

Appointed: 2022

Rex is a business leader with over 30 years' experience at board level, in both a C-suite and non-executive capacity, across multiple sectors in South Africa, Africa and the United Kingdom. He served as an executive director of Illovo Sugar, Nampak and Liberty Holdings and as Group Executive of Old Mutual plc. He has served and continues to serve as non-executive chair of unlisted businesses. Rex served as a non-executive director for Tsogo Sun, Telkom, Kelly Group and Balwin Properties. He holds a Bachelor of Commerce degree, a post graduate diploma from Wits Business School and attended the Stanford Executive Programme.

Committee membership key

- I** Investment committee
- N** Nominations committee
- S** Social and ethics committee
- A** Audit and risk committee
- R** Remuneration committee

Our leadership CONTINUED

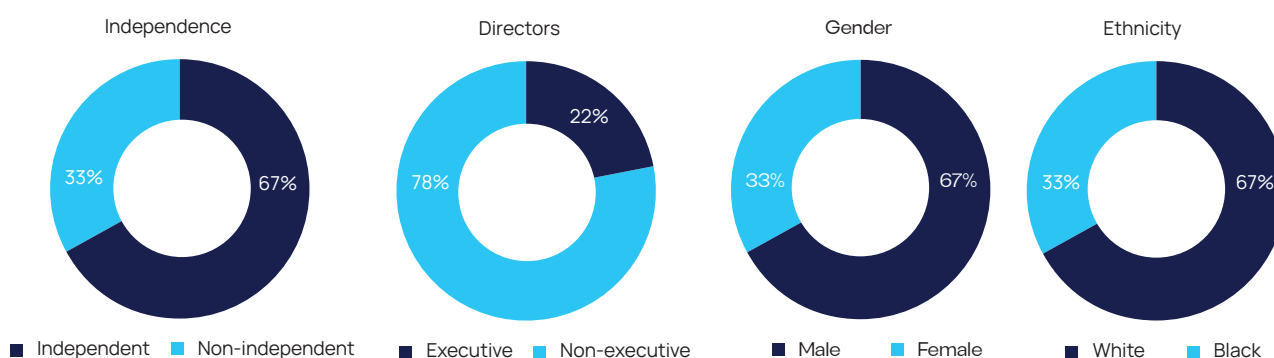
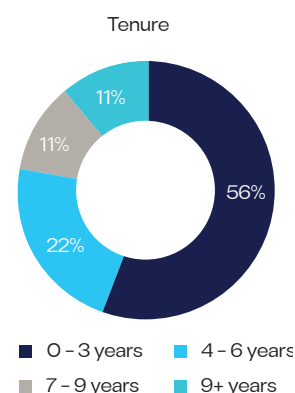
Directorate

Board diversity, independence and expertise

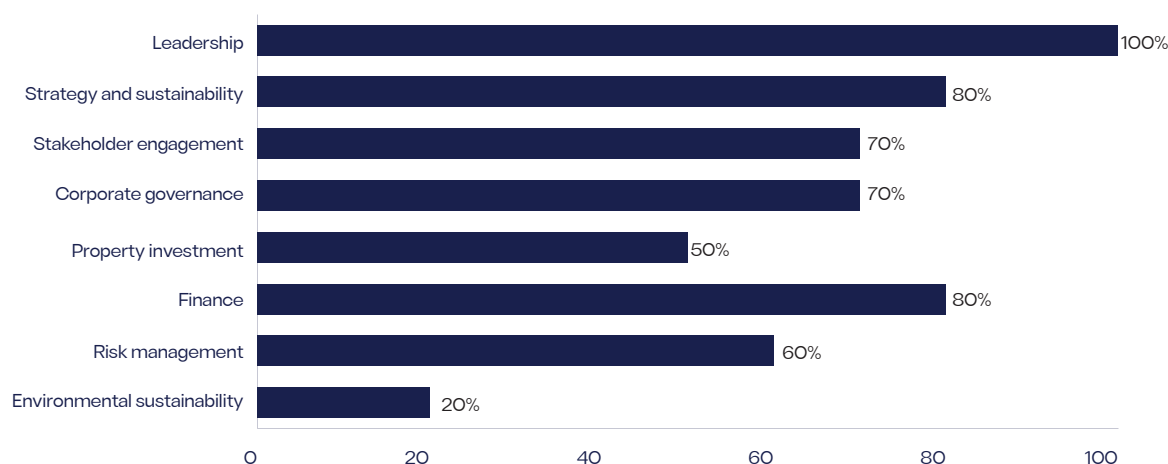
Our Board provides ethical leadership and guidance in order to deliver long-term value to shareholders and stakeholders and is committed to ensuring that good governance practices are applied throughout all aspects of the business.

We have a unitary board with nine directors, with a balance of independent and non-independent directors.

The graphs presented are for the period ended 31 March 2024.



The Board appreciates that it requires a diverse array of knowledge, skills, experience and diversity as well as independence to discharge its governing roles and responsibilities, and to remain relevant. Our directors' primary area of expertise is highlighted in the graph below.



Average age

56 years

Oldest member

71 years

Youngest member

38 years

The image shows a modern building with a glass facade and a rooftop terrace. In the background, a tall skyscraper is visible against a clear blue sky. The foreground is filled with lush green trees. A large, dark blue circular graphic is overlaid on the right side of the image, containing the text "How we create value".

How we
create
value

Business model

Capital inputs



Financial capital

- Debt and equity
- Capital recycling
- Third-party capital



Human capital

- Experienced board of directors
- Strong leadership team
- Skilled professionals with an extensive track record
- On-the-ground, in-country, specialised management teams in all regions
- Support and enabling services – finance, legal, marketing, tax, human resources, IT, operations etc.



Social and relationship capital

- Partnership with clients
- Investor, analyst and lending community confidence
- Strong partnerships with suppliers and brokers
- Proactive media engagement
- B-BBEE compliance strategy
- CSI engagement
- Environmental, Social and Governance (ESG) strategy



Intellectual capital

- Strong brand and reputation
- Management team track record and experience
- Diversified board with property and financial skills
- Client experience offering
- Culture of entrepreneurship and agility
- Operating systems and processes
- Access to capital and deal flow
- Innovative thinking and ability to adjust to change



Manufactured capital

- South African direct property portfolio
- Pan-European logistics (PEL) property portfolio
- JV with the Irongate Group



Natural capital

South Africa

- 135 180 MWh of energy
 - Grid supply electricity 74.2%
 - Renewable energy 13.7%
 - Diesel 11.9%
 - Natural gas 0.2%
- 580 311 kilolitres of water
- Land

Europe

- 64 337 MWh of energy
 - Grid electricity 45.8%
 - Renewable energy 4.3%
 - Natural gas 49.9%
- 93 014 kilolitres of water
- Land

The Group

Burstone's objective is to:

- Transform potential into value;
- Be the partner of choice for our clients, consumers and capital markets;
- Optimise capital and income returns over time for investors; and
- To deliver sustainable outcomes for communities.

We do this by investing in well-priced, income-producing properties in South Africa and offshore

Our waste and emissions

Total emissions

SA: 105 282 tCO₂e

Europe: 21 551 tCO₂e

Non-hazardous solid waste generated

SA: 3 683 tonnes

Europe: 1 659 tonnes

General waste

SA: 1 554 tonnes

Europe: 663 tonnes

Waste recycled

SA: 2 129 tonnes

Europe: 996 tonnes

Outputs



South Africa

In South Africa, the Group seeks to invest in quality income-producing assets diversified across selected sectors:

- **Retail** – niche assets or those that are the dominant offering within their respective locations
- **Office** – multi-tenanted, well-located buildings, with strong amenitisation
- **Industrial** – good-quality, functional space in established nodes with consistent/stable demand



Europe

In Europe, the Group targets big-box logistics facilities in the core regions of France, Germany and Benelux, where it adopts a core plus/value-add investment strategy to unlock value from both income-producing assets and development opportunities.



Australia

In Australia, the Group has a 50 / 50 Joint Venture (JV) in the Irongate Group, a 18.67% limited partner position in the ITAP fund managed by the JV, and a 19.9% interest in the Smithfield acquisition managed by the JV. The Group is seeking to establish several new platforms with value-add strategies in the medium- to long-term.

1. 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.



Summary of capital outcomes

- **R12.3 billion** debt
- **R12.4 billion** equity
- Paid **R720 million** of dividends
- Interest cover ratio of 2.7x
- Interest rates hedged on 98% of debt (Group) and 93% of debt (Europe)
- Adjusted loan-to-value (LTV) at 44%¹ with plan to reduce to between 37% and 40% over next 12 months
- Healthy liquidity with **R1.1 billion** cash and/or facilities available at time of releasing results
- Average cost of Group funding is 9.25% ZAR and 3.16% EUR and cost of debt in PEL is 3.9%
- GCR rating at AA-/A1+(ZA) short-/long-term, outlook stable
- **R1.3 billion** realised disposals



- Sector-specific specialists across asset management, finance and deal-making
- An agile, performance-based, purpose-led culture



- Deep understanding of clients' business and growth plans
- Consistent high-touch connections with clients
- Measured client service excellence
- Dedicated resources to manage stakeholder relations
- Over **R7 million** spent in South Africa on enterprise, supplier and social development and several other CSI initiatives
- Level 1B-BBEE contributor



- Access to third-party capital
- Leverage management skill set
- A new management mandate to manage a **c.€170 million** portfolio in Germany with the opportunity to co-invest in the future
- An **8% increase in equity** AUM in Australia, following Irongate's first industrial acquisition
- Capital light initiatives generated **R61 million contributing c.7% to earnings in the financial year ended 31 March 2024 (FY24)**



- An integrated international real estate business:
 - **R37 billion** GAV under management
 - **R24.3 billion** total on-balance sheet investments
- Proportionately consolidated balance sheet composition – 56% Europe, 44% South Africa
- **A\$490 million** equity under management in Australia
- Generated:
 - **R1.2 billion** net property income in South Africa
 - **R303 million** income from investments
- Net asset value decreased by 4.5% to R15.45ps largely due to unrealised mark-to-market on derivatives and the marginal impairment on the European portfolio
- Capital recycling completed – **c.R1.3 billion** of South African assets sold at a 1.5% premium to book



- South Africa:
 - 14.8MWp total solar capacity
 - 70% of properties (by GLA) with back-up power
 - Green star ratings:
 - Total 28 buildings (82% office; 18% industrial portfolio)
 - Market leader – Burstone piloted the roll-out of industrial certifications and achieved 4-star Industrial Green Star certification for five of our buildings
 - Achieved three new 4-star ratings in our office portfolio and recertification on nine 4-star ratings
 - Multiple green leases with clients on solar shared savings models
- Water: First borehole pilot studies implemented at three properties, with pleasing results. Further feasibility studies being undertaken at four sites
- Europe:
 - Light-emitting diode (LED) lighting: invested over €1 million over the past three years and continue to invest into LED lighting
 - Smart meters installed across the entire portfolio
 - Energy performance certificates (EPCs) across entire portfolio
 - BREEM in-use pre-assessments performed across the entire portfolio

Strategic overview

We transform potential into value

What is our purpose?	<ul style="list-style-type: none"> To transform the potential of space Rigid focus on delivering value through client experience Deliver consistent performance through the cycles Create broader long-term value that is profitable and impactful in the areas where we operate
How do we create value?	<ul style="list-style-type: none"> We are real estate purists: Hands-on asset management and best-of-breed assets underpin all our decisions Client-centric: Deliver purposeful and authentic client experiences with agility, speed and passion 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 Holistic sustainability: Aim to create broader long-term stakeholder value that is profitable and impactful in the areas where we operate
Where do we operate?	<ul style="list-style-type: none"> In markets where we have people on-the-ground with a proven track record We manage R37 billion of GAV across South Africa and Europe with A\$490 million funds under management in Australia

The Group has a clear set of strategic objectives for the short- to medium-term



Integration	Optimise current portfolios	Maintain a robust balance sheet	Growth	Holistic sustainability
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Clear path to reducing LTV Capital recycling to create capacity Actively manage refinancing and interest rate risk Maintain an appropriate dividend policy that supports our long-term strategy 	<ul style="list-style-type: none"> Funds management roll-out in all regions Seek value-add / core plus opportunities 	<ul style="list-style-type: none"> Further embed ESG principles and processes across our business Focus on initiatives that can meaningfully impact our priority United Nations Sustainable Development Goals (UN SDGs) Further develop solar roll-out strategy Aim to achieve net-zero emissions

Creating long-term sustainable value

During FY24 the Group has made the following progress towards achieving these objectives:

1. Integration

The internalisation of the South African and European asset management businesses has several strategic advantages as outlined at the time of announcing the transaction earlier in 2023. The transaction aligns the management team with shareholders and the full accretionary impact will only be reflected in the financial year ending 31 March 2025 (FY25). Operating as an integrated business is key to the Group delivering on its ambitions to grow its businesses across the regions in which it operates.

During the year, the Group focused extensively on integrating its international platforms:

- Global brand roll-out, with Investec Property Fund and Urban Real Estate Partners being rebranded to 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.
- Developed our employee value proposition focused on bringing our people together, embracing our culture and sharing in a common sense of purpose.
- Joint international capital roadshows, leveraging on extensive local and international experience across the teams.

The Group is benefiting from synergies created by the internalisation and integration of its business and its enhanced international footprint:

- The annualised net management fee saving resulting from the internalisation is R80 million, 8% ahead of the expected savings announced at the time of the transaction (of R74 million).
- 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.€2.1 million corporate savings in Europe during the financial year, with further synergies expected in FY25.

2. Optimise current portfolios

Enhancing client experience and client retention remains a core strategic priority. Our client-centric approach ensures that we deliver purposeful and authentic client experiences with agility, speed and passion. The Group has maintained stability across its portfolio with vacancy levels in South Africa and Europe remaining at low levels of 4.5% and 2.2% respectively. In South Africa, 90% of space expiring has been relet or leases have been extended and in Europe, the ratio was 96%. The WALE of the portfolio is 3.0 years and 5.3 years in South Africa and Europe respectively.

In South Africa, we have proactively reduced the cost of occupation for our clients by:

- Introducing green leases to share solar benefits with our clients.

- Constantly reviewing and streamlining electricity tariff structures.
- Investing into offsite security monitoring to enhance effectiveness but also to benefit from lower costs.

In Europe we have proactively reduced the cost of occupation for our clients by:

- Over the past three years we have invested over €1 million into LED lighting and we are continuing to invest in it, thereby enhancing the sustainability of our portfolio and reducing costs for our clients.
- Constantly reviewing property tax valuations with considerable savings extracted in the Netherlands and France.
- Reviewing supplier and utility contracts to ensure cost efficiencies for the client base.

We have made several disposals during the period, some of these included the sale of non-core assets.

Cost-to-income ratios across the business remain low and as part of the internalisation, we have assessed several opportunities to enhance operational synergies which we would look to implement over the near term. We have already extracted cost savings in the European platform with further savings expected over the next year.

3. Maintain a robust balance sheet

The Group is focused on several initiatives, which are at various stages of progress, to further manage LTV down from its current level of 44%. During the period, the Group sold net assets in South Africa of c.R1.3 billion at a c.1.5% premium to book value, in line with the projected pipeline of sales presented to shareholders in our LTV flightpath in May 2023. Over the past three years, the Group has sold R2.8 billion of South African assets in line with book value. The Group is actively working on several initiatives to continue to recycle its capital efficiently with a pipeline of R1.2 billion to R1.4 billion of South Africa assets and €150 million to €250 million of European assets identified for sale. The Group is targeting an LTV of between 37% to 40% over the next 12 months which will be achieved through these asset sales.

The Group is proactively managing its refinancing and interest rate risk and is actively engaging in the refinancing of its Group (ZAR and EUR) and PEL debt, with completion of the refinancing targeted for Q2 FY25. The refinancing of the Group (ZAR and EUR) debt is expected to result in margin savings of c.20bps and extend the debt expiry from 2.2 years to 3.2 years. The refinancing of debt in PEL is expected to be completed on a cash neutral basis and is expected to extend the debt expiry from 1.3 years to 4.5 years.

Funding costs are expected to increase by c.R70 million in FY25, as existing hedges roll-off into the new higher interest rate environment. The Group has, however, proactively implemented several cost savings, balance sheet and other optimisation efforts, together with new revenue streams that will absorb a significant portion of these increased interest costs in FY25.

The Group has R11 billion of undrawn committed facilities at the time of releasing results (22 May 2024) to settle short-term debt expiries and has sufficient covenant headroom across all regions.

Strategic overview CONTINUED

4. Growth initiatives

The Group has increased its international footprint through its JV with the Irongate Group in Australia in March 2023. In addition, Burstone invested c.18.67% in ITAP, a successful fund management platform which the Irongate team continues to successfully manage and grow together with other platforms.

Burstone has historically had success in Australia through its investment in the Investec Australian Property Fund (IAPF) (the same management team that now run Irongate), which was listed on the Johannesburg Stock Exchange (JSE) and Australian Securities Exchange (ASX). IAPF was subsequently sold to Charter Hall, providing its JSE and ASX shareholders a total return of 287% and over 60% respectively.

The introduction of a capital light strategy, through the Irongate JV and investment in ITAP, together with a fully aligned and internalised business, creates an opportunity for Burstone to expand its 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.

In terms of the fund management model:

- Burstone will use its existing asset base to seed new portfolios in which the Group will remain significantly invested.
- Potential new portfolios and strategies will be built-out across different markets, asset types and risk appetites including core, core plus and value-add. The Group will ultimately assume non-controlling equity interests in these new strategies ranging from 5% to 50%.
- The Group will seek third-party capital to co-invest alongside the Group, with ability to further scale through in-platform gearing.
- Burstone will serve as fund and asset manager, leveraging on the capabilities and skill of its strong management teams in all core geographies.

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; and
- Creates new revenue streams for the Group, through fund management fees and enhancing the return on Burstone's deployment of capital.

In terms of current initiatives across each region:

- Europe:
 - Burstone entered a new management mandate to drive the asset management function of a light industrial portfolio in Germany, with opportunity for co-investment and continued management of this platform with existing owners. The contract contributed R10 million to earnings in FY24 and this is expected to increase in FY25.
 - The Group is exploring multiple sub-portfolio options and value-add and core plus strategies, where Burstone's strong management capabilities can be leveraged.
 - 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.
- Australia:
 - The 50 / 50 JV with the Irongate Group is progressing well.
 - Irongate made its first industrial property acquisition for a new industrial platform in November 2023. The acquisition was supported by a co-investment from APAC-focused private equity real estate investment group, Phoenix Property Investors (Phoenix) for 80% of the equity, with Irongate co-investing alongside Phoenix and providing the fund and asset management.
- South Africa:
 - The Group has built the foundation for a third-party fund management platform in which institutional capital can invest.
 - Any fund management platforms will initially focus on our core sectors.
 - The Group concluded a JV with Flanagan and Gerard Frontiers Proprietary Limited (F&G) in acquiring the Neighbourhood Square, a best-in-class convenience retail asset located in Linksfield, Johannesburg.

In the current year, total third-party capital under management amounted to R4.7 billion and capital light initiatives generated R61 million earnings, representing c.7% of the Group's earnings. We expect an increase in assets under management and earnings contribution in FY25 and that these initiatives will have a more significant impact to earnings within two- to three-years' time.

5. Holistic sustainability

We recognise the importance of rolling out a comprehensive sustainability strategy that is integrated throughout the business. Our sustainability strategy needs to create longer-term stakeholder value that is financial and impactful, improves lives and livelihoods, acts as an enabler of ESG and aims to achieve net-zero emissions. Within this broader strategy, it is important that the Company drives transformation throughout the business with a clear focus on gender, cultural and racial diversity (locally and internationally) and remains cognisant of specific B-BBEE requirements in South Africa.

The Company's commitment is to:

- Create broader financial and non-financial stakeholder value;
- Embed ESG considerations into its investment processes;
- Manage and mitigate ESG risks (including climate risks);
- Achieve net zero emissions by 2050; and
- Contribute to sustainability opportunities aligned to the UN SDGs.

We are cognisant of the increasing need to quantify our impact and have enhanced our focus on disclosure and delivering greater levels of meaningful ESG data. This process will continue to be improved over time.

During the period, Burstone maintained its Level 1 B-BBEE status. The Group continues to spend over R7 million per year in South Africa on enterprise, supplier and social development and several other CSI initiatives. We focus on several initiatives across our supply chain and we remain cognisant of ensuring that transformation takes place across all these aspects. Over 80% of the Group's spend in South Africa is directed towards suppliers with a Level 1 and Level 2 B-BBEE status. We remain committed to supporting, developing and growing the communities in which we operate.

The European business conducted several analyses including: commissioning a decarbonisation review of the entire portfolio and an assessment of "self-consumption" covering solar strategy. The European business is planning the delivery of a substantial photovoltaic (PV) roll-out which will produce 4.5MWp across the portfolio when complete over the next 12 to 18 months.

The European business performed BREEAM in-use pre-assessments across its entire portfolio. All 32 properties have energy performance certificates:

- 82% of assets by contracted rent reported ratings have C or above;
- 64% of assets by contracted rent have a B or above (or equivalent) energy rating; and
- 22% of assets by contracted rent have an A (or equivalent) energy rating.

The business has also concluded a smart meter roll-out across all European assets. This will allow the landlord and tenants who hold the utility contracts to have access to live consumption data which will help promote energy efficiency, drive cost savings over time and support our strategy to reduce carbon emissions.

In South Africa, 70% of Burstone's portfolio is covered by back-up power and the Group has installed 14.8MWp of solar generation capacity to date to alleviate the burden of the energy crisis. In South Africa, the Group implemented its first borehole pilot studies with pleasing results. Multiple green leases have been entered into with clients on solar shared savings models. The South African business partnered with Green Building Council South Africa (GBCSA) to participate in the Green Star Existing Building Performance Industrial pilot rating tool and achieved 4-star Industrial Green Star certification for five of its buildings. The South African business achieved three new 4-star ratings in its office portfolio and recertification on nine 4-star ratings.

Our capital allocation strategy

Effective capital optimisation and lowering LTV remain key strategic imperatives. The Group also strongly believes that continued investment in several growth opportunities is key to delivering shareholder value and medium-term growth across its core regions and strategies. The Group therefore intends to manage its balance sheet and dividend payout ratio in an appropriate manner to support first and foremost, its planned reduction in LTV together with its growth strategy.

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

South African investment strategy

In South Africa, Burstone seeks to invest in income-producing assets diversified across the traditional sectors:

- **Retail** – niche assets or those that are the dominant offering within their respective locations.
- **Office** – Multi-tenanted well located assets, with strong amenitisation.
- **Industrial** – Good-quality, functional space in established nodes with consistent/stable demand.

With the domestic portfolio stable, the focus will be on accelerating the capital recycling programme. Proceeds will be redeployed into deleveraging the balance sheet and then into core-plus and value-add opportunities which are converted to core over time, to generate returns through the property life cycle. Within a funds management model, investors will be offered the opportunity to participate across the different risk appetites.

European investment strategy

In Europe, the Group invests in big-box logistics facilities in the core regions of Germany, France and the Benelux using a core plus/value-add investing approach to unlock value from both income-producing assets and development prospects.

The logistics sector has experienced considerable growth over the past few years due to structural tailwinds such as e-commerce and urbanisation. The Group's diverse and mature South African portfolio complements the European platform's logistics-focused, high-growth nature, allowing it to generate returns across the cycles notwithstanding limited growth prospects in the South African market.

In Europe, we are primarily in core plus and are focused on incorporating more development and value-add assets. This comprises under-managed assets where the Group can price the capex, letting and income risk and extract greater value.

This investment approach is also aligned to the Group's capital light strategy, where capital partners may be introduced into the investment alongside management co-investment. The Group may also consider potential opportunities to assist third-party owners in managing their non-performing assets or their management teams, in core existing markets.

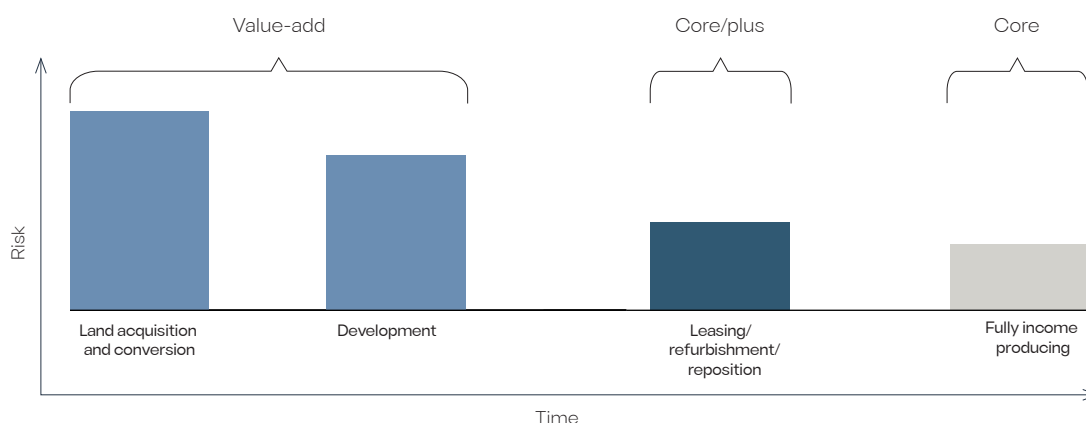
Australian investment strategy

Burstone re-entered Australia in March 2023 through a 50 / 50 JV with the management team of the Irongate Group, which controls c. A\$490 million equity under management, allowing the Group to unlock its broader capital light fund management strategy. Additionally, having a fully aligned and internalised business creates opportunities for Burstone to further expand fund management strategies across all regions.

In Australia, existing investments comprise opportunity funds in which the Group has assumed co-investment stakes ranging from 5-50% and targeting investment across traditional asset classes, pursuing risk strategies that may be core, core plus, value-add or developments. Growth will be achieved through new funds targeting core-plus, value-add or specialised strategies.

Capital light and fund management strategy

Growing our capital light revenues and building out our fund's management strategy are important components of our capital allocation and growth strategy. 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 as explained in detail on page 30.



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
Europe	€33m	3.1%	61% premium	R0.2bn
Total sources				R1.5bn
Recycled into			Return	Investment value
Smithfield acquisition and ITAP (Australia)			>18% IRR	R0.2bn
Capital investment (South Africa and Europe capex)			defensive	R0.4bn
Internalisation of the business			9.4% ²	R0.9bn
Total uses				R1.5bn

¹ R0.8 billion transferred and cash flowed in FY24, R0.5 billion awaiting transfer, but no conditions outstanding

² Net management fee saving on acquisition value of R850 million

Effective capital recycling

During the year we sold c.R1.3 billion of South African assets at a 1.5% premium to book. These comprise:

- R760 million of assets transferred in FY24; and
- R521 million of assets which have been agreed and all conditions have been met at the balance sheet date, but await transfer.

Transferred by 31 March 2024

Asset	Sector	Gross selling price (R'm)	Disposal yield
Investec Office Durban	Office	206	8.6%
Investec Offices Pretoria	Office	183	8.4%
Wellness Centre	Office	22	12.0%
530 Atterbury Road	Office	6	0.0%
Builders Warehouse – Glen	Retail	173	8.5%
Riverhorse-IHD	Industrial	118	5.6%
Martin & Martin	Industrial	52	18.8%
Total		760	8.9%

Agreed deals, pending transfer for the year ended 31 March 2024

Asset	Sector	Gross selling price (R'm)	Disposal yield
Barinors Vineyards – Farm 5	Office	115	8.1%
Vinebridge	Office	45	8.6%
Devland Silverlakes	Retail	80	4.5%
Lerwick Road	Industrial	96	10.5%
52 Jakaranda	Industrial	39	10.4%
43 Imvubu (Media House)	Industrial	38	0.5%
Sasol	Other	108	n/a
Total		521	7.6%

Our capital allocation strategy CONTINUED

The Neighbourhood Square transaction

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 assets with predictable, long-term income streams supporting Burstone's strategic objective of delivering sustainable returns across its portfolio
- The opportunity to partner with 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 Dis-Chem 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 Leasehold, Sub-leasehold or Management (LSM) node



4.3 years
WALE

0%
Vacancy

R285m²
Weighted
average rental
per m² per month

10.9k
Rentable
area (m²)

86%
National tenants

c.R380m*
Price

>15%
Forecast
levered IRR
(40% gearing)

13%-14%
Burstone WACC

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

Irongate JV – 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, underutilised, 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, 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 Estimated Rental Value (ERV)



A\$57.25m
Purchase price

1.7 years
WALE

Equity
80% Phoenix
20% Burstone

34k
Combined land
area (m²)

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

* Note: this excludes performance fees

3.6%
Initial asset
yield



6.9%
Stabilised
asset yield

Stakeholder relationships





The Group seeks to identify, engage and create meaningful relationships with its stakeholders. The Board understands that good communication is critical to increasing stakeholder value and it is committed to providing primary stakeholders with meaningful, transparent, timely and accurate financial and non-financial information.





This allows stakeholders to make relevant assessments and informed decisions about the Group, notably regarding investment decisions.

Stakeholder	Methods of engagement	Status
Clients		
Client-centric approach focused on building and maintaining strong mutually beneficial relationships with our clients.	<ul style="list-style-type: none"> Proactively understanding the client's business, growth ambitions and identifying value-adding propositions High-touch engagement with clients Focusing on building 'lived' experience Innovative solutions tailored to meet client needs Interactive engagement at both personal and professional level Client touchpoint programme Client events Partnering with clients to evaluate evolving office space requirements with the increased prevalence of work from home Site visits Lease negotiations Client evaluation Using client data to further inform decision-making 	
Expectations and needs		Impact on capitals 
Response <p>Vacancy remained low across both South African and European portfolios:</p> <ul style="list-style-type: none"> South Africa: 4.5% (Mar-23: 3.9%) Europe: 2.2% (Mar-23: 0.9%) <p>Focus on client experience strategy and leasing resulted in strong letting performance across both regions:</p> <ul style="list-style-type: none"> South Africa: <ul style="list-style-type: none"> 90% of space expired re-let at an average reversion of negative 9.3%, but low incentives of 1.1% in a constrained letting market Europe: <ul style="list-style-type: none"> 96% of space expired re-let at an average reversion of positive 5.2% <p>The Group has made significant steps in supporting clients through loadshedding in South Africa and reducing the cost of occupation for its clients through energy assessments, wheeling considerations, interfacing solar to generators, rolling out additional solar power initiatives and improving back-up power in its buildings. 70% of the Group's South African portfolio is covered by back-up power and the Group has installed 14.8MWp of solar generation capacity to date to alleviate the burden of the energy crisis in South Africa. In Europe we consistently review property tax valuations, supplier and utility contracts to ensure cost efficiencies for the client base. Over the past three years we have invested over €1 million into LED lighting, thereby reducing costs for our clients.</p>		

Stakeholder	Methods of engagement	Status
Investors and funders		
<p>Timely and transparent information is essential to keep investors and funders informed of developments.</p> <p>Analysts provide the market with information about the Company, which influences current and potential investor confidence.</p> <p>Require sustainable income and capital returns.</p>	<ul style="list-style-type: none"> Regular communication with investors, banks and debt providers to ensure continued financial backing and mitigate refinance risk Operational updates shared frequently with investors and lenders Early dialogue concerning debt refinancing Investor roadshows, market sounding exercise ahead of corporate activity Meetings (Annual General Meeting) SENS announcements (both regulatory and ad-hoc operational updates), circulars and integrated reports Press releases Annual and interim results presentations and one-on-one roadshow meetings Burstone website Site visits Reporting on covenants Engagement with debt-rating agencies who provide independent insight into the ratings of the Group's debt 	 <p>Impact on capitals</p> 
Expectations and needs		
<ul style="list-style-type: none"> Constant dialogue with investors around operational updates and corporate activity Prudent liquidity management and a sound balance sheet position Sustainable income and capital returns on a risk-adjusted basis for shareholders Ability to maintain REIT status Path to growth and create value for shareholders 		
Response		
<ul style="list-style-type: none"> FY24 dividend of 89.46cps paid (85% payout ratio) Adjusted LTV of 44% (cost of Group debt 5.31%) The Group is proactively managing its refinancing and interest rate risk and is actively engaging in the refinancing of its Group (ZAR and EUR) debt and the debt in PEL with the completion of the refinancing expected in Q2 FY25 		

Stakeholder relationships CONTINUED

Stakeholder	Methods of engagement	Status
Brokers		
<p>Quality relationships are critical to sustainability.</p> <p>Alignment with Burstone values and brand.</p>	<ul style="list-style-type: none"> Extensive broker engagement programmes, including broker roadshows and events Burstone website Incentive programme Internal leasing executives liaise with brokers Site inspections, presentations and marketing Embracing technology platforms Broker app with vacancy schedule 	 <p>Impact on capitals</p> 
Expectations and needs <ul style="list-style-type: none"> Information regarding vacant space through site visits, technology platforms, presentations and marketing Timely communication regarding other pertinent matters Showrooms featuring a kiosk with building microsite 		
Response <ul style="list-style-type: none"> Incentive programmes Letting opportunities Low vacancy levels of 4.5% (Mar-23: 3.9%) in South Africa and 2.2% (Mar-23: 0.9%) in Europe 		
Stakeholder	Methods of engagement	Status
Suppliers		
<p>Established strong working relationships with a wide range of suppliers to enhance operating efficiency.</p>	<ul style="list-style-type: none"> Ongoing interaction Effective management of supplier payments, ensuring alignment with agreed-upon payment terms Potential/new supplier introduction Contract management 	 <p>Impact on capitals</p> 
Expectations and needs <ul style="list-style-type: none"> An agile response and speed of doing business Timely payment of suppliers Constructive engagement where disputes arise Cost savings 		
Response <ul style="list-style-type: none"> Procurement opportunities on regular basis to ensure competitive pricing and improved service delivery Enhanced efficiencies Stable net cost-to-income ratios of 22.7% (Mar-23: 22.8%) in South Africa and in Europe of 8.5% (Mar-23: 8.4%) Cost rationalisation implemented in Europe to reduce operating costs – with savings of €2 million generated 		

Stakeholder	Methods of engagement	Status
Property managers		
Provision of hands-on management services for the portfolio.	<ul style="list-style-type: none"> Regular meetings between property management and asset management teams Proactive performance management Ongoing assessment of alignment with the Group's strategy Service level agreement (SLA) management Roll-out plan to ensure new property managers are aligned with the Group's expectations regarding client service 	 Impact on capitals 
Expectations and needs <ul style="list-style-type: none"> Positive collaboration to improve the quality of business and information Improvement in reporting function to enable decision-making 		
Response <ul style="list-style-type: none"> Cultural alignment Improved level of service delivery Client-centric focus and consistency in the Group's offering to clients Cost saving and efficiency 		
Stakeholder	Methods of engagement	Status
Government and regulators		
Regulations, legislation and municipal expenses all impact the Group.	<ul style="list-style-type: none"> Monitoring and responding to local, provincial and national issues Engaging municipalities through property managers and consultants Meeting public disclosure obligations through the company secretary and the sponsor Monitoring and responding to developments in the JSE Listings Requirements Meetings with the JSE Regular reporting to the JSE Meeting regulatory requirements of EU 	 Impact on capitals 
Expectations and needs <ul style="list-style-type: none"> A responsible, ethical and transparent corporate citizen 		
Response <ul style="list-style-type: none"> Legal, regulatory and tax compliance - external advisors engaged where necessary to provide support REIT compliance Engage industry experts in South Africa to ensure compliance with legal and statutory requirements Engagement with regional experts across Europe to ensure compliance 		

 No relationship

 Established relationship

 Strong mutual relationship

 FINANCIAL CAPITAL

 HUMAN CAPITAL





 SOCIAL AND RELATIONSHIP CAPITAL

 INTELLECTUAL CAPITAL

 MANUFACTURED CAPITAL

 NATURAL CAPITAL

Stakeholder relationships CONTINUED

Stakeholder	Methods of engagement	Status
Industry, business associations and media		
<p>Critical to driving best practice, identifying new opportunities and creating a conducive long-term business environment.</p>	<ul style="list-style-type: none"> Press releases Burstone website Membership of the SA REIT Association Representation on SA REIT Association sub-committees Membership of South African Property Owners Association Engagement with rating agencies and journalists 	 <p>Impact on capitals</p> 
<p>Expectations and needs</p> <ul style="list-style-type: none"> Mutually beneficial experience and expertise to improve the quality of business in the property industry and associated businesses Transparent communication 		
<p>Response</p> <ul style="list-style-type: none"> Active participation and engagement on various industry bodies to ensure key issues facing the Group and the sector are being addressed more widely as an industry Proactive media engagement programme 		
Stakeholder	Methods of engagement	Status
Communities and environment		
<p>Facilitating upliftment in communities where we own assets improves the profitability of the assets.</p> <p>Environmental sustainability is vital to the Group to enhance asset quality.</p>	<ul style="list-style-type: none"> Corporate social investment Hosting of events at the Group's premises Ongoing sustainability projects Investment in solar PV 	 <p>Impact on capitals</p> 
<p>Expectations and needs</p> <ul style="list-style-type: none"> A responsible corporate citizen Create financial and social value in a sustainable way 		
<p>Response</p> <ul style="list-style-type: none"> Scatterlings Early Childhood Development centre at Balfour Mall opened in February 2023 Partnered with Property Point to implement an enterprise and supplier development programme to support AMP tenants over a two-year period - nine candidates in first intake South Africa sustainability projects: <ul style="list-style-type: none"> 14.8MWp total solar capacity installed First borehole pilot studies implemented at three properties, with pleasing results. Further feasibility studies being undertaken at four sites. Over R7 million spent in South Africa on enterprise, supplier and social development and several other CSI initiatives Europe sustainability projects: <ul style="list-style-type: none"> LED lighting: invested over €1 million in the past three years and continue to invest into LED lighting Smart meters installed across the entire portfolio The business has planned to deliver a PV roll-out which will produce around 4.5MWp across the portfolio over the next 12 to 18 months 		



Our operating environment

Our business in context

The context of our portfolio

Client experience is a strategic priority and we remain close to our clients, focusing on deepening and broadening these relationships to promote efficiency and agility in our service offering. We are also focused on responding to systemic changes and strive to partner with clients to ensure our buildings meet the changing needs of the users of these spaces. We work together with clients to share the challenge of adapting the properties to more sustainable and greener buildings to reduce the cost of occupation and meet both our and their sustainability targets. In addition, we apply each of our strategic pillars to our sector portfolios to maximise value for all stakeholders.



Links to strategic objectives*

- S1** Integration
- S2** Optimise current portfolios
- S3** Maintain a robust balance sheet
- S4** Growth
- S5** Holistic sustainability

*See page 28 for further detail.

Pan-European logistics (PEL) context (56% of total portfolio)

The Eurozone economy experienced a difficult year with economic growth slowing from 3.4% in 2022 to 0.4% in 2023. This was caused by stagnant consumer spending, high inflation and dampened investment activity due to elevated financing costs and macroeconomic uncertainty.

Inflation has been easing and following a downward trajectory, albeit at a slow rate. The European Central Bank's (ECB) further tightening of financing conditions in 2023 is expected to lower consumer demand during 2024. Significant interest rate increases have created pricing volatility in asset markets, causing a negative impact on corresponding long-term valuation yields. With inflation on the decline, there should be sufficient room for the easing of the fiscal policy and this should support more favourable earnings within the sector. The ECB enacted its first reduction of interest rates by 25bps on 6 June 2024. Energy prices have decreased but they still remain uncertain amid heightened geopolitical tensions and the impact of fiscal measures.

As a result of the challenges in the European economy, the real estate market experienced a reduction in investment transactions. The volume of investment contracted to nearly €32 billion, with 19 000 000m² taken up across the six leading European countries. This resulted in the lowest year of investment transactions since the Eurozone debt crisis. Despite this, over the past several years, the European logistics sector has remained resilient and has experienced strong demand combined with low vacancy levels. This performance was largely driven by a period of unprecedented logistics demand during the pandemic and the rapid expansion of online retail shops. Although e-commerce penetration rates have begun stabilising in Western Europe, there is still considerable growth potential in Eastern and Southern Europe, where online penetration rates are lower. Rental growth was further supported by positive indexation across the Eurozone.

Since November 2023, the Suez shipping route that connects Europe with China and East Asia has been impacted by shipping attacks. Due to the attacks, vessels are being forced to take longer routes, creating longer lead times. European manufacturers and retailers that utilise this route may seek to increase their stock to ensure that they can continue to serve their customers. This could drive additional demand for warehouses or temporary storage space.

Supply remains constrained due to (1) rising construction and funding costs, (2) the scarcity of land and (3) investors demanding prime yields that are often uneconomic for developers of new-build units. A constrained credit market and a weaker economic environment have contributed to a limited development pipeline in Europe. Additionally, speculative investments have remained low.

Burstone's European logistics portfolio consists of 32 properties (Mar-23: 33) which are geographically diverse and concentrated in core Western European jurisdictions. The underlying portfolio continues to deliver solid performance and portfolio metrics have remained sound. Overall results from the portfolio were reduced by the volatility in global interest rates and resultant increase in interest costs. The Group has taken a cautious approach to pipeline developments, considering the weaker economic environment.

Sources: BNP Paribas, CBRE Group, Deloitte, European Central Bank, Forbes and Knight Frank

South African context (44% of total portfolio)

The South African economy experienced another challenging year in 2023, driven by persisting freight, logistics and governance constraints, high interest rates and rising fuel and food prices. The macroeconomic environment remains uncertain as key economic indicators continue to reveal a mixed picture. Despite a tough economic environment, South Africa's overall volume of commercial real estate investments increased to R17.2 billion in 2023 (2022: R16.7 billion).

The majority of activity was concentrated in Gauteng, followed by the Western Cape. Sectoral performance varied, with the office segment still experiencing above-average vacancies and subdued rental growth. The industrial property market continued to perform comparatively better and the retail market performed slightly worse in 2023.

The number and extent of power cuts that occurred in 2023 resulted in the worst year of loadshedding since its implementation, 15 years ago. This placed further strain on the South African economy. Burstone has made significant progress in supporting clients through loadshedding by reducing the cost of occupation via various cost saving initiatives. These initiatives include: energy assessments, wheeling considerations, interfacing solar to generators, rolling out additional solar power initiatives and improving back-up power in buildings. 70% of Burstone's portfolio has back-up power and the Group has installed 14.8MWp of solar generation capacity to date.

Looking to the year ahead, a slight improvement in investment deal activity is anticipated. This will be driven by stabilising interest rates and a more normalised operating environment. The domestic political climate, the ongoing electricity crisis and movement in high construction costs will also play a role in the activity levels. Management's focus is on maintaining the quality and stability of the South African portfolio, reducing the cost of occupation, enhancing sustainable NOI and exploring opportunities to create further value.

Sources: Economic Intelligence Unit, JLL and United Nations

Industrial and logistics context (23% of South African portfolio by asset value)

The industrial property market is the strongest performing sector amongst the three non-residential property types, achieving a growth of 5% in 2023. Its strong performance is attributed to low vacancy rates, especially for warehouses linked to logistics. Additionally, it has been mostly unaffected by weaker business confidence levels as it usually takes five to six quarters for this to have an impact on industrial vacancy rates.

The performance of the manufacturing and retail sectors underpin the demand for industrial and warehouse space respectively. Racking systems have evolved to accommodate stacking at heights exceeding 12 meters. Consequently, there is a growing demand for new generation warehouses that can facilitate these advanced racking systems. Furthermore, strong growth in online retail sales is increasing the demand for distribution space.

Business confidence (determined per the Business Confidence Index) dropped substantially by 9% in 2023. Businesses may be hesitant to expand production capacity or storage space when there is dissatisfaction with the current market conditions. Due to the lag between business confidence and industrial vacancies, there is a risk that vacancies could increase in the short-term.

The Group's portfolio comprises of good-quality functional assets in established nodes that continue to illustrate their appeal and benefit from consistent demand.

In alignment with the market, Burstone experienced strong demand and market rental growth within the industrial sector. The average vacancies for the portfolio declined over the year from 5.4% to 2.2%. The portfolio achieved a retention ratio of 94% and has the strongest LFL NOI growth of 9.5%. Limited supply of stock in the industrial sector and lower risk appetite by banks to fund speculative developments in the current environment will continue to support demand for existing stock.

Source: Rode's Report 2023:4

Retail context (42% of South African portfolio by asset value)

The retail property sector performed slightly worse in 2023 in comparison to a much-improved 2022. Retail rentals are predominately driven by household spending. The domestic climate has proved to remain challenging from the previous year as severe loadshedding, a weakening currency, rising interest rates and inflation are negatively impacting investor sentiment. Consumers' finances continue to be stretched as salaries rise in nominal terms and decline in real terms. The combination of this with elevated prices of food, fuel, electricity and water negatively impacts discretionary income levels and many consumers have become increasingly reliant on credit. Growing levels of consumer debt is a concern as higher interest rates increase the cost of this debt and place additional financial strain.

Loadshedding continues to place upward pressure on inflation as retailers install costly alternative power sources, such as solar or generators. Concurrently, electricity prices are rising by double-digit figures with a tariff hike of 18.7% and 12.7% in 2023 and 2024 respectively. The increasing energy costs are then passed onto clients, increasing their cost of occupation. For clients without back-up power options, the impact of lost trade is even more crippling.

Retail has shifted into the realm of the omni-channel experience, where stores reach their consumers at multiple touchpoints. This has resulted in the opening of e-commerce platforms as well as mobile apps to support physical stores, which in-turn will increase demand within the industrial sector for necessary logistics and warehousing requirements to support the speedy fulfilment and delivery times.

Burstone's retail portfolio comprises of 18 properties, the majority of which are strategically situated in semi-rural, non-metropolitan nodes that are well-tenanted with a significant proportion of national clients. The shopping centres within the portfolio serve large catchment areas and are dominant in the nodes within which they are located. The vacancy rates decreased to 3.7% in 2024 (Mar-23: 4.5%) with the majority relating to our Balfour asset. Despite the impact of loadshedding, high inflation and increased interest rates, the segment has achieved a consistent improvement in its trading metrics and remains an attractive asset class in Burstone's portfolio. Growth in the segment's LFL NOI was driven by contractual escalations, improvement in vacancy rates and positive reversions.

Source: Rode's South African Property Trends, 2023 to 2028

Our business in context CONTINUED

Office context (35% of South African portfolio by asset value)

The office sector kept up its run as the least desirable sector in terms of investment in the current environment, driven by oversupply issues that continue to restrict the sector's performance. Irrespective of this, the sector did improve in 2023 with a drop in vacancies. While vacancies have consistently been improving from the end of 2021, the current national vacancy rate is still well above the pre-pandemic level of 10.5% in 2019.

Several companies are still following hybrid working policies which has resulted in less leased space. However, tenants who previously downsized have identified that they require more office space than they initially anticipated in the form of meeting rooms and collaboration spaces. This has been exacerbated by the impact of loadshedding on employees, who have been returning to the office in order to obtain a constant power source.

Economic growth for the office market is expected to remain fairly stagnant over the next few years (below 2% p.a.) as vacancies gradually decline. This makes a return to pre-pandemic vacancies unlikely as remote working remains higher than in the previous decade. The market is expected to experience a limited increase in new supply and office property conversions are likely to increase as building costs and interest rates drop.

Burstone's financial performance in the financial year ended 31 March 2024 (FY24) was hampered by high negative reversions in the office sector. Despite this, the Group's office assets remained resilient and experienced only a marginal increase in office vacancies, from 7.4% in 2023 to 8.4% in 2024 – which is still one of the lowest across the sector. Whilst the negative reversions are likely to persist, the Group is seeing some rental growth and reversion levels are beginning to flatten.

Source: Rode's Report 2023:4

Australian context

Over the past year, growth in Australia has remained slow and inflation has been higher than originally anticipated. This has led to higher interest rates and weaker consumer demand. The Reserve Bank of Australia expects inflation to remain high in the short-term due to a stronger labour market and increasing fuel prices.

Despite the macroeconomic challenges in the Australian economy, the retail market's performance has a positive outlook, supported by robust population growth. The office sector has been impacted by high construction costs which has caused below-average supply. In the industrial and logistics sector, a supply-demand imbalance exists, resulting in an upward pressure on rentals.

In March 2023, the Group re-entered the Australian market, through a 50 / 50 Joint Venture (JV) with the management team of the Irongate Group. The platform has A\$490 million of equity (up 8% from acquisition) under management. The investments are spread across the office, retail, industrial and residential markets.

Irongate JV made its first industrial property acquisition for a new industrial platform in November 2023 – Smithfield Industrial Property Trust, located in New South Wales, Australia. The acquisition was supported by a co-investment from an APAC-focused private equity real estate investment group (Phoenix Property Investors) for 80% of the equity. There is a strong pipeline of opportunities and the Group expects significantly higher contribution to earnings from the Irongate JV in financial year ending 31 March 2025 (FY25).

In addition, Burstone has a 18.67% investment in the Irongate Templewater Australia Property Fund (ITAP). ITAP is a successful fund management platform which the Irongate team continues to successfully manage and grow together with other platforms.

Sources: Colliers and Reserve Bank of Australia

Trends in the market

Macrotrends impacting the property sector

Burstone continues to monitor and respond to trends that impact its operations. These also influence our strategy as they are critical to our global operations.

Higher interest rate and inflationary environment to persist globally



Context

Inflation in South Africa and the Eurozone is currently receding after the unprecedented rises in global interest rates experienced during 2023. In South Africa, inflation remained high during 2023 and decreased marginally to 6.1% (2022: 7.0%). High inflation persisted due to the cost of loadshedding, fuel hikes, supply chain disruptions, the depreciating rand and structural challenges in the country. Inflation has also eased in Europe and is forecast to continue easing in 2024 along with inflation in South Africa. However, geopolitical risks, including the impact of tensions in the Middle East on oil prices and trade between Asia and Europe could cause prices to remain sticky.

Irrespective of the gradually decreasing inflation rates, interest rates (both in Europe and South Africa) continued increasing during Burstone's FY24 financial year, with European interest rates reaching record highs. This has resulted in a higher cost of debt for REITs and heightened the need for treasury management. Loan durations and fixed- vs. floating-rate considerations are becoming increasingly important in the current environment.

Higher interest rates have affected lending activity, particularly in Europe. The constrained debt market and higher borrowing costs have resulted in cap rate expansion and a decline in property valuations.

The increased inflation has, however, supported growth in market rentals which, if captured through active asset management, serves to cushion the impact of cap rate expansion.

The current environment also poses opportunity for acquisitions, as sellers with distressed balance sheets may be forced to bring assets to market due to rapidly increasing funding costs.

Our response

- Capital recycling to maintain balance sheet strength and create capacity for growth
- Disciplined capital allocation across our portfolio to generate long-term sustainable returns
- Rigid focus on treasury management to maintain liquidity, extend and stagger debt and swap expiry profile and reduce cost of debt
- Hedging policies and staggered expiry of debt will be used to mitigate the impact of interest rate changes
- Conservative valuations and growth in NOI to offset capitalisation rate expansion

Links to strategy

S2

S3

Fast-tracking technology



Context

Technology can help companies compete based on value addition and not just price alone. "Prop-tech" provides advanced data analytics with real time feedback to help with better building management. Technology such as cool-roof systems, solar panels, light-emitting diode (LED) lights, thermal glass and clerestory windows contribute to reducing a company's carbon footprint.

Our response

- Investment into solar panels, LED lights and other initiatives to reduce our carbon footprint
- Increasing use of consumer data to inform strategy and drive decision-making

Links to strategy

S2

S5

Trends in the market CONTINUED

Heightened economic and geopolitical uncertainty



Context

The macroeconomic outlook is characterised by a continued uneven post-pandemic economic recovery and heightened geopolitical tensions. The performance of the European logistics sector is broadly linked to the global growth outlook. Supply chain activity and the Eurozone is expected to recover more quickly than most of its counterparts. However, this recovery is being hampered by supply disruptions (from the Russian invasion of Ukraine and attacks on the Suez Canal which have impacted trade between Asia and Europe) resulting in higher inflation. The increase in geopolitical tensions has been global but it is most pronounced in Europe. The ongoing Russia – Ukraine war has resulted in businesses operating in a changed environment where European economies are exposed to new economic and security risks.

Recovery in South Africa could take place at a much slower rate due to structural economic factors and the increased power crisis. This, together with the impact of inflation on the cost of living and the political instability that could arise following the 2024 elections, may fuel further social unrest. The reinvigoration of renewable energy and rising government spending may help boost the economy in the short-term but long-term increasing debt levels will pose a significant challenge. Domestic growth prospects are reflective of the muted operating environment.

Our response

- High-touch engagement and understanding of client growth and servicing requirements
- Proactive asset management to maintain asset quality, relevance and capture rental growth
- Balance sheet and risk management to maintain liquidity and navigate volatility
- Best-of-breed assets to enhance portfolio resilience
- Constant communication with stakeholders to obtain support for company strategy and decision-making

Links to strategy

S1

S2

S3

S4

Loadshedding in South Africa



Context

Loadshedding in South Africa poses a substantial challenge to the property sector, resulting in significant disruption to the economy and the Group's clients, not limited to: increased cost of operating, loss of operating hours and reduced production levels. The number and extent of power cuts that occurred in 2023 resulted in the worst year of loadshedding since its implementation, 15 years ago. The increased severity of loadshedding has also given rise to the possibility of a total grid failure as an extreme scenario. Although it was temporarily suspended at the start of 2024, experts have indicated that it is likely to persist throughout the next year.

Loadshedding has led to customer preference for convenience-type centres and has resulted in a shift in footfall towards those centres. It has also posed a challenge to hybrid working models by hampering productivity when employees do not have back-up power, driving an increased return to office.

Our response

- Improve and maintain the availability of back-up power at properties
- Preparing contingencies for grid failure with a focus on ensuring safety of clients and ability to continue basic operations
- Investigating alternative power back-up solutions including wheeling considerations, interfacing solar to generators and / or batteries, rolling out additional solar power initiatives
- Supporting clients through loadshedding and reducing cost of occupation through energy-saving initiatives

Links to strategy

S2

S5

An active role in creating a sustainable future



Context

As Environmental, Social and Governance (ESG) matters take centre stage, several key trends are starting to emerge, such as climate change and social inclusion, which may directly affect property structures either through natural disasters such as floods or through social unrest in the form of strike action.

Businesses must therefore empower the communities in which they operate. The rise in technology has also made it easier for businesses to incorporate features within their operations that are aligned with reducing their carbon footprint. Green buildings have become a key factor in the property sector due to having benefits that go beyond economic and environment factors. It is estimated that workers in green, well-ventilated offices post better cognitive scores when compared to workers in a more traditional setup.

Governance is critical as it sheds light on how a company is managed and how well the Board attends to the interests of stakeholders. It also provides an indication of what the Board's view is regarding diversity and transformation. Financial and accounting transparency are also considered key elements of good corporate governance.

Our response

- ESG strategy gaining momentum with set targets and a continued focus on reducing cost of occupation
- Environmental strategy rolled out across multiple initiatives – climate and energy, sustainable buildings and water
- Commitment across the business including the Board and executive management
- Engagement with clients, employees, communities, shareholders and debt providers
- Three additional Green building certifications achieved with a total of 28 properties rated 4-star in South Africa
- BREEAM certification undertaken on Europe portfolio
- Milestones achieved with respect to social initiatives

Links to strategy

S5

Resilient business model for an ever-evolving environment



Context

COVID-19 has changed the way people live and work. Certain clients are looking to downsize due to remote working, while others are increasing their space to adapt to the hybrid working model, allowing increased desk space and more meeting rooms that facilitate online meetings when at the office. This has prompted property companies to be more agile as well as to re-evaluate capital allocation strategies, balance sheet capacity and funding models. Relevance and strategy execution will continue to be a key factor to mitigate vacancy risk.

The Group is in a secure position, delivering consistent NOI growth since the COVID-19 pandemic, with a robust balance sheet and cost mitigation initiatives that are starting to realise savings. The introduction of the capital light business model will unlock numerous benefits for Burstone, including reduced gearing, access to growth capital, diversification of investment base and creation of new revenue streams.

Our response

- Best-of-breed assets in high demand nodes
- Differentiator through focus on client experience
- Capital allocation between local and offshore portfolio
- Capital recycling and exit of non-core assets where maximum value has already been extracted
- Pursuit of a capital light strategy and introduction of third-party capital to fund growth

Links to strategy

S1

S2

S3

S4

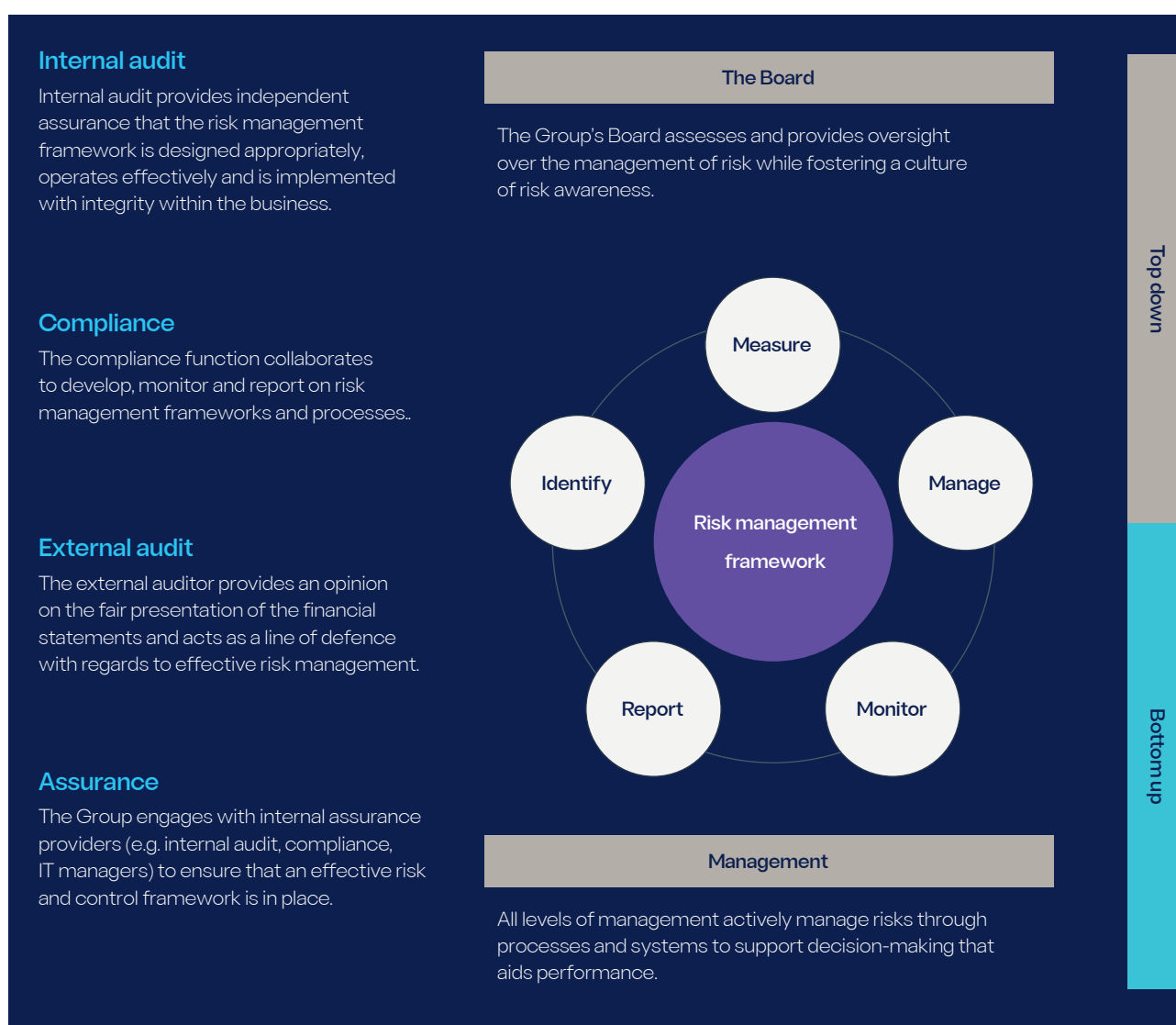
S5




Risks and opportunities

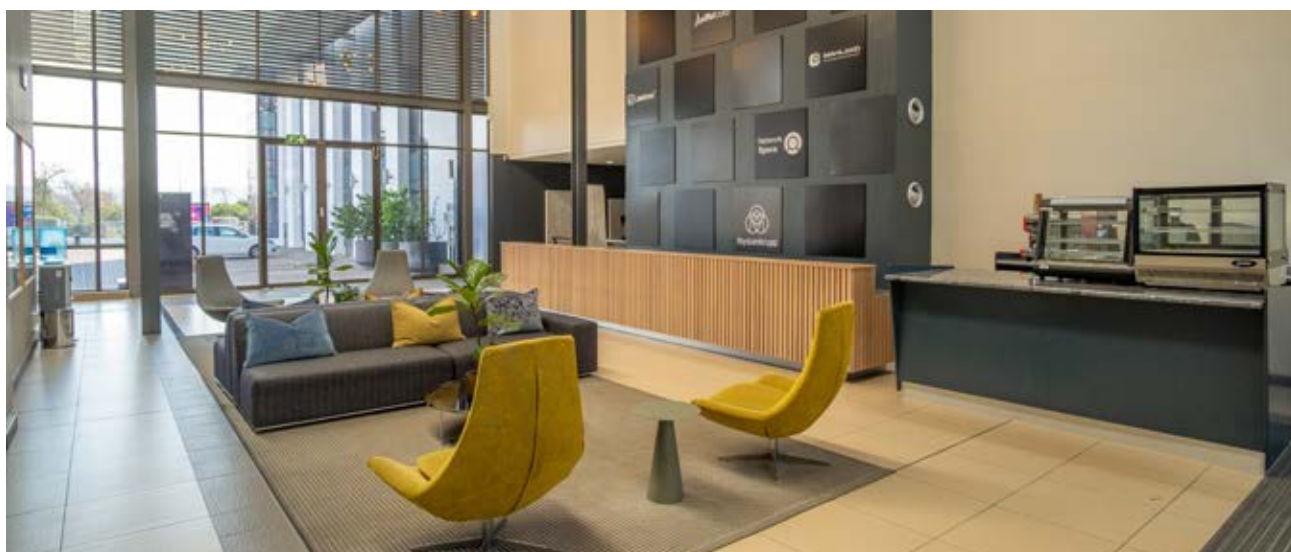
Risk management is key to the Group's long-term growth and sustainability as it ensures strategic objectives are met through the balancing of risks and value creation. The Group is exposed to several risks that could have an impact on its operations in the ordinary course of business. Our overall risk management strategy includes identifying, evaluating, controlling and reducing these risks as well as balancing their impact by seizing opportunities.

By understanding key risks to the business, determining risk tolerance and approving and reviewing implementation processes, the Board mitigates risk and capitalises on opportunities. This process is overseen by the Audit and Risk Committee at the Group level. Strategic risk, credit and interest rate risk, liquidity risk, insurance risk, ESG risk, business resilience risk, forex risk and compliance risk are all risks that the Group faces.

The Group conducts formal risk assessments during the year. The entity-wide risk assessment is performed on a quarterly basis and presented at the Audit and Risk Committee meeting. Risks are monitored on an ongoing basis by management (presented and discussed in an operational forum). Reputational risk is a key area within the entity-wide risk assessment that is proactively managed.



	Inherent risk	Residual risk	Change in risk
Political and socio-economic risk  	H	M	-
Mitigating measures			
<p>Given the lead up to 2024 elections in South Africa, the increased level of loadshedding and lack of economic growth, we have seen a spike in protests which can escalate into conflict and crime.</p> <p>Global elections taking place in several countries could also lead to uncertainty in global markets.</p> <p>Damage or destruction of property due to civil unrest, war and terror.</p> <p>Unforeseen damage to properties and investment nodes could increase expense base and result in non-renewal of leases, thereby reducing distributable earnings.</p> <p>Safety and well-being of employees, service providers, clients and community at risk.</p>			
<ul style="list-style-type: none"> Investments are well diversified across various geographies as well as sectors, thereby preventing concentration risk within a specific area. Emergency, security and prevention plans in place. Adequate insurance cover in place for protection of assets in South Africa and Europe. Business continuity plan in place and tested regularly with respect to the business' ability to resume operations quickly post any disruption caused by civil unrest. 			
Opportunities		Capitals impacted	
<p>Engage with the communities surrounding our assets and collaborate on social initiatives. The 2021 unrest that occurred in South Africa highlighted the importance of stakeholder engagement and the positive impact of good relations with the communities within which we invest. Working together in uplifting the area, improving employment, enhancing surrounding infrastructure and access to basic facilities will improve the positive association between our properties and the sustainability of the community. This remains a key initiative of the Group's ESG strategy.</p>			



345 Rivonia Road, Rivonia, Gauteng, South Africa

Risks and opportunities CONTINUED

	Inherent risk	Residual risk	Change in risk
Credit and interest risk  	H	M	↑
Mitigating measures			
<p>South Africa has been struggling with a muted macroeconomic backdrop. Its economic performance has been crippled by high interest rates, rising fuel and food costs, low GDP growth, sovereign downgrades and heightened operational challenges in rail and port infrastructure. Despite having the worst year of loadshedding in 2023, it managed to avoid a technical recession. Business sentiment in the country has been flat while companies attempt to manage the high cost of business and high lending rates. While the South African portfolio is stabilised and is performing to expectations, it is expected to deliver single digit growth that is reflective of the current operating environment.</p> <p>The Euro GDP increased by 0.4% in 2023 (2022: 3.4%). The slowdown in growth during 2023 is primarily attributable to the economic impact of the Russia / Ukraine war. Additionally, there was stagnant consumer spending, high inflation and lower investment activity. The European Central Bank continued to tighten monetary policy until September 2023 and the financial stability of the Eurozone remained fragile throughout the year, narrowly escaping a recession.</p> <p>Accelerated increases in European and South African interest rates occurred in FY22 and prevailed into FY23. This has led to increased borrowing costs within PEL and South Africa and will continue to have an impact at the Group level in the coming year, consequently resulting in reduced distributable earnings. Interest risk has been exacerbated by the Group's shortening hedge profiles in both regions.</p> <p>If the economic performance in South Africa and Europe continues to deteriorate, vacancy rates and tenant defaults could rise, impacting profits from both portfolios.</p>			
<p>Measures to mitigate credit and interest rate risk include:</p> <ul style="list-style-type: none"> Diversified funding sources from various banking institutions. Majority of borrowings are hedged by interest rate swaps. Treasury system that enables proactive monitoring of debt facilities and forecasting of interest obligations. Ongoing engagement with Asset and Liability Committee and various lenders. Regular monitoring of the costs of borrowings and restructuring borrowings whenever appropriate. Active treasury management. Constant monitoring of the market and assessment of hedging profile and alternative instruments to reduce cost or extend maturity profile. Formal processes in place to manage debtors, performance of upfront credit checks prior to entry into lease agreements and ongoing monitoring of arrears. Ensure that portfolios are geographical diverse with strong tenant bases and varied lease expiry profiles. <p>The Group aims to largely absorb increased interest costs through the following:</p> <ul style="list-style-type: none"> Underlying asset performance, specifically from the European platform; Managing our capital allocation given the opportunities that are arising from the current market dislocation; Operational and cost savings initiatives which are already underway, with significant cost savings already successfully implemented in the European platform; Hedging policies; New revenue streams from capital light activities; and A reduction in gearing. 			
Opportunities		Capitals impacted	
<p>Considering alternative hedging instruments to reduce interest costs.</p> <p>Early refinancing of maturing debt to extend and stagger debt and associated swap maturity profile.</p> <p>Implementation of a capital light fund management model through continued investment in several growth opportunities, supporting our asset and geographic diversification with a material impact on earnings expected in the medium- to longer-term.</p>		  	

H High

M Medium

L Low

↑ Increase

↓ Decrease

— No change

🆕 New

 FINANCIAL CAPITAL









 HUMAN CAPITAL

 SOCIAL AND RELATIONSHIP CAPITAL






 INTELLECTUAL CAPITAL

 MANUFACTURED CAPITAL

 NATURAL CAPITAL

	Inherent risk	Residual risk	Change in risk
Liquidity risk  			
Mitigating measures			
<p>Refers to inability to secure funding from financial institutions and shareholders, impacting growth prospects and resulting in an increased cost of debt facilities.</p> <p>Refinance risk exists relating to Euro debt expiring in 2025. A wall of European debt refinance is anticipated in late 2024 and 2025, predominantly out of the Euro Bond market.</p> <p>New-issue volumes continue to be subdued in comparison to prior years. This is due to the combination of a challenging economic environment, sovereign debt concerns, rising interest rates, geopolitical uncertainty and the war in Ukraine. As a result, the Euro bond market is experiencing tighter financing conditions, a surge in debt maturities and a gradual downward trend in external valuations. Banks have tightened their credit standards due to their risk assessment of the overall economic outlook and reducing their risk tolerance. This has increased refinancing risks for companies, particularly for commercial real estate entities who have experienced lower valuations and slowing activities.</p>			
<ul style="list-style-type: none"> Opportunistic refinance underway, to reduce margin, extend expiry and optimise cash management. Group debt refinance on track, with targeted completion Q2 FY25. Active strategy to de-risk expiry profile of PEL in-country debt. PEL debt refinance well progressed, targeted completion Q2 FY25. Manage cash flows, liquidity needs via accurate forecasts of cash requirements. Manage the maturity of debt and create sufficient liquidity to proactively manage any bond market expiries in next 12 months. Access to funding from various sources. Cost of funding negotiated with lenders. Strong balance sheet management with flexibility to pursue opportunities local and globally. The Group engages with multiple banks and manages relationships on an ongoing basis to understand liquidity, pricing, appetite. The Group is listed on the JSE and has a DMTN programme. Covenants across all regions are measured, monitored and reported on a monthly basis. Mark-to-market movements are monitored on an ongoing basis. 			
Opportunities		Capitals impacted	
<p>Early refinancing of maturing debt.</p> <p>Managing liquidity through capital recycling, hedging and diversifying funding sources.</p>		  	

Risks and opportunities CONTINUED

	Inherent risk	Residual risk	Change in risk
Insurance risk  			
Mitigating measures			




Insurance risk refers to the risk associated with uninsured or insufficient cover resulting in direct loss of asset(s). This impacts earnings and property valuations.





This is particularly relevant in the event of a national electricity grid failure.

Grid Failure Exclusion provisions apply in South Africa:

- This exclusion refers to a clause that excludes coverage for damages or losses incurred resulting from total or partial interruption of supply that affects an entire or major municipal area or any major part of province or the country substantially as a whole at substantially the same time; and
- Exclusion does not apply to loadshedding, unless loadshedding was the cause.

- Investigating additional back-up solutions (power, water, other) enhanced security and preventative measures.
- Business continuity plans.
- Appropriate and adequate insurance cover is in place at a South African and European level.

Opportunities	Capitals impacted
Undertaking inspections of key sites to understand potential eventualities that may arise due to grid failure and enhancing preventative measures which will benefit the Company's assets in any instance of power failures.	  






	Inherent risk	Residual risk	Change in risk
Business resilience risk 			
Mitigating measures			






Risk of total electricity grid collapse, with disruption to telecommunications.

Supply chain issues impacting logistics and availability of food, water, medical and fuel supplies.

Potentially leads to risk of looting, vandalism and public unrest and crippling the economy.

- Investments into renewable energy and back-up diesel generators across majority of the portfolio.
- Supplier agreements with delivery of diesel to sites.
- Water back-up at most sites.
- Actively assessing the potential impact of severe and prolonged loadshedding (stage 8 and above) or possible total collapse of the national power grid.
- Crisis communications plan.
- Enhanced operational resilience plan.

Opportunities	Capitals impacted
Undertaking inspections of key sites to ensure adequate contingency measures are in place to ensure safety of clients and functioning of operations in the event of incidents that may be caused by grid failure.	    
Including grid failure scenarios in business continuity planning.	

	Inherent risk	Residual risk	Change in risk
Sustainability risk and ESG implementation  			
Mitigating measures			

The world is facing numerous global challenges such as climate change, rising inequality and human rights violations and conflict. Stakeholders are increasingly demanding that companies should not solely be good stewards of capital but also good stewards of natural and social capital, with the necessary governance framework implemented to support this. As a result, ESG has become a prominent factor in a company's operations.

Failure to effectively implement the Group's ESG strategy can create various risks:

- Reputational risk – Engaging in unsustainable practices could damage Burstone's reputation and cause loss of trust from stakeholders.
- Financial risk – Failure to address environmental risks can result in increased operating costs, regulatory fines or decreased property values.
- Legal and regulatory risk – Governments are increasingly implementing stricter ESG regulations. Non-compliance with ESG-related regulations, standards and laws can expose the Group to legal and regulatory risk.
- Operational risk – Inadequate consideration of ESG factors can create operational risk. For example, failing to assess and mitigate environmental or social risks can result in disruption to business continuity and interrupt revenue streams. Extreme weather events can cause structural damage to infrastructure and property.
- Investor risks – Investors have begun integrating ESG considerations into investment decisions. Failing to address ESG concerns can result in reduced investor interest.

- Focus on initiatives that can meaningfully impact our priority United Nations Sustainable Development Goals (UN SDGs).
- Aim to achieve net-zero emissions.
- Further embed ESG principles and processes across our business. Gap analysis performed on our ESG requirements and controls.
- Address gaps and strive to improve Carbon Disclosure Project (CDP) rating.
- Build performance, certifications (BREEAM third-party certifications) and ratings.
- Monitor EU guidance on climate pathways and availability of new methodologies and pathways.
- Maintain a minimum level 2 B-BBEE status.
- Ongoing assessment of all properties for compliance, through inspection of properties.
- Monitoring carbon footprint: indirect emission through electricity usage and direct emissions through the use of grid electricity and backup generators.
- Where feasible, implementation of renewable energy (solar photovoltaic), energy efficiency and borehole initiatives.
- Ongoing assessment of renewable energy solutions.

Opportunities

Capitals impacted

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

Create broader stakeholder value that is impactful, improving the lives and livelihoods of our staff, clients and communities.

Decreased reliance on the grid (for water and electricity) will translate to lower operating costs and additional cost savings will be obtained for water and electricity efficiencies.

Attracting different pools of capital aligned with the Group's ESG approach.




 High

 Medium

 Low

 Increase

 Decrease

 No change

 New

 FINANCIAL CAPITAL

 HUMAN CAPITAL









 SOCIAL AND RELATIONSHIP CAPITAL

 INTELLECTUAL CAPITAL

 MANUFACTURED CAPITAL

 NATURAL CAPITAL

Risks and opportunities CONTINUED

		Inherent risk	Residual risk	Change in risk
Information and cybersecurity risk  				
Mitigating measures				
<p>The cyber space has undergone significant evolution over the past few years as businesses have become increasingly reliant on technology. The COVID-19 pandemic accelerated the shift to remote work, causing a further reliance on collaboration platforms and cloud services. The adoption of cloud computing, mobile technology and the internet of things has created new vulnerabilities. Cyber-crime has become more advanced and is growing exponentially.</p> <p>Cyber attacks can have severe consequences for a business in the form of loss and stolen data, downtime during the recovery and loss of consumer trust in instances where personal identifiable information is stolen. In order to recover from a data breach, networks need to be restored and reputational damage rectified which is often a costly process.</p>				
<ul style="list-style-type: none"> Conduct regular risk assessments to identify and prioritise cyber risks. Provide ongoing security awareness training to employees to raise awareness about common cyber threats and phishing scams. Implement regular data back-ups and disaster recovery plans to ensure data availability and integrity in the event of a data breach, system failure or cyber-attack. Develop and maintain an incident response plan to effectively detect, contain and respond to cybersecurity incidents. Maintain network security controls. Maintain strong access controls to limit access to sensitive systems and data. Implementation of a global ERP system to ensure that information, access control and security is managed centrally. 				
Opportunities		Capitals impacted		
The cybersecurity market has various innovative solutions to address evolving cyber threats and challenges. These solutions can be explored to enhance the Group's protection.		  		



Our performance

Chief Executive Officer's report

Year in review

The past year was incredibly challenging yet rewarding, as we completed the management internalisation of our business in July 2023 and successfully repositioned the Group as an integrated international real estate business. This transformation has allowed us to deliver on our stated strategy and unlock new growth opportunities across our global operations.

A key focus of the year was the extensive integration of our international platforms. This involved a global brand roll-out, unifying Investec Property Fund and Urban Real Estate Partners under the Burstone brand. We also established global executive, investment, and credit committees to streamline decision-making and ensure consistency in our approach. By centralising core international functions such as marketing and treasury, we have driven best practices and efficiencies while retaining essential local expertise. Our joint international capital roadshows have effectively leveraged our extensive local and international experience, strengthening our global presence.

The synergies created by the internalisation and integration of our business have significantly enhanced our international footprint. We have achieved an annualised net management fee saving of R80 million, surpassing the expected savings of R74 million announced at the time of the transaction. Additionally, we have secured a new third-party management mandate in Germany and are engaged in discussions with global equity and debt investors across Australia and Europe. These efforts are unlocking distribution synergies and enhancing our capabilities across the regions in which we operate.

Cost-saving initiatives have also been a major focus, with €2.1 million in corporate savings achieved in Europe during the financial year. We anticipate further synergies in the financial year ending 31 March 2025 (FY25), reinforcing our commitment to operational efficiency and value creation.

As we assess the performance of our business in both South Africa and Europe, we are pleased with the results achieved in both regions despite the global volatility that has negatively affected each area. Our operations have demonstrated remarkable resilience and stability, supported by our exceptional asset management teams in both regions.

As expected, Group results were however, impacted by higher funding costs, with full year distributable earnings per share increasing by 1.0% to 105.67cps, in line with guidance.

South African portfolio

The South Africa team delivered another strong operational performance, notwithstanding the continued weak economic environment and the impact of loadshedding. We continue to proactively partner with our clients to provide the best client experience and focus on creating enhanced returns through value-added initiatives. The strength of our client relationships and our continued focus on improving marketing efforts and remaining responsive to client requirements remains a key underpin to our performance.

Burstone's South African portfolio delivered base net operating income (NOI) growth of 1.5% for the year, driven by several key factors. Lower average vacancies, which decreased from 6.2% in March 2023 to 3.7% in March 2024, played a significant role. Additionally, strong letting activity across all sectors, continued robust trading in the retail sector, a rebound in demand within the industrial sector and increased enquiries in the office sector contributed to this growth. Disciplined cost management further supported the positive performance, showcasing the portfolio's resilience and adaptability in a challenging market environment. Performance was hampered by high negative reversions in the office sector and a cancellation fee received in financial year 2023 (FY23) that was not repeated in financial year 2024 (FY24).

Looking to the year ahead, the South African macroeconomic backdrop remains muted, and the property sector faces many challenges, not limited to rising municipal costs and an energy crisis which contributes to an increasing cost of occupation. While the South African portfolio has stabilised and is performing to expectations, it is expected to deliver low single digit growth that is reflective of the current operating environment.

Initiatives to reduce our client's cost of occupation will become increasingly necessary to drive bottom line earnings. With the portfolio now stabilised, the focus will be on maintaining the quality and relevance of the portfolio and accelerating the capital recycling program.

Pan-European logistics portfolio (PEL)

Performance of the PEL platform is underpinned by a strong, defensive portfolio that has capitalised on the sector dynamics consistently since acquisition. The logistics portfolio delivered strong gross rental growth driven by positive rental reversion, good letting activity and captured c.7.8% indexation across the portfolio. The Group has re-let or renewed 96% of space that expired over the year at a positive reversion of 5.2%. As a result, base like-for-like NOI of the European operations grew by 6.2% (in EUR) over the year.

Whilst overall results were as expected being negatively impacted by the higher global rate environment, the business was successful in implementing several cost savings initiatives to absorb a significant portion of this impact. As a result, net distributable earnings increased by 1.3% to €15.2 million for the year.

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.

Fund management and capital light activities

The Group continues to invest for the future with progress made on several capital-light initiatives during the year. In Europe, Burstone entered a new management mandate to oversee the asset management function of a light industrial portfolio in Germany, offering opportunities for co-investment and continued management with existing owners. This contract contributed R10 million to earnings in FY24 and these earnings are expected to increase in FY25. The Group is also exploring multiple sub-portfolio options, value-add, and core plus strategies, leveraging Burstone's strong management capabilities. Additionally, the Group will continue to assess the option to introduce a strategic partner into the PEL portfolio, potentially selling down to 50 / 50 or below, with a focus on maximising shareholder value and ensuring long-term sustainability.

In Australia, the 50 / 50 Joint Venture (JV) with the Irongate Group is progressing well. Irongate made its first industrial property acquisition for a new industrial platform in November 2023, supported by a co-investment from Phoenix Property Investors (Phoenix), an APAC-focused private equity real estate investment group, for 80% of the equity. Irongate co-invested alongside Phoenix and is providing the fund and asset management. Irongate now manages A\$490 million in equity AUM, up 8% since acquisition.

In South Africa, the Group has built the foundation for a third-party fund management platform to attract institutional capital. These fund management platforms will initially focus on our core sectors. The Group also concluded a JV with Flanagan and Gerard Frontiers Proprietary Limited (F&G) to acquire Neighbourhood Square, a best-in-class convenience retail asset in Linksfield, Johannesburg.

In the current year, total third-party capital under management amounted to R4.7 billion and we are pleased to report that capital-light initiatives generated R61 million in earnings, representing approximately 7% of the Group's earnings. We expect an increase in assets under management and earnings contribution in FY25, with these initiatives having a more significant impact on earnings within the next two- to three-years.

Capital allocation and gearing

Lowering the loan-to-value (LTV) ratio is critically important for the Group, and it remains a core focus for the near term. To achieve this, the Group has been actively de-gearing its balance sheet. The Group has been successful in completing the sale of several assets during the period, and is pursuing further asset sales in both South Africa and Europe, in order to achieve its short-term LTV target range of between 37% to 40%.

Effective capital allocation is essential for supporting our long-term strategic plan and creating shareholder value. By strategically deploying and recycling capital into the best international and local opportunities, we ensure that our investments are aligned with our growth objectives and market conditions.

Once we achieve our LTV targets, we will maintain our focus on future investments, consistently creating internal capital. This strategy not only strengthens our financial position but also enables us to seize opportunities that drive sustainable growth and enhance shareholder value.

Dividend

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% going forward. The Board will continue to assess the appropriateness of this dividend payout policy in light of its long-term strategy and after considering its LTV position, capex funding requirements and any potential taxation impacts.

Strategic focus

The strategic focus of the Group over the past year has been on its repositioning from a property investment business into an integrated international real estate fund and asset management company.

The Group's immediate focus will be on:

- Reducing its LTV over the next 12 months to between 37% to 40%, through a planned process of asset sales which the Group is confident it will deliver on.
- Completing the refinancing of the Group (ZAR and EUR) debt and the debt in PEL. These processes are well on track to be completed by Q2 FY25 and will result in some margin savings, but importantly, they will extend the debt expiry profile across the Group.
- Carefully managing the increased funding costs, specifically as a result of the roll-off of EUR hedges which will impact the business. The Group aims to largely absorb these increased costs through:
 - Underlying asset performance, specifically from the European platform;
 - Managing our capital allocation given the opportunities that are arising from the current market dislocation;
 - Operational and cost savings initiatives which are already underway, with significant costs savings already successfully implemented in the European platform;
 - New revenue streams from capital light activities; and
 - A reduction in gearing.

Burstone's longer-term focus will be the roll-out of a capital light fund management model through continued investment in several growth opportunities, supporting our asset and geographic diversification with a material impact on earnings expected in the medium- to longer-term.

Outlook

The roll-out of the funds management strategy is expected to create new revenue streams that will further buffer earnings while also reducing LTV. There has been significant market interest in working with the Irongate platform and the management team are actively focused on growing new

Chief Executive Officer's report CONTINUED

strategies and sourcing capital. Together with strategies in Europe and South Africa, this remains a growth vector that the Group expects to build to scale over the medium- to longer-term.

Maintaining the overall quality of our portfolio is important and the Group will continue to invest in structural capex. Both the South African and European portfolios remain stable and are expected to generate growth in NOI in FY25.

Funding costs are expected to increase by c.R70 million in FY25, as existing hedges roll off into the new higher interest rate environment. The Group has, however, proactively implemented several cost savings, balance sheet and other optimisation efforts, together with new revenue streams that will absorb a significant portion of these increased interest costs in FY25.

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 robust balance sheet, Burstone has strong foundations for future growth. We believe that our integrated international offering will be a key differentiator as we implement our strategic plan over the next few years.

Appreciation

In closing, I would like to extend my heartfelt gratitude to our people for their unwavering dedication and hard work in implementing our internalisation process and achieving the

objectives set out in our stated strategy. Your commitment and resilience have been instrumental in driving our success. I also wish to thank the Board for their exceptional leadership and steadfast support in the strategic repositioning of the Group. Your guidance has been crucial in navigating this transformative period. Leaving the safety net of Investec was difficult, but we are excited about the opportunity to continue building our story under a new name, and I would like to thank the senior management team of Investec for their support over many years. Lastly, I want to express our deepest appreciation to our clients for choosing to partner with us. Together, we have accomplished shared goals and laid a strong foundation for continued success. Thank you all for your trust and partnership.

As we look ahead, we remain confident in our ability to navigate the challenges and opportunities that lie ahead, continuing to drive innovation, growth, and value creation.



Andrew Wooler
Chief Executive Officer

4 July 2024



Benoni Multipark, Gauteng, South Africa

Chief Financial Officer's report

“We made significant progress in delivering on our stated strategy, and successfully completed the internalisation of our business. Full year results were in line with guidance, with DIPS increasing by 1.0% to 105.67cps.”

Financial performance

The underlying South African and European portfolios continued to achieve strong rental growth, delivering 1.5% and 6.2% year-on-year LFL NOI growth, respectively.

The South African portfolio benefited from improved vacancy rates over the period and strong performances in the retail and industrial portfolios. Negative reversions persist (largely in the office sector) in the absence of market rental growth although we are seeing signs of rental growth in certain nodes. Arrears remain well managed and cost to income ratios are stable.

The PEL portfolio delivered strong rental growth driven by the ability to capture positive ERV. Vacancy rates remain at low levels. Arrears have been well managed, and we have extracted cost savings in the European platform with further savings expected over the next year. Reversion rates have seen positive growth in excess of 5%.

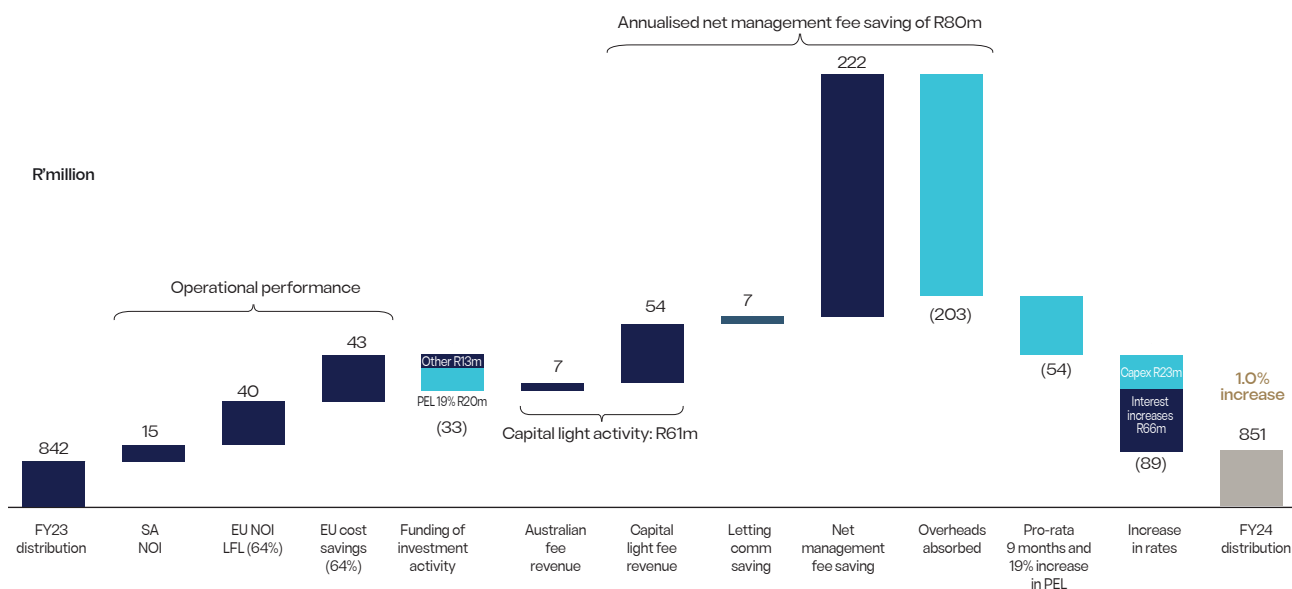
As expected, overall Group financial performance was however, dampened by higher funding costs. There has been a material shift in Euribor of c.4% since September 2022. As communicated previously, funding costs increased in the PEL platform to the Euribor cap of c.1.4% plus margin. These higher funding costs are now fully reflected in the base and equate to an increase of 27% for the year in Euros.

Considering the above-mentioned factors, Group DIPS increased by 1.0% to 105.67cps (Mar-23: 104.64cps).

NAV per share was R15.45 (Mar-23: R16.17) largely reflecting further investment into the business, the impairment of PEL (net of forex) and unrealised mark-to-market movements on derivatives.

Distributable earnings bridge

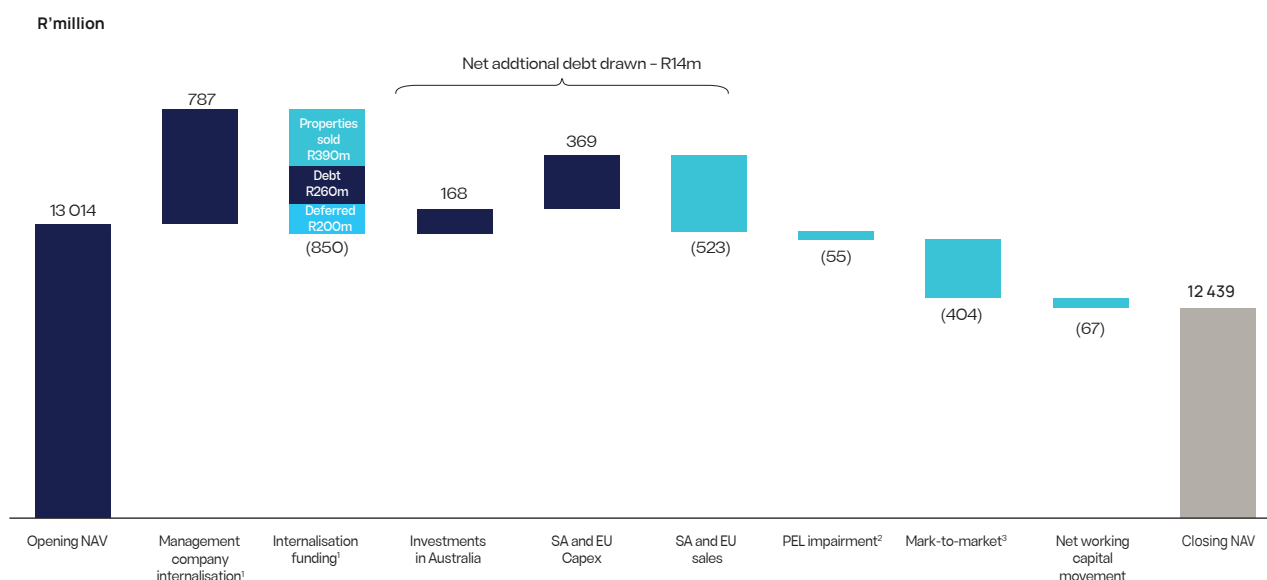
Benefited from internalisation, offset by higher funding costs



Chief Financial Officer's report CONTINUED

Net asset value bridge

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



Dividends

Effective capital optimisation and lowering LTV remain key strategic imperatives. The Group also strongly believes that continued investment in several growth opportunities is key to delivering shareholder value and medium-term growth across its core regions and strategies. The Group therefore intends to manage its balance sheet and dividend payout ratio in an appropriate manner to support first, and foremost, its planned reduction in LTV together with its growth strategy.

In light of its current strategy, the Board has assessed the appropriateness of its dividend payout policy which was previously at 90% to 95%. In order to support near-term LTV, our 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 ended 31 March 2024 declaring a dividend of 40.95cps (Mar-23: 48.32cps) for the period. The payout ratio was 95% for the first six months of the year, resulting in the total dividend payout ratio for FY24 of 85%. The total dividend for the year amounts to 89.46cps (Mar-23: 99.41cps), representing a decline of 9.9% year-on-year and an aggregate dividend of R720 million (Mar-23: R800 million).

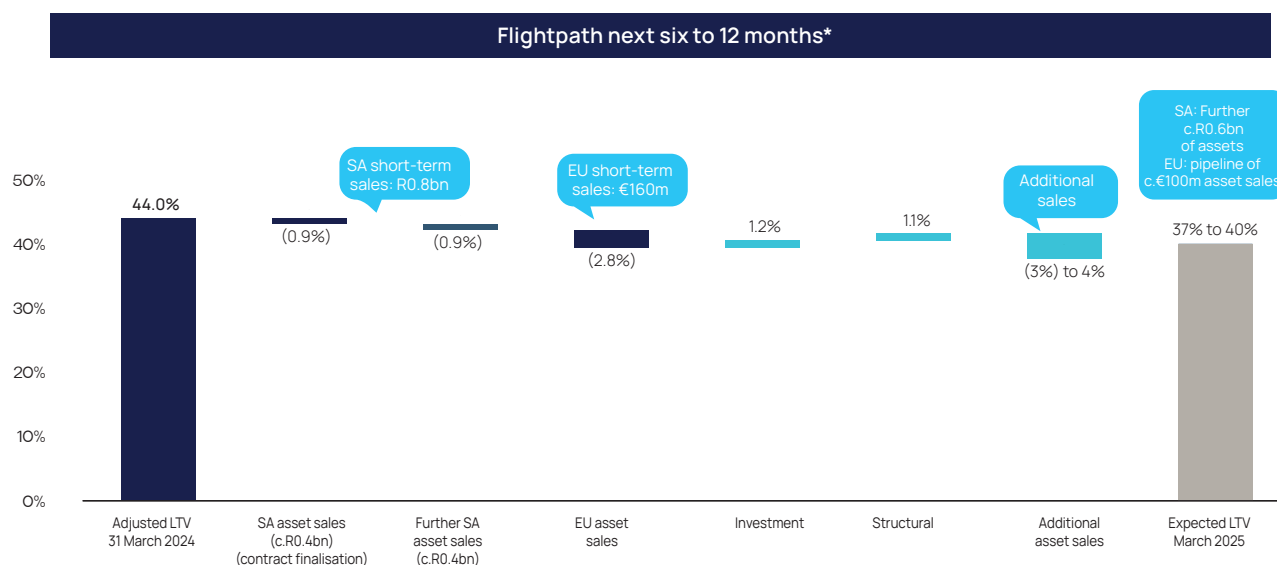
Balance sheet and treasury

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

LTV

The Group's adjusted LTV ratio is at 44%* (Mar-23: 42%). The Group is focused on several initiatives, which are at various stages of progress, to further manage LTV down from its current level of 44%. During the period the Group sold net assets, in South Africa, of c.R1.3 billion at a c.1.5% premium to book value, in line with the projected pipeline of sales presented to shareholders in our LTV flightpath in May 2023. Over the past three years, the Group has sold R2.8 billion of South African assets in line with book value. The Group is actively working on several initiatives to continue to recycle its capital efficiently with a pipeline of R1.2 billion to R1.4 billion of South African assets and €150 million to €250 million of European assets identified for sale. The Group is targeting an LTV of between 37% to 40% over the next 12 months, which will be achieved through these asset sales.

* 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%.



* Flightpath ignores impacts such as valuations, forex movement etc. Structural includes capex, amortisation of intangible assets 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.

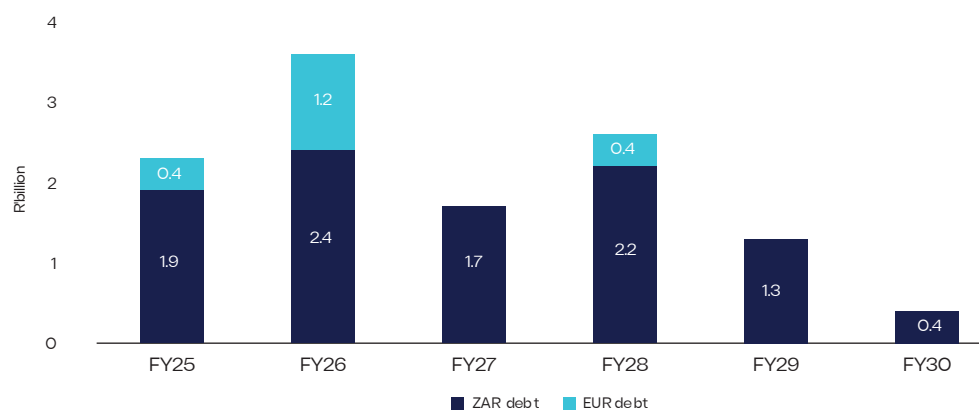
Liquidity

Total Group debt (including undrawn facilities) at 31 March 2024 amounts to R11.9 billion (R9.9 billion in ZAR and R2.0 billion in EUR), with a cost of debt of 9.25% on ZAR debt and 3.16% on EUR debt. Total ZAR swaps at 31 March 2024 amount to R3.9 billion with a weighted average swap rate of 7.3% and the Euro debt is 100% hedged at an average weighted swap rate of 1.9%.

Active treasury management is a key priority in the short- to mid-term with a particular focus on refinancing of the Group's balance sheet and managing upcoming swap expiries. The refinancing of Group debt is expected to be concluded by Q2 FY25, resulting in expected margin savings of c.20bps and extending the debt expiry from 2.2 years to 3.2 years.

Burstone has c.R1.1 billion of committed available facilities at the time of releasing results (22 May 2024) to settle short-term debt expiries and the refinance is well progressed to further mitigate any liquidity risk.

Group debt expiry by type and year



Chief Financial Officer's report CONTINUED

PEL debt

European debt maturity is 1.3 years and the average all-in cost of funding within the PEL platform is 3.9% (Mar-23: 3.7%). Europe in-country debt is 93% hedged by way of a cap at a weighted average interest rate of 1.4%. The cap expires in October 2025 and will only impact the business in the 2026 financial year.

The early refinancing of debt within the portfolio is progressing well and is expected to be concluded by Q2 FY25. The funding metrics are expected to remain stable post the refinancing but the term of the debt will be extended from 1.3 years to 4.5 years.

As interest rates stabilise, the impact of higher funding costs is expected to be partially mitigated by continued growth in contracted rent and lower platform costs.

Debt and hedging

Management is cognisant of the volatile global interest rate environment and maintains a high 98% hedge against total debt (Mar-23: 85%) at Group level.

Euro currency risk is managed through the Group's policy to maintain at least a 60% hedge against offshore investments and 100% hedge against foreign income, by way of foreign exchange contracts. Burstone has hedged 75% of its capital investment, as well as c.93% of expected income from the PEL investment over the next five years, at forward exchange rates ranging between R20.35 – R29.44 to the Euro, with an implied 5% to 7% forex growth locked-in over the next five years.

The maturity of the swap book has been maintained at an average expiry of 2.0 years (Mar-23: 2.0 years). The Group actively manages its interest rate exposure by assessing various swap strategies and seizes opportunities to extend its swap profile at lower rates where possible.

Funding costs are expected to increase by c.R70 million in FY25, as existing hedges roll off into the new higher interest rate environment. The Group has, however, proactively implemented several cost savings, balance sheet and other optimisation efforts, together with new revenue streams that will absorb a significant portion of these increased interest costs in FY25.

	At 31 March 2024 pre-refinancing				At 31 March 2023			
	Group		PEL		Group		PEL	
	ZAR debt	EUR debt	Total	Europe	ZAR debt	EUR debt	Total	Europe
Quantum	R9.9bn	R2.0bn	R11.9bn	€566m	R4.7bn	R5.8bn	R10.5bn	€588m
Debt maturity (years)	2.8	2.4	2.2	1.3	3.3	3.2	3.3	2.5
Swap maturity	2.0	1.8	2.0	2.5	2.3	1.3	2.0	2.5
Hedge percentage	95%	100%	98%	93%	78%	90%	85%	90%
Gearing	-	-	44%	53%	-	-	42%	53%
Average all-in cost of funding	9.25%	3.16%	5.31%	3.9%	9.0%	2.9%	5.3%	3.7%
Average debt margin (local currency)	1.65%	2.12%	1.73%	2.2%	1.7%	1.9%	1.7%	2.3%
Average swap rate	7.3%	1.9%	4.6%	1.4% ⁴	7.3%	0.4%	5.4%	1.4%
Encumbrance ratio ¹	-	-	48%	100%	-	-	49.6%	100%
% Debt secured ²	-	-	55%	100%	-	-	55.3%	90%
% Foreign debt and CCS of EUR investment ³	-	-	75%	-	-	-	75%	-

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 €473m debt at 1.1% and €56m debt at 4%, hedged via interest rate cap. €38m loan remains unhedged.

Appreciation

Overall it has been a busy year and significant progress has been made integrating our business across our core regions. A huge thank you to my Finance team, the Executive Committee and the Board. We also appreciate all our partners without whom none of this would be possible.



Jenna Sprenger

Chief Financial Officer

4 July 2024

Operational overview

South African portfolio



Province	R'bn	Properties
Gauteng	8.3	56
KwaZulu-Natal	2.1	9
Western Cape	1.8	4
Free State	1.6	2
Mpumalanga	0.4	1
Total	14.2	72

Overview

The South African direct property portfolio accounts for 44% of the Group's asset base on a look-through basis (60% on an IFRS basis). The local portfolio comprises 72 high-quality properties in strategic, well-located nodes.

The South African portfolio has yielded a stable performance in the financial year, notwithstanding the continued weak economic environment and the impact of loadshedding. We continue to proactively partner with our clients to provide the best client experience and focus on creating enhanced returns through value-added initiatives. The strength of our client relationships and our continued focus on improving marketing efforts and remaining responsive to client requirements remains a key underpin to our performance.

We have continued to maintain low vacancy ratios driven by solid leasing across all sectors.

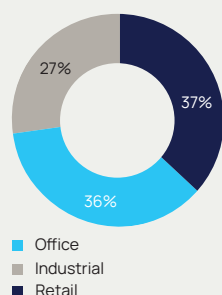
The table below presents a snapshot of the South African property portfolio:

Portfolio	TOTAL		OFFICE		INDUSTRIAL		RETAIL	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Number of properties	72	79	26	30	28	30	18	19
Asset value (R'bn)	14.2	14.6	5.0	5.4	3.3	3.3	5.9	5.9
Base NOI growth	1.5%	5.3%	(7.5%)	2.9%	9.5%	9.2%	5.9%	5.3%
Cost to income (excl. bad debts)	22.7%	22.8%	28.5%	27.5%	18.2%	19.0%	19.4%	19.5%
GLA (m ²)	971 331	1 013 700	235 277	243 500	446 979	475 500	289 075	294 700
Vacancy (by GLA)	4.5%	3.9%	8.4%	7.4%	3.0%	1.9%	3.7%	4.5%
WALE (years)	3.0	2.9	3.3	2.8	2.8	2.8	2.8	2.9
In-force escalations	6.8%	6.8%	7.0%	7.1%	7.0%	7.3%	6.2%	6.5%

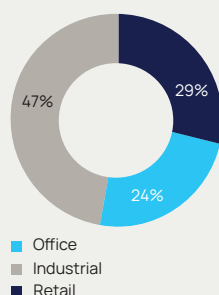
Operational overview CONTINUED

The sectoral spread of the South African portfolio is set out below:

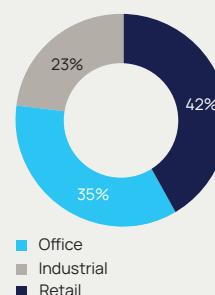
Sectoral spread by revenue



Sectoral spread by GLA



Sectoral spread by asset value



South Africa financial performance

Burstone's South African portfolio delivered base NOI growth of 1.5% for the year driven by:

- Lower average vacancies (Mar-24: 3.7% versus Mar-23: 6.2%);
- Strong letting activity across all sectors;
- Continued strong trading activity in the retail sector;
- A rebound in demand within the industrial sector;
- Increased enquiries in the office sector; and
- Disciplined cost management.

Performance was hampered by high negative reversions in the office sector and a cancellation fee received in FY23 that was not repeated in FY24.

Cost-to-income ratios (excluding bad debts) remained stable at 22.7%.

South Africa collections and arrears

Rentals have been collected timeously, with year-on-year improvement in arrears from R56 million (Mar-23) to R52 million outstanding debtors (including legal debtors) as a result of active management. Arrears as a percentage of collectibles amount to 2.6% (Mar-23: 3.0%).

South Africa income statement

R'm	Year ended 31 March 2024	Year ended 31 March 2023	% change
Gross income	1343	1306	2.8%
Net expense	(316)	(294)	7.5% ¹
Base net property income	1 027	1 012	1.5%
Office ²	372	402	(7.5%)
Industrial ³	277	253	9.5%
Retail ⁴	378	357	5.9%
Developments NOI	47	38	23.7%
Acquisitions and disposals NOI	76	109	(30.3%)
Net property income	1150	1159	(0.8%)
South African finance costs	(389)	(403)	3.5% 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%	

¹ Impacted by bad debts in the period, whilst FY23 included a bad debt recovery. Excluding bad debts, net property expenses increased by c.4% year-on-year.

² Impacted by negative reversions and a cancellation fee received in FY23 that was not repeated in FY24.

³ Solid growth driven by letting activity.

⁴ Retail growth mainly driven by contractual escalations, positive reversions and stable vacancy.

⁵ Declined due to disposals over the period.

South African portfolio continued

South Africa letting activity

The Group successfully let 237 779m² (90%) of space expiring in FY24 and 19 796m² (45%) of opening vacancy.

Whilst we do think that negative reversions will persist, particularly in the office sector, we are seeing some rental growth return and reversion levels are starting to flatten. Our incentive levels remain low and are focused on tenant installations.

	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							

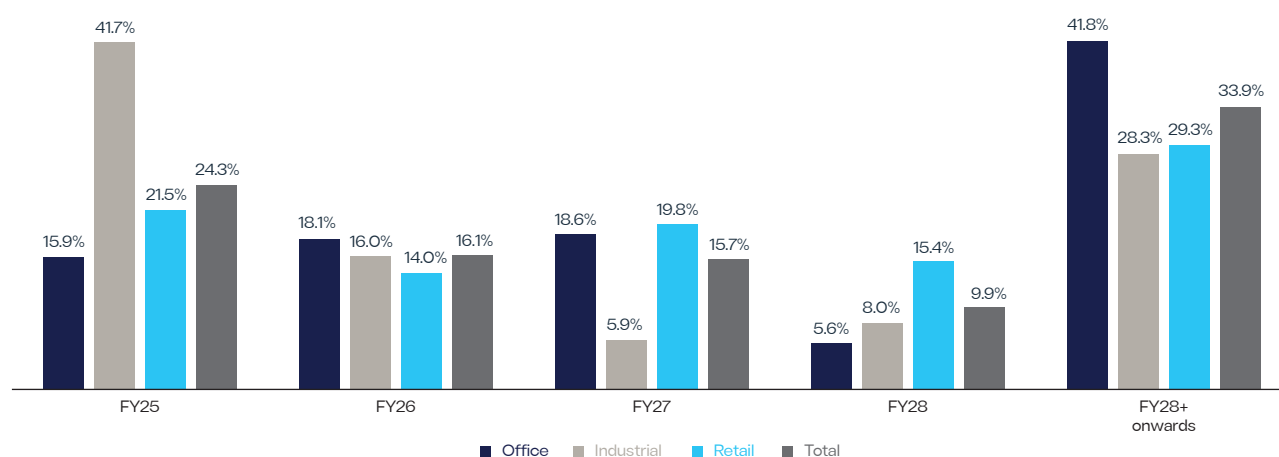
¹ Largest reversions arising from renewals in Midrand, at the end of a ten-year lease.

² Incentives have largely comprised tenant installations.

³ Early letting mainly driven by two tenants in the Industrial sector extending for four years and ten years, respectively.

South Africa lease expiry profile (by revenue)

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



Operational overview CONTINUED

South Africa valuation

The base portfolio yield remained stable at 9.0% (Mar-23: 9.2%) reflecting stability of the portfolio and improved metrics. The Group spent R154 million on value enhancing capex, predominantly on the Design Quarter development.

South Africa property disposals

During the period, the Group disposed of 14 assets for R1.3 billion at 1.5% premium book value. Of these assets, c.R0.5 billion are awaiting transfer. The Group is targeting a further c.R1.2 billion to R1.4 billion of assets disposals in the next 12 months. Over the past three years, the Group has sold R2.8 billion of South African assets in line with book value.

South Africa loadshedding impact

Loadshedding has posed a significant challenge to the property sector. Burstone has made significant steps in supporting clients through loadshedding and reducing the cost of occupation for its clients through energy assessments, wheeling considerations, interfacing solar to generators, rolling out additional solar power initiatives and improving back-up power in its buildings. 70% of Burstone's portfolio is covered by back-up power and the Group has installed 14.8MWp of solar generation capacity to date to alleviate the burden of the energy crisis.

Given the significant amount of infrastructure investment (current and planned) by the private sector coupled with Eskom power generation, there are signs of an easing in loadshedding over the relatively short- to medium-term.

The Group will continue to identify opportunities to roll-out energy solutions across its portfolio and is focusing its current efforts on identifying initiatives that will enhance the sustainability of its portfolio and further reduce the cost of occupation for its clients.



Fleurdale Mall, Bloemfontein, Free State, South Africa

South African portfolio continued

South Africa top properties

The following ten properties were the largest properties per sector within the Group's portfolio as at 31 March 2024:

OFFICE	GLA (m ²)	% of sector by GLA
Woolworths House	30 435	13%
1 & 1A Protea	20 230	9%
2929 on Nicol	16 233	7%
3 Sandown Valley Crescent	13 723	6%
The Firs	13 236	6%
192 Bram Fisher	13 074	6%
Nicol Main Office Park Building	11 898	5%
4 Sandown Valley Crescent	11 168	5%
345 Rivonia Road	10 698	5%
30 Jellicoe	10 668	5%
Office top ten sub-total	151 363	
Office grand total	235 277	

INDUSTRIAL	GLA (m ²)	% of sector by GLA
Alrode Multipark	91 001	20%
181 Barbara	51 097	11%
Benoni Multipark	44 986	10%
32 Potgieter	26 645	6%
72 North Reef	23 693	5%
Diesel Road	22 668	5%
10 Jansen	19 294	4%
Riverhorse – RTT	18 474	4%
WACO	14 375	3%
25 Nguni	13 088	3%
Industrial top ten sub-total	325 321	
Industrial grand total	446 979	

RETAIL	GLA (m ²)	% of sector by GLA
Zevenwacht Mall	39 846	14%
Newcastle Mall	38 993	13%
Balfour Mall	36 932	13%
Dihlabeng Mall	31 222	11%
Fleurdal Mall	30 806	11%
Design Quarter Mall	26 232	9%
Kriel Mall	21 058	7%
Shoprite Checkers Vanderbijlpark	11 746	4%
Builders Warehouse Zambezi	8 908	3%
McCarthy Menlyn	7 346	3%
Retail top ten sub-total	253 089	
Retail grand total	289 075	

Operational overview CONTINUED

South Africa top tenants

Top ten tenants by gross revenue and as % of total portfolio

Office

Tenant name	%
Woolworths	3.2%
Clidet No 887	2.7%
Clover SA	1.5%
Samsung Electronics SA	1.3%
The Maisels Group	1.2%
Webhelp SA Outsourcing	1.0%
OFP Finance Africa	1.0%
National Youth Development Agency	0.8%
Investec Bank Limited	0.8%
Iress MD RSA	0.8%

Industrial

Tenant name	%
Reload Aquarius	
Shipping International	2.5%
RTT Group (Pty) Ltd	2.1%
Sumitomo Rubber South Africa	1.4%
Motus Aftermarket Parts	1.3%
The Beverage Company	1.3%
Anchor Park Investments 48	1.2%
Waco Africa	1.2%
SMD Technologies	1.2%
Adcock Ingram Healthcare	1.1%
Kees Beyers Chocolate	1.1%

Retail

Tenant name	%
Shoprite Checkers	4.1%
Foschini Retail Group	2.8%
Mr Price Group	2.4%
Pepkor Trading	1.8%
Masstores	1.5%
Pick 'n Pay Retailers	1.4%
Clicks Retailers	1.0%
Builders, a Division of Massmart Retail	0.9%
Woolworths	0.9%
McCarthy	0.8%



Alrode Multipark, Gauteng, South Africa

South African portfolio continued

South Africa strategic priorities and outlook

In South Africa, the Group has a stable and mature portfolio which supports a sustainable level of earnings. However, growth expectations remain low given domestic energy and industry challenges and global macro-economic volatility and uncertainty.

The current focus is on:

- Maintaining the quality and relevance of the South African portfolio and extracting incremental value from existing assets;
- Continuing to execute on the South African asset disposal programme as part of the Group's levers to manage LTV down and to redeploy capital to growth initiatives;
- Supporting clients through continued initiatives focused on reducing the cost of occupation;
- Maintaining energy security within our portfolio;
- Further embedding our Environmental, Social and Governance (ESG) initiatives;
- Maintaining an appropriate level of capex spend; and
- The Group has built the foundation for a third-party fund management platform in which institutional capital can invest, and the business will continue to explore opportunities in this regard.



Design Quarter Suites, Fountains, Gauteng, South Africa



10 Jansen Road, Jet Park, Gauteng, South Africa



Nicol Main Office Park, Bryanston, Gauteng, South Africa

Operational overview CONTINUED

OFFICE SECTOR REVIEW



Province	R'bn	Properties
Gauteng	4.3	22
KwaZulu-Natal	0.1	1
Western Cape	0.6	3
Total	5.0	26

Office KPIs

2024

Number of properties	26
Asset value (R'bn)	5.0
Base NOI growth	(7.5%)
GLA (m ²)	235 277
Vacancy (by GLA)	8.4%
WALE (years)	3.3
In-force escalations	7.0%

Office assets comprise 35% of the South African portfolio by value, with 26 properties located in major commercial nodes. The Group's office assets remained resilient, with a marginal increase in vacancy.

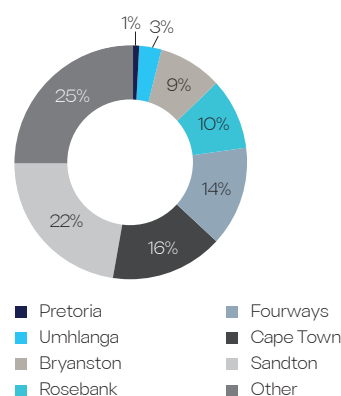
As hybrid working evolves, clients who previously downsized, have come to the realisation that more office space is required than previously anticipated (in the form of dedicated enclosed meeting spaces, to facilitate online meetings and calls) which has led to the expansion of space. This has been further exacerbated by the impact of loadshedding on employees.

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%).

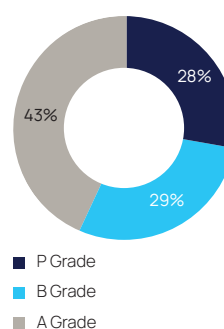
Office vacancies were well-managed at 8.4% by GLA (Mar-23: 7.4%). The Group's vacancy rates are one of the lowest across the sector. Letting statistics have been strong as a result of strong management skills and execution of our strategy which has been centred on enhancing the client experience.

The lease expiry profile of the office sector portfolio is relatively smooth over the next five years with no specific concentration, additionally the geographic concentration of the expiries is limited. The 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 the Group's portfolio.

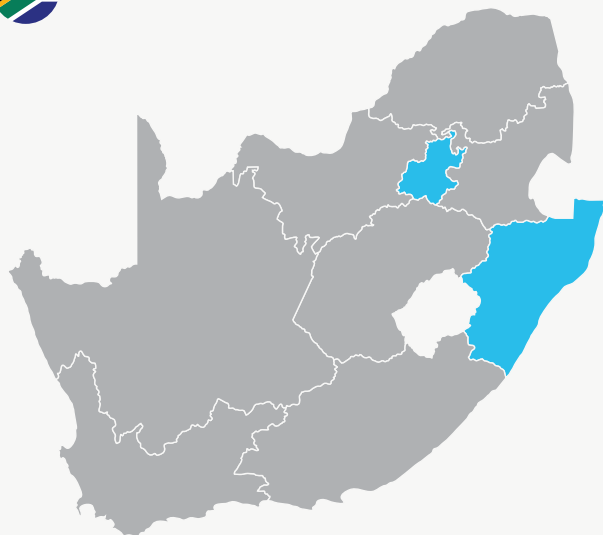
Nodal breakdown by GLA



Nodal breakdown by GLA



INDUSTRIAL SECTOR REVIEW



Province	R'bn	Properties
Gauteng	2.5	21
KwaZulu-Natal	0.8	7
Total	3.3	28

Industrial KPIs

2024

Number of properties	28
Asset value (R'bn)	3.3
Base NOI growth	9.5%
GLA (m ²)	446 979
Vacancy (by GLA)	3.0%
WALE (years)	2.8
In-force escalations	7.0%

The Group's industrial portfolio comprises 28 properties (23% of total asset value) with strong fundamentals in well-established nodes.

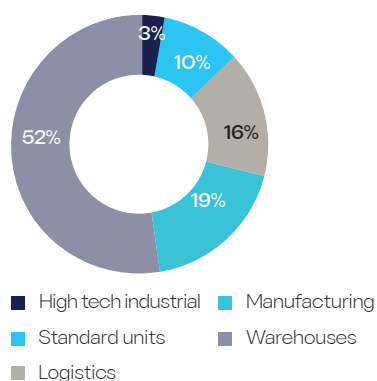
The industrial property sector has experienced a strong comeback as evidenced by good demand for the Group's industrial assets resulting in strong letting activity and the emergence of market rental growth in the sector.

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%. 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%).

Limited supply of stock in the industrial sector and lower risk appetite by banks to fund speculative developments in the current environment will continue to support demand for existing stock.

Industrial portfolio composition by NOI



RETAIL SECTOR REVIEW



Province	R'bn	Properties
Free State	1.6	2
Gauteng	1.6	13
KwaZulu-Natal	1.1	1
Mpumalanga	0.4	1
Western Cape	1.2	1
Total	5.9	18

Retail KPIs

2024

Number of properties	18
Asset value (R'bn)	5.9
Base NOI growth	5.9%
GLA (m ²)	289 075
Vacancy (by GLA)	3.7%
WALE (years)	2.8
In-force escalations	6.2%

The Group's retail portfolio comprises 18 properties (42% of total asset value) strategically situated in semi-rural, non-metropolitan nodes, and are well-tenanted with a significant proportion of national clients. The shopping centres within the portfolio serve large catchment areas and are dominant in the nodes within which they are located.

The segment remains an attractive asset class within the Group's portfolio with LFL NOI growing 5.9% during the year, driven by contractual escalations, positive reversions and a 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:

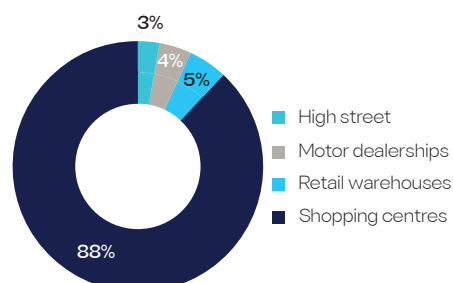
- Average turnover increased by 4.6% for the year to March 2024 (year to March 2023: +8.5%);
- Trading density increased to R2,901/m² for the year to 31 March 2024 (year to March 2023: R2,773/m²); and
- Retail clients traded on an average cost of occupation of 6.1% representing a sustainable trading environment.

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 asset.

Refurbishment at the Design Quarter is now completed and 95% tenanted, with Checkers and Clicks as new anchor tenants. We have had a successful introduction of a restaurant offering at Fleurdal resulting in very strong overall turnover growth of 8.4%. Dischem has been introduced as a tenant to Dihlabeng further cementing its dominance and reducing the risk of competing schemes. A new ground mounted solar farm was completed at Newcastle Mall with a total capacity of 3 296kWh.

Retail portfolio composition by NOI



ACHIEVEMENTS DURING THE YEAR SOUTH AFRICAN PORTFOLIO

OFFICE



30 Jellicoe common area upgrade with canteen



Early renewal for further six years at Woolworths House (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

INDUSTRIAL



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



AGCO renewal for ten years, 12 months before lease expiry

RETAIL



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

Operational overview CONTINUED

Pan-European portfolio



	Country	€'m	Locations
	France	259	10
	Germany	336	8
	Italy	70	1
	Poland	119	4
	Netherlands	149	6
	Spain	43	1
	Belgium	79	2
	Total	1055	32



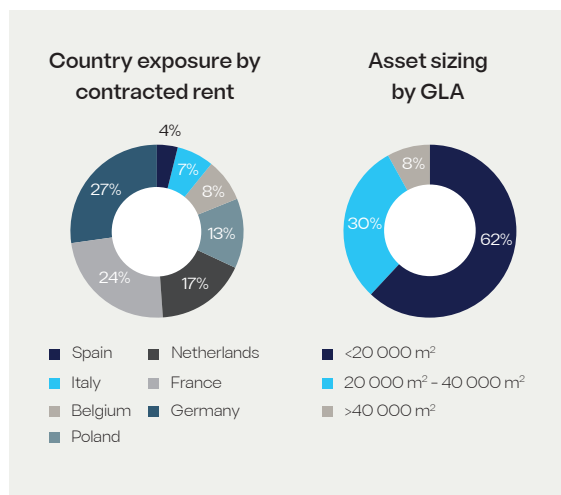
PEL overview

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 and a cautious approach has been taken to pipeline developments given the weaker economic environment. 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. Debt and equity markets are starting to firm up.

The PEL portfolio comprises 32 properties valued at €1 055 million at 31 March 2024.

PEL KPIs	2024	2023
Number of properties*	32	33
Asset value (€'bn)	1.1	1.1
LFL base NOI growth	6.2%	7.4%
Cost to income (excl. bad debts)	8.5%	8.4%
GLA (m ²)*	1 124 555	1 135 630
Vacancy (by GLA)	2.2%	0.9%
WALE (years)	5.3	5.2
Average positive reversions on renewals and new leases	5.2%	8.6%
Indexation	7.8%	8.2%

* Schiphol property in Netherlands was sold.



Pan-European portfolio continued

PEL financial performance

Performance of the PEL platform is underpinned by a strong, defensive portfolio that has capitalised on the sector dynamics consistently since acquisition. The portfolio is geographically diverse and concentrated in core Western European jurisdictions, 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 name companies.

The underlying portfolio continues to deliver solid performance and portfolio metrics have remained stable. The logistics portfolio delivered strong gross rental growth driven by positive rental reversion, good letting activity and captured c.7.8% indexation across the portfolio. The Group has re-let or renewed 96% of space that expired over the year at a positive reversion of 5.2%. As a result, base LFL NOI for the year grew by 6.2% (in EUR).

Other expenses declined by 31% as the Group has implemented several cost savings initiatives that unlocked c.€2.1 million of cost savings.

As a result, the cost-to-income ratio (excluding bad debts) amounted to 8.5% (Mar-23: 8.4%). Arrears as a percentage of collectibles remain well managed at 1.4% (Mar-23: 1.0%).

Overall performance was however, dampened by the increase and volatility in global interest rates. PEL earnings (in EUR) increased only marginally over the year largely as a result of its weighted average funding costs increasing by c.1.4% (in the second half of the 2023 financial year). These higher funding costs are fully reflected in FY24 and resulted in a 26.7% increase in finance costs for the year.

Burstone has increased its effective interest in the PEL platform in February 2023, with distributable earnings attributable to Burstone in ZAR, thus reflecting an increase of 36.7% for the year.

PEL income statement

€'m	Year ended 31 March 2024	Year ended 31 March 2023	% 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	8.5%	8.4%	
Arrears as % of collectibles 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%

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.

Operational overview CONTINUED

PEL collections and arrears

The arrears position amounted to €2.9 million (Mar-23: €2.5 million) and continues to be well managed. The rental arrears excluding service charges represent 1.4% of collectibles (Mar-23: 1.0%).

PEL letting activity

Letting performance has been strong and the portfolio continues to capture market rental growth, with 96% of space expiring re-let at positive reversion of 5.2%.

Vacancy remained low at 2.2% (Mar-23: 0.9%) although there was a marginal uptick over the year due to the landlord termination of the lease of one large tenant in Germany at the year-end. The portfolio WALE was maintained at 5.3 years to expiry (Mar-23: 5.2 years).

	Expiries and cancellations GLA (m ²)	Renewals and new lets GLA (m ²)	Weighted average gross expiry rental €/m ²	Weighted average gross new rental €/m ²	Rental reversion %	Incentive % lease value	Retention %	WALE 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%	0.0% 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							

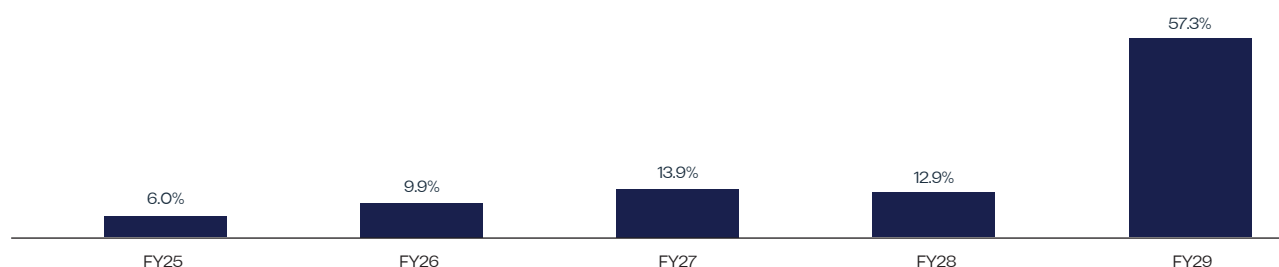
¹ Letting efforts in Germany are ongoing.

² Retention is 0% for Netherlands as only one lease expired in the current 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 profile to break by GLA (SQM)

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



Pan-European portfolio continued

PEL top ten tenants

Based on gross revenue and as % of total portfolio

Tenant 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

PEL valuation

The on-balance sheet value of the PEL portfolio declined by 1.0% to €1 055 million from March 2023, largely as a result a negative revaluation due to macro driven yield expansion, partially offset by strong underlying NOI growth and forex gains. The valuation equated to a carrying yield of 5.5% (Mar-23: 5.1%).

PEL balance sheet and capital recycling

PEL NAV at a Burstone Group level has decreased to €390 million (Mar-23: €425 million).

Gearing within the PEL platform is at an LTV of 53% (Mar-23: 53.5%). The Group continues to focus on capital optimisation and has identified a pipeline of sales (direct and/or as part of sub-portfolio management opportunities) of c.€150 million to €250 million. The Group continues to explore the rolling out of a funds management strategy in Europe.

The early refinancing of debt within the portfolio is progressing well and is expected to be concluded by Q2 FY25. The process of refinancing has been positive, with incumbent lenders and new lenders actively bidding to provide liquidity into the platform. The average all-in cost of funding within the PEL platform was 3.9% at Mar-24 (Mar-23: 3.7%). Europe in-country debt is 93% hedged by way of a cap at weighted average interest rate of 1.4%. These metrics are expected to remain stable post the refinancing but the debt expiry will be extended from 1.3 years to 4.5 years.

As interest rates stabilise, the impact of higher funding costs is expected to be partially mitigated by continued growth in contracted rent and lower platform costs, as the cost containment initiatives start to unlock savings.



Hoppegarten, Berlin, Germany

Operational overview CONTINUED

PEL summarised balance sheet

€'m	31 March 2024	31 March 2023	% 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%)

PEL strategic priorities and outlook

The PEL portfolio continues to deliver strong operating metrics and is well positioned to capitalise on market dynamics as the interest rate environment stabilises. We expect strong NOI generation will continue, with growth prospects supported by structural fundamentals in the sector. Further rental growth will be driven by the abilities of our active asset management team. The quality of earnings will be enhanced through cost savings initiatives. Interest rates are an external volatile factor but are well-managed with limited change forecast for FY25.

The current focus is on:

- Active capital recycling through the asset disposal pipeline;
- Concluding the refinancing;
- Rolling out the funds management strategy; and
- Further embedding ESG principles into the business and assessments of our portfolio with respect to solar and decarbonisation.



Our impacts

Sustainability

Overview

We recognise the importance of rolling out a comprehensive sustainability strategy that is integrated throughout the business. Our sustainability strategy needs to create longer-term stakeholder value that is financial and impactful, improves lives and livelihoods, acts as an enabler of Environmental, Social and Governance (ESG) aspects and aims to achieve net-zero emissions. Within this broader strategy, it is important that the Company drives transformation throughout the business with a clear focus on gender, cultural and racial diversity (locally and internationally), and remains cognisant of specific B-BBEE requirements in South Africa.

Our sustainability positioning and strategy

Sustainability positioning

We aim to create stakeholder value that:

1. Positively impacts our planet
2. Acts as an enabler of ESG within our clients' businesses
3. Improves the lives of our staff, clients and the communities in which we operate

Our commitment is to:

- Create broader stakeholder value – financial and non-financial
- Embed ESG considerations into our investment process
- Manage and mitigate ESG risks, including climate risks
- Achieve net-zero emissions by 2050
- Contribute to sustainability opportunities aligned to the United Nations Sustainable Development Goals (UN SDGs)

Alignment with the UN SDGs

Our primary SDGs are those most relevant to our business and include the unique contexts of the regions in which we invest:



The greatest impact we can have is through the development of our people and the communities in which we operate; partnerships with clients; and environmental and climate actions

Sustainability strategy

Direct

Use our direct impact and control to:

- Manage our carbon footprint and decarbonise the portfolio
- Eliminate greenhouse gas emissions in line with the Paris agreement
- Increase the use of renewable energy
- Reduce and manage water usage
- Reduce and manage waste across the portfolio
- Protect biodiversity and incorporate nature-related considerations
- Invest in/support the development of our communities
- Invest in meaningful learning opportunities for our employees

Indirect

Use our influence to:

- Provide healthy, safe and efficient green buildings
- Partner with clients/tenants and our supply chain to implement ESG strategies
- Provide reliable data to enable clients/property managers to promote efficiency
- Engage with communities to assist with energy, water and waste initiatives

Environmental, Social and Governance

Over the past year, with the support of the Board and led by the Chief Executive Officer (CEO), we continued to embed ESG considerations into our investment process and risk management framework, ensuring these aspects are considered as part of the Group's day-to-day business and operations. Furthermore, we have worked with, and continue to work with experts and consultants to implement the Group's broader long-term sustainability strategy.

We consider the variety of socio-economic and environmental factors which impact our clients and tenants, as well as the local context where our properties are situated. We strive to advance sustainability through collaboration with our clients, working with them to improve the environmental performance of our properties and minimise their impact on climate change. We believe that this approach will ultimately be to the benefit of all stakeholders through reduced cost of occupation for tenants, enhanced asset values for shareholders and sustainable outcomes for surrounding communities.

We are cognisant of the increasing need to quantify our impact and have enhanced our focus on disclosure and delivering greater levels of meaningful ESG data. This process will continue to be improved over time. Our carbon footprint is independently verified. We are active members across the industry with members sitting on several relevant industry bodies namely the SA REIT Association, SA Property Owners Association (SAPOA), South African Council of Shopping Centres (SACSC), the Property Industry Group and the Green Building Council South Africa (GBCSA).

Details with respect to our environmental and social initiatives are included in this section of the Integrated Report and details of our governance structure and policies can be found in the corporate governance report on pages 102 to 108.

Environmental

Environmental problems, including pollution, water scarcity and climate change, rank amongst the biggest problems we face today. We cannot have a vibrant society or a sustainable economy without a healthy environment. We comprehend the significance of climate-related risks and the necessity for open reporting since we are a company that places the long-term vision at the centre of all we do. South Africa is one of the most difficult markets in the world to operate in terms of climate change due to its dependency on coal. As a result, we have put time and effort into learning about climate change and the road to net zero.

Our environmental strategy

Burstone believes in creating financial and social value in a sustainable way that ensures a low-carbon inclusive world. The Group is committed to embracing its responsibility to understand and manage its direct environmental impact and create awareness that encourages positive sustainable behaviour.

We continue to assess and understand our environmental footprint and impact. We seek to align and integrate our environmental strategy into the Group's broader strategy, with the client at the heart. In doing so, we are cognisant of the cost of occupation for tenants. We have implemented several environmental initiatives which support our environmental strategy and we will continue to explore opportunities in this regard.

In line with our Environmental Policy and Climate Change Statement, we are committed to the following environmental goals and objectives:

- Advocating climate action within our own business, alongside our clients and engaging with the communities in which we operate
- Reducing our carbon footprint
- Working towards collecting appropriate data to enable the setting of defined science-based targets, seeking to measure performance against these going forward
- Incorporating considerations regarding climate change into our decision-making processes
- Allocating capital in a manner that is not environmentally destructive or carbon-intensive and, where possible, investing in the roll-out of return-generating renewable energy
- Commitment to open and transparent reporting of our sustainability progress

Environmental achievements in the financial year ended 2024 (FY24):

South Africa

Strategy	Achievements in FY24
Climate and energy	
Solar	• Total portfolio capacity of 14.8 MWp
Energy performance certificates	• 32 buildings (2023: 27 buildings)
Carbon Disclosure Project (CDP)	• B-rating • Identified gaps for improvement
Reducing cost of occupation	• 70% of properties (by GLA) have back-up power • Supporting clients through loadshedding • Reducing cost of occupation through energy assessments, wheeling considerations and interfacing solar to generators
Sustainable buildings	
Green star ratings and green leases	• Total 28 buildings (82% of office; 18% of industrial portfolio) • Market leader - Burstone piloted the roll-out of industrial certifications and achieved 4-star Industrial Green Star certification for five of our buildings • Achieved three new 4-star ratings in our office portfolio and recertification on nine 4-star ratings • Multiple green leases with clients on solar shared savings models
Water	
Water savings	• Exploring borehole as alternative source to reduce reliance on municipal supply • First borehole pilot studies implemented at three properties (Fleurdale, 345 Rivonia and Balfour Mall), with pleasing results • Further feasibility studies are being undertaken at four sites

Environmental CONTINUED

Europe

The Pan-European logistics (PEL) portfolio is still in the early stages of rolling out its ESG strategy. We have made progress with various environmental initiatives in the PEL portfolio:

Strategy	Achievements in FY24
Climate and energy	
Solar	<ul style="list-style-type: none"> The business has planned to deliver a photovoltaic (PV) roll-out which will produce around 4.5 MWp across the portfolio over the next 12 to 18 months
LED lighting	<ul style="list-style-type: none"> Over the past three years, Burstone has invested €1 million in light-emitting diode (LED) lighting and will continue investing in this going-forward. This will enhance the sustainability of our portfolio and reduce costs for our clients
Energy performance certificates	<ul style="list-style-type: none"> All 32 properties have energy performance certificates (EPCs) certificates <ul style="list-style-type: none"> 82% of assets by contracted rent reported ratings have a C or above energy rating 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
Smart-metering	<ul style="list-style-type: none"> Smart meters have been installed across the entire portfolio
Sustainable buildings	
BREEAM ratings	<ul style="list-style-type: none"> The European business performed BREEAM in-use pre-assessments across the entire portfolio
Biodiversity	
Biodiversity risks and opportunities	<ul style="list-style-type: none"> Biodiversity considerations incorporated when environmental impact assessments are conducted Biodiversity measures to be assessed as part of BREEAM in-use improvements
Tenants	
Tenant risk and occupier engagement	<ul style="list-style-type: none"> Continued engagement and implementation of green leases at lease regears or upon entering into new leases to support data sharing and emissions reduction

Our carbon footprint

The Group submits an annual carbon footprint to the CDP and has achieved a B-rating. This is a commendable achievement for the Group and sets the stage for what we aim to achieve going forward.

The CDP is an international body that runs the global disclosure system for investors, companies, cities, states and regions to manage and rate their environmental impacts. The world's economy looks to CDP as the gold standard of environmental reporting with the richest and most comprehensive dataset on corporate and city action and is fully aligned to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

Our carbon footprint assessment is calculated according to the Greenhouse Gas Protocol and follows the operational control approach. Greenhouse Gas emissions are categorised into three scopes. Scope 1 covers direct emissions from owned or

controlled sources, while Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling. Scope 3 includes all other indirect emissions that occur in our value chain. Our carbon footprint has undergone limited third-party verification following ISO 14064-3.

The total South African greenhouse gas emissions have been calculated at 105 282 tCO₂e, following the Greenhouse Gas Protocol. Non-Kyoto Gases were calculated at 84 tCO₂e.

We are pleased to report on our emissions in our European portfolio for the first time and will further embed our reporting processes over the course of the next year.

The total greenhouse gas emissions incurred for the European portfolio have been calculated at 21 551 tCO₂e.

Year-on-year emissions

South Africa

Scope	Category	Emissions source	Total tCO ₂ e			FY24 vs FY23 % change
			FY22	FY23	FY24	
Scope 1	Stationary combustion	Diesel (generators)	476	4 104	4 210	3%
	Stationary combustion	Natural gas	136	182	7	(96%)
	Stationary combustion	LPG	-	46	54	17%
	Fugitive emissions	Refrigerant gases	277	308	452	47%
Total Scope 1			889	4 640	4 723	2%
Scope 2	Market-based electricity	Burstone electricity	2 534	2 310	2 330	1%
Total Scope 2			2 534	2 310	2 330	1%
Total (Scope 1 and 2)			3 423	6 950	7 053	1%
Scope 3	Downstream leased assets	Tenant electricity	127 097	105 774	96 646	(9%)
	Fuel- and energy-related activities	T&D losses	n/a	n/a	211	n/a
	Purchased goods and services	Municipal water	622	616	518	(16%)
	Waste	Waste recycled	8	10	45	350%
	Waste	Waste disposal	344	401	809	102%
Total Scope 3			128 071	106 801	98 229	(8%)
Total tCO₂ emissions (Scope 1, 2 and 3)			131 494	113 751	105 282	(7%)
Total non-Kyoto gases			1 606	69	84	22%

Europe

Scope	Category	Emissions source	Total tCO ₂ e	
			FY24*	
Scope 1	Stationary combustion	Diesel	22	
	Stationary combustion	Oil	46	
	Stationary combustion	Natural gas	5 874	
	Fugitive emissions	Refrigerant gases	-	
Total Scope 1			5 942	
Scope 2	Purchased electricity	Market-based	97	
Total Scope 2			97	
Total (Scope 1 and 2)			6 039	
Scope 3	Downstream leased assets	Tenant electricity	15 074	
	Fuel- and energy-related activities	T&D losses	10	
	Municipal water	Water	16	
	Municipal water	Effluents	18	
	Waste	Waste recycled	21	
	Waste	Waste disposal	373	
Total Scope 3			15 512	
Total tCO₂ emissions (Scope 1, 2 and 3)			21 551	
Total non-Kyoto gases			-	

* This is the first year that we are disclosing our emissions in our European operations

Environmental CONTINUED

- **Scope 1** emissions refer to direct emissions from sources that are owned or controlled by the Company. In Burstone's case, these are refrigerant gases (used for heating, ventilation and air conditioning (HVAC)), natural gas, liquefied petroleum gas (LPG) and diesel (used for generators).
- **Scope 2** emissions refer to indirect emissions from the consumption of purchased electricity, heat or steam. In Burstone's case, this is purchased electricity not recovered by tenants and electricity used in common areas.
- **Scope 3** emissions are all indirect emissions that occur in the value chain of the Company, including both upstream and downstream emissions. In Burstone's case, this is tenant recovered electricity, water and waste.

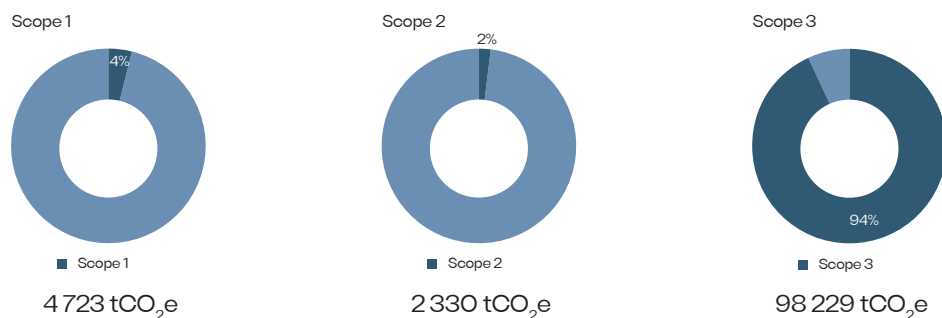
Reducing Scope 3 emissions:

- **Emissions associated with tenant recoveries are the largest contributor towards the overall carbon footprint.** Scope 3 emissions are reduced by lowering grid-consumed electricity. This can be achieved by decreasing energy consumption through energy efficiency initiatives (for example, installing solar PV and entering into green leases).

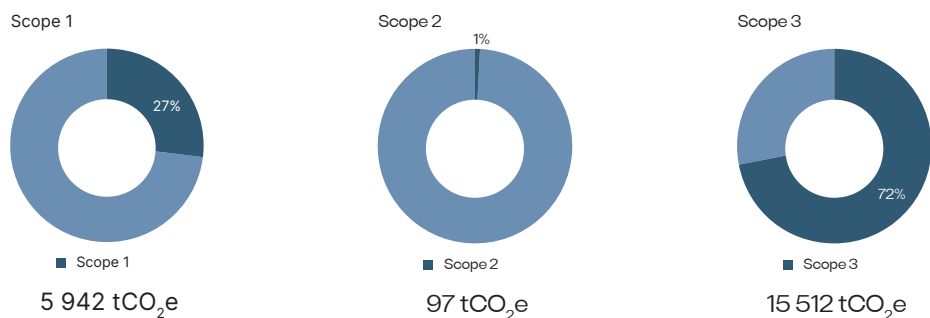
Electricity benchmarking

Emissions associated with tenants' electricity were the highest contributor to Burstone's carbon footprint in South Africa and Europe:

– South Africa: Tenant electricity contributed 96 646 tCO₂e, comprising 92% of total emissions.



– Europe: Tenant electricity contributed 15 074 tCO₂e, comprising 70% of total emissions.



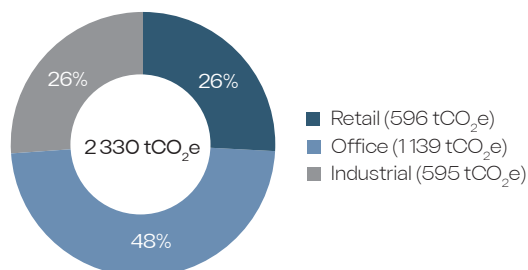
Scope 1, 2 and 3 intensity	FY22	FY23	FY24	FY24 vs FY23 % change
South Africa				
Scope 1 and 2 / Square meter	0.0032	0.0065	0.0070	7%
Scope 1 and 2 / Revenue	2.28	3.83	3.44	(10%)
Scope 3 / Square meter	0.1183	0.1005	0.0971	(3%)

Total emissions per sector (%)

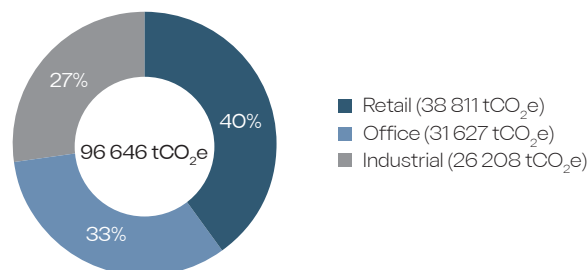
	FY24			
	Total	Retail	Office	Industrial
South Africa				
Scope 2 and 3 electricity tCO ₂ e	98 976	39 407	32 766	26 803
Square meter*	1 011 477	294 118	246 035	471 324
tCO ₂ e / Square meter	0.10	0.13	0.13	0.06

* Based on square meterage over the period, including properties that are bought and sold during the period.

Scope 2 electricity emissions in South Africa by sector



Scope 3 electricity emissions in South Africa by sector



Addressing climate change

The Group's Environmental Policy and Climate Change Statement considers the challenges to the global economy. We recognise the complexity and urgency of climate change and are committed to the transition to a cleaner, low-carbon world. In line with this, we understand that addressing climate change requires complex, bold and urgent action. Thus, we support the Paris Agreement's aim of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts towards limiting it to 1.5°C.

Burstone is seeking to align its climate-risk management framework to the TCFD alongside its CDP submission. The Group aims to understand and approach potential risks and opportunities as guided by this framework. This will assist in aligning the strategy, plans of action and policies and objectives towards addressing the Group's climate-related risk. The Board plays an integral role in respect of oversight specifically in relation to climate change. The Group will consider issuing a standalone TCFD report at the appropriate time, if the Board deems it appropriate.

Top climate-related risks and opportunities

The Group recognises the risks and opportunities that climate change presents to the global economy.

Climate-related risk	Mitigation	Theme financial impact
Carbon tax transitional risk (current regulation)	<ul style="list-style-type: none"> Solar PV roll-out and energy efficiency actions to reduce emissions and associated risk with future carbon tax liability 	<ul style="list-style-type: none"> Increase indirect (operating costs) Decreased revenue
Energy performance certificates transitional risk (current regulation)	<ul style="list-style-type: none"> Procurement of EPCs - this will allow the Group to understand sites which are inefficient, with the aim to improve EPC ratings in line with our environmental strategy 	<ul style="list-style-type: none"> Penalties related to non-compliance
Amendments and phased roll-out of legislation including NEMA 1998, National Waste Act 2008, National Water Act 1998 and municipal by-laws (emerging regulation)	<ul style="list-style-type: none"> Continuous engagement with experts along with internal tracking and research on regulatory changes that could impact the Group 	<ul style="list-style-type: none"> Increased direct costs through capital expenditure to ensure legal and regulatory compliance Increased costs associated with litigation, penalties and fines
Substitution of existing products and services to lower emission options (technology)	<ul style="list-style-type: none"> Continued pursuit of green-certified properties The roll-out of solar PV and energy efficiency measures 	<ul style="list-style-type: none"> Decreased revenues due to reduced demand for products and services
Exposure to climate-related litigation (legal)	<ul style="list-style-type: none"> Ensure compliance with all relevant environmental legislation 	<ul style="list-style-type: none"> Increased indirect (operating) costs through litigation, fines and penalties
The increased cost of raw materials (market)	<ul style="list-style-type: none"> The roll-out of solar PV and energy efficiency measures We will continue to implement back-up battery systems to reduce our diesel consumption. 70% of properties (by GLA) have back-up power 	<ul style="list-style-type: none"> Increased indirect (operating) costs from diesel, electricity and water purchases

Environmental CONTINUED

Climate-related risk	Mitigation	Theme financial impact
<p>Increased water stress leading to drought conditions, increased water tariffs necessitating water storage infrastructure</p> <p>Chronic physical risk (water security and resilience)</p>	<ul style="list-style-type: none"> Bulk remote meters have been installed throughout the South African portfolio, allowing monitoring of portfolio and alarms set on irregular consumption trends Aqua trips installed on a number of sites. Night flow monitoring across the South African portfolio to identify wastage and / or possible leaks Smart water meters installed to monitor water consumption and inform our operational strategy Irrigation metered with timers Retail centres: all bathrooms are separately metered and air-rated nozzles installed on majority of taps Water wise vegetation across portfolio Investigating water initiatives on identified properties: <ul style="list-style-type: none"> Water-storage tanks Grey water harvesting Borehole water: <ul style="list-style-type: none"> Exploring borehole as an alternative source to reduce reliance on municipal supply The first three borehole pilot studies have delivered pleasing results Further feasibility studies are being undertaken at four sites 	<ul style="list-style-type: none"> Impact on tenant operations, increase in indirect costs (operating costs) and decrease of revenue Borehole project costs of R1.8m incurred to date The boreholes at 345 Rivonia and Fleurdal Mall came online in June 2023. From then until year-end, they have resulted in savings of approximately R183 000 and R494 000, respectively
<p>Structural damage to infrastructure and property because of extreme weather events</p> <p>Acute physical risk (infrastructure)</p>	<ul style="list-style-type: none"> Tracking weather-related insurance claims Portfolio risk assessment performed using the WRI Aqueduct tool and WWF climate-risk tool. This is used to identify areas that are vulnerable to extreme weather for planned response by business: floods, droughts and wildfires 	<p>Events leading to unforeseen damage to properties, increased insurance claims, higher capital expenditure and operational costs, thus reducing distributable earnings</p>
<p>Energy supply, storage, increased consumption and increased tariffs</p> <p>Transitional risk (energy security and cost)</p>	<ul style="list-style-type: none"> Planned asset by asset environmental assessment to get to net zero, with costing Greener, more efficient buildings Energy efficient assessments performed by specialists Solar energy investment Battery back-up Utility optimisation Lighting retrofits HVAC optimisation LED lighting Installation of smart meters 	<p>Increased direct and indirect (operating) costs</p> <p>Decreased revenues due to reduced demand for 'product' – shift in consumer preferences</p>
<p>Increased pressure to decarbonise</p> <p>Transitional risk</p> <p>Reputational risk</p>	<ul style="list-style-type: none"> Obtaining Green Star certification to understand and address areas related to decarbonisation and shifting consumer behaviour 	<p>Receiving greater attention around the world as it poses an environmental and now financial risk due to severe weather patterns</p> <p>South Africa and numerous European countries have signed up to the Paris Agreement to reduce emissions to below 1.5°C</p> <p>Inability to raise capital (equity and debt)</p>

Insurance claims

Using insurance claims to measure weather-related damage is one way to track the impacts of climate change. The table below sets out the amount of weather related claims in respect of the South African portfolio over the past year.

	FY23	FY24 [^]	% change
South Africa (ZAR)			
Earthquake / sinkhole	-	-	0%
Rain / floods*	2 058 392	-	(100%)
Hail	-	-	0%
Wind	27 435	-	(100%)
Lightning	177 780	-	(100%)
Total cost of weather-related damage resulting from changing weather conditions	2 263 607	-	(100%)

* Storm-related claims.

[^] No claims made in FY24.

Energy

We have always played a leadership role in this sector by using and promoting efficient, reliable and sustainable energy resources.

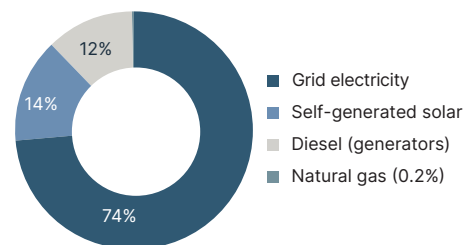
We continually seek opportunities to reduce our energy consumption by introducing renewable energy sources such as solar PV installations, minimising energy usage in common areas and assisting our tenants in reducing energy consumption and cost. In FY24, our energy consumption in South Africa equated to 135 180 MWh (including solar consumption, electricity sold to tenants, diesel and natural gas consumption), from 135 672 MWh in FY23. For the European portfolio, the total energy consumption equated to 64 337 MWh in FY24.

Rising electricity costs impact tenant affordability. In our South African operations, the country's reliance on coal generated electricity means that the use of grid energy has an adverse impact on the environment. Due to this, we continually seek to reduce our reliance on grid electricity. In FY24, the average amount of grid electricity consumed per square metre of the South African portfolio area increased to 102.3 kWh/m² (Mar-23: 100.8 kWh/m²). This was exacerbated further by increased reliance on diesel power to fuel generators through persistent loadshedding. Grid electricity consumption per square metre of the European portfolio amounted to 33.7 kWh/m².

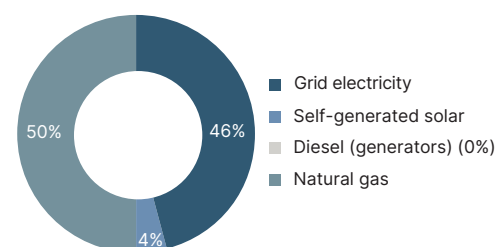
Over the past year, Burstone succeeded in containing the increase in the Group's total electricity cost to 6%, well below the Nersa increase of 18.7% and 12.7% in 2023 and 2024 respectively. This is a direct result of the Group's ESG roll-out i.e. LED lighting, tariff optimisation etc. However, due to severe loadshedding, Burstone's total diesel spend amounted to R36.6 million, of which c.76% is recoverable from clients.

Total energy consumption

South Africa FY24



Europe FY24



Investing in renewable energy

To reduce reliance on the grid, minimise our negative environmental impact and decrease costs, we continue to invest in renewable energy.

Since 2016, Burstone has invested R197.7 million (Mar-23: R113 million) into renewable energy initiatives in South Africa. Although the Group's European portfolio is not currently using renewable energy, the business has planned to roll-out solar PVs that will produce c. 4.5 MWp in the next 12 to 18 months.

Burstone's South African solar plants have generated a total of 74 572 653 kWh's of renewable energy which have resulted in savings of approximately 76 416 tonnes of CO₂e and R124 million in financial savings. During FY24, the solar PV plants have saved Burstone R37.6 million in grid supplied electricity. The plants generated 18 612 785 kWh's of renewable energy, saving 18 334 tCO₂e (FY23: 15 844 tCO₂e) purely due to solar PV installations.

South Africa	FY24	FY23
Total solar PV capacity (MWp)	14.88	13.24
Energy produced by solar / PV installations (MWh)	18 613	15 234
Annual saving in electricity spend from solar / PV installations (R'm)	37.6	26.8

Environmental CONTINUED

Our total solar generation capacity for the year was 14.8 MWp. Burstone has continued to support its clients during loadshedding by reducing the cost of occupation through various initiatives such as: (1) energy assessments, (2) wheeling considerations, (3) interfacing solar to generators, (4) rolling out additional solar power initiatives and (5) improving back-up power in Burstone's buildings.

In Europe, we are assessing the cost of solar PV roll-out in phases, i.e. Phase 1 – to generate sufficient capacity to satisfy current tenant requirements and Phase 2 – exploring the opportunity to further utilise roof space and sell additional capacity into the grid. This will not only provide return on investment opportunities and additional revenue streams but will also have a significant impact on the path to net zero. The business has planned to deliver a solar PV roll-out which will produce around 4.5 MWp across the portfolio over the next 12 to 18 months.

Energy efficiency

We frequently review our energy performance and seek opportunities to address operational efficiencies. The Group has implemented smart electricity metering systems across the European portfolio which identify energy saving opportunities and influence behavioral drivers. Alerts for unexpected energy consumption are issued by the meters to track irregularities and support benchmarking performance against industry norms. The Group is performing energy assessments throughout the portfolio to: (1) understand the potential areas of improvement and (2) maximise efficiencies in our drive to reduce tenant cost of occupation.

Buildings are the largest end-users of energy globally and account for a significant portion of the world's end-use of energy. Although solar and other renewable energy technologies are generally in the limelight, energy efficiency is the unsung hero on the route to decarbonisation.

Lighting forms a significant component of electricity consumption. With the help of a third-party consultancy, we conducted a lighting assessment across the South African portfolio and have replaced lights with energy efficient fittings. Over the past three years, Burstone has invested over €1 million in LED lighting for its European portfolio - enhancing the sustainability of the Group and reducing costs for our clients. This is one of the simplest and most cost-effective measures to reduce electricity consumption and related greenhouse gas emissions.



Marseille Park, Marseille, France

Newcastle solar project

Newcastle Mall (Phase 1):



Newcastle solar farm (Phase 2):



Newcastle Phase 1 and 2 combined

System size (kWp)	2102
kWh savings per year	4 887 665
Emissions savings per year (tCO ₂ e)	5 027

Solar installation at Newcastle Mall creates 5 027 metric tons of emission savings per year

This is equivalent to CO₂ emission from:



1.9 million litres of diesel consumed



2.6 million kilograms of coal burned



634 homes energy use for one year



978 homes electricity use for one year



11 627 barrels of oil consumed

This is equivalent to greenhouse gas emissions avoided by:



190 528 incandescent lamps switched to LEDs



217 597 trash bags of waste recycled instead of landfilled



1 739 tons of waste recycled instead of landfilled



248 garbage trucks of waste recycled instead of landfilled



1.4 wind turbines running for a year

Environmental CONTINUED

Water

We continually seek ways to reduce our water consumption. Bulk-check meters have been installed across the South African portfolio which allow for early detection of wastage, including water leakages. Furthermore, the Group has implemented night flow monitoring across the South African portfolio to identify wastage and / or possible leaks. We have also installed smart water meters across some of the South African portfolio and the entire European portfolio to monitor water consumption and inform our operational strategy.

	FY24	FY23
South Africa		
Total portfolio water consumption (kilolitres)	580 311	665 819
Percentage municipal water (%)	97%	100%
Average amount of water consumed per square metre of portfolio area (kl / m ²)	0.57	0.64
Europe		
Total portfolio water consumption (kilolitres)	93 014	n/a*
Percentage municipal water (%)	100%	n/a*
Average amount of water consumed per square metre of portfolio area (kl / m ²)	0.07	n/a*

* This is the first year that we are disclosing information on our European operations.

The Group continues to investigate back-up water systems, where necessary, prioritising high water outage areas. In this regard, we are exploring borehole as an alternative source to reduce reliance on municipal supply. The first borehole pilot studies have been implemented at three properties in South Africa (Balfour Mall, Fleurdale and 345 Rivonia). Further feasibility studies are being undertaken at four other sites.

Climate-related risks such as flooding and heatwaves can directly impair the performance and longevity of buildings and infrastructure. Therefore, it is critical to understand the possible impact of these risks on our business. The portfolio was assessed for water flood risk. The assessment was conducted using the World Resource Institute (WRI) aqueduct tool to measure, map and mitigate water risks. The following is a breakdown of the risks identified within our portfolio, which are being taken into account when considering the implementation of any potential water initiatives:

Baseline water stress ¹		
South Africa	No. assets	% of Total
Arid and low water use	2	6%
Extremely high (>80%)	64	81%
High (40% - 80%)	-	-
Medium to high (20% - 40%)	3	5%
Low to medium (10% to 20%)	6	8%
Low (<10%)	-	-
Total	75	100%

¹ Baseline water stress measures the ratio of total water withdrawals as percentage of total available renewable surface and groundwater supply.

Riverine flood risk ²		
South Africa	No. assets	% of Total
High (6 in 1 000 to 1 in 100)	8	8%
Medium to high (2 in 1 000 to 6 in 1 000)	1	4%
Low to medium (1 in 1 000 to 2 in 1 000)	50	42%
Low (0 to 1 in 1 000)	16	46%
Total	75	100%

² Riverine flood risk measures the percentage of population expected to be affected by Riverine flooding (i.e. when rivers overflow their banks).

Drought risk ³		
South Africa	No. assets	% of Total
Medium to high (0.6 - 0.8)	61	77%
Medium (0.4 - 0.6)	14	23%
Total	75	100%

³ Drought risk measures where droughts are likely to occur, the population and assets exposure and their vulnerability to adverse effects.

Waste

Burstone manages a waste register to better understand our waste management across the portfolios and identify opportunities to implement programmes to reduce the waste sent to landfills.

South Africa

Our total amount of non-hazardous, solid waste generated from externally managed waste for 22 of South African buildings was 3 683 tonnes (general waste: 1 554 tonnes and waste recycled: 2 129 tonnes).

Europe

Our total amount of non-hazardous, solid waste generated for 10 of our European buildings was 1 659 tonnes (general waste: 663 tonnes and waste recycled: 996 tonnes).

Green buildings

Investing in greening our buildings enhances our performance towards achieving a portfolio of properties that contribute to more sustainable cities. The GBCSA has developed rating tools to recognise and reward environmental leadership, creating a common standard of measurement for green buildings.

Benefits of green buildings include:

					
Lower operating costs	Increased property values	Minimising churn	Combat climate change	Responsible investing	Higher returns on assets

During the year, an additional three Green Star ratings were achieved. In total, 28 buildings have received Green Star ratings, comprising 82% of the office portfolio and 18% of the industrial portfolio.

In Europe, we have adopted the BREEAM certification for our buildings and full BREEAM in-use assessments have been undertaken on the entire portfolio. It is the world's first and leading sustainability assessment and certification scheme for the built environment and is an international standard that is locally adapted, operated and applied through a network of international operators, auditors and industry experts.

BREEAM in-use helps building managers reduce the running costs and improves the environmental performance of existing buildings. It consists of a standard, easy-to-use assessment methodology and an independent certification process that provides a clear and credible route map to improving the sustainability of the asset and its operation.



Environmental CONTINUED

Green Star Existing Building Performance Industrial PILOT project

The GBCSA's Green Star Existing Building Performance (EBP) rating tool was designed to rate the sustainability of the operational performance of existing buildings. In practice, it had been successfully utilised for commercial office projects, but the tool previously had limitations in its usage for industrial buildings. However, more recently the tool was adapted for this sector and the EBP's custom industrial PILOT tool was launched in June 2022.

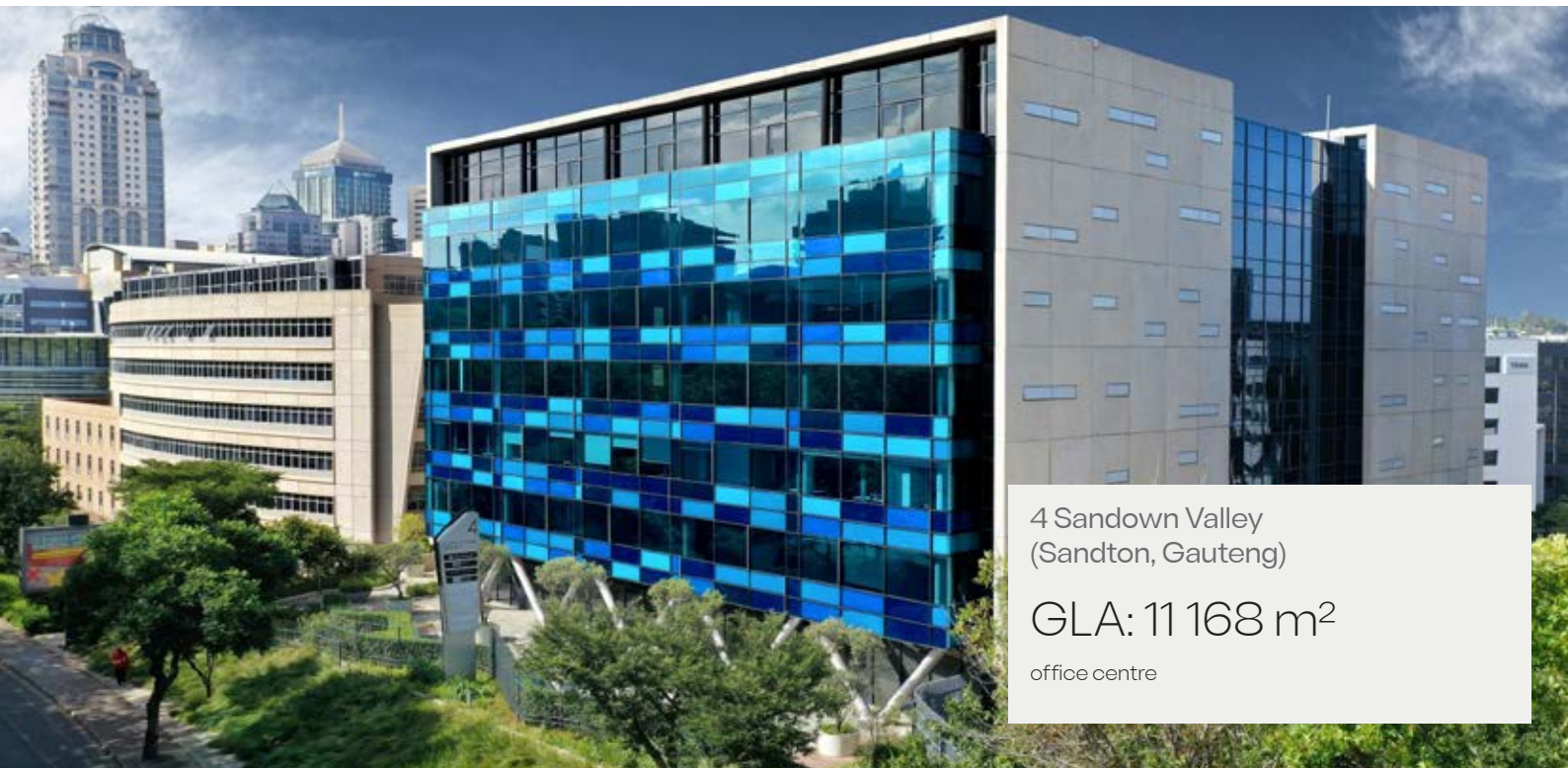
The tool enables landlords and tenants to work together to measure and improve operational performance. This is particularly beneficial where the tenants concerned have their own corporate targets and policies on sustainability that align with the landlord's goals.

The development of an industrial-specific tool involved a customisation process to offer the market a standardised guideline for energy and water benchmarking for industrial

buildings, which did not exist in the South African property market. As with the standard EBP tool, a buildings' performance in terms of energy and water use is measured over a 12-month period. Staff also complete questionnaires about the indoor environment, which includes aspects such as natural daylight and fresh air, particularly in occupied spaces. Indoor air quality is also tested for carbon monoxide and other contaminants. The certification is then valid for three years and a building will then need to be re-certified.

In line with Burstone's desire to achieve a more sustainably built environment, the Group partnered with the GBCSA to participate in the Green Star EBP Industrial PILOT rating tool.

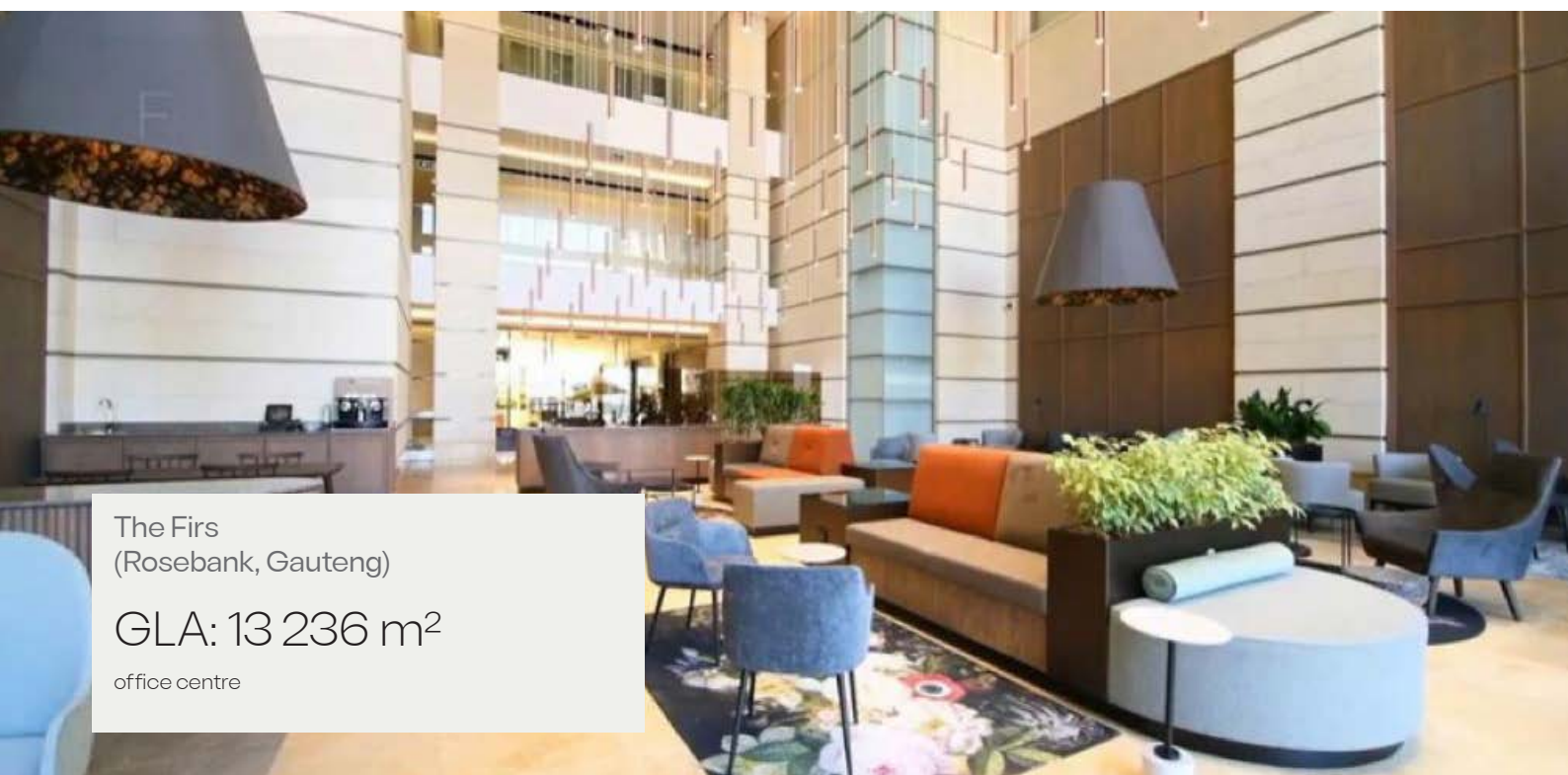
Burstone is proud to have partnered with GBCSA and to have obtained three additional Green Star certifications this year. The Group looks forward to continued collaboration to achieve the sustainability of the environment and the societies we operate in.



4 Sandown Valley
(Sandton, Gauteng)

GLA: 11 168 m²

office centre



Social

The social pillar of our ESG strategy concentrates on our relationships with our employees, clients, partners and the communities in which we operate, including our value chain and all stakeholders in our value chain, ensuring that everyone's interests are taken into consideration and addressed as effectively as possible. Burstone believes in fostering a sense of purpose and meaning amongst its employees. Beyond business, we support, develop and grow the communities in which we operate, through donations and time. This is fundamental to our approach to transformation and holistic sustainability.

OUR PEOPLE

Overview and year in review

The internalisation of the Group's South African and European management businesses in July 2023 brought about several changes from a people perspective. Before the internalisation, the Manager (a wholly owned subsidiary of the Investec Group) employed all the employees of Investec Property Fund (the Fund). The Manager rewarded the Fund's employees (including executive directors) aligned to the Fund's performance, and in accordance with the Investec Group's remuneration approach.

After the internalisation, Investec Property Fund was rebranded to the Burstone Group (the Group). The Group has had to develop its own remuneration and retention framework and Remuneration Policy. The year under review was thus heavily focused on our people. Critical to the success of the internalisation of the business were the people in it. Ensuring that key management and employees were retained and all employee agreements were smoothly transitioned after the internalisation was a key focus.

Our people continue to be one of our key differentiators and are at the core of who we are and what we want to achieve. The move out of Investec left Burstone in a unique position where there was certainly a huge uptick in the need for hiring, namely in more 'core services' functions that were predominately serviced from within Investec. From a people perspective, the first six months were therefore focused on the attraction of best-in-class talent, hiring, integration, support, enablement and designing for, forming teams and functions that never existed within Burstone before. There has been extensive focus on driving and streamlining people processes, practices and policies, across the Group and more importantly across regions, and navigating and leveraging the nuances that would naturally exist in the merging of two businesses globally. With our inherent culture leading us into this internalisation, the need to bring it alive in its own way under the new Burstone name was also a focus for business.

As a culture-led organisation, our values are our north star and derive from the assumption that the business will be successful through deep and meaningful relationships, together with strong underlying principles. These characters underpin everything we do and how we do it. We choose to operate in a flat, autonomous, and enabling structure, ensuring high levels of access for all. We uphold an environment that encourages authentic dialogue, high-levels of flexibility and trust, and exceptional delivery in line with the Group's purpose and strategy.

Beyond business we are committed to creating holistic and sustainable partnerships in all of our engagements, for all our stakeholders. We invest deeply in early childhood development initiatives, with a focus on education and job creation in the communities in which we operate. These initiatives align to our support of the UN SDGs, and particularly our commitment to:

- SDG 4: quality education
- SDG 8: decent work and economic growth

Burstone's people philosophy and practice

We employ passionate and talented people who are aligned with Burstone's strategic objectives and upskill and empower them to perform extraordinarily. We focus on our people and authentic relationships as a key part of our business philosophy. Leaders, together with the people function are responsible for delivering, curating and upholding our employee experience throughout the employee lifecycle, with the intention of creating value and enhancing individual and organisational performance.

Key components of the Burstone employee experience and people philosophy include:

- High levels of engagement, participation and ultimately delivery through authentic and rich dialogue and debate. The experience of being together enables relationships and interactions that underwrite the exceptional experience our clients and partners expect.
- Our working environment and space reflects who we are. Unmistakable, Simple, Agile, Bold. We aim to create and maintain a safe in-office environment in all our regions that fosters open and honest face-to-face engagement. We believe that the energy we create through our physical presence is a key part of our culture, which is one of our strategic differentiators. Trust, connection, flexibility and freedom to operate, innovation, collaboration, access, efficiency, performance and fun are fundamentals we hope to enable through a workspace and experience that reflects Burstone's characters.

- Continuous development of our employees, by prioritising and offering distinctive, evolving and bespoke learning opportunities and development programmes. Attracting and nurturing talent is a key driver for us; exceptional people bring about exceptional results. We stretch and develop our people, and support and enable their professional and personal growth, recognising that the calibre of our employees is a unique long-term competitive advantage. We focus on personal, interpersonal, technical and professional skills development and explore, test and nurture our organisational culture and purpose, through rich and diverse dialogue. We value mentorship and coaching to support individuals in their learning journeys. Over and above this, we offer our people access to public programmes, conferences, seminars and courses and provide employees with formal development opportunities through registered and accredited institutions, to enable the acquisition of knowledge and skills necessary for career development.
- Recognition and reward. We recognise and reward high performance and remunerate people meaningfully for performance and contribution through a holistic global remuneration framework aligned to our culture. Post internalisation, with the foundational principles around Investec's remuneration philosophy, Burstone consulted Deloitte to assist us with the design and implementation of a new remuneration framework. Our reward mechanisms are clear and transparent, designed and administered to align directors' and employees' interests with those of all stakeholders and ensure the Group's short-, medium-, and long-term success. Our remuneration framework is explained in detail in our Remuneration Report. Burstone is supportive of a minimum living wage and ensures that all its employees globally are paid above the relevant minimum statutory wage.
- Holistic wellbeing. We value the physical and mental health, social and financial wellbeing, as well as the safety and security of our employees. We recognise that as a deeply caring organisation which values holistic health, our employees achieve individual growth, authenticity, meaning and excellence and in turn, this leads to increased employee engagement and organisational performance. Our proactive and preventative offerings consider the health of the individual, their family, as well as the health of the team and the system as a whole.

Safety in the workplace is critical to achieving overall wellbeing, health and safety for our employees. It is essential that we prioritise the welfare, health and safety of all employees, in turn enabling them to feel safe at work, and know what is expected of them. Safety, health and protection of the environment forms an integral part of Burstone's planning and decision-making. We seek to manage the organisation, wherever we do business, in an ethical way that strikes an appropriate and well-reasoned balance between economic, social and environmental needs. We believe in and commit to reducing work-related accidents and occupational diseases by adhering to the minimum standard legislation(s) of the Health and Safety Act's of each region we operate in.

- Belonging, inclusion and diversity. Transforming our workforce is critical to Burstone's long-term success. Our approach is to recruit and develop based on aptitude and attitude, with the deliberate intention to build a diverse workforce, by actively seeking difference, engaging with minority groups, females and people with disabilities. We recognise that a diverse and inclusive workforce is essential to our ability to be an innovative organisation that can adapt and prosper in a fast-changing world. By fostering a culture of inclusivity and belonging, where diversity is appreciated, and where it feels "safe to be me", Burstone looks to uphold a working environment that is more inclusive, agile and responsive to the needs of all individuals.

Burstone is committed to being an equal opportunity employer. In accordance with our policies and practices, and relevant international labour organisation conventions and legislation, we do not tolerate any form of discrimination based on gender, gender reassignment, race, ethnicity, religion, belief, age, disability, nationality, political opinion, sensitive medical conditions, pregnancy, maternity, civil partnership and sexual orientation. People with different abilities are an essential part of a diverse talent pool and every effort is made to facilitate an accessible environment.

At 31 March 2024	Total	Female	Male
South Africa	29	18	11
Europe	18	4	14
Total number of employees	47	22	25

Social CONTINUED

OUR COMMUNITIES

Our properties are embedded in communities. We recognise that inclusive economic growth is vital in supporting the Group's sustainability and delivering value for all our stakeholders. Our approach to transformation means we focus on sustainability and building long-term partnerships. It also includes a focus on supplier and enterprise development, procurement and economic and socio-economic development. In FY24, the Group invested over R7 million in South Africa on enterprise, supplier and social development, as well as various CSI initiatives.

Socio-economic development initiatives

Burstone's socio-economic development initiatives centre around the AMP Programme and its Early Childhood Development initiatives.

AMP Programme

Burstone has continued its successful collaboration and partnership with Property Point Venture Catalyst, an industry-agnostic programme designed to drive economic inclusion for small and growing businesses (SGBs) and to implement enterprise and supplier development programmes within the South African property sector.

The Burstone AMPreneurs Enterprise Development Programme was launched to support and grow small businesses in the property sector. This comprehensive two-year initiative selected nine SGBs to participate. Six of these entrepreneurs were part of the previous programme and were

reselected for the new programme. The entrepreneurs receive essential skills, knowledge and development opportunities in areas such as entrepreneurial mindset development, business management, personal mastery, corporate governance, industry mentorship, peer learning, individual coaching, financial literacy, sales and marketing, and sustainability.

The programme is designed to offer a unique approach to rental relief coupled with business development support by driving supply chain integration for businesses that demonstrate the capability, competency and capacity to meet Burstone's procurement needs.

Key achievements

The AMPreneurs programme made remarkable strides in revenue expansion, job creation and securing major contracts. Businesses under the programme saw consistent revenue growth, leading to the creation of 12 new permanent jobs and an additional 42 roles within the AMPreneurs businesses. These accomplishments underscore the close relationship between revenue growth and job opportunities. Moreover, the programme successfully facilitated substantial contract acquisitions totalling R13 million, contributing significantly to revenue expansion and increased hiring across their businesses.

Burstone fitted out a new office space for the AMPreneurs in our building at 1 Protea Place. The AMPreneurs moved into their new, vibrant workspace in July 2023, enhancing their environment with modern amenities and design.



The AMP Programme team

Skills and development

Participants in the AMPreneurs programme benefitted significantly from targeted training and certification upgrades, empowering them to explore higher-value prospects, especially in environmental assessments and green technologies. Additionally, regular workshops emphasised key areas such as financial management, labour law compliance, green technology and social media marketing, resulting in notable enhancements in overall business competencies.

Program impact

The AMPreneurs programme has delivered a substantial positive impact on the participating SGBs, showcasing tangible results such as a total revenue of R40.3 million and a 24% median growth rate since the programme's inception. Additionally, the programme's effectiveness in fostering sustainable growth is evident as seven businesses achieved profitability. The programme's strategic focus on promoting women-owned businesses is also yielding promising outcomes, with 50% of the current programme participants being women-owned, in line with Property Point's goal of supporting 75% women-owned businesses within the next two years. Currently, Property Point's representation across all programmes stands at 64%.

Strategic partnerships

The programme's success is bolstered by strategic partnerships with key organisations like the National Cleaner Production Centre of SA (NCPC), the South African National Energy Development Institute (SANEDI) and the GBCSA. These partnerships provide businesses with critical support and skills to position themselves for opportunities in the green building value chain.

Future focus

The programme's future focus areas include emphasising technical skills workshops in project management, quality standards and green technologies. Facilitating registration with the GBCSA for select businesses is a priority. Coaching and mentorship modules will be launched to focus on talent management and pairing high-potential SMEs with industry mentors. Financial management training will target areas like cash flow and working capital management, while in-depth performance reviews will refine support for underperforming businesses.

The Burstone AMPreneurs Enterprise Development Programme has demonstrated significant progress and impact, validating the tailored approach of providing intensive, customised support to small and growing businesses. The programme continues to align with Burstone's commitment to driving economic inclusion and enterprise development within South Africa's property sector.



Scatterlings, Balfour Mall, Gauteng, South Africa

Social CONTINUED

OUR COMMUNITIES continued

Early Childhood Development

Burstone's key initiative relating to socio-economic development and our purposeful impact in the communities in which we operate has been focused on Early Childhood Development (ECD). ECD is a comprehensive approach to programmes and initiatives for young children in their critical developmental years. Its purpose is to protect the rights of children to develop their full cognitive, emotional, social and physical potential.

Early childhood offers a critical window of opportunity to shape the trajectory of a child's holistic development and build a foundation for their future. For children to achieve their full potential, as is their basic human right, they need healthcare and nutrition, protection from harm and a sense of security, opportunities for early learning, and responsive and nurturing caregiving. All of this is needed to nourish developing brains and fuel growing bodies. In the South African context, we have extremely high levels of disadvantaged children – including children living in poverty or affected by conflict, abuse, crime and discrimination.

Burstone recognises the importance of ECD in South Africa in particular, and has joined with a number of partners in this area in an effort to support children in this critical phase as we believe that integrated early child development programmes may be the most effective intervention for assisting poor children, families and communities to escape the inter-generational cycle of poverty.

Our ECD partners include Scatterlings, the Starfish Greathearts Foundation and the Johannesburg Childrens Home. Further information on our partners is provided below.

Scatterlings

Scatterlings is a non-profit organisation and has almost 20 years' experience in building ECD schools. They aim to identify and train women in disadvantaged communities to join the existing workforce, implement established programmes, provide ongoing monitoring and support, and establish partnerships with sponsors and/or government organisations.

Contributing to improving quality of life in South Africa is at the heart of Burstone's retail property business. The programme is based in Balfour Mall Shopping Centre and currently has 110 children within the centre. Approximately 450m² of retail space is being utilised. This includes naturally lit play areas, rest spaces, learning facilities, with educational equipment and dedicated bathrooms, all serviced by a team of devoted teachers and caregivers. Children are provided with a healthy lunch and refreshments on a daily basis.

Burstone has continued to support Scatterlings throughout the financial year with rental subsidisation and other initiatives. The facility has seen rapid growth over the last year from 74 children to 110 children and has resulted in the hiring of more staff – from six teachers to ten teachers, along with assistants, cleaners and chefs. With the support of Burstone, Scatterlings has recently embarked on an Occupational Therapy programme to assist children with barriers to learning. Though still in its preliminary stages, it has already shown remarkable outcomes. By providing this essential service directly from Scatterlings in the Balfour Mall Shopping Centre, Scatterlings has significantly eased the burden on parents, ensuring convenient access to crucial therapy for their children. This initiative is a groundbreaking first for Scatterlings, addressing a dire need that they have been unable to meet since their inception. Burstone will look to provide additional space to Scatterlings in the new financial year to support their growth and expansion.

A few highlights for Burstone and Scatterlings over the last year:

- Through a partnership with Excellerate JHI and OpenFibre, Burstone installed a fully subsidised Fibre Network Operator (FNO) to provide access to high-speed internet connectivity to Scatterlings. This installation significantly enhances the learning opportunities for children and teachers through the integration of digital learning tools and resources into the children's curriculum where they can explore interactive educational platforms, access online libraries and engage in virtual learning experiences. In turn, promoting digital inclusion by enriching their educational journey and preparing them for success in a digital world. Teachers are able to conduct research, collaborate on projects and develop digital literacy skills that are essential for their future academic and professional endeavors.
- Our South African team enjoyed a transformative conversation with Theresa Aaronson and Esimy Kabeya from Scatterlings. Theresa and Esimy shared the journey of Scatterlings, how it has come to be and how our staff could get more involved in making a significant impact in early childhood development and the lives of these young children. Esimy is the author of "Beyond Comrades. A race to self-discovery" and shared her inspiring story of self-discovery and quest for meaning in life with us.



Esimy Kabeya, Scatterlings

Staff participation

The South African team visited Scatterlings ECD centre on numerous occasions during year, and each time, these visits left a lasting impression on many of our staff. Some of the memorable events were the Grade R's first graduation as well as our team contributing to the Scatterlings Christmas party by sponsoring entertainment for the children, and gifting the crèche with books and educational toys donated by the team.



Scatterlings, Balfour Mall, Gauteng, South Africa

Social CONTINUED

Starfish Greathearts Foundation

Burstone offers rental subsidisation to the Starfish Greathearts Foundation at Design Quarter Shopping Centre and will continue to do so for the next three years.

Starfish Greathearts have three key focus areas for their foundation:

- **Nutrition:** Starfish provide proper nutrition to impoverished children, ensuring improved childhood growth, development and health. Their partners help initiate agricultural programmes and invest in community health.
- **Health:** Starfish ensure that impoverished and remote communities have access to primary health services through their Wellness Wagon programme. Children receive health care services, vaccines, HIV and tuberculosis testing as well as anti-retro-virals and adherence support.
- **Education:** Their commitment extends beyond academics to encompass emotional, social and physical development, fostering resilience and self-esteem. Through tailored educational curricula and innovative play-based learning, we aim to empower each child to thrive despite adversity.

Johannesburg Children's Home

The end of 2023 brought about a new partnership for Burstone, with Johannesburg Children's Home. The Johannesburg Children's Home is a registered Non-Profit Organisation and Public Benefit Organisation which provides a safe refuge for up to 64 children of all races who have been found in need of care by the Children's Court.

They care for Orphans and Vulnerable Children (OVC) found to be disadvantaged through physical, sexual or emotional abuse, severe neglect or abandonment, some are affected or infected by HIV/AIDS. At the Johannesburg Children's Home they start a new life, living communally in cottages, under the loving eyes of trained Child and Youth Care Workers.

The Johannesburg Children's Home established an ECD Centre in January 2021, developed for children aged 2-3 and 3-4, and focuses on school readiness, proper nutrition and supporting family strength. Burstone will look to continue this partnership with Johannesburg Children's Home as part of our ECD focus and holistic sustainability strategy.

Although still in its infancy, the partnership took off with much excitement in December 2023, where Burstone sponsored the school uniforms for all the children in the ECD centre and funded the Holiday Camp for some of the children that did not have families to go home to over the December holidays.



Johannesburg Children's Home end of year camp

Preferential procurement in South Africa

We focus on several initiatives across our supply chain and we remain cognisant of ensuring that transformation takes place across all these aspects. Over 80% of the Group's spend in South Africa is directed towards suppliers with a Level 1 and Level 2 B-BBEE status.

Excellerate JHI

JHI are the property managers of all of Burstone's properties in South Africa. Excellerate JHI is a leading real estate services firm that combines global standards with specialised local knowledge to create customisable high-performance solutions for its clients. Excellerate JHI advises property owners and occupiers on every aspect of their property strategies and assists them in the development, buying, selling, leasing, valuing and management of their assets. Excellerate JHI in South Africa are a Level 1 B-BBEE contributor. They support various corporate social investment and enterprise development initiatives and seek innovative solutions with high impact in these areas. Their structured procurement division secures services from B-BBEE suppliers to meet minimum targets for the procurement of the property sector's scorecard.

Burstone will continue to work with JHI to ensure that we make a meaningful contribution across the supply chain and seek out skills development opportunities to assist in the training and development of their employees.



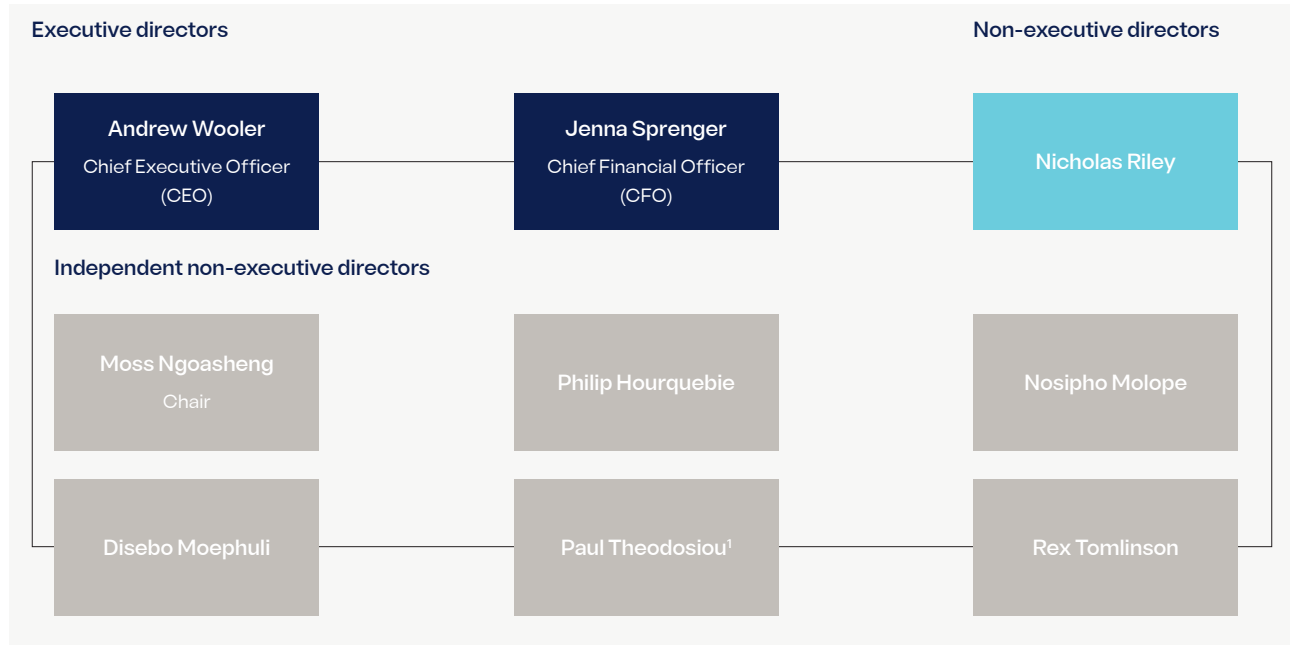
Accountability

Corporate governance

Governance structure and combined assurance framework

Our governance structure and combined assurance framework is aimed at managing the business ethically and effectively, ensuring risk is managed within an environment of effective control.

The Board



Notes

1. Paul Theodosiou was appointed as an independent non-executive director with effect from 16 November 2023

The Board normally meets four times a year. Special board meetings are held as required.

Information on our leadership team is provided on pages 20 to 23.

Board committees

Roles and responsibilities

Audit and Risk Committee (ARC)	Social and Ethics Committee (SEC)	Nominations Committee (NC)	Remuneration Committee (RC)	Investment Committee (IC)	Related Party committee
See page 165 for the report	See page 109 for the report		See page 113 for the report		
Members					
Nosipho Molope* Disebo Moephuli Paul Theodosiou Rex Tomlinson	Rex Tomlinson* Disebo Moephuli Moss Ngoasheng	Moss Ngoasheng* Philip Hourquebie Rex Tomlinson	Rex Tomlinson* Philip Hourquebie Moss Ngoasheng	Paul Theodosiou* Moss Ngoasheng Nicholas Riley	Moss Ngoasheng Nosipho Molope
Invitees: Andrew Wooler Jenna Sprenger	Invitees: Andrew Wooler Jenna Sprenger	Invitees: Andrew Wooler Jenna Sprenger	Invitees: Andrew Wooler Jenna Sprenger	Invitees: Andrew Wooler Jenna Sprenger	Invitees: Andrew Wooler Jenna Sprenger

Note:

* Chair.

Roles and responsibilities

Audit and Risk Committee (ARC)	Social and Ethics Committee (SEC)	Nominations Committee (NC)	Remuneration Committee (RC)	Investment Committee (IC)
<ul style="list-style-type: none"> Reviewing reports, annual financial statements and integrated annual report; Reviewing the appropriateness of accounting policies and application; Establishing appropriate financial reporting procedures and ensuring they are effective; Overseeing the external audit process and monitoring quality thereof; Considering the scope of the external audit; Reviewing internal audit plans, reports, capacity and capability; Ensuring compliance with legal requirements, accounting standards and the Johannesburg Stock Exchange (JSE) Listings Requirements; Ensuring the finance function is adequately skilled, resourced and experienced; Ensuring the expertise and experience of the financial director is appropriate; Ensuring the effectiveness of the internal financial controls and procedures; Reviewing the audit firm and designated partner and ensuring that the external auditor is overseeing the external audit process and monitoring the quality thereof; Reviewing risk processes and key risk areas; and Ensuring that the appointment of the auditor is tabled as a resolution at the annual general meeting of the Group pursuant to Section 61(8) of the Companies Act. 	<ul style="list-style-type: none"> Ensure that the Group promotes social and economic development; Oversee ethical business practices and mitigate reputational risk; Observe the Group's behaviour as a good corporate citizen, including its contribution to the development of our communities; Assisting the Board in defining the Group's strategy relating to Environmental, Social and Governance (ESG) matters and overseeing the management of ESG matters; and Responsible for monitoring sustainability-linked debt. 	<ul style="list-style-type: none"> Identifying and nominating suitable candidates to fill vacancies on the Board; Determining and evaluating the adequacy, efficiency and appropriateness of the corporate governance structure and practices; Establishing and maintaining a board continuity programme to: <ul style="list-style-type: none"> Review the performance of the chair and identify successors; Ensure the continued presence of non-executive directors; and Conduct an annual self-assessment of the Board and committees; Regularly reviewing the structure, size and composition (including the skills, knowledge experience and diversity) of the Board; Making recommendations to the Board with regard to any proposed changes to the Board; and Providing recommendations to the Board for the retention of a current director, when appropriate. 	<ul style="list-style-type: none"> Determine, develop and agree with the Board, the framework or policy for the remuneration of executive directors, executive management and other employees; Ensure that the Group's remuneration framework is fair, equitable and promotes responsible pay practices for all employees; Ensure that qualified and experienced management and executives are provided with appropriate incentives to encourage enhanced performance and are rewarded for their contribution to the success of the Group and alignment with the corporate objectives and business strategy; Recommend to the Board for approval, the level of non-executive director fees, that would be subject to shareholder approval at the AGM; Review and approve the remuneration report, including the implementation report, for inclusion in the annual integrated report; Review and approve the design of, and determine targets and objectives for any performance-related remuneration schemes operated by the Group and approve the aggregate annual payouts under such schemes; Review and approve, within the terms of the agreed policy, the total individual remuneration packages of executive directors including, where appropriate, bonuses, and long-term incentive rewards; and Oversee any major changes in the Group's employee benefit and remuneration structures. 	<ul style="list-style-type: none"> Reviewing and recommending or approving or recommending to the Board: <ul style="list-style-type: none"> Acquisitions or disposals of investment properties; or Development or redevelopment opportunities; and Any other investments or disposals for which the Board may require the approval of the investment committee, subject to the authority levels specified in the Terms of Reference; Ensuring all investment proposals approved by the committee are in the best interests of the Group; and Assessing whether any proposed deal represents a significant risk or conflict of interest or whether it could cause embarrassment for the Group.
	Related Party Committee <ul style="list-style-type: none"> Review proposed transactions between the Group and its related parties, to: <ul style="list-style-type: none"> Assess whether the transactions are in the best interests of Burstone and its shareholders; Evaluate whether the transactions fall within the ambit of a normal business relationship, including whether the related party service providers have the adequate skills and capacity and services are provided at market competitive rates; and Confirm whether the terms of such transactions are no more favourable than would reasonably be expected of transactions negotiated on an arm's-length basis. 			

Corporate governance CONTINUED

Board focus areas

During the period under review, the Board deliberations included the following:

Strategy and performance

- Periodically reviewed the Group's short- and long-term strategy to ensure the business evolved with changing operating conditions and remained relevant and innovative
- Approved the strategic repositioning of the Group towards a fully integrated, international real estate company and the shift towards a capital light business model
- Monitored and reviewed the transition arrangements as the Group implemented the internalisation of its business
- Considered proposed acquisitions and disposals and approved the execution of transaction activity undertaken during the year
- Approved annual budgets, capital expenditure plans, business plans and property valuations
- Assessed the quantitative and qualitative aspects of performance through a system of financial and non-financial monitoring that involved an annual budget process, detailed quarterly reporting against budget, regular reviews of forecasts and regular management of strategic and operational updates

Balance sheet and treasury management

- Understanding the impact of the global volatility in interest rates on the business and ensuring appropriate measures are in place to manage this risk
- Monitored gearing, liquidity and debt covenant levels ensuring compliance with all statutory, regulatory and other obligations
- Ongoing monitoring of derivative instruments ensuring the balance sheet is exposed to an acceptable level of foreign exchange and interest rate risk

Annual governance review

- Annual review of terms of reference of all committees and sub-committees and ensuring all authorisation / approval levels are appropriate
- Ongoing review of policies and procedures to ensure that internal systems of control are effective
- Ensured the induction and ongoing training and development of directors
- Evaluated the performance of the Board, senior management and considers succession planning

Risk and compliance

- Ongoing monitoring of the Group's risk register with all new and amended risks highlighted on a quarterly basis and ensured that the appropriate measures are in place to mitigate these risks
- Monitored compliance with relevant laws, regulations and codes of business practice
- Ensured the Group implemented the required processes necessary to facilitate the internalisation of its business

Conflict of interest and independence

- All conflicts of interest are managed through conflicts of interest policy which is available on our website at <https://www.burstone.com/investor-relations>
- Conflicts declared and noted prior to commencement of committee meeting and conflicted party refrained from voting on decision-making matters
- There are no conflicts to report on
- Independence managed through the related party committee where related party matters requiring approval are opined and escalated by committee where required

Environmental, Social and Governance

- Approved the Group's ESG strategy, including implementation and monitoring thereof
- Ensured that the Group's business practices, including our social and environmental activities, are sustainable
- Delivery of key CSI initiatives for the year
- Ensured that appropriate risk governance processes are in place to determine the Group's risk tolerance level and the integrity of its risk assessment procedures
- Ensured that appropriate information and technology governance processes are in place, and ensured that these processes are aligned to performance and sustainability objectives

Stakeholder engagement

- Monitored communication with all stakeholders to ensure that it is transparent, relevant and understandable
- Access and engagement through various platforms including, but not limited to, results roadshows, engagement around transaction activity, investor conferences and AGM
- The Chair of the Board and the Chair of the Remuneration committee specifically engaged with our largest shareholders on governance and remuneration related matters following the internalisation

The Board aims to exercise leadership, integrity and judgement in pursuit of these strategic goals and objectives in order to secure the long-term sustainability, growth and performance of the Group. Conflicts of interest and related party transactions are dealt with in terms of formalised processes.

Ethical leadership

The Group's philosophy, values and processes inform its compliance with legislative, regulatory and best-practice requirements. It provides the framework against which we measure behaviour and conduct practices to ensure the highest standard of corporate governance.

The Group's values, culture, processes, functions and organisational structure are informed by a fundamental commitment to best practice corporate governance.

The Group's values require that directors and all stakeholders, and those providing services to the Group, act with integrity, displaying consistent and uncompromising moral strength and conduct in order to promote and maintain trust amongst all our stakeholders. The business is structured in such a way as to ensure that our values and ethics are embedded in all business processes, which are consistently assessed and enhanced. A written statement of values serves as the Group's code of ethics.

The Group complies with all relevant regulations (and all international equivalents), including:

- The Companies Act (No. 71 of 2008, as amended);
- King IV™;
- The JSE Listings Requirements; and
- The JSE Debt Listings Requirements.

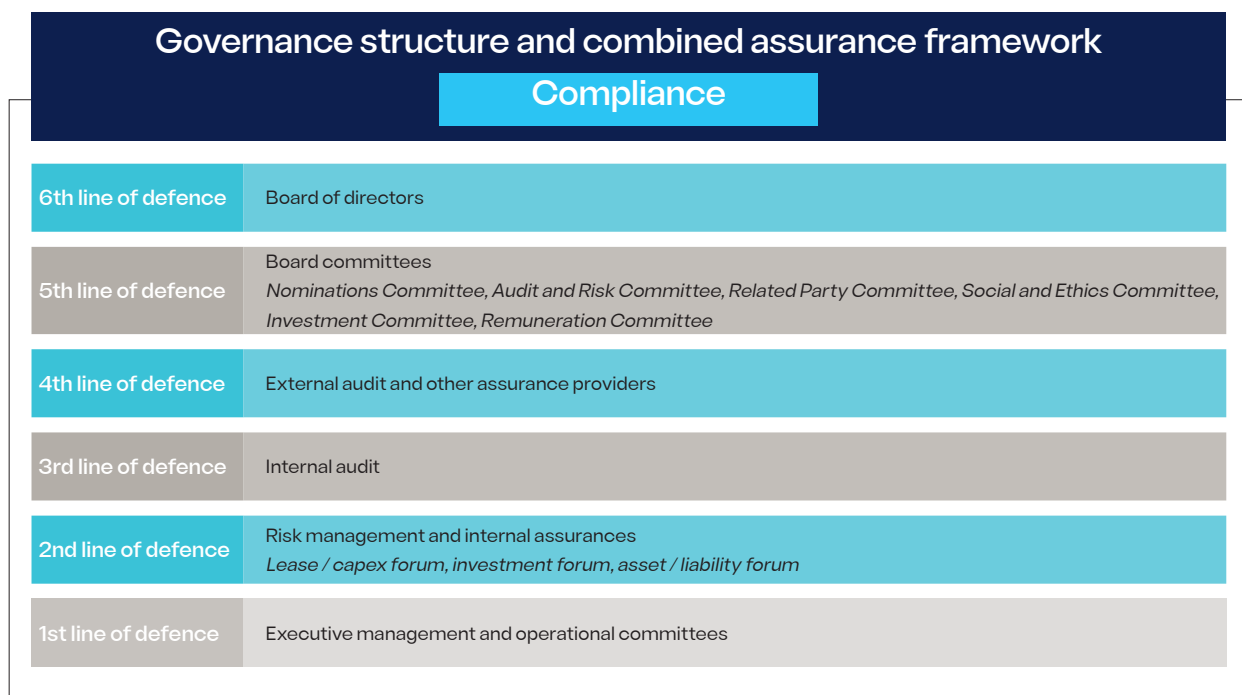
Stakeholders are assured that the Group is managed ethically and in accordance with international best practice at all times.

External service providers, including property managers, are held to the highest standards, and these have been incorporated into the relevant service level agreements.

Governance framework

The Group has adopted a risk and governance structure that enables it to operate effectively by delegating certain responsibilities to the committees of the Board. The roles and responsibilities of the Board committees are outlined on page 103.

Governance structure and combined assurance framework



Compliance with applicable laws

The Group has remained compliant with the Companies Act, particularly with reference to the incorporation provisions as set out in the Companies Act, and has operated in conformity with its memorandum of incorporation during the year under review.

Corporate governance CONTINUED

Value-enhancing governance	
Key corporate governance practices in place within our business	
✓ At least one-third of non-executive directors offer themselves for re-election at each Annual General Meeting in line with MOI	✓ Proactive stakeholder engagement
✓ Annual review of board leadership structure	✓ MOI includes provisions on the protection of shareholder rights and the equitable treatment of shareholders
✓ Annual board and committee evaluations	✓ Combined assurance approach
✓ Directors are entitled to seek independent professional advice	✓ Shareholder right to call special meetings
✓ Succession planning	✓ Related-party transactions monitored and transparently disclosed
✓ Risk management through an enterprise risk management framework	

The Board

The Board recognises that sound corporate governance is essential to creating value as well as protecting against value erosion. The Board provides effective leadership based on an ethical foundation and together with its committees is responsible for assessing and managing risk and ensuring that appropriate risk management policies and procedures are in place. By understanding key risks to the business, determining risk tolerance, and approving and reviewing implementation processes, the Board mitigates risk and capitalises on opportunities. The Board ensures that appropriate information and technology governance processes are in place, and that these processes are aligned to performance and sustainability objectives.

The Board oversees significant capital expenditure and the approval of acquisitions and disposals of investments.

The Board approves, and is responsible for, the business strategy developed by the executive and monitors the implementation thereof, as well as ensuring legislative and regulatory compliance. The Board constantly reviews and updates corporate strategy and works to promote the highest standards of corporate governance by assessing and approving key policies and objectives, as well as by ensuring that obligations to its shareholders and other stakeholders are understood and met.

The Board aims to exercise leadership, integrity and judgement in pursuit of these strategic goals and objectives in order to secure the long-term sustainability, growth and performance of the Group. In doing so it ensures that the Group's business practices, including our social and environmental activities, are sustainable.

The Board, through the Nominations Committee, ensures the induction and ongoing training and development of directors. It further evaluates the performance of senior management and considers succession planning.

It provides leadership within a framework of effective controls, which allow for risks to be properly assessed and managed. Conflicts of interest and related party transactions are dealt with in terms of formalised processes.

The Board charter details the objectives of the Board and its scope of responsibility. In order to achieve the Group's strategic objectives, the Board may delegate certain duties and functions to the Board committees or to executive management while not abdicating its own responsibilities. All of these committees have specific Terms of Reference, appropriately skilled members and access to specialist advice, when necessary.

In fulfilling its responsibilities, the Board monitors the implementation of the strategies and plans it has approved.

Board composition

The Board recognises that a range of perspectives is critical to ensure effective oversight and strategic decision-making. The diversity of skills, experience, background and outlook is essential for the Group to operate effectively. While non-executive appointments are based on merit and overall suitability for the role, the Nominations Committee is mindful of all aspects of diversity, including gender and race, when making recommendations for appointment to the Board. A board diversity policy is in place. The Board Nominations and Board Evaluation Policy is available on our website at <https://www.burstone.com/investor-relations>.

The balance of executive and non-executive directors is such that there is a clear division of responsibility to ensure a balance of power. No single individual or group can dominate board processes or have unfettered decision-making powers.

The chair is an independent non-executive director. Although he has a longer tenure with the Company, the Nominations Committee is comfortable that he remains independent and his institutional knowledge is critical, particularly as the Group completes the internalisation, of its business and its strategic repositioning.

In compliance with international standards of best practice, the roles of the chair and the CEO are separate and distinct, with a clear division of responsibilities that have been approved by the Board.

Skills and experience

The Board has diverse skills which serve as a competitive advantage. In our continual pursuit of best practice governance, we seek areas where board skills can be bolstered to address the dynamic context in which we operate. The skills and experience of the Board members, who are subject to annual evaluation, were deemed appropriate to fulfil their duties and responsibilities. In assessing the skills requirements considering the current operating environment and forward-looking material matters, our analysis identified that additional skills in the areas of ESG sustainability would be advantageous. These board development focus areas are broad, yet could have an impact on our ability to create sustainable value over the longer term. The Board will continue to build its proficiency in these areas, supported by a skilled management team.

For detailed overview of the Board of directors' CVs, refer to pages 20 to 23.

Company secretary

The role of the company secretary is performed by Pieter van der Sandt who is not a director or a shareholder of the Group and maintains an arm's-length relationship with the Board and the individual directors. As the company secretary, he is responsible for the flow of information to the Board and the Board committees, as well as for ensuring compliance with board procedures. All directors have access to the advice and services of the company secretary, whose appointment and removal is decided by the Board.

The Board is assured that the company secretary is suitably qualified, competent and experienced.

Debt officer

Jenna Sprenger is the debt officer pursuant to the Debt Listings Requirements.

The Board has satisfied itself on the competence, qualifications and experience of the debt officer.

Independent advice

Through the chair or the company secretary, individual directors are entitled to seek independent professional advice at the Group's expense on matters relating to the fulfilment of their duties and responsibilities.

Rotation of directors

In line with the recommendations of King IV™, the periodic, staggered rotation of non-executive directors serves to introduce members with new expertise and perspectives while retaining valuable knowledge, skills and experience, and maintaining continuity. This year, Nicholas Riley, Disebo Moephuli and Nosipho Molope will retire by rotation at the AGM. Nosipho Molope is not available for re-election.

Board and directors' performance evaluation

The performance of the Board, the Board committees and individual directors are evaluated regularly against recognised standards of corporate governance that cover all areas of the Board's processes and responsibilities.

The chair conducted a formal performance evaluation process for the 2024 financial year by means of both questionnaires and one-on-one meetings with each director. The meetings were used as an opportunity to discuss personal observations and, in particular, to seek comments on the strengths and areas of development of the members, the chair and the Board as a whole.

Terms of appointment

Non-executive directors are appointed in accordance with terms set out in a letter of appointment. Amongst other things, this letter sets out their duties, responsibilities and expected time commitments. It also provides details of the Group's policy on obtaining independent advice and, where appropriate, details of the Board committees on which the non-executive director will serve.

Tenure

The Board is of the view that none of the current non-executive directors have served on the Board for a period that materially interferes with their ability to act in the Group's best interests.

Ongoing training and development

Ongoing training and development are a standing agenda item for the Board, and the Board pack includes updates on various training and development initiatives. Training and development happens on an as needed basis. Board members receive regular formal presentations on regulatory and governance matters, as well as on the business and support functions.

Board meetings

The Board meets at least four times a year. During the year ended 31 March 2024, six meetings were held. The chair, in consultation with the CEO and the company secretary, is responsible for setting the agenda for each meeting. Comprehensive information packs on matters to be considered by the Board are provided to the directors in advance of the meetings.

Corporate governance CONTINUED

Board and committee meetings attendance

Director	Audit and Risk		Social and	Nominations	Remuneration	Investment
	Board meetings	Committee meetings	Ethics Committee meetings			
Moss Ngoasheng (Chairperson)	6/6	-	2/2	4/4	5/5	3/3
Andrew Wooler (CEO)	6/6	Invitee	Invitee	Invitee	Invitee	Invitee
Jenna Sprenger (CFO)	6/6	Invitee	Invitee	Invitee	Invitee	Invitee
Philip Hourquebie	6/6	-	-	4/4	5/5	-
Samuel Leon ¹	5/5	-	-	-	-	2/2
Disebo Moephuli	6/6	5/5	2/2	-	-	-
Nosipho Molope	5/6	4/5	-	-	-	-
Nicholas Riley	6/6	-	-	-	-	3/3
Khumo Shuenyane ²	2/3	3/3	-	3/3	4/4	-
Paul Theodosiou ^{3/4}	1/1	1/1	-	-	-	1/1
Rex Tomlinson ⁵	6/6	2/2	2/2	4/4	5/5	-

Notes

- ¹ Retired as non-executive director with effect from 16 November 2023.
- ² Retired as non-executive director with effect from 3 August 2023.
- ³ Appointed as non-executive director with effect from 16 November 2023. Number of meetings reflect those meetings that took place post him becoming a non-executive director.
- ⁴ Appointed to the Audit and Risk Committee and Investment Committee following his appointment as a non-executive director in November 2023. Number of meetings reflect those meetings that took place post him becoming a member.
- ⁵ Appointed as member of the Audit and Risk Committee following the retirement of Khumo Shuenyane as a director. Number of meetings reflect those meetings that took place post him becoming a member.

Directors' dealings

Directors' dealings in the securities of the Group are subject to a policy based on regulatory requirements and best-practice governance.

King IV™

The Board is of the opinion that the Group has complied with the guidelines set out in King IV™ throughout the reporting period. This is evidenced by the information disclosed throughout this report. An overview of all the principles and the extent of their application is set out on our website.

Remuneration

The Group's remuneration policy and remuneration report are provided on page 113 to 146.

Financial reporting and going concern

The assumptions underlying the going-concern statement are discussed at the time of the approval of the annual financial statements by the Board. These include budgeting and forecasts; profitability; capital; and solvency and liquidity.

In addition, the directors are responsible for monitoring and reviewing the preparation, integrity and reliability of the annual financial statements, accounting policies and the information contained in the integrated annual report. In undertaking this responsibility, the directors are supported by an ongoing process for identifying, evaluating and managing the risks associated with preparing financial and other information contained in this integrated annual report.

The process is implemented by executive management and independently monitored for effectiveness by the Audit and Risk Committee and other Board committees.

Our annual financial statements are prepared on a going-concern basis, taking into consideration the:

- Group's strategy, prevailing market conditions and business environment;
- Nature and complexity of our business;
- Risks, management and mitigation;
- Key business and control processes in operation;
- Credit rating and access to capital;
- Needs of stakeholders;
- Operational soundness;
- Accounting policies;
- Corporate governance practices; and
- Desire to provide relevant and clear disclosures.

The Board is of the opinion, based on its knowledge of the workings of the Group and in consideration of the key processes in operation and specific enquiries, that there are adequate resources to support the Group as a going concern for the foreseeable future. Furthermore, the Board is of the opinion that the risk management processes and systems of internal control are effective.

The Board is required to confirm that it is satisfied that the Group has adequate resources to continue in business for the foreseeable future.

Social and Ethics Committee report

Introduction

I am pleased to present our first Social and Ethics Committee (SEC) report as the Burstone Group. While not starting from scratch, post the internalisation in July 2023, the focus of the year was on building the capacity and structures to support our ongoing initiatives independent of support from the Investec Group. A key area of focus for the Committee involved reviewing the sustainability initiatives prior to the internalisation and tracking their progress while agreeing a future broader long-term strategy for the Group, that was underpinned by a solid roll-out plan across all jurisdictions. The roll-out of this plan is work in progress with some areas, such as our people, receiving more management focus in a year of transition.

The strategy looks to ensure we strive to use natural resources as efficiently as possible while we carefully manage our direct operational footprint and aim to provide our tenants with energy and water security. We are pleased to report a reduction of 7% in our calculated South African carbon emissions and have developed reporting to measure emissions for our European portfolio.

People was a key focus for management over the year as we looked to transition staff from Investec to the Burstone Group. This was successfully achieved while improving the racial and gender diversity of our South African team in the process. We remain at a B-BBEE Level 1 for the current year, but envisage this will drop to Level 2 in the year ahead.

The report below outlines how we have continued to make progress over the year and the areas of focus for the year ahead as we look to implement the Group's broader long-term sustainability ambition.

Overview and governance framework

The SEC assists the Board in ensuring that the Company conducts itself as a responsible corporate citizen with a focus on sustainable growth and social and economic development guided by high ethical standards. The Committee takes responsibility for monitoring the non-financial elements of sustainability and monitors the Group's performance in terms of climate-related and sustainability (including ESG) indicators. It is responsible for monitoring Burstone's activities, having regard to any relevant legislation, other legal requirements, or prevailing codes of best practice. The Committee is chaired by independent non-executive director, Rex Tomlinson, and further comprises of two independent non-executive directors, Moss Ngoasheng and Disebo Moephuli.



Social and Ethics Committee report

CONTINUED

The Committee may delegate any of its powers, authorities and responsibilities to a sub-committee comprising such other forums or committees or individuals and may revoke or vary such delegation, as it sees fit. The CEO is the executive who takes responsibility for working with the SEC to ensure that Sustainability and ESG principles are embedded in the Company's activities.

The Audit and Risk Committee (ARC) has the primary role of providing assurance to the Board on the effectiveness of the compliance function, control framework, procedures and processes. However, the SEC will rely on the input of the ARC to give assurance in relation to these issues as well as any other matters where there may be overlap with matters dealt with by the ARC.

Two meetings were held during the year and agenda items that were discussed included:

- The Group's sustainability strategy, journey and proposed plan;
- Employment equity and the B-BBEE scorecard;
- Our People philosophy and developments within the year;
- Progress with respect to our CSI initiatives;
- Progress regarding our environmental objectives and developments;
- Reputational matters; and
- ESG targets for inclusion with the Group's remuneration framework.

Sustainability

We recognise the importance of rolling out a comprehensive sustainability strategy that is integrated throughout the business. Our sustainability strategy needs to create longer-term stakeholder value that is financial and impactful, improves lives and livelihoods, acts as an enabler of ESG and seeks to achieve net-zero emissions. Within this broader strategy it is important that the Group drives transformation throughout the business with a clear focus on gender, cultural and racial diversity (locally and internationally), and remains cognisant of specific B-BBEE requirements in South Africa. The Company's commitment is to create broader financial and non-financial stakeholder value; embed ESG considerations into its investment processes; manage and mitigate ESG risks (including climate risks); seeks to achieve net-zero emissions by 2050; and contribute to sustainability opportunities aligned to the United Nations Sustainable Development Goals (SDGs). We are cognisant of the increasing need to quantify our impact and have enhanced our focus on disclosure and delivering greater levels of meaningful ESG data, this process will continue to be improved over time. In this regard, we have worked with, and continue to work with experts and consultants in this area.

Environmental

The climate-related responsibilities of the Committee include:

- Promoting environmental responsibility (including action on climate change).
- Assessing, and where appropriate minimising, the impact of Burstone's activities and its properties on the environment and the communities in which it operates.
- Considering, reviewing and monitoring climate-related risks and opportunities within the ambit of the built environment.
- Reviewing changes to Burstone's chosen SDGs.
- Reviewing new climate-related and sustainability (including ESG) policies and any material changes to existing policies.
- Reviewing and approving the sustainability information as published as part of the annual reporting process.
- Reviewing and approving the Carbon Disclosure Project (CDP) submission and monitoring Burstone's performance.

The SEC is informed of climate-related issues through a standing agenda item.

Developments during the year included:

The European business conducted several analyses including: commissioning a decarbonisation review of the entire portfolio; and an assessment of "self-consumption" covering solar strategy. The European business is planning the delivery of a substantial photovoltaic (PV) roll-out which will produce 4.5 MWp across the portfolio when complete over the next 12 to 18 months. Progress in the roll-out of this strategy will be presented to the SEC over the next year.

The European business performed BREEAM in-use pre-assessments across its entire portfolio. The business has also concluded a smart meter roll-out across all European assets. This will allow the landlord access to live energy consumption data, also for those assets where the tenants hold the utility contracts, and help in promoting energy efficiency, driving cost savings over time, and supporting our strategy to reduce carbon emissions. The Group will look to see how it can use the improved data to improve its carbon emission tracking and will report back to the SEC.

In South Africa, 70% of Burstone's portfolio is covered by back-up power and the Group has installed 14.8 MWp of solar generation capacity to date to alleviate the burden of the energy crisis. In South Africa, the Group implemented its first borehole pilot studies with pleasing results. Multiple green leases have been entered into with clients on solar-shared savings models. The South African business partnered with Green Building Council South Africa (GBCSA) to participate in the Green Star Existing Building Performance Industrial pilot rating tool and achieved 4-star Industrial Green Star certification for five of its buildings. The South African business achieved three new 4-star ratings in its office portfolio and recertification on nine 4-star ratings.

The total South African greenhouse gas emissions have been calculated at 105 282 tCO₂e, following the Greenhouse Gas Protocol, these emissions have reduced by 7% over the year.

We are pleased to report on our carbon emissions in the European portfolio for the first time and will further embed our reporting processes over the course of the next year. The total greenhouse gas emissions incurred for the European portfolio have been calculated at 21 551 tCO₂e.

Looking ahead to the financial year ending 31 March 2025 (FY25), the Group will aim to:

- Complete further analysis of borehole viability across the South African portfolio;
- Approve a pilot study for alternative energy sources outside of solar in South Africa;
- Undertake a carbon audit across the European portfolio: the audit should inform the processes and steps we need to take to align with the 2030 Paris Agreements;
- Roll-out its European solar strategy; and
- Further reduce its emissions.

Social

The social pillar of our ESG strategy concentrates on our relationships with our employees, clients, partners and the communities in which we operate, including our value chain and all stakeholders in our value chain, ensuring that everyone's interests are taken into consideration and addressed as effectively as possible. We are committed to creating holistic and sustainable partnerships in all of our engagements, for all our stakeholders. We invest in early childhood development initiatives, with a focus on education and job creation in the communities in which we operate. These initiatives align to our support of the SDGs, in particular SDG 4: quality education and SDG 8: decent work and economic growth.

The Group has a transformation strategy which sets out its philosophy and approach towards transformation in its South African business. The transformation strategy incorporates its targets for many aspects within the B-BBEE framework. Progress in this regard is reported on at the SEC.

The SEC also monitors the Group's approach with respect to diversity and inclusion.

Developments during the year included:

During the year, Burstone maintained its Level 1 B-BBEE status. The Group continues to spend over R7 million per year in South Africa on enterprise, supplier and social development and several other CSI initiatives. We focus on several initiatives across our supply chain and we remain cognisant of ensuring that transformation takes place across all these aspects. Over 80% of the Group's spend in South Africa is directed towards suppliers with a Level 1 and Level 2 B-BBEE status. We employ 29 people in South Africa: 43% of our staff are black; 60% of our staff are female and 34% of our staff are black female.

Burstone continues to collaborate with Property Point Venture Catalyst on its AMP programme to drive economic inclusion for small and growing businesses and to implement enterprise and supplier development programmes in South Africa within the property sector.

In 2023 Burstone partnered with Scatterlings early childhood development to open a new site in Balfour Mall, providing both the space and funding for the centre. Scatterlings is a non-profit organisation and has 20 years' experience in building early childhood development schools. They aim to identify and train women in disadvantaged communities to join the existing workforce and provide early learning development for children. The programme in Balfour Mall currently has 110 children within the centre with capacity to take up to 150 children. We have continued our sponsorship of the learning centre and following its successful implementation, will look to potentially roll this out to some of our other retail properties.

Looking ahead to FY25:

- The Group will report on employee data within its B-BBEE framework. This was not a requirement for the Group prior to its internalisation. It is anticipated that the Group's B-BBEE status will fall from a Level 1 and the Group is committed to maintaining a status of Level 2 or higher.
- We are well placed to deliver our employment equity plan over the next three- to five-years and aim to maintain at least 50% black staff and 30% black female (targeting 40% black female) across the South African business and at various levels of seniority. We also wish to maintain at least 50% female staff across the Group.
- We are committed to rolling out initiatives such as training, graduate and bursary programmes to upskill, grow and develop, not only our own staff, but also employees of our suppliers and other individuals in the communities in which we operate.
- We remain committed to supporting, developing and growing the communities in which we operate through our various enterprise, supplier and social development and several other CSI initiatives.



Rex Tomlinson
Social and Ethics Committee chairman

4 July 2024



Remuneration report

Remuneration report

Navigating this report

This report is presented in 3 sections:

Part 1:

Annual statement from the Remuneration Committee Chair

(context to the focus areas of the Remuneration Committee during the year and a summary of remuneration outcomes)

Part 2:

Remuneration Policy

(governance of the management of the remuneration within the Group)

Part 3:

Remuneration Implementation Report

(implementation and outcomes of the Remuneration Policy for the 2024 financial year)

PART 1

Annual statement from the Remuneration Committee chair

Dear shareholders

On behalf of the Board and as Chair of the Remuneration Committee, I am pleased to introduce the Group's first remuneration report. We would like to thank our major shareholders, for their constructive engagement as we developed and implemented our remuneration policies and practices.

Impact of the management internalisation on remuneration processes

The internalisation of the Group's South African and European management businesses in July 2023 brought about significant operational changes that required implementation, including several from a remuneration framework perspective. Before the internalisation, the Manager (a wholly owned subsidiary of the Investec Group) employed all the employees of Investec Property Fund (the Fund) and Urban Real Estate Partners (UREP). The Manager rewarded the Fund's employees (including executive directors) aligned to the Fund's performance, and in accordance with the Investec Group's remuneration approach. The Fund was not required to have its own Remuneration Committee.

After the internalisation, Investec Property Fund was rebranded to the Burstone Group (the Group). The Group has developed its own remuneration and retention framework and Remuneration Policy. As the Group operates internationally, both local, and international remuneration requirements have been considered in developing the Remuneration Policy ensuring that the remuneration structure is fit for purpose across these jurisdictions.

In addition, the scope of the Nominations Committee was extended to incorporate remuneration and a Remuneration and Nominations Committee was formed. I served as Chair of the Remuneration Committee for the full year. The other members of the Committee during the year were Moss Ngoasheng and Philip Hourquebie. Khumo Shuenyane served as a member up to the date of his retirement as a non-executive director in August 2023.

The internalisation of the business has taken significant management time, and we are pleased with the progress made thus far. We believe that an integrated international real estate offering will be a key differentiator as we look to implement our strategic plan over the next few years.

Company performance in the year

The results for the year ended 31 March 2024 (FY24) have been underpinned by solid operational performances from the South African and European businesses, with like-for-like net property income up 1.5% and 6.2% (in EUR), respectively. The positive results from underlying operations, were as expected, impacted by higher funding costs, with an increase in interest rates resulting in a c.R66 million increase in funding costs over the period. As a result, full year results were in line with guidance, with Distributable Income per Share (DIPS) increasing by 1.0% to 105.67cps (Mar-23: 104.64cps).

The Group is focused on several initiatives, which are at various stages of progress, to further manage loan-to-value (LTV) down from its current level of 44%. During the period the Group sold net assets, in South Africa, of c.R1.3 billion at a c.1.5% premium to book value. This is in line with the projected pipeline of sales presented to shareholders in our LTV flightpath in May 2023. The Group is actively working on several initiatives to continue to recycle its capital efficiently with a pipeline of R1.2 billion to R1.4 billion of South Africa assets and €150 million to €250 million of European assets identified for sale. The sale of the identified assets, will see the Group achieve its targeted LTV of between 37% to 40% over the next 12 months.

During the course of the financial year, we started to see the benefits of the management internalisation and international integration of our businesses. We are delivering on our stated objectives and strategic plan as outlined in the motivation for the internalisation transaction. Highlights over the period included:

- The annualised net management fee saving resulting from the internalisation was R80 million (8% higher than the forecast at the time of the transaction).
- Successful rebranding across South Africa and Europe as the Burstone Group.
- Delivery of several cost saving initiatives including c.€2.1 million corporate savings in Europe, with further synergies expected in the financial year ending 31 March 2025 (FY25).
- A new management mandate to manage a c.€170 million portfolio in Germany with the opportunity to co-invest in the future.

Remuneration report CONTINUED

- An 8% increase in equity AUM in Australia, following Irongate's first industrial acquisition, alongside Phoenix Property Investors (Phoenix).
- Significant progress made in South Africa to build the foundation for a third-party fund management platform anchored by local investors / pension funds.
- Our strategic capital light initiative generated R61 million contributing c.7% to earnings in FY24.

Remuneration overview for the year

At the Annual General Meeting (AGM) on 15 August 2024, shareholders will have the first opportunity to vote on our Remuneration Policy, one that we believe is aligned to our strategy to be an integrated international real estate business that will seek to enhance stakeholder value through:

- Intergration synergies;
- Optimising our current portfolios;
- Building out our fund management capabilities and seeking growth opportunities;
- Maintaining a robust balance sheet; and
- Rolling out a comprehensive sustainability strategy that is integrated throughout the business.

The Short-term Incentive (STI) cash component for executive directors is made up of two parts, namely a Company scorecard that accounts for 80% and a Personal scorecard that accounts for 20%. The total outcome of these scorecards is used as a modifier percentage which is applied against Guaranteed Pay (GP) to calculate the STI award for the year.

The FY24 STI Company scorecard had a 50% weighting for Financial metrics which included a DIPS vs guidance metric and a LTV measure, both of which were quantifiable measures. The LTV measure was not achieved and an outcome of zero was recorded for this metric. The 15% weighting for Balance Sheet Management focused on a prudent funding and hedging strategy and was rated at a "Towards stretch" outcome. A significant weighting of 25% was given to what we clustered under Strategic metrics, which covered the internalisation and integration of the South African and European businesses, and the work done to progress the development of a funds under management strategy. A disposal of assets plan was also included in this Strategic metric. The combination of the three Strategic measures was rated at a "Towards stretch" outcome. The final weighting was a 10% Environmental, Social and Governance (ESG) weighting focused on implementing and developing an international sustainability and transformation strategy and this area was rated at "Threshold".

Full details of both the Company and Personal Scorecards, together with FY24 outcomes can be found on pages 136 to 141.

The shape of the STI Company scorecard for FY25 will change slightly with the Financial weighting increasing to 70%, Balance Sheet Management remaining at 15% and Strategy and ESG reducing to 10% and 5%, respectively.

Full details on the STI Company and Personal scorecards for FY25 can be found on pages 123 to 126.

No Long-term Incentive (LTI) performance-based share awards vested during the year. On pages 128 and 129 you will find the Scorecard and performance conditions for the FY24 LTI shares issued to executive directors in line with the Group's Share Policy.

Salient features of FY24 remuneration outcomes for the Group Chief Executive Officer (CEO)

As highlighted, significant time and effort was spent by the executive team to implement the internalisation and ensure the business is well placed to take advantage of both the strategic repositioning of the Group and identifying suitable growth opportunities. Andrew had an outstanding year in dealing with the complexities involved with implementing the internalisation, while maintaining operational focus in a tough trading environment.

A key risk area we had to mitigate was around our people. Investec has a strong Employee Value Proposition and we had to ensure our skilled workforce both in South Africa and Europe wished to join and see a future at Burstone. This was successfully achieved with the issuing of Retention Shares to key individuals, fostering a culture of inclusivity and belonging and that was responsive to the needs of all individuals.

If one considers Andrew's combined Company and Personal scorecard outcomes, Andrew achieved 49% of his potential STI stretch target, with a total STI (cash and deferred shares) awarded of R7.3 million.

Andrew was awarded a GP increase of 4.0% from R5 million to R5.2 million for FY25. His GP remains within the median range for the comparator group, which can be found on page 120.

Salient features of FY24 remuneration outcomes for the Group Chief Financial Officer (CFO)

Jenna's Personal scorecard, like Andrew's had a focus on the internalisation process and the work required from a financial perspective. Under the leadership metric, effective work was done in integrating the finance function across the business including the implementation of a new financial system.

Solid outcomes were achieved in key focus areas for the year including, managing the debt profile, refinance risk, diversification of funding sources, interest rate risk management and the implementation of an effective hedging strategy across forex and interest.

If one considers Jenna's combined Company and Personal scorecard outcomes, Jenna achieved 44% of her potential STI stretch target, with a total STI (cash and deferred shares) awarded of R2.9 million.

Jenna was awarded a GP increase of 8.3% from R3 million to R3.25 million for FY25. Her increase is reflective of aligning her GP within the median range for the comparator group.

Group-wide employee remuneration

Total FY24 STI, including restricted deferred bonus shares for select employees (including executive directors), amounted to c.5% of distributable earnings before the deduction of the STI provision. This is in line with our Remuneration Policy. Taking into consideration market conditions and inflation, FY25 GP increases for South African employees have been set at a range of between 5% to 6%, and for European employees within a range of between 3% to 4%.

Shareholder engagement

In developing Burstone's first Remuneration Policy, we engaged proactively with the Group's major shareholders and are committed to maintaining an open dialogue with them. We held two separate non-executive director engagements with key shareholders during the year. This engagement has been meaningful and helpful to the Remuneration Committee in its work and contributed directly to its decisions. We are grateful to our shareholders for their valuable input and we remain committed to proactively engaging on these important matters.

Remuneration areas of focus for the past year

Over the past year the Remuneration Committee has:

- Ensured that key management was retained over the internalisation and all employee contracts were smoothly transitioned to Burstone;
- Developed a retention framework to ensure that we can retain our key and critical skills;
- Developed a remuneration framework ensuring its relevance, appropriateness, and alignment with best practices;
- Considered local and international remuneration practices, ensuring that the remuneration framework is fit for purpose across the jurisdictions in which we operate;
- Ensured that the remuneration framework supported and reinforced the achievement of the Group's strategic objectives, and closely aligned with Burstone's culture and values, including a spirit of entrepreneurship, risk consciousness and meritocracy;
- Ensured that the remuneration framework is equitable and fair, links pay to performance, and maintains an appropriate balance between the interests of the Company to attract and retain top talent and the interests of its stakeholders;
- Successfully obtained shareholder approval for the adoption of the Share Plan, the purpose of which is to attract, motivate, reward and retain eligible employees who can influence the performance of the Company on a basis that aligns their interests with those of our shareholders; and
- Engaged with shareholders, as we developed and finalised our remuneration arrangements.

Retention scheme

As part of the internalisation transaction, we awarded retention performance shares and retention restricted shares to the CEO, CFO, members of the Group Executive Committee and other key employees. These awards aimed to ensure key personnel were retained to ensure an orderly transition of the business post internalisation. These were one-off awards of retention performance and restricted shares and the Company does not intend to issue further of these awards. Total awards issued amounted to 0.7% of the entire issued share capital of the Company at the time. Further information is provided on page 144.

Non-executive director (NED) fees

Full details of proposed fees for 2025 are detailed on page 134, with the total increase in NED fees of 5%.

An additional fee of R330 000 for FY24 and FY25 was approved for the Chairman at the AGM in August 2023. This was done to ensure we retained Moss's skills and wisdom, taking into consideration the significant additional time required as a result of the internalisation transaction and leading the Board through a NED refreshment process following the untimely passing of the previous Chairman.

Malus and clawback

The Remuneration Committee did not find any circumstance where malus and clawback trigger events occurred, and thus it did not apply any of these mechanisms during the period.

Exercise of discretion

In determining the overall rewards for executive directors, the Remuneration Committee applied the policy as set out on pages 116 to 134. The Remuneration Committee duly and carefully considered whether any discretion permitted in the Remuneration Policy should be exercised. It was determined that no discretion was required during the period.

Compliance and governance statement

The remuneration report complies with the South African King IV Code of Corporate Practice and Conduct, the South African Companies Act 2008 and the Johannesburg Stock Exchange (JSE) Limited Listings Requirements.

Burstone does not have any Prescribed Officers other than the executive directors.

Looking ahead

As the Remuneration Committee enters its' second year of existence it acknowledges that there are areas of the Group's remuneration frameworks that will need to be further developed. This will ensure executives are incentivised for superior performance, adherence to our strategy and ensure that all stakeholders, including shareholders and employees, are rewarded appropriately.

Approvals

We are seeking the following shareholder approvals at the 2024 annual general meeting for:

- A non-binding vote on our Remuneration Policy for the year ended 31 March 2024 (pages 116 to 134).
- A non-binding vote on the implementation of our Remuneration Policy for the year ended 31 March 2024 (pages 135 to 146).
- Approval of non-executive directors' remuneration through a special resolution for the financial year 2025 (page 134).

We invite shareholders to engage with us before the 15th August 2024 AGM on any concerns or issues regarding our Remuneration Policy or its implementation. The Company's Chair, and myself, in my capacity as Chair of the Remuneration Committee, will be conducting a remuneration and governance roadshow with major shareholders before the AGM.

Signed on behalf of the Board



Rex Tomlinson
Chair Remuneration Committee

4 July 2024

Remuneration report CONTINUED

PART 2

Remuneration Policy

This section of the report provides an overview of Burstone's philosophy and remuneration principles with respect to all employees and the detailed principles applicable to executive directors who are the Prescribed Officers of the Group.

Remuneration governance

The Board appoints the Remuneration Committee with delegated powers and operates independently from executive management. It provides oversight and makes decisions regarding remuneration-related matters within its mandate. The three members are independent non-executive directors, free from any business or other relationship that could materially interfere with exercising their independent judgment. The Committee met five times during the year. Further information is provided on page 108.

Advice to the Remuneration Committee

During the year, the Remuneration Committee was assisted in its considerations by Deloitte, who also advised the Burstone Group on remuneration matters. The Committee believes that the advice received has been objective and independent. The Committee also received advice, supporting documentation and information from specialists in the business including the Group CEO, the Group CFO, the Global Head of People and Contracted Remuneration and Reward Specialists. The Committee recognises and manages any conflicts of interest when receiving views from executive directors or senior management on executive remuneration proposals. No individual decides their own remuneration.

Our remuneration philosophy

Our philosophy is to employ talented individuals, who act with integrity, are intellectual and innovative, and adhere to our culture, values and philosophies. We strive to inspire entrepreneurship by providing a working environment that stimulates exceptional performance, so that executive directors, and employees may contribute positively to our clients, our communities, and the Group.

We reward executive directors and employees for their contribution through:

- Payment of an industry competitive annual guaranteed package (base salary and benefits); within a range of 15% of the comparator group median.
- Variable short-term incentive performance reward (linked to Group, regional and individual performance targets); superior performance will be targeted at top quartile pay.
- Ownership in the form of share incentive scheme participation.
- We consider the aggregate of the above as the overall remuneration package designed to attract, retain, incentivise, and drive the behaviour of our employees in a risk conscious manner over the short, medium, and long-term.

We have a strong entrepreneurial, merit and values-based culture. Living and perpetuating our values, culture and philosophies while pursuing excellence within our strategic and risk management framework is paramount in determining overall reward levels.

The type of people the Group attracts as well as the culture and environment within which they work remain crucial in determining our long-term success. Our reward mechanisms are clear and transparent, designed and administered to align executive directors' and employees' interests with those of all stakeholders and ensure the Group's short, medium, and long-term success.



1 & 1A Protea Place, Sandton, Gauteng, South Africa

Our remuneration framework principles

Our remuneration principles align with the Group's vision and link strongly to its strategic objectives. The guiding principles which underpin the Group's approach to remuneration and enable the achievement of its philosophy include:	
1. Foster alignment with the Group's entrepreneurial culture, values, strategic objectives, and risk appetite framework	<ul style="list-style-type: none"> The Group drives an entrepreneurial culture, and reward practices within the organisation are developed to recognise individual/team performance. The remuneration philosophy and reward framework are aligned to support and reinforce the achievement of the Group's strategic objectives (as set out on page 28), values and long-term interests. The remuneration philosophy and reward framework are consistent with and promote sound and effective risk management, and do not encourage risk-taking that exceeds the Group's risk tolerance level. Our policy is designed to avoid conflicts of interest between Burstone and its clients/partners.
2. Provide competitive rewards to attract, motivate and retain high-performing talent; targeting above-market pay for stretch performance	<ul style="list-style-type: none"> The Group adopts a holistic approach to reward, ensuring that the organisation attracts, motivates and retains high-performing individuals. Rewards are provided based on meritocracy, driving positive behaviour of our employees over the short, medium, and longer-term in a risk-conscious manner. Reward practices are performance-orientated and drive the right outcomes by delivering higher rewards to higher performers.
3. The remuneration framework allows for flexibility	<ul style="list-style-type: none"> Although the overall remuneration principles are applied consistently, we recognise that we operate an international business and compete with local and international competitors in each of our markets for the best talent. Adjustments may be made to ensure consistency and to avoid disproportionate packages across the Group. Adjustments may also be made to the competitive positioning of pay components for individuals, in cases where a higher level of investment is needed to build, grow or sustain either a business unit or our capability in a geography. We are not contractually bound to award variable rewards; we can pay no performance bonuses should the performance of the Group, region or individual employees require this.
4. Fair remuneration that is externally competitive and internally equitable	<ul style="list-style-type: none"> The Group is committed to fair, equitable and responsible pay practices for all employees, regardless of gender, ethnicity, status or other demographic and physical differences. Performance objectives are communicated to employees, through regular conversations to ensure that the Group upholds fair and responsible remuneration outcomes. Remuneration levels incorporate relevant benchmarks and market conditions. They will typically be structured on the premise of mid-market base pay and more competitive performance-driven variable pay (linked to achieving several performance targets/goals). Superior performance will be targeted at top quartile pay in relation to the relevant comparator group. We support a minimum living wage and ensure that all our employees globally are paid above the relevant statutory minimum wage.
5. Motivate and reward the right behaviour in a responsible way	<ul style="list-style-type: none"> Ensure that the remuneration structure is fit for purpose across multiple jurisdictions from a governance perspective. Compensation arrangements demonstrate a clear relationship between stakeholder value creation and senior leadership reward outcomes. Our remuneration framework will include provisions that, in specific circumstances, allow the Group to: <ul style="list-style-type: none"> Forfeit or withhold all or part of a bonus or long-term incentive award before it has vested and been paid ('malus'); and/or Recover sums already paid ('clawback'). Require executive directors to build up a meaningful holding in the Group over time.

Remuneration report CONTINUED

Elements of our remuneration framework and policy

The key features of the remuneration framework and policy are summarised below, with more detail provided in the pages that follow.

Element	Description	Eligibility	Time period and review
Guaranteed Pay (GP)	<p>This includes base salary, employer provident fund contribution and other benefits.</p> <p>Reflects the value of the individual, their role, level, skills and experience and the personal contribution to the business.</p> <p>Internal and external benchmarking is performed. GP is positioned at median market benchmarking levels versus the relevant comparator group.</p>	All permanent employees	<ul style="list-style-type: none"> Reviewed annually, taking into consideration market conditions, affordability and inflation.
Short-term Incentive (STI)	<p>Performance-based incentives are based on a percentage of GP or base pay. The percentage applied will vary depending on the level and role of the employee.</p> <p>Subject to performance targets measured against financial, strategic, operational and individual goals.</p> <p>The STI will be calculated on a percentage weighting for Company and/or regional objectives/scores, dependent on the nature of the role and management level of the employee. For example, those individuals with Group roles will have a higher weighting towards Company performance, versus those individuals with regional specific roles. Awards will also be dependent on meeting individual performance objectives.</p> <p>Business indicators, weightings and targets are set annually in line with the strategic objectives of the business. Personal key performance indicators will also be developed annually.</p> <p>STI is positioned towards upper quartile benchmarking versus the relevant comparator group, for stretch performance.</p> <p>Malus and clawback may be applied.</p>	All permanent employees	<ul style="list-style-type: none"> Paid annually in cash in June, post the release of financial results.

Element	Description	Eligibility	Time period and review
Deferred award of restricted bonus shares	<p>Awards of deferred restricted shares/units. Awards are made when the STI scorecard for the Company exceeds "on-target" performance.</p> <p>The accrual percentage for executive directors and members of the Group Executive Committee is equal to 100% of STI that is above "on-target" performance. Senior management accrual will be based on a percentage of total STI of between 20% to 25%.</p> <p>Malus and clawback may be applied.</p>	<ul style="list-style-type: none"> Executive directors Members of the Group Executive Committee Select senior management 	<ul style="list-style-type: none"> Awarded annually in June. Vesting occurs in three tranches after award date: Year 1 (a third), Year 2 (a third), and Year 3 (a third).
Long-term incentive (LTI) performance shares /units	<p>Full-value shares/units are awarded based on a percentage of GP or base pay.</p> <p>South African employees will participate in a share-based long-term incentive.</p> <p>European employees will participate in a cash settled long-term incentive phantom scheme that tracks the performance of the Burstone share.</p> <p>Vesting of awards is subject to the fulfilment of performance conditions over the performance period.</p> <p>Positioned towards upper quartile benchmarking versus the relevant comparator group, for above-market performance.</p> <p>Malus and clawback may be applied.</p>	<ul style="list-style-type: none"> Executive directors Members of the Group Executive Committee Select senior management 	<ul style="list-style-type: none"> The main awards will be made in June. A secondary award (in December) is reserved for employees appointed externally or for significant promotions on or before 1 November each year. Vesting occurs in two tranches after award date: Year 3 (75% vesting); and Year 4 (25% vesting).
Restricted shares/ units	<p>Awards of full-value shares/units.</p> <p>The key objective of the award is the retention of the participant.</p> <p>The only performance criteria associated with vesting is continued employment.</p> <p>Malus and clawback may be applied.</p>	<ul style="list-style-type: none"> All permanent employees excluding executive directors and members of the Group Executive Committee. 	<ul style="list-style-type: none"> Ad-hoc awards, which if made, will be made once a year in June. A secondary grant may be made in December in exceptional circumstances. Additionally, new potential employees may be awarded these units as part of the recruitment process. Vesting occurs in two tranches after award date: Year 3 (75% vesting); and Year 4 (25% vesting).
Minimum share-holding requirements (MSR)	<p>The purpose is to encourage executive directors and select executives to hold shares in Burstone, to reinforce the alignment between executive and shareholder interests, and to engender a culture of long-term commitment to Burstone.</p>	<ul style="list-style-type: none"> Executive directors Members of the Group Executive Committee 	<ul style="list-style-type: none"> Shares to be accumulated over five years: CEO: 200% of GP CFO: 150% of GP Other Group Executive Committee members: 150% of GP

Remuneration report CONTINUED

Benchmarking

Benchmarking for executive directors and employees is performed annually as part of the annual salary review process. The Group aims to ensure that reward packages remain relevant and fair in the context of relevant market comparator groups.

Burstone has used Deloitte's Execeleval™ Benchmarking approach and other relevant remuneration surveys to evaluate employee and executive director remuneration to ensure that Burstone's remuneration packages are competitive and continue to attract, motivate and retain employees.

In South Africa, the Group remains cognisant of performing detailed income differential analyses as per the requirements of the Employment Equity Act.

Employees (excluding executive directors) are benchmarked against peers / companies relevant to the market in which they are employed.

As Burstone is a JSE-listed REIT, a comparator group comprising JSE-Listed companies is used for benchmarking purposes for executive directors' remuneration. The comparator group will be reviewed annually to ensure that it remains appropriate in the context of Burstone's strategic and remuneration framework.

The total reward comparator group comprises the companies listed below.

- Attacq Ltd
- Emira Property Fund
- Equites Property Fund Ltd
- Fairvest Ltd
- Fortress Real Estate Investments Ltd
- Hyprop Investments Ltd
- Resilient Reit Ltd
- SA Corporate Real Estate Ltd
- Vukile Property Fund Ltd

Fair and reasonable pay – consideration of all employee remuneration

In making decisions on executive pay, the Remuneration Committee considers wider workforce remuneration and conditions to ensure that they are aligned on an ongoing basis. We recognise that all our people play an important role in the success of the Group.

Burstone is committed to creating an inclusive working environment and to rewarding our employees fairly. The Remuneration Committee reviews our practices around creating a fair, diverse and inclusive working environment. We use several analyses to measure and manage our internal pay parity levels.

We believe that employees throughout the Group should be able to share in the success of the Group. As such, as outlined in the table on the prior pages, in addition to the base pay element, all of our employees have access to market-relevant benefits, and all permanent employees are eligible to be considered for short-term incentives after a short initial qualifying period. All permanent employees are, in principle, eligible to participate in our long-term incentive scheme, subject to individual and Group performance.

Gender pay gap analysis

At Burstone we are committed to attracting and retaining a diverse team. A diverse workforce is essential to our ability to be an innovative organisation that can adapt and prosper in a dynamic world. We recognise the benefits of a diverse workforce, such as being able to contribute alternative perspectives and challenge the status quo, which is important in driving an agile and entrepreneurial culture.

Over the next year we will look to further develop our gender pay reporting framework.

Statement of consideration of shareholder views: shareholder engagement and voting

Burstone will table its remuneration policy and implementation report for two separate non-binding advisory votes by shareholders at the AGM in August 2024. If 25% or more of the shareholders vote against either resolution (or both), the Remuneration Committee will engage with the dissenting shareholders to ascertain their concerns with the Group's remuneration framework. The Remuneration Committee may take steps to address any valid and reasonable concerns raised and will seek to disclose information pertaining to this engagement process.

In addition to any engagement that may arise as a result of voting outcomes at the AGM, the Remuneration Committee will continue to proactively engage with shareholders. During the year the Board Chair and the Chair of The Remuneration Committee engaged with shareholders on two separate occasions, focusing on board governance and strategic matters and the design of the Group's first Remuneration Policy. In addition, the Board Chair and the Chair of the Remuneration Committee will engage with shareholders in the month before the AGM in August 2024.

The Remuneration Committee and the Board believe in effective and transparent communication with key stakeholders and will continue to engage on matters that may arise and are of importance and/or concern to stakeholders.

Executive directors' Remuneration Policy

The components of executive directors' remuneration include:

- Guaranteed Pay (base pay plus benefits)
- STI cash component
- STI deferred restricted bonus shares
- LTI awards

Further details on these components of pay are provided in the section below:

Fixed pay: Guaranteed pay (GP)

Purpose and link to strategy	
<p>To provide an industry competitive package to recruit and retain the people we need to develop our business.</p> <p>The guaranteed pay reflects the relative skills, experience and contribution of the individual.</p>	
Components of fixed remuneration	Operation, review and positioning
<p>GP is structured to include base pay and benefits. Benefits vary slightly depending on regional and regulatory requirements, but typically include:</p> <ul style="list-style-type: none"> • Employer provident fund contribution • Employer medical aid contribution • Group risk cover (death, disability and severe illness) 	<p>Delivered 100% in cash (post required deductions), paid monthly.</p> <p>Increases are effective in June each year, with increases generally limited to being not greater than the level of increases for the broader employee population. Exceptions would arise if total GP was not within the median of the comparator group.</p> <p>Targeted within a range of 15% of median levels when compared with relevant comparator groups.</p>
Quantum	
<ul style="list-style-type: none"> • The CEO's GP is R5 million for the year ended 31 March 2024, and will increase by 4% to R5.2 million effective FY25. • The CFO's GP is R3.0 million for the year ended 31 March 2024, and will increase by 8.3% to R3.250 million effective FY25. • The CEO and CFO's GP is aligned to be within the median range of the comparator group. 	

Variable Pay: Short-term Incentive (STI) cash component

Purpose and link to strategy
<p>The STI plan supports the key business objectives over a 12-month performance period by having measures and metrics based on the key business targets and objectives.</p> <p>The STI plan aligns the interests of shareholders and participants in the plan and rewards participants for outstanding business performance; teamwork; collaboration; and achievement of targeted performance levels; thus, it supports a high-performance culture within the Company.</p>
Operation, review and discretion
<p>STI awards are made annually following the completion of the financial year.</p> <p>STI is paid 100% cash unless STI deferred restricted bonus shares are awarded. The latter is then awarded in shares. Refer to page 122.</p> <p>STI is subject to performance targets and is determined as a percentage of GP.</p> <p>The Remuneration Committee retains the discretion to amend the amount payable to ensure that incentives reflect performance and are not distorted by an unintended formulaic outcome.</p> <p>The Remuneration Committee will review the achievement levels and performance conditions annually.</p> <p>Awards are subject to malus and clawback.</p>
Performance conditions and basis of calculation
<p>The executive directors' STI cash award is determined by way of the following formula:</p> <p>STI = (GP x on-target incentive percentage) x (Company performance score + personal performance score)</p> <p>Where:</p> <p>Company performance score = Company scorecard performance factor (80%) multiplied by performance achievement modifier attained.</p> <p>Individual performance score = individual scorecard performance factor (20%) multiplied by performance achievement modifier attained.</p>

Remuneration report CONTINUED

STI performance conditions and basis of calculation continued

Executive director weightings	CEO	CFO
Company performance scorecard factor	80%	80%
Individual performance scorecard factor	20%	20%
Performance achievement modifiers applied:		
Below threshold performance	0%	0%
At threshold performance	50%	37.5%
At target performance	100%	75%
At stretch performance	200%	150%

An outcome less than threshold performance will result in a factor of 0%, regardless of individual performance.

In addition, should a participant achieve an individual performance rating of lower than "meeting expectations", no STI is payable regardless of Company performance.

Linear interpolation will be applied to determine the modifier between the threshold and the target performance and between target and stretch performance

The details of the Company and individual performance conditions are provided on pages 123 to 126.

Example of STI formula in operation

The calculation of the STI award for the CEO applying GP of R5 million for the year ended 31 March 2024, assuming on-target performance is achieved, would be as follows:

$$\text{STI} = (\text{R5m} \times 100\%) \times ((80\% \times 100\%) + (20\% \times 100\%))$$

$$\text{STI} = \text{R5m}$$

Variable Pay: STI deferred restricted bonus share awards. STI share component

Purpose and link to strategy

The STI plan supports the key business objectives over a 12-month performance period by having measures and metrics based on the key business targets and objectives.

The STI plan aligns the interests of shareholders and participants in the plan and rewards participants for outstanding business performance; teamwork; collaboration; and achievement of targeted performance levels; thus, it supports a high-performance culture within the Company.

The award of shares that vest over a three-year period, aligns the interests of shareholders and participants.

Operation, review and quantum

STI deferred restricted bonus share awards are made to executive directors annually following the completion of the financial year.

For executive directors the value of deferred restricted bonus shares awarded is equal to 100% of the STI award in excess of "on-target" performance.

Awards are made when the STI scorecard for the Company exceeds "on-target" performance. If the STI scorecard for the Company is below "on-target" performance no deferred awards will be made.

Vesting occurs in three tranches: year 1 (a third), year 2 (a third), and year 3 (a third).

Awards are subject to malus and clawback.

Example of award in operation

The calculation of the value of the STI deferred award for the CEO assuming on-target performance for STI for FY24 is R5 million would be as follows:

STI Achieved	Deferred STI share awarded
RO – R5 million	Zero deferred share awards as STI is below "on-target" performance
R5.5 million	STI is above "on-target" performance by R500,000. Share award value equals R500,000
R6 million	STI is above "on-target" performance by R1,000,000. Share award value equals R1,000,000

STI performance conditions for executive directors for FY25

Company performance comprises 80% of the STI scorecard. The Company performance conditions for FY25 are indicated below:				
Weighting	Company STI performance metrics*	Threshold	Target	Stretch
70%	Financial			
35%	DIPS absolute (FY24) vs budget	Budget less 2%	Budget	Budget plus 3%
25%	LTV	40%	37%	35%
10%	Group cost to income ratio	30.5%	29.5%	28.5%
15%	Balance Sheet Management			
15%	Successful refinancing of Group and European (PEL) debt	Assessed on a 5 point scale. A number of criteria will be assessed as explained below.		
10%	Strategic			
10%	Build out the Funds Management strategy	Assessed on a 5 point scale. A number of criteria will be assessed as explained below.		
5%	Sustainability/other			
5%	Progress made with respect to implementing and further developing our international sustainability and transformation strategy	Assessed on a 5 point scale. A number of criteria will be assessed as explained below.		

*Refer to definitions and further explanations below and on page 124.

Definitions and further information pertaining to the STI Company performance scorecard:

Definitions:	
DIPS	Distributable income per share equals distributable earnings divided by the number of shares in issue for the period.
Distributable earnings	As per Burstone's distributable earnings statement.
LTV	As per Burstone pro-forma adjusted LTV calculation. The Remuneration Committee will take cognisance of any post-balance sheet events.
Cost to income ratio	Where the Group cost to income ratio is defined as costs divided by revenue, on a currency neutral basis. Where revenue includes: gross property income from the South African and European businesses; revenue from investments; plus revenue from fund management activities. Where costs include: property expenses from the South African and European businesses; employee costs; fund and other operating expenses; excluding taxation and interest costs.

Remuneration report CONTINUED

STI performance conditions for executive directors for FY25 continued

Additional measurement considerations:

The Remuneration Committee will assess the achievement of certain of the Company performance objectives (as indicated on page 123) against a five-point scale as shown below:

Performance assessment		Performance score for CEO	Performance score for CFO
Below/does not meet expectations	Below threshold	0%	0%
Meets minimum expectations	Threshold	50%	37.5%
Consistently meets target expectations	Target	100%	75.0%
Above expectations	Towards stretch	150%	112.5%
Outstanding performance	Stretch	200%	150.0%

In assessing the rating to be awarded, the Remuneration Committee is likely to take the following aspects into consideration:

Balance sheet measure: successful refinancing of Group and European (PEL) debt	The refinancing of the Group's balance sheet is an important strategic imperative for FY25. The Group will strive to refinance the balance sheet in the most efficient and optimal manner, considering prevailing market conditions. Tenor, covenant levels, lender profile, refinancing costs achieved will be key considerations.
Strategic measure: build out the funds under management strategy	Building a sustainable and scalable international funds management platform is a key growth strategy for Burstone. This is a longer-term strategy, where time and effort have to be deployed in the short-term to ensure the platforms are in place to deliver over the long-term. The shorter-term focus has been on attracting the right talent to support the growth of the business, understanding the capital market landscapes across the various international markets and building new relationships. The Company will look to seed new platforms with existing assets and leverage the teams' skills and experience to unlock new opportunities and asset strategies. The Company will continue to focus on growing its Australian funds platform and introducing strategic partners to expand its funds business in other regions.
Sustainability measure: progress made with respect to implementing and further developing our international sustainability and transformation strategy	The Company recognises the importance of rolling out a comprehensive sustainability strategy that is integrated throughout the business and not just focussed on tactical or ad hoc roll outs of solar projects. The sustainability strategy needs to create longer-term stakeholder value that is financial and impactful, improves lives and livelihoods, acts as an enabler of ESG and aims to achieve net-zero emissions. Within this broader strategy it is important that the Company drives transformation throughout the business with a clear focus on gender, cultural and racial diversity (locally and internationally), and remains cognisant of specific B-BBEE requirements in South Africa. The Company's commitment is to create broader financial and non-financial stakeholder value; embed ESG considerations into its investment processes; manage and mitigate ESG risks (including climate risks); seek to achieve net zero emissions by 2050; and contribute to sustainability opportunities aligned with the UN Sustainable Development Goals.

STI performance conditions for executive directors for FY25 continued

Individual performance comprises 20% of the STI scorecard.
FY25 individual performance conditions for the CEO are provided below.

The achievement of the personal objectives will be assessed against a five-point scale.

Performance assessment	Performance score	
Below/does not meet expectations	Below threshold	0%
Meets minimum expectations	Threshold	50%
Consistently meets target expectations	Target	100%
Above expectations	Towards stretch	150%
Outstanding performance	Stretch	200%

The measures for the award made in respect of the year ending 31 March 2025 are as follows:

Measure:	Weighting
Leadership:	30%
Continue to build out a fully integrated, international business Providing strategic guidance to support the approved strategic plan	
Operational, financial and strategic:	20%
Continue to drive the Group's growth initiatives	
Stakeholder management:	15%
Active and regular engagement with key external stakeholders, ensuring strong relationships are developed and maintained. Key stakeholders include: buy and sell-side analysts; shareholders; media; and capital partners	
Diversity and people management:	20%
Employee well-being (survey of employee work morale and work fulfilment) Foster a purpose-led culture (a culture of inclusivity and belonging; a working environment that is more inclusive, agile and responsive to the needs of all individuals) Driving transformation and diversity across the workplace	
ESG and other objectives:	15%
Maintain a high governance standard, ensuring information provided to the Board and its committees supports effective decision-making Promote core principles of honesty, transparency, accountability and entrepreneurship Active leadership in driving the Group's environmental initiatives as agreed by the Social and Ethics Committee	

Remuneration report CONTINUED

STI performance conditions for executive directors for FY25 continued

Individual performance comprises 20% of the STI scorecard
FY25 individual performance conditions for the CFO are provided below.

The achievement of the personal objectives will be assessed against a five-point scale.

Performance assessment	Performance score	
Below/does not meet expectations	Below threshold	0%
Meets minimum expectations	Threshold	37.5%
Consistently meets target expectations	Target	75.0%
Above expectations	Towards stretch	112.5%
Outstanding performance	Stretch	150.0%

The measures for the award made in respect of the year ending 31 March 2025 are as follows:

Measure:	Weighting
Leadership:	20%
Effective integration of the finance function across the business Providing strategic guidance to support the approved strategic plan	
Operational, financial and strategic:	35%
Manage debt profile, refinance risk and diversification of funding sources efficiently Effective interest rate risk management and minimise funding costs Implement effective hedging strategy across forex and interest Budgeting, forecasting and capital plans are effective in ensuring the Company meets its capital requirements and that the market guidance provided is accurate (excluding events outside the Company's control)	
Stakeholder management:	10%
Active and regular engagement with key external stakeholders, ensuring strong relationships are developed and maintained. Key stakeholders include: buy and sell-side analysts; shareholders; debt providers	
Diversity and people management:	20%
Employee well-being (survey of employee work morale and work fulfilment) Foster a purpose-led culture (a culture of inclusivity and belonging; a working environment that is more inclusive, agile and responsive to the needs of all individuals) Driving transformation and diversity across the workplace	
ESG and other objectives:	15%
Maintain a high governance standard, ensuring information provided to the Board and the Audit and Risk Committee supports effective decision-making Ensure the risk management strategy, compliance strategy and other legislative requirements are implemented and adhered to Promote core principles of honesty, transparency, accountability and entrepreneurship	

Variable Pay: Long-term Incentive (LTI) awards

Purpose and link to strategy	
<p>There is a clear link between the LTI and the Company's performance, and the LTI embeds alignment with shareholder returns.</p> <p>The LTI aims to attract, motivate and retain suitably skilled and competent talent.</p> <p>The LTI supports the key business objectives over a three-year performance period by having measures and metrics that encourage sustainable growth.</p>	
Operation, review and discretion	
<p>Conditional awards of performance shares are subject to performance conditions measured over three financial years.</p> <p>Awards are made annually following the completion of the financial year and are expressed as a percentage of GP.</p> <p>A 30-trading day volume-weighted average price (VWAP) before the Board approval of the award date will be used as the award price, rounded to the nearest whole share.</p> <p>Vesting occurs in two tranches: in year 3 (75% vesting) and year 4 (25% vesting).</p> <p>At the discretion of the Remuneration Committee, participants may be eligible to receive dividend equivalents on the number of performance shares that vest when settlement occurs.</p> <p>The Remuneration Committee retains the discretion to adjust the level of awards vesting to ensure that incentives truly reflect performance and are not distorted by an unintended formulaic outcome.</p> <p>Awards are subject to malus and clawback.</p>	
Performance conditions and basis of calculation	
The executive directors LTI award is expressed as a percentage of GP, and is subject to performance conditions.	
Executive director weightings	
On-target allocation percentage, expressed as a percentage of GP:	
- CEO	100%
- CFO	75%
Performance achievement modifiers applied:	
Below threshold performance	0%
At threshold performance	50%
At target performance	100%
At stretch performance	200%
<p>The value per share that vests is the share's full value. The number of shares that will vest will depend on whether the Company's performance over the performance period has been on, below or above the targets set at the award date.</p> <p>Linear interpolation will be applied, with the results measured against threshold, target and stretch targets to achieve overall target weighting.</p> <p>The details on the LTI performance conditions are provided on pages 128 and 129.</p>	
Share usage limit and settlement	
<p>The appropriate number of shares will be settled via acquiring shares in the open market on behalf of participants, or through the allotment and issue of shares to participants (equity settlement).</p> <p>In terms of the share plan share rules, the aggregate number of shares issued under the LTIP may not exceed 24 147 553 shares, which equates to 3% of the entire issued share capital of the Company on the date of adoption of the plan. Shares purchased in settlement do not count towards this dilution.</p> <p>The aggregate number of shares which may be allocated to any individual under the LTIP may not exceed 4 024 592 shares, which equates to 0.5% of the entire issued share capital of the Company on the date of adoption of the plan.</p>	

Remuneration report CONTINUED

LTI performance conditions for executive directors for the LTI award made in 2024

The performance conditions for the FY24 LTI award are provided in the table below

The performance conditions will be assessed over a three-year period from 1 April 2024 to 31 March 2027.

Weighting	Company LTI performance metrics*	Threshold	Target	Stretch
70%	Financial			
15%	Absolute Total Return (TR) growth over the period (i.e. NAV plus dividend growth)	20%	25%	30%
15%	Absolute Total Shareholder Return (TSR) (including dividends) growth over the period	35%	40%	45%
40%	Relative Total Shareholder Return (TSR) over the period vs comparator group	>50 th percentile	>60 th percentile	>75 th percentile
20%	Strategic			
20%	Focus on growth opportunities and diversification of the business	Assessed on a 5 point scale. A number of criteria will be assessed as explained below.		
10%	ESG/other			
7.5%	Reduction of scope 1 and 2 CO ₂ e emissions per square meter (tonnes of CO ₂ e)	6.0%	9.0%	12.0%
2.5%	Reduction of scope 3 CO ₂ e emissions per square meter (tonnes of CO ₂ e)	6.0%	9.0%	12.0%

*Refer to definitions and further explanations below and on page 129.

Definitions and further information pertaining to the LTI Company performance scorecard:

Definitions:

LTI financial metrics performance period	The performance conditions are measured over three years commensurate with the financial years of the Group.
Absolute total return (TR)	(Closing net asset value per share (NAVPS) – opening NAVPS + cumulative dividends per share over the period)/opening NAVPS.
NAVPS	NAV attributable to the parent divided by the number of shares in issue (net of treasury shares). Where NAV is calculated on a currency neutral basis, adding back amortisation on intangible assets and mark-to-market on derivatives and swaps.
Absolute TSR	(closing 30-day VWAP – opening 30-day VWAP + cumulative dividends per share over the period)/opening 30-day VWAP.
Relative TSR	TSR will be measured against a comparator group as set out on page 120, plus the inclusion of Growthpoint and Redefine. Where TSR represents growth in the share price of the Company over the performance period including the effect of dividends and re-investment of dividends An equal weighting will be applied across the comparator group. However, any comparator in the group subject to corporate action during a period will be excluded from the calculation.
Reduce emissions	The calculation will focus on the South African operations only and will use FY24 as the baseline year. Definitions and calculations are aligned to those disclosed on pages 82 to 84. Performance target levels have been set based on the portfolio and tenant mix as at FY24. The Remuneration Committee may apply appropriate discretion should this mix change over the performance period.

Additional measurement considerations:

The Remuneration Committee will assess the achievement of certain of the Company performance objectives (as indicated on page 128) against a five-point scale as shown below:

Performance assessment	Performance score	
Below/does not meet expectations	Below threshold	0%
Meets minimum expectations	Threshold	37.5%
Consistently meets target expectations	Target	75.0%
Above expectations	Towards stretch	112.5%
Outstanding performance	Stretch	150.0%

In assessing the rating to be awarded, the Remuneration Committee is likely to take the following aspects into consideration:

Strategic measure: Focus on growth opportunities and diversification of the business

Focus on growing GAV and building out the funds under management strategy (recognising that these may not correlate should Group assets be sold into a funds strategy).

Enhancing the Group's recurring revenue base through the build out of its capital light strategy.

Diversification of the business across geographies; risk profiles and sectors.

Consideration of new growth initiatives such as growing in impact sectors.

Discretion in the LTI assessment for LTV

Managing the Group's LTV is an important strategic objective, and the Remuneration Committee anticipates that this metric will remain a feature of the STI scorecard until such time as the Group has achieved its objectives in terms of its Board-approved and publicly-disclosed LTV flightpath. The final LTI scorecard assessment will take cognisance of the Board-approved risk tolerance level for LTV. The Remuneration Committee has the discretion to adjust the LTI assessment should the LTV not be in line with the Board's approved risk tolerance level.

Total illustrative pay levels

Taking into consideration market conditions and affordability, average employee increases in base pay/fixed remuneration would be expected to be in line with inflation each year.

If "on-target" performance is achieved in relation to financial, strategic, operational and individual goals/targets, the Company would expect to pay the following levels of STI:

- CEO: 100% of GP
- CFO: 75% of GP
- Senior management: between 35% to 75% of GP/base pay
- General staff: between 20% to 30% of GP/base pay

Total STI, including restricted bonus shares for select employees, would be expected to amount to around 5% of distributable earnings before the deduction of the STI provision.

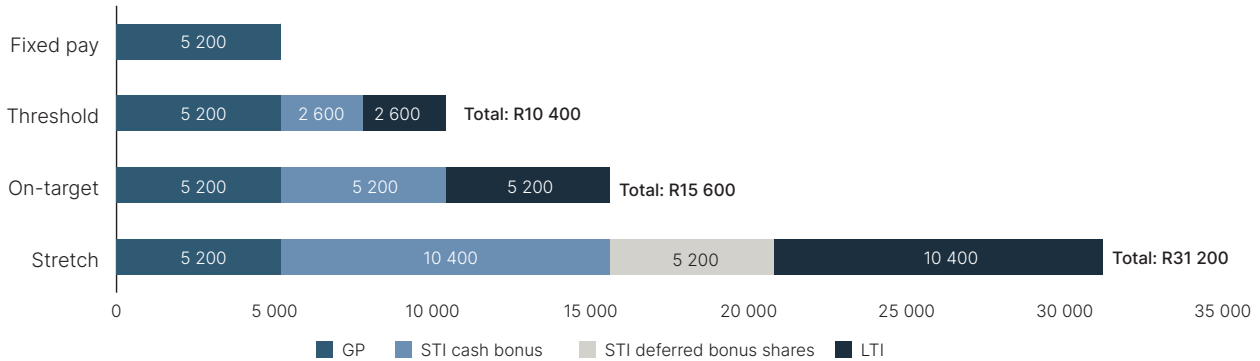
In terms of Burstone's long-term incentive plan share rules, the aggregate number of shares which may be allocated under the LTIP may not exceed 24 147 553 shares, which equates to 3% of the entire issued share capital of the Company on the date of adoption of the plan. The aggregate number of shares which may be allocated to any individual under the LTIP may not exceed 4 024 592 shares, which equates to 0.5% of the entire issued share capital of the Company on the date of adoption of the plan.

The graphs on page 130 illustrate the total remuneration at threshold, on-target and stretch achievement levels for the executive directors based on the proposed Remuneration Policy for the year ending 31 March 2025.

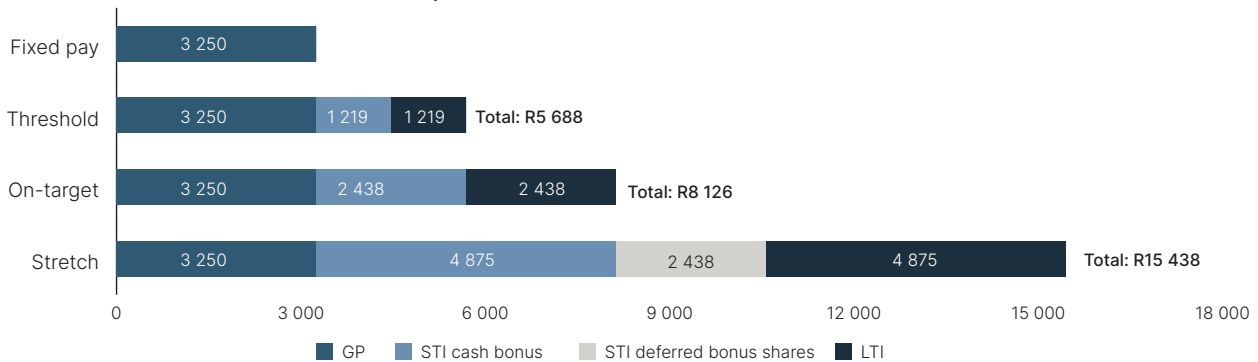
GP is shown at the new increased level effective FY25, threshold vesting is at 50%, on-target vesting is at 100%, and stretch vesting is at 200% for both the STI and LTI for the CEO. Threshold vesting is at 37.5%, on-target vesting is at 100%, and stretch vesting is at 150% for both the STI and LTI for the CFO.

Remuneration report CONTINUED

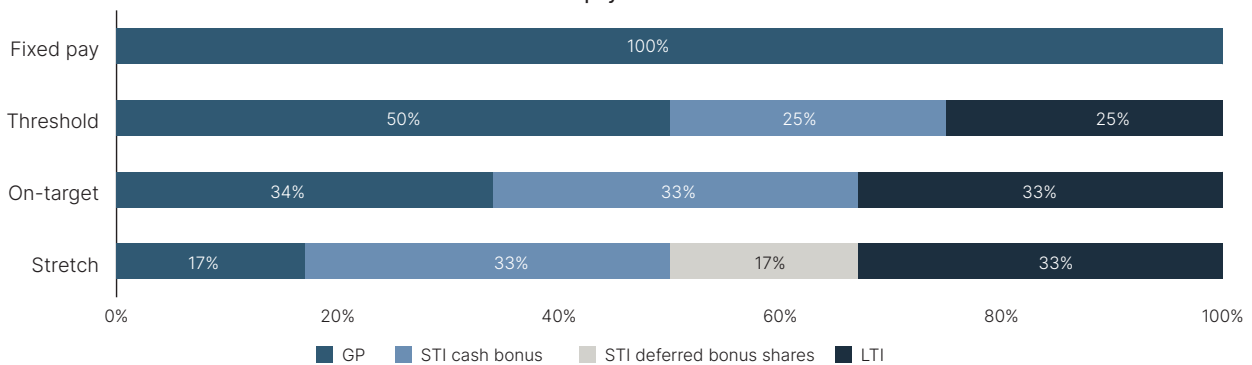
CEO potential remuneration outcomes R'000 for FY25



CFO potential remuneration outcomes R'000 for FY25



CEO pay mix for FY25



CFO pay mix for FY25

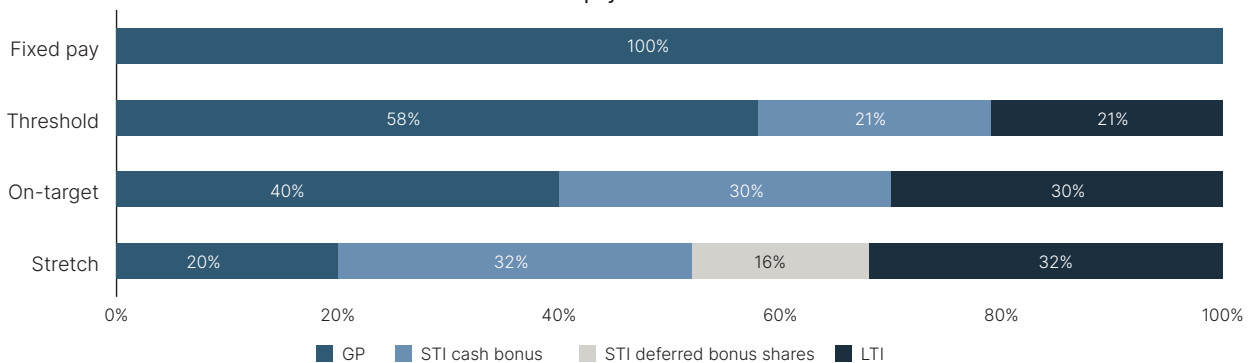


Illustration of delivery timeline for FY25

The table below illustrates the CEO's payout profile based on the illustrative pay levels explained on page 129 and assuming an STI of R6 million is awarded.

CEO remuneration payout profile (R'000)	Achievement level	Receive in 2025	Vest in June 2026	Vest in June 2027	Vest in June 2028	Vest in June 2029
GP cash component	5 200	5 200	-	-	-	-
STI cash component (illustrative assumption)	6 000	6 000	-	-	-	-
STI restricted deferred bonus shares determined with reference to FY25 STI, and will be awarded in June 2025 (illustrative assumption)	800	-	267	267	266	-
LTIPS to be awarded in June 2025 and vesting will be subject to achievement of future performance conditions	5 200	-	-	-	3 900	1 300
Total illustrative potential remuneration	17 200	11 200	267	267	4 166	1 300
% of total remuneration received in each period		65.1%	1.6%	1.6%	24.2%	7.5%

Approach to recruitment of new executive directors

It is intended that the approach to recruiting new executive directors will align with the Remuneration Policy outlined above. This includes both internal and external hires. However, the Remuneration Committee will consider remuneration levels for recruits that are competitive for the skills and experience of the individual being recruited.

The Remuneration Committee retains the discretion to buy-out bonus or incentive awards that a potential new executive director or prescribed officer has forfeited as a result of accepting the appointment, subject to proof of forfeiture where applicable. Any award made to compensate for forfeited remuneration will be broadly no more generous than and should aim to mirror the value, timing, form of delivery and performance adjustment (malus and clawback) conditions of the forfeited remuneration. The award could include cash, restricted shares, performance shares or a combination thereof.

Minimum shareholding requirements (MSR)

The purpose of the Group's MSR policy is to encourage executive directors and select executives to hold shares in Burstone, to reinforce the alignment between executive and shareholder interests, and to engender a culture of long-term commitment to Burstone.

The salient features of the policy are as follows:

- The target MSR for an executive director, prescribed officer or Group Executive Committee member will be based on a multiple of the individual's annual guaranteed package.
- The multiples of the annual Guaranteed Pay are as follows:
 - CEO: 200% of GP
 - CFO: 150% of GP
 - Members of the Group Executive Committee: 150% of GP/base pay
- An executive's shareholding will be measured against the target minimum shareholding requirement at the end of the five years from the later of the introduction of the MSR policy (31 March 2025) or the appointment of the executive, and every six months thereafter by the Remuneration Committee and will be satisfied where:
 - the value of the shares held by the executive is greater than or equal to the target minimum shareholding value; or
 - the number of shares held by the executive is greater than or equal to the target minimum shareholding number of shares.
- The executive must maintain the target shareholding throughout their tenure with the Company.
- Shares in Burstone must be held outright, and unvested awards will not count towards this requirement.
- Executives may satisfy the MSR by purchasing shares in Burstone using their after-tax bonuses or by retaining shares already vested under the Burstone share plans.
- When assessing compliance with the MSR, the Remuneration Committee will consider unforeseeable circumstances that may render it impractical to achieve the MSR by the due date.

Remuneration report CONTINUED

Executive directors' service contracts and policy on payment for loss of office

The terms of service contracts and provision for compensation for loss of office for executive directors are set out below.

Standard provision	Policy	Details
Contracts of employment	Indefinite service contracts	Copies are available for inspection at the Company's registered office
Notice period	Terminable by either party with six months' written notice	Base pay, adjusted for benefits and pension payable, for period of notice
Compensation for loss of office in service contracts	In the event of redundancy or retrenchment (or other similar concept under applicable law), the Group may make redundancy payments in line with applicable law, Group policy and/or established/prior custom and practice	Reflects legal entitlements and ensures consistent treatment with other employees in a redundancy or retrenchment situation
Outstanding short-term incentive deferred restricted share awards	Lapse on termination for misconduct or poor performance or any other dismissible offence; also lapse on resignation. The Group's Share Plan does have a "no-fault termination" clause which addresses situations such as death, injury, disability and retrenchment, amongst others. Under such circumstances the award will vest. The number of awards that will vest will be determined in accordance with a formula as set out in the Share Plan rules	The Group's Share Plan was approved by shareholders on 28 September 2023 and copies are available for inspection at the Company's registered office
Outstanding long-term incentive awards	Lapse on termination for misconduct or poor performance or any other dismissible offence; also lapse on resignation. The Group's Share Plan does have a "no-fault termination" clause which addresses situations such as death, injury, disability, and retrenchment, amongst others. Under such circumstances the award will vest. The number of awards that will vest will be determined in accordance with a formula as set out in the Share Plan rules	The Group's Share Plan was approved by shareholders on 28 September 2023 and copies are available for inspection at the Company's registered office
Takeover or major corporate event	If the Company undergoes a change of control event after an award date, then the rights (whether conditional or otherwise) in and to Performance Shares and/or Restricted Shares of participants under the Group's Share Plan will, to the extent necessary, be accommodated on a basis which the Remuneration Committee shall determine to be fair and reasonable to participants	
Outside appointments	Executive directors are permitted to accept outside appointments on external boards or committees providing they are in line with Burstone's related parties and private work interest policies These are required to be pre-approved by the Group Chair and the Nominations Committee	Subject to being deemed not to interfere with the business of the Company Fees earned in this regard are forfeited to Burstone
Other notable provisions in service contracts	There are no other notable provisions in the service contracts	
Other	The Group will pay legal, training and other reasonable and appropriate fees incurred by the executive directors as a result of performing their duties	This will allow reimbursement for reasonable fees and liabilities incurred as a result of performing their duties

Malus and clawback

The Group's malus and clawback policy applies to all employees of the Group. Furthermore, the policy applies to participants to whom an award has been made per the Company's long-term incentive plan rules, who have accepted such an award, and any employee eligible for the short-term incentive. The application of the policy rests firmly with the Remuneration Committee, which has the discretion to decide whether and on what basis the policy shall be operated.

Malus

The policy applies to incentive remuneration which is due but not yet vested and/or settled as of the trigger event awareness date. On or before the vesting date of an award, the Remuneration Committee may reduce the quantum of the award in whole or in part after a trigger event occurs which, in the judgement of the Remuneration Committee, arose during the relevant vesting or financial period.

Clawback

The Remuneration Committee may apply clawback and take steps to recover incentive remuneration from an employee that has vested and settled due to a trigger event which, in the Remuneration Committee's judgement, arose within the three years preceding or during the clawback period. The clawback period will run for three years from the payment or vesting date of the award.

Trigger events

In terms of the Group's malus and clawback policy, trigger events include but are not limited to any of the following:

- There is a material error in the Company's financial or operational statements, which results in restatement;
- The fact that any information used to determine the quantum of an incentive remuneration amount was based on error or inaccurate or misleading information;
- The Company has suffered a material financial loss as a result of actions or circumstances attributable directly to a participant or which could have been avoidable by the reasonable actions of a participant;
- The Company suffers a material downturn in financial performance, or there is a material failure of risk management in the Company;
- There is, in the reasonable opinion of the Board, a serious breach of the Company's employment conditions;
- Incentive remuneration has been based on misleading statements, and/or there have been material misstatements of the Company's financial results that result in deliberate misrepresentation of the Company, the market and/or shareholders in relation to the financial or operational performance of the Company;
- Information arises which would have resulted in the Remuneration Committee exercising its discretion differently had the information been known at the time;
- Action or conduct of a participant which, in the reasonable opinion of the Remuneration Committee, amounts to serious misconduct, incompetence, poor performance, negligence and/or inflicts harm and consequent reputational damage to the Company;
- Events or behaviour involving a participant or the existence of events attributable to a participant who has received incentive remuneration in the past, which has led or may reasonably lead to the censure of the Company under laws, regulations or rules of any stock exchange or other applicable regulatory authority applicable to the Company or any employer company; and
- The Remuneration Committee, at its discretion, deems it necessary to apply malus and clawback principles.

Remuneration report CONTINUED

Remuneration for non-executive directors

Non-executive director fee policy

Non-executive directors do not have employment contracts with the Company, nor do they participate in any of the Company's incentive plans.

The Board's policy is that fees should reflect membership of Board committees. The policy aims to provide industry-competitive fees to attract non-executive directors with appropriate skills and experience.

Fees for non-executive directors are reviewed annually by the Remuneration Committee which considers responsibility, market data and time commitment. The Remuneration Committee then recommends fees to the Board for approval which are then subject to shareholder approval at the AGM. Fee increases will generally be in line with inflation and market rates.

There is no requirement for non-executive directors to hold shares in the Company; this choice is left to the discretion of each non-executive director.

Appointment and recruitment of non-executive directors

On appointment non-executive directors are provided with a letter of appointment. On the recommendation of the Nominations Committee, non-executive directors will be appointed for an expected term of nine years (three times three-year terms) from the date of their first appointment to the Board.

All non-executive directors are subject to rotational re-election at least every three years, with a minimum of a third of non-executive directors offering themselves for re-election at the AGM each year. No compensation is payable on termination of directorship. Copies of their letters of appointment are available for inspection at the Company's registered office.

The approach to recruiting new non-executive directors is intended to align with the policy outlined above.

Non-executive director proposed fees

The fee structure for non-executive directors for FY24 and as proposed for FY25 are shown in the table below.

The proposed remuneration excludes VAT, which will be added per current VAT legislation, where applicable.

In Rands	As proposed for FY25	Fee for FY24 as approved at the AGM	% change
Chairperson*	1 670 000	1 670 000	–
Lead independent director**	584 850	557 000	5.0
Non-executive director	409 500	390 000	5.0
Audit and risk committee chairperson	350 700	334 000	5.0
Audit and risk committee member	152 250	145 000	5.0
Social and ethics committee chairperson	122 850	117 000	5.0
Social and ethics committee member	57 750	55 000	5.0
Nominations committee chairperson*	Included in chairperson fee	Included in chairperson fee	
Remuneration committee chairperson	157 500	150 000	5.0
Nominations and remuneration committee member	73 500	70 000	5.0
Investment committee chairperson	175 350	167 000	5.0
Investment committee member	87 150	83 000	5.0

* This excludes an additional fee of R330 000, which was paid in FY24 and will be paid again in FY25. The total chairperson's fee was approved at the AGM in August 2023 as R2 million for FY24 and FY25.

** There is currently no lead independent director.

PART 3

Remuneration Implementation Report

Executive remuneration single figure of remuneration

The table provides an analysis of remuneration received in FY24, presented as the total remuneration of executive directors.

No comparatives are provided. Before the internalisation, the Manager (a wholly owned subsidiary of the Investec Group) employed all the employees of Investec Property Fund. The Manager rewarded the Fund's employees (including executive directors) aligned to the Fund's performance, and in accordance with the Investec Group's remuneration approach. The Fund was not required to have its own Remuneration Committee nor provide detailed remuneration disclosures.

Executive directors	Year	Salary and allowances R'000	Other benefits and payments R'000	Guaranteed Pay R'000	Short-term incentive (cash) R'000	Short-term incentive (deferred shares) R'000	Dividends R'000	Long-term incentive vested R'000	Total variable remuneration R'000	Total remuneration per the policy R'000	Internalisation retention shares* R'000
Andrew Wooler (CEO)	2024	4 085	915	5 000	6 174	1 174	486	-	7 834	12 834	7 500
Jenna Sprenger (CFO)	2024	2 304	696	3 000	2 598	348	194	-	3 140	6 140	3 000

Notes:

Remuneration in terms of the Remuneration Policy:

- The STI cash and deferred share components were determined with reference to FY24 performance conditions as set out on pages 137 and 141.
- The STI deferred restricted shares were awarded in June 2024 and will vest in three tranches after the award date: Year 1 (a third), Year 2 (a third), Year 3 (a third).
- Dividends are paid on unvested restricted share awards.
- The first Burstone LTI share award was made in June 2024. The award is subject to performance conditions which will be tested over a three-year period from 1 April 2024 to 31 March 2027. Awards will only vest to the extent that these performance conditions have been met. Further detail on these LTI awards is provided on page 143.

*Remuneration awarded as part of the internalisation agreement:

- As part of the internalisation transaction, the Group awarded retention shares to the CEO, CFO, members of the Group Executive Committee and select key employees. These awards aimed to ensure key personnel were retained to ensure an orderly transition of the business post internalisation. These were one-off awards of shares/units, and the Company does not intend to issue further of these awards to executive directors and members of the Group Executive Committee.
- Retention performance shares/units will vest in two equal tranches in years 3 and 4. Awards will only vest to the extent that performance conditions have been met. Further detail on these awards is provided on page 145.
- Retention restricted shares/units will vest in year 3 subject to the participant still being employed by the Group. Further detail on these awards is provided on page 145.

Remuneration report CONTINUED

FY24 STI outcomes

A summary of how the total STI for FY24 was calculated is provided below. Further details on the Company Scorecard and Personal Scorecards are provided on pages 137 to 141.

Modifier % result		CEO	CFO
80% of scorecard	For Company performance	94.72%	71.04%
20% of scorecard	For personal performance	28.75%	15.56%
Total modifier to be applied against GP to determine STI cash award		123.47%	86.60%
Guaranteed pay (GP) for FY24		5 000 000	3 000 000
Potential "on-target" STI cash component (CEO is 100% of GP and CFO is 75% of GP)		5 000 000	2 250 000
Potential "stretch" STI (cash and deferred restricted shares)		15 000 000	6 750 000

FY24 STI Rands awarded		CEO	CFO
80% of scorecard	For Company performance	4 736 091	2 131 241
20% of scorecard	For personal performance	1 437 500	466 875
Total STI in Rands (cash component)		6 173 591	2 598 116
STI deferred restricted shares Rand value of award (only awarded for the STI increment achieved above target STI)		1 173 591	348 116
(CEO calculation is R6.174mn STI less R5mn (at target) is R1.174mn value of shares) (CFO calculation is R2.598mn STI less R2.250mn (at target) is R0.348mn value of shares)			
Total STI in Rands(cash and deferred restricted shares)		7 347 182	2 946 232
FY24 total STI as a percentage of potential "stretch" STI		49%	44%

STI FY24 outcomes

Company performance comprises 80% of the STI scorecard. FY24 Company performance conditions and outcomes are indicated below.

Weight- ing	Company performance metrics	Threshold	Target	Stretch	Outcome FY24	Outcome for CEO	Outcome for CFO
50%	Financial					Modifier	
40%	DIPS absolute (FY24) vs FY23	-3% vs actual FY23	Flat on actual FY23	+3% vs actual FY23	1% ahead of FY23	42.50%	31.87%
10%	LTV	43%	40%	38%	44.0%	0%	0%
15%	Balance sheet management						
15%	Prudent funding and hedging strategy	Assessed on a five point scale. Where a rating of three reflects “on-target” performance. Refer below for explanation of outcome.			Rating of 4	18.00%	13.50%
25%	Strategic						
13%	Internalisation and integration	Assessed on a five point scale. Where a rating of three reflects “on-target” performance. Refer below for explanation of outcome.			Rating of 4	15.00%	11.25%
6%	Develop a funds under management strategy	Assessed on a five point scale. Where a rating of three reflects “on-target” performance. Refer below for explanation of outcome.			Rating of 4	7.50%	5.63%
6%	Disposal of assets plan of c.R1.260 billion (per the disposal plan outlined in the LTV flightpath which was disclosed in May 2023)	-R500m from plan	-R200m from plan	+R200m from plan	R1.281 billion assets sold	7.72%	5.79%
10%	ESG/other						
10%	Progress made with respect to implementing and further developing our international sustainability and transformation strategy	Assessed on a five point scale. Where a rating of three reflects “on-target” performance. Refer below for explanation of outcome.			Rating of 2	4.00%	3.00%
Total modifier outcome for Company performance for FY24						94.72%	71.04%
Total potential modifier for “on-target” performance						80%	60%
Total potential modifier for “stretch” performance						160%	120%

Remuneration report CONTINUED

Definitions and further information pertaining to the STI Company performance scorecard:

Definitions:

DIPS	Distributable income per share equals distributable earnings divided by the number of shares in issue for the period.
Distributable earnings	As per Burstone's distributable earnings statement.
LTV	As per Burstone pro-forma adjusted LTV calculation.

Additional measurement considerations:

The Remuneration Committee assessed the achievement of certain of the Company performance objectives (as indicated on page 137) against a five-point scale as shown below:

Performance assessment		Performance score for CEO	Performance score for CFO
Below/does not meet expectations	Below threshold	0%	0%
Meets minimum expectations	Threshold	50%	37.5%
Consistently meets target expectations	Target	100%	75.0%
Above expectations	Towards stretch	150%	112.5%
Outstanding performance	Stretch	200%	150.0%

In assessing the rating awarded, the Remuneration Committee took the following aspects into consideration:

Prudent funding and hedging strategy (rating of 4 achieved)

- Significant time has been spent on managing the balance sheet over the course of FY24.
- A significant portion of Group bank debt was refinanced at the beginning of FY24 which meant that the Group did not have any bank debt expiring for the next three years.
- From a liquidity perspective, sufficient revolving credit facilities were in place to cover any refinance risk, and proceeds from sale of properties were appropriately utilized to ensure no cash drag.
- The Group increased its commercial paper programme into two issuances to maximise margin saving alongside the Group strategic priorities.
- From a hedging perspective the Group has been well hedged.
 - EUR CCIRS were all extended in Q1 of FY24 ensuring no expiries until FY25.
 - The Group is currently 95% hedged against ZAR interest rates with limited expiries in FY25.
 - The Group is currently 93% hedged with caps in Europe until October 2025.
- For various reasons both the European refinance and the Group refinance was put on hold and is a key priority for FY25, however throughout FY24 time was spent building relationships with all lenders across the Group which has now resulted in very positive feedback and liquidity leading into the implementation of these initiatives.
- The decision to place the refinancing on hold has benefited the Group as debt markets in the EU have continued to firm up and we are now a recipient of stronger terms for the refinancing set to take place by Q2 FY25.
- The Group remained compliant with all its covenants with sufficient headroom.
- Further information on our balance sheet and interest rate management, including key funding metrics are provided on pages 61 to 62.

STI FY24 outcomes continued

In assessing the rating awarded, the Remuneration Committee took the following aspects into consideration:	
Internalisation and integration (rating of 4 achieved)	<p>During the year the Group focused extensively on integrating its international platforms:</p> <ul style="list-style-type: none"> • 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. <p>The Group is benefiting from synergies created by the internalisation and integration of its business and its enhanced international footprint:</p> <ul style="list-style-type: none"> • The annualised net management fee saving resulting from the internalisation is R80 million, 8% ahead of the expected savings announced at the time of the transaction (of R74 million). • 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.€2.1 million corporate savings in Europe during the financial year, with further synergies expected in FY25.
Develop a funds under management strategy (rating of 4 achieved)	<ul style="list-style-type: none"> • In the current year total third party capital under management amounted to R4.7 billion and capital light initiatives generated R61 million earnings, representing c.7% of the Group's earnings. • In terms of current initiatives across each region: <ul style="list-style-type: none"> - Europe: <ul style="list-style-type: none"> » Burstone entered a new management mandate to drive the asset management function of a light industrial portfolio in Germany, with opportunity for co-investment and continued management of this platform with existing owners. The contract contributed R10 million to earnings in FY24 and is expected to increase in FY25. » The Group is exploring multiple sub-portfolio options and value-add and core plus strategies, where Burstone's strong management capabilities can be leveraged. » 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. - Australia: <ul style="list-style-type: none"> » The 50 / 50 Joint Venture (JV) with the Irongate Group is progressing well. » Irongate made its first industrial property acquisition for a new industrial platform in November 2023. The acquisition was supported by a co-investment from APAC-focused private equity real estate investment group, Phoenix for 80% of the equity, with Irongate co-investing alongside Phoenix and providing the fund and asset management. - South Africa: <ul style="list-style-type: none"> » The Group has built the foundation for a third-party fund management platform in which institutional capital can invest. » Any fund management platforms will initially focus on our core sectors. » The Group concluded a JV with Flanagan and Gerard Frontiers Proprietary Limited (F&G) in acquiring the Neighbourhood Square, a best-in-class convenience retail asset located in Linksfield, Johannesburg.

Remuneration report CONTINUED

In assessing the rating awarded, the Remuneration Committee took the following aspects into consideration:

Progress made with respect to implementing and further developing our international sustainability and transformation strategy (rating of 2 achieved)

- During FY24, the following was achieved:
- South Africa:
 - Burstone maintained its Level 1B-BBEE status.
 - The Group spent over R7 million on enterprise, supplier and social development and several other CSI initiatives.
 - 70% of Burstone's portfolio is covered by back-up power and the Group has installed 14.8MWp of solar generation capacity to date to alleviate the burden of the energy crisis.
 - Multiple green leases have been entered into with clients on solar shared savings models.
 - The South African business partnered with Green Building Council South Africa (GBCSA) to participate in the Green Star Existing Building Performance Industrial pilot rating tool and achieved 4-star Industrial Green Star certification for 5 of its buildings.
 - The South African business achieved three new 4-star ratings in its office portfolio, and recertification on nine 4-star ratings
- Europe:
 - The business conducted several analyses including: commissioning a decarbonisation review of the entire portfolio; and an assessment of "self-consumption" covering solar strategy.
 - The business performed BREEAM In-Use pre-assessments across its entire portfolio.
 - The business has also concluded a smart meter roll-out across all European assets.
 - Continued to invest into LED lighting, thereby enhancing the sustainability of our portfolio and reducing costs for our clients.
- Further information on our Governance processes can be found on pages 102 to 108, and information on our Environmental and Social impacts can be found on pages 80 to 100.

Individual performance comprises 20% of the STI scorecard

FY24 individual performance conditions and outcomes for the CEO and CFO are provided below.

The achievement of the personal objectives has been assessed against a five-point scale.

Performance assessment		Performance score for CEO	Performance score for CFO
Below/does not meet expectations	Below threshold	0%	0%
Meets minimum expectations	Threshold	50%	37.5%
Consistently meets target expectations	Target	100%	75.0%
Above expectations	Towards stretch	150%	112.5%
Outstanding performance	Stretch	200%	150.0%

FY24 individual performance conditions and outcomes for the CEO and CFO are provided below.

FY24 individual outcomes for the CEO

Key performance indicator	Allocation per scorecard	Weighted for personal scorecard equals 20% of the total	Outcome for FY24	Calculated Score CEO modifier
Leadership (effective integration of the business post internalisation; provide strategic guidance to support the Group's approved strategic plan)	30%	6%	4	9.00%
Operational, financial and strategic (identify and implement suitable growth opportunities)	15%	3%	4	4.50%
Stakeholder management (roll out the brand across all stakeholder groups; active and regular engagement with key stakeholders)	15%	3%	4.5	5.25%
Diversity and people management (employee well-being; foster a purpose led culture; drive transformation and diversity across the workplace)	20%	4%	4	6.00%
ESG and other objectives	20%	4%	3	4.00%
Total	100%	20%		28.75%
Total potential modifier for "on-target" performance				20%
Total potential modifier for "stretch" performance				40%

FY24 individual outcomes for the CFO

Key performance indicator	Allocation per scorecard	Weighted for personal scorecard equals 20% of the total	Outcome for FY24	Calculated Score CFO modifier
Leadership (effective integration of the finance function across the business; provide strategic guidance to support the Group's approved strategic plan)	20%	4%	2.5	2.25%
Operational, financial and strategic (effective balance sheet and interest rate risk management; implement an effective forex and interest rate hedging strategy; ensure budgeting, forecasting and capital plans are effective in ensuring the Company meets its capital requirements and that market guidance provided is accurate)	35%	7%	3.5	6.56%
Stakeholder management (active and regular engagement with key stakeholders)	10%	2%	3	1.50%
Diversity and people management (employee well-being; foster a purpose-led culture; drive transformation and diversity across the workplace)	20%	4%	3	3.00%
ESG and other objectives	15%	3%	3	2.25%
Total	100%	20%		15.56%
Total potential modifier for "on-target" performance				15%
Total potential modifier for "stretch" performance				30%

Remuneration report CONTINUED

Executive director's interests in short-term incentive restricted deferred bonus shares (unvested awards)

Name	Financial year granted	Award issue price (Rands)	Face value of award (Rands)	Balance for FY23	Awards exercised during FY24	Awards made in relation to FY24	Balance for FY24	Vesting period
Andrew Wooler (CEO)								Vesting occurs in three tranches in year 1 (a third), year 2 (a third), year 3 (a third).
	STI 2024	6.83	1 173 591	-	-	171 829	171 829	
Jenna Sprenger (CFO)								Vesting occurs in three tranches in year 1 (a third), year 2 (a third), year 3 (a third).
	STI 2024	6.83	348 116	-	-	50 969	50 969	

Notes:

- The STI cash awards as determined in relation to the STI scorecard, as shown on pages 136 to 141, amounted to:
 - Andrew Wooler: R6 173 591 (vs an "on-target" STI award in terms of the STI scorecard of R5 000 000)
 - Jenna Sprenger: R2 598 116 (vs an "on-target" STI award in terms of the STI scorecard of R2 250 000)
- The STI deferred restricted bonus share awards are made when the STI scorecard exceeds "on-target" performance. The value of deferred restricted bonus shares awarded is equal to 100% of the STI award in excess of "on-target" performance.
 - Andrew Wooler: R1 173 591
 - Jenna Sprenger: R348 116
- The award issue price was indexed to the volume-weighted average price (VWAP) of a Burstone share. The VWAP is defined as the volume-weighted average price of a share on the JSE over the 30 trading days prior to the date of Board approval of the award, being 17 May 2024.



Woodmead North Office Park, Gauteng, South Africa

Executive director's interests in long-term incentive awards (unvested awards)

Name	Financial year granted	Award issue price (Rands)	Face value of award (Rands)	Balance as at 31 March 2023	Awards exercised during the year	Awards made during the year	Balance as at 31 March 2024	Vesting period
Andrew Wooler (CEO)								The awards will vest in two tranches: in year 3 (75% vesting) and year 4 (25% vesting). Conditional awards of performance shares are subject to performance conditions measured over three financial years (ie. Starting 1 April 2024 and ending 31 March 2027).
	LTI 2024	6.83	5 000 000	-	-	732 065	732 065	
Jenna Sprenger (CFO)								The awards will vest in two tranches: in year 3 (75% vesting) and year 4 (25% vesting). Conditional awards of performance shares are subject to performance conditions measured over three financial years (ie. Starting 1 April 2024 and ending 31 March 2027).
	LTI 2024	6.83	2 250 000	-	-	329 429	329 429	

Notes:

- The LTI awards are determined as a percentage of GP:
 - Andrew Wooler: 100% of GP; LTI award amounts R5 000 000.
 - Jenna Sprenger: 75% of GP; LTI award amounts to R2 250 000
- The FY24 LTI awards are subject to performance conditions as outlined on pages 128 and 129.
- The award issue price was indexed to the volume-weighted average price (VWAP) of a Burstone share. The VWAP is defined as the volume-weighted average price of a share on the JSE over the 30 trading days prior to the date of Board approval of the award, being 17 May 2024.

Remuneration report CONTINUED

Retention shares issued as part of the internalisation transaction

Retention performance shares

As part of the internalisation transaction, the Group awarded retention performance shares/units to the CEO, CFO and select members of the Group Executive Committee. These awards aimed to ensure key personnel were retained to ensure an orderly transition of the business post internalisation. These were one-off awards of retention performance shares/units, and the Company does not intend to issue further of these awards to executive directors and members of the Group Executive Committee. As part of the internalisation agreement Investec agreed to contribute approximately R45 million for the ongoing sustainability of the Group, which included contributions for retention, IT systems and rebranding.

The retention performance shares/units will vest in two equal tranches in years 3 and 4, subject to achieving a Total Shareholder Return (TSR) performance hurdle (measured in year 3 and year 4). The awards entitle the participants to participate in dividend distributions in the form of dividend equivalents over the period. The awards are subject to malus and clawback provisions.

Where TSR represents growth in the share price of the Company over the performance period including the effect of dividends and re-investment of dividends

The following TSR targets will be attached to the vesting of the performance units:

<12.8% TSR	0% of the Performance Units will vest
12.8% - 14.8% TSR	100% of the Performance Units will vest
14.9% - 16.8% TSR	200% of the Performance Units will vest
>16.8% TSR	300% of the Performance Units will vest

Retention restricted shares

In addition, the Company awarded retention restricted shares to key employees, including the CEO, CFO and members of the Group Executive Committee. For executives, the retention restricted shares will vest in year 3 subject to the participant still being employed by the Group. For other employees, the retention restricted shares will vest in two equal tranches in years 3 and 4 subject to the participant still being employed by the Group. The awards entitle the participants to participate in dividend distributions in the form of dividend equivalents over the period. The awards are subject to malus and clawback provisions.

The total number of retention shares issued as part of the internalisation transaction, was c.5.8 million, which equated to 0.7% of the entire issued share capital of the Company at the time.



Carpiano, Milan, Italy

Executive director's interests in the retention shareplan (unvested awards)

									AUDITED
Name	Effective date of award	Type of award	Award issue price (Rands)	Face Value of award (Rands)	Balance as at 31 March 2023	Awards made during the year	Awards exercised during the year	Balance as at 31 March 2024	Vesting period
Andrew Wooler (CEO)									The retention performance shares will vest in two equal tranches in years 3 and 4 (i.e. 30 June 2026 and 30 June 2027). Awards are subject to achieving a Total Shareholder Return performance hurdle (measured in year 3 and year 4.).
	30 June 2023	Retention performance shares	7.49	7 500 000	-	1001335	-	1001335	
	30 June 2023	Retention restricted shares	7.49	7 500 000	-	1001335	-	1001335	The retention restricted shares will vest in year 3 (i.e. on 30 June 2026) subject to the participant still being employed by the Group
Jenna Sprenger (CFO)									The retention performance shares will vest in two equal tranches in years 3 and 4 (i.e. 30 June 2026 and 30 June 2027). Awards are subject to achieving a Total Shareholder Return performance hurdle (measured in year 3 and year 4.).
	30 June 2023	Retention performance shares	7.49	3 000 000	-	400 534	-	400 534	
	30 June 2023	Retention restricted shares	7.49	3 000 000	-	400 534	-	400 534	The retention restricted shares will vest in year 3 (i.e. on 30 June 2026) subject to the participant still being employed by the Group

The effective date of the award was three days after receiving Competition Commission Approval for the internalisation transaction.

The award issue price was indexed to the volume-weighted average price (VWAP) of a Burstone share. The VWAP is defined as the volume-weighted average price of a share on the JSE over the 30 trading days prior to the effective award date.

Remuneration report CONTINUED

Executive director's interests in share incentive awards managed by the Investec Employee Share Scheme (unvested awards)

Pre-internalisation, Burstone staff were employed by Investec Bank Limited and participated in the Investec Employee Share Scheme. Awards issued to Burstone staff prior to the internalisation will continue to be managed by Investec Bank Limited until vesting and Investec Bank has the obligation to settle staff with shares. Investec Bank Limited issued both Investec Limited awards as well as Burstone (previously Investec Property Fund) awards to employees. These awards are not subject to performance conditions. Details of the awards made to executive directors when they were employed by Investec Bank Limited are provided below.

Name	Entity	Number of unvested shares at 31 March 2024	Vesting period
Andrew Wooler (CEO)	Burstone (previously IPF)	1385 761	Various tranches from June 2024 to March 2028
	Investec Limited	28 527	Various tranches from June 2024 to March 2027
Jenna Sprenger (CFO)	Burstone (previously IPF)	441 976	Various tranches from June 2024 to March 2028
	Investec Limited	13 647	Various tranches from June 2024 to March 2027

Non-executive directors' single figure of remuneration

The table below provides a single total remuneration figure for each non-executive director over the financial period. Note these fees are deemed to be VAT exclusive.

Non-executive directors' fees paid

R'000	Directors' fee		Special fees ⁸		Total	
	2024	2023	2024	2023	2024	2023
Moss Ngoasheng (Chairman)	2 000	1 575	278	264	2 278	1 839
Philip Hourquebie	514	410	104	198	618	608
Samuel Leon ¹	382	525	69	132	451	657
Constance Mashaba ²	-	410	-	-	-	410
Disebo Moephuli ³	563	182	243	146	806	328
Nosipho Molohe	857	725	243	231	1 100	956
Nicholas Riley ⁴	355	-	-	-	355	-
Khumo Shuenyane ⁵	156	625	-	231	156	856
Paul Theodosiou ⁶	116	-	-	-	116	-
Rex Tomlinson ⁷	861	265	278	208	1 139	473
Total	5 804	4 717	1 215	1 410	7 019	6 127

Notes:

- Retired as non-executive director with effect from 16 November 2023.
- Retired as non-executive director with effect from 30 November 2022.
- Appointed as an independent non-executive director with effect from 1 December 2022.
- Nicholas Riley is employed by Investec Limited and represents Investec Limited's 24.3% interest in the Company. Post internalisation he is entitled to director's fees which are paid directly to Investec Limited.
- Retired as non-executive director with effect from 3 August 2023.
- Appointed as an independent non-executive director with effect from 16 November 2023.
- Appointed as an independent non-executive director effective from 1 September 2022.
- Special board meetings were required during the period to approve and implement transactions. The fees were approved by the Nominations Committee based on the number of meetings attended and their duration, which was in line with the fees approved by shareholders at the AGM in August 2023. In FY24, a payment of R35 000 was paid per special meeting. During FY24: 5 special internalisation meetings, 2 special board meetings and 1 special Nomination / Remuneration Committee were held.



Property portfolio

South African property portfolio

	Office	Industrial	Retail	Total
South African property portfolio				
Gross leasable area (m ²)	235 277	446 979	289 075	971 331
Net property income excluding straight lining (R'm)	399	310	441	1 150
Weighted average escalation	7.0%	7.0%	6.2%	6.8%
Vacancy (by GLA) ¹	8.4%	3.0%	3.7%	4.5%
WALE (Years)	3.3	2.8	2.8	3.0
2024 Base portfolio yield ²	8.8%	7.7%	7.6%	7.9%

1. Excludes planned vacancies for development

2. 2024 Base NOI including amortisations, divided by property values at 31 March 2024



2929 on Nicol, Bryanston, Gauteng, South Africa

Property name	Physical address	Building grade	Province	GLA (m²) FY24
Office				
1 & 1A Protea Place	1 Protea Place, Sandton	Grade P	Gauteng	20 230
2929 on Nicol	2929 William Nicol Drive, Bryanston	Grade P	Gauteng	16 233
3 Sandown Valley Crescent	3 Sandown Valley Crescent, Sandton	Grade A	Gauteng	13 723
30 Jellicoe	30 Jellicoe Avenue, Rosebank	Grade P	Gauteng	10 668
34 Ingersol	34 Ingersol Rd, Lynnwood Glen	Grade A	Gauteng	2 376
345 Rivonia Road	345 Rivonia Road, Rivonia	Grade A	Gauteng	10 698
36 Ingersol	36 Ingersol Road, Lynwood Glen	Grade B	Gauteng	1 297
4 Protea Place	4 Protea Place, Sandton	Grade B	Gauteng	6 956
4 Sandown Valley Crescent	4 Sandown Valley Crescent, Sandton	Grade A	Gauteng	11 168
5 Bond Street	5 Bond Street, Midrand	Grade A	Gauteng	5 870
1617 Allan Cormack	1617 Allan Cormack Street, Perseuor	Grade A	Gauteng	5 340
Clover Head Office	200 Constantia Drive, Constantia Kloof	Grade B	Gauteng	8 149
192 Bram Fischer Drive	192 Bram Fischer Drive, Kensington B	Grade B	Gauteng	13 074
Intercare Fourways	Cnr Fourways Boulevard & Short Street, Fourways	Grade A	Gauteng	2 575
2 Ncondo Place	2 Ncondo Drive, Umhlanga Rocks	Grade A	KZN	7 054
DQ 1 and 2	Nicol Grove Office Park, Leslie Ave, Fourways	Grade A	Gauteng	9 105
DQ 4	Nicol Grove Office Park, Leslie Ave, Fourways	Grade A	Gauteng	1 946
DQ Suites	Nicol Grove Office Park, Leslie Ave, Fourways	Grade A	Gauteng	2 533
DQ6	Nicol Grove Office Park, Leslie Ave, Fourways	Grade A	Gauteng	4 583
Nicol Main Office Park Building	6 Bruton Road, Bryanston	Grade P	Gauteng	11 898
The Braes Office Park	3 & 5 Eaton Avenue, Bryanston	Grade A	Gauteng	4 184
The Firs	193 Oxford Road, Rosebank	Grade A	Gauteng	13 236
Woodmead North Office Park	54 Maxwell Drive, Woodmead	Grade A	Gauteng	7 957
Woolworths House	93 Longmarket Street, Cape Town CBD	Grade B	Western Cape	30 435
Total office base				221 288

South African property portfolio CONTINUED

Property name	Physical address	Building grade	Province	GLA (m ²) FY24
Industrial				
6 Nywerheid (Tunney)	Cnr Nywerheid Street & Evergreen Road, Tunney, Elandsfontein	Manufacturing	Gauteng	4 035
181 Barbara	181 Barbara Road, Elandsfontein	Manufacturing	Gauteng	51 097
16 Pomona	16 Pomona Road, Pomona	Warehousing	Gauteng	7 394
Alrode Multipark	1 Potgieter Street, Alrode Ext 8, Alberton	Warehousing	Gauteng	91 001
56 Loper	56 Loper St, Spartan	Light manufacturing/ Low-grade industrials	Gauteng	501
Benoni Multipark	1 Van Dyk Rd, Benoni Ext 12, Benoni	Standard units (maxi)	Gauteng	44 986
Prince's Park	Cnr Visagie St & Prince's Park Ave, Pretoria CBD	Warehousing	Gauteng	7 011
72 North Reef	1 North Reef Rd, Wilbart	Warehousing	Gauteng	23 693
49 Diesel	45 Diesel Road, Isando	Warehousing	Gauteng	22 668
130 Gazelle	130 Gazelle Street, Midrand	High-tech	Gauteng	10 853
23 Nguni	23 Nguni Drive, Longmeadow	High-tech	Gauteng	7 640
56 Loper	58 Loper St, Spartan	Light manufacturing/ Low-grade industrials	Gauteng	2 090
13 Mastiff	Mastiff Drive, Linbro	Warehousing	Gauteng	4 881
25 Nguni	25 Nguni Drive, Longmeadow	Warehousing	Gauteng	13 088
38 - 40 Loper	38 - 40 Loper St, Spartan	Light manufacturing/ Low-grade industrials	Gauteng	3 638
Riverhorse - ABB	31 Imvubu Park Place, Riverhorse Valley	Warehousing	KZN	2 842
Riverhorse - Adcock Ingram	39 Imvubu Park Place, Riverhorse Valley	Warehousing	KZN	9 715
Riverhorse - Discovery Health	41 Imvubu Park Place, Riverhorse Valley	Grade A	KZN	6 134
Riverhorse - Midas	37 Imvubu Park Place, Riverhorse Valley	Warehousing	KZN	11 112
Riverhorse - RTT	25 Imvubu Park Place, Riverhorse Valley	Warehousing	KZN	18 474
32 Potgieter	32 Potgieter Street, Alrode	Manufacturing	Gauteng	26 645
15 Pomona	15 Pomona Road, Pomona	Manufacturing	Gauteng	9 038
10 Jansen	10 Jansen Road, Jet Park	Manufacturing	Gauteng	19 294
103 Aeroton	103 Aeroton Avenue, Aeroton	Warehousing	Gauteng	7 282
WACO	181 Barbara Road, Elandsfontein	Manufacturing	Gauteng	14 375
Total industrial base				419 487

Property name	Physical address	Building grade	Province	GLA (m²) FY24
Retail				
Balfour Mall	Cnr Johannesburg Road & Louis Botha Avenue, Highlands North	Small regional	Gauteng	36 932
Bryanston Boulevard	Cnr William Nicol & Bryanston Drive, Bryanston, Johannesburg	Neighbourhood SC	Gauteng	6 224
Builders Warehouse Zambesi	371 Veda Avenue, Montana	Stand alone retail unit	Gauteng	8 908
Design Quarter Mall	Design Quarter, Cnr William Nicol Drive and Leslie Ave, Fourways	Speciality centre	Gauteng	26 232
Dihlabeng Mall	Cnr Paul Laesecke Ave and Preekstoel Road, Bethlehem	Community SC	Free State	31 222
Fleurdal Mall	Vereeniging Dr, Fleurdal	Community SC	Free State	30 806
Highlands	Cnr Louis Botha Avenue & Atholl Street Highlands North	Community SC	Gauteng	539
Kriel Mall	1 Bronwyn Street, Kriel	Community SC	Mpumalanga	21 058
McCarthy Menlyn	Cnr Garsfontein Road & January Masilela Drive, Waterkloof Glen	Motor dealership	Gauteng	7 346
Newcastle Mall	Cnr Oak and Ladysmith Road, Newcastle	Small regional	KZN	38 993
Nicol Grove – Golfers Club	Design Quarter, Cnr William Nicol Drive and Leslie Ave, Fourways	Lifestyle/ Speciality centre	Gauteng	2 491
Nicol Grove – Danny Home	Design Quarter, Cnr William Nicol Drive and Leslie Ave, Fourways	Grade B	Gauteng	3 759
Plastic Land Fourways	Cnr Sunrise Boulevard & William Nicol Drive, Fourways	Stand-alone retail unit	Gauteng	1 296
Shoprite	165 Jan van Reibeek Ave, Vanderbijlpark	Stand-alone retail unit	Gauteng	11 746
Checkers Vanderbijlpark				
Tile World Supa	Cnr Sunrise Boulevard & William Nicol Drive, Fourways	Stand-alone retail unit	Gauteng	2 400
Quick Fourways				
Toyota Menlyn	Cnr January Maselela & Garsfontein Roads, Waterkloof Glen	Motor dealership	Gauteng	6 785
Zevenwacht Mall	Cnr Van Riebeeck & Polkadraal Road, Kuils River	Small regional	Western Cape	39 846
Total retail base				276 583


European portfolio

Property name	Physical address	Building grade	Region	GLA (m ²) FY24
Logistics				
Frankfurt DC1A	Cargo City Sued, Building 556, Frankfurt, 60549	Distribution centre/Office	Germany	15 930
Frankfurt DC1B	Cargo City Sued, Building 556, Frankfurt, 60549	Distribution centre/Office	Germany	10 654
Koelleda DC1A	Heinrich-Hertz-Straße 10 kölleda 99625	Distribution centre/Office	Germany	10 827
Koelleda DC1B	Heinrich-Hertz-Straße 10 kölleda 99625	Distribution centre/Office	Germany	5 237
Wetzlar DC2	Auf dem Hüttenberg 1-3 Langengöns 35428	Distribution centre/ Warehouse/Office	Germany	23 583
Hordijk DC1	Bergambachstraat 110 Rotterdam 3079DA	Distribution centre/Office	Netherlands	13 268
Maasvlakte DC1	Bosporusstraat 42-50 Rotterdam-Maasvlakte 3119LI	Distribution centre/Office	Netherlands	20 961
Maasvlakte DC2	Bosporusstraat 32-40 Rotterdam-Maasvlakte 3119LI	Distribution centre/Office	Netherlands	20 724
Maasvlakte DC3	Hainanstraat 1 Rotterdam-Maasvlakte 3199LT	Distribution centre/Office	Netherlands	25 705
Belfort DC1	ZI Aeroparc Fontaine 90150	Distribution centre	France	30 591
Le Havre DC12	Le Mirlbut Etainhus 76430	Distribution centre	France	28 595
Rennes DC1	Zone du Haut Montigne Torce 35370	Distribution centre	France	19 158
Orleans DC1	Rue Ormes 45140	Distribution centre	France	20 509
Tarancon DC1	Manzana M-1 Parcela I-1 (Edificios A y C) Tarancon 16400	Distribution centre	Spain	39 474
Tarancon DC3	Manzana M-1 Parcela I-1 (Edificios A y C) Tarancon 16400	Distribution centre	Spain	43 531
Sochaczew DC1A	ul. Olimpijska 16 Sochaczew 96-500	Distribution centre	Poland	27 087
Sochaczew DC1B	ul. Olimpijska 16 Sochaczew 96-500	Distribution centre	Poland	10 926
Sochaczew DC2A	ul. Olimpijska 16 Sochaczew 96-500	Distribution centre	Poland	15 703
Sochaczew DC2B	ul. Olimpijska 16 Sochaczew 96-500	Distribution centre	Poland	15 354
Sochaczew DC2C	ul. Olimpijska 16 Sochaczew 96-500	Distribution centre	Poland	15 731
Sochaczew DC2D	ul. Olimpijska 16 Sochaczew 96-500	Distribution centre	Poland	16 813
Hoppegarten	Industriestrasse 12-14, 15366 Dahlwitz-Hoppengarten	Distribution centre/Office	Germany	79 180
Hoppegarten Development	Industriestrasse 12-14, 15366 Dahlwitz-Hoppengarten	Distribution centre/Office	Germany	18 535
Combs-la-Ville	Boulevard Maurice Faure, Combs-la-Ville	Distribution centre/Office	France	23 262
Rouen	Rue du Lon Boël Saint Etienne du Rouvray 76800	Distribution centre/Office	France	9 649
Dortmund	Flautweg 5 Dortmund 44329	Distribution centre	Germany	25 783
Hanover	Schachtebeckweg 6-8 Hannover	Distribution centre/Office	Germany	24 471
Mönchengladbach	Regioparking 8 Monchengladbach 4199	Distribution centre	Germany	10 618
Marseille B2	3 Avenue de Shanghai, Porte de l'Asie, Marseille 13230	Distribution centre	France	31 502
Marseille B3	3 Avenue de Shanghai, Porte de l'Asie, Marseille 13230	Distribution centre	France	33 885
Bergen op Zoom	Conradweg 10-14 Bergen op Zoom 4612PD	Distribution centre	Netherlands	20 958
Tiel	Oudewei 4 Tiel	Distribution centre/Office	Netherlands	9 822
Venlo Marco Poloweg	Marco Poloweg 7 Venlo 5928LE	Distribution centre	Netherlands	25 704
Logistics Court Schiphol	Logistics Court, Amsterdam	Small logistics	Netherlands	17 378
Krakowska	Krakowska Distribution Park, Warsaw 43, 02-285	Distribution centre	Poland	11 046
Lodz	Dostawcza Str. 3A Lodz 93-231	Distribution centre	Poland	19 422
Poznan	59 Drukarska Street, Wielkopolski O	Distribution centre	Poland	31 875
Houthalen	3530 Houthalen	Distribution centre/Office	Belgium	26 995

Property name	Physical address	Building grade	Region	GLA (m ²) FY24
Opglabbeek	3660 Oudsbergen (Opglabbeek)	Distribution centre/Office	Belgium	77 507
Saint Fargeau	Rue de Bruxelles, 77310, Saint-Fargeau-Ponthierry	Distribution centre	France	20 426
Bourg en Bresse	Avenue Amedee Mercier, 01000 Bourg-en-Bresse	Distribution centre	France	34 999
Toussieu 1	ZAC du Bois Chevrier, 69780, Toussieu	Distribution centre	France	20 936
Toussieu 2	ZAC du Bois Chevrier, 69780, Toussieu	Distribution centre	France	17 904
Carpiano A	Via Sandro Pertini snc, 20080	Distribution centre	Italy	12 079
Carpiano B	Via Sandro Pertini snc, 20080	Distribution centre	Italy	46 146
Carpiano C	Via Sandro Pertini snc, 20080	Distribution centre	Italy	18 180
Solingen	Solingen Dusseldorf, Dellenfeld 25, 42653	Distribution centre/Office	Germany	26 025
Total				1124 555



Saint Fargeau, France



Burstone Group Limited consolidated and separate annual financial statements for the year ended 31 March 2024

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Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements of Burstone Group Limited.

The annual financial statements comprise:

- Directors' report;
- Consolidated and separate statements of comprehensive income for the year ended 31 March 2024;
- Consolidated and separate statements of financial position for the year ended 31 March 2024;
- Consolidated and separate statements of changes in equity for the year ended 31 March 2024;
- Consolidated and separate statements of cash flows for the year ended 31 March 2024; and
- Notes to the financial statements, including material accounting policy information in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) and the requirements of the Companies Act, No 71 of 2008, as amended.

The directors are also responsible for such internal controls as they determine necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Group and Company to continue as a going concern and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated and separate annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the consolidated and separate annual financial statements

The consolidated and separate annual financial statements of Burstone Group Limited Group and Company, were approved by the Board of directors on 4 July 2024 and are signed on their behalf by:



Moses Ngoasheng
Chairman

4 July 2024
Sandton



Andrew Wooler
Chief executive officer



Jenna Sprenger
Chief financial officer

Internal Controls attestation

Each of the directors, whose names are stated below, hereby confirm that:

- (a) the consolidated and separate annual financial statements as set out on pages 168 to 245, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- (b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated and separate annual financial statements false or misleading;
- (c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated and separate annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- (e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and
- (f) We are not aware of any fraud involving directors.



Andrew Wooler

Chief executive officer

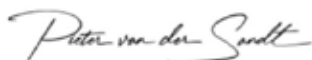


Jenna Sprenger

Chief financial officer

Certificate of company secretary

In terms of section 88(2)(e) of the Companies Act, No 71 of 2008, as amended (the Act), I hereby certify that the Company has filed the required returns and notices in terms of the Act for the financial year ended 31 March 2024 and that, to the best of the Company's knowledge and belief, all such returns and notices are true, correct and up to date.



Company secretary
Burstone Group Limited

4 July 2024
Sandton

Independent auditor's report

To the Shareholders of Burstone Group Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Burstone Group Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Burstone Group Limited's consolidated and separate financial statements set out on pages 169 to 245 comprise:

- the consolidated and separate statements of financial position as at 31 March 2024;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including *International Independence Standards*).

Our audit approach

Overview

	Overall group materiality Overall group materiality: R124 million, which represents 1% of the consolidated net asset value.
	Group audit scope The group consists of a holding company (Burstone Group Limited), 17 subsidiaries, 2 joint venture investments and 3 investments in associates. Full scope audits were performed over Burstone Group Limited, and 8 of its subsidiaries. A full scope audit of Pan European Logistics (in which a joint venture interest is held) for the year ending 31 December 2023 was performed with specified procedures being performed for the 3 months ending 31 March 2024. Further to the above full scope audits were performed on Irongate Templewater Australia Property Fund (an investment in associate) and Irongate Group Holdings (an investment in joint venture). An audit of specified account balances was performed in respect of 1 subsidiary. Analytical procedures were performed over the remaining subsidiaries, joint venture and associates as their contribution to the group for the year ended 31 March 2024 was deemed to be financially insignificant.
	Key audit matters <ul style="list-style-type: none"> • Valuation of investment properties (applicable to both the consolidated and separate financial statements). • Valuation of investment in joint venture: Pan European Logistics at fair value through profit or loss (applicable to the consolidated financial statements only).

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	R 124 million
How we determined it	1% of the consolidated net asset value.
Rationale for the materiality benchmark applied	<p>We chose consolidated net asset value as the benchmark because, in our view, it is the key benchmark against which the performance of the Group is most commonly measured by users of the financial statements.</p> <p>Although the entity is profit-orientated, its strategic focus is to deliver long-term shareholder returns through the acquisition and development of investment property. As a Real Estate Investment Trust (REIT), the users are likely to be more concerned with the net assets underlying the group, rather than its profitability. In addition, the loan to value ratio (value of loans compared to the value of assets) is a key metric for the Group and is of particular focus for investors given the current South African interest rate environment.</p> <p>We chose 1% based on our professional judgement and after consideration of the range of quantitative materiality thresholds that we would typically apply when using net assets to compute materiality.</p>

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of a holding company (Burstone Group Limited), 17 subsidiaries, 2 joint venture investments and 3 investments in associates.

The Group is invested into office, retail and industrial properties held directly by Burstone Group Limited and its South African subsidiaries. The Group has an indirect investment into the European logistics property sector through its investment in the joint venture Pan European Logistics ("PEL") (which is held across 2 of the Group's offshore subsidiaries). It also holds a joint venture interest in an Australian property manager, Irongate Group Holdings ("Irongate") and 2 associate investments in Australian Property Funds, Irongate Templewater Australian Property Fund ("ITAP") and Smithfield Industrial Property Trust ("Smithfield").

Full scope audits were performed over Burstone Group Limited and 8 of its subsidiaries, namely Burstone Offshore Proprietary Limited, Burstone Property Fund Offshore Luxembourg Sarl, Burstone Property Fund Offshore Luxembourg 2 Sarl, Fleurdal Properties Proprietary Limited, Spareprops Proprietary Limited, Listani Proprietary Limited, Friedshelf 113 Proprietary Limited and Farm Rietfontein (RF) 31 Proprietary Limited.

An audit of certain account balances was performed for Burstone UK Limited due to the financial significance of these accounts to the consolidated financial statements as a whole.

Analytical procedures were performed over the remaining subsidiaries, joint venture and associates as their contribution to the Group for the year ending 31 March 2024 was deemed to be financially insignificant.

Independent auditors report

continued

For PEL (in which the Group holds a joint venture interest), a full scope audit was performed by the component audit team for the year ended 31 December 2023 (which is the financial year end of PEL). Additional specified procedures were performed by ourselves and the component audit team from 1 January 2024 to 31 March 2024 for both the statement of financial position and income statement line items.

For Irongate (in which the Group holds a joint venture interest), a full scope audit was performed by the group audit team for the year ended 31 March 2024 (which is the financial year end of Irongate).

For ITAP (which is held as an investment in associate by the Group), a full scope audit was performed by the component audit team for the year ended 31 March 2024 (which is the financial year end of ITAP).

In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team, or by component auditors from other PwC network firms, in order to issue our audit opinion on the consolidated financial statements of the Group. Where the work was performed by component auditors, we determined the level of involvement necessary in the audit work at those components to be able to conclude whether sufficient and appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment properties (applicable to both the consolidated and separate financial statements).</p> <p>This key audit matter is applicable to both the consolidated and separate financial statements.</p> <p>Refer to the following accounting policies and notes to the consolidated and separate financial statements:</p> <ul style="list-style-type: none"> Accounting policy 1.5: Investment property Accounting policy 1.13: Fair value measurement Accounting policy 1.22: Non-current assets held for sale Accounting policy 2.1: Key management assumptions and judgements - Investment Property Note 18.2 Financial risk management: Fair value estimation - Investment Property Note 18.3 Financial risk management - Level 3 valuations - SA Retail, SA Industrial, SA Office Note 20 Investment property Note 23 Non-current assets held for sale <p>The Group and Company's investment properties comprises of properties in the office, retail, and industrial sectors with a total carrying amount, (excluding the straight-line rental revenue adjustment and including investment property classified as held for sale), of R13.8 billion and R11.3 billion and a related fair value loss of R2 million for Group and fair value gain of R0.5 million for Company for the year ended 31 March 2024.</p> <p>The investment properties and investment properties classified as held for sale are stated at their respective fair values based on either internal valuation, performed by management using the income capitalisation rate valuation method, or external valuation, performed by independent valuers. Judgement is applied in determining the unobservable inputs applied in the valuation methods. Note 18.2 sets out these unobservable inputs.</p> <p>It is the policy of the Group and Company to obtain external valuations for each investment property every three years at the end of each financial reporting period.</p> <p>We considered the valuation of investment properties to be a matter of most significance to our current year audit due to the following:</p> <ul style="list-style-type: none"> Inherent subjectivity of the key assumptions that underpin the valuations of investment properties; and The magnitude of the balance of the investment properties recorded in the consolidated and separate statements of financial position. 	<p>Our audit addressed this key audit matter as follows:</p> <p>We obtained an understanding of the approaches followed by management and the independent valuers for the valuation of the Group and Company's local investment properties (which included those classified as held for sale) through discussions with both management and the independent valuer. We noted no exceptions.</p> <p>We evaluated the competence, capabilities and objectivity of the external valuer through inspection of their qualifications as well as through discussion with management and noted no aspects requiring further consideration.</p> <p>In respect of the South African property portfolio, we obtained an understanding of, and tested the relevant controls relating to the valuation of investment properties (which included those classified as held for sale), and performed testing over a sample of new and amended leases in support of contractual rental income which forms the basis for the net operating income used in the valuation models. We noted no exceptions.</p> <p>We performed the following procedures on a sample of the investment properties and investment properties classified as held for sale (determined by applying a predetermined risk criteria), in order to assess the acceptability of the valuation approach as well as the reasonableness of the significant unobservable inputs into the valuation:</p> <ul style="list-style-type: none"> Assessed whether the valuation approach for each of the properties was in accordance with IFRS Accounting Standards and suitable for use in determining the fair value for the purpose of the consolidated and separate financial statements. Assessed the reasonableness of the forecasted net operating income (NOI) of each of these properties used by management in the income capitalisation rate valuation models. This involved: <ul style="list-style-type: none"> Agreeing the actual NOI for the respective property back to the current year forecasts to assess management's ability to accurately forecast NOI. Assessing the assumptions used in the preparation of the forecasted NOI against market information and other supporting information. Making use of our internal valuation expertise where necessary, we evaluated the significant unobservable inputs against appropriate market information in order to assess whether they were within a reasonable range for the respective market, sector and asset. Based on the outcome of the evaluation of the significant unobservable inputs (as noted above) we assessed the overall reasonability of the fair value of the sample of investment properties. <p>Our audit procedures found the year end values of the sampled properties to be reasonable.</p>

Independent auditors report

continued

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment in joint venture at fair value through profit or loss (applicable to the consolidated financial statements only)</p> <p>Refer to the following accounting policies and notes to the consolidated financial statements:</p> <ul style="list-style-type: none"> Accounting policy 1.1.1: Accounting for associates and joint ventures Accounting policy 1.13: Fair value measurement Accounting policy 2.2: Key management assumptions and judgements - Loans to joint venture at fair value Note 10: Fair value, foreign exchange (losses)/gains on financial instruments Note 24.4: Financial Instruments: Loans to associates and joint ventures at fair value through profit or loss Note 18.2 Financial risk management: Fair value estimation - Pan European Logistics Investment Note 18.2 Financial risk management - Level 3 valuations - PEL <p>The Group has a net 83.15% investment into Pan European Logistics ("PEL") which comprises an equity and a debt element, through profit participating loans ("PPL's").</p> <p>The Group has joint control over the PEL portfolio and accounts for the investment as a joint venture classified as a financial asset at fair value through profit or loss.</p> <p>The fair value of the profit participating loans changes from movements in the underlying net assets of the business, including movements in the revaluation of the underlying properties in the PEL portfolio which is valued using the income capitalisation method (Note 18.2 sets out the unobservable inputs applied in this valuation method), and fair value movements in other assets and liabilities.</p> <p>We considered the valuation of investment properties to be a matter of most significance to our current year audit due to the following:</p> <ul style="list-style-type: none"> Inherent subjectivity of the key assumptions that underpin the valuations of investment properties which drive the fair value of the profit participating loans; and The magnitude of the balance of the profit participating loans recorded in the consolidated statement of financial position. 	<p>Our audit addressed this key audit matter as follows:</p> <p>The fair value of the profit participation loans is largely determined based on the fair values of the underlying net assets, including the fair value of the property portfolio.</p> <p>We performed the following specified procedures on a representative sample of the investment properties as of 31 March 2024, in order to assess the acceptability of the valuation approach as well as the reasonableness of the significant unobservable inputs into the valuation:</p> <ul style="list-style-type: none"> Obtained an understanding of, and tested, the control environment and management oversight to establish the principles around valuation techniques applied. Making use of internal valuation expertise where necessary, we assessed the underlying data and significant unobservable inputs used in the 31 March 2024 property valuations to evaluate the reasonability of management's estimates. Based on the outcome of the evaluation of the reasonableness of the underlying data and significant unobservable inputs we assessed the reasonability of the fair value of the sample of investment properties. <p>The above-mentioned procedures found the year end values of the sampled properties to be reasonable.</p> <p>We reperformed management's calculation of the net asset value of PEL which is based on the underlying assets and liabilities and recalculated the Group's net 83.15% shareholding in the portfolio and found this to be reasonable.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Burstone Group Limited 2024 Integrated Annual Report and Annual Financial Statements", which includes the Directors' report, Report of the Audit and Risk Committee and the Certificate of company secretary as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent auditors report

continued

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Burstone Group Limited for 2 years.




PricewaterhouseCoopers Inc.
Director: C Natsas
Registered Auditor

Johannesburg, South Africa

4 July 2024

Report of the Audit and Risk Committee

The Audit and Risk Committee of the Group has pleasure in submitting this report to shareholders as required by the Companies Act, No 71 of 2008, as amended (the Companies Act) and as recommended by the King IV Code of Governance Principles for South Africa.

 The activities of the Audit and Risk Committee (the committee), which comprises four independent non-executive directors, are determined by its terms of reference and mandate as set out on pages 93 to 94.

The committee is satisfied that it has considered and discharged its responsibilities in terms of its mandate and terms of reference, the King IV Code, and the Companies Act.

The committee carried out its duties by, inter alia, reviewing the following:

- Internal audit reports;
- Financial management reports;
- Information technology reports pertaining to financial reporting;
- External audit reports; and
- Management's enterprise risk assessment.

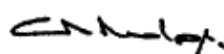
The abovementioned information, together with interaction with the external and internal auditors, management and other invitees attending meetings in an ex officio capacity, enabled the committee to conclude that the risk management process and systems of internal financial control have been designed and were operating effectively during the year.

The committee is satisfied:

- Its members have the requisite financial skills and experience to contribute to its deliberations;
- With the independence and effectiveness of the external auditor, including the provision of non-audit services and compliance with the company policy in this regard;

- With the nomination of PricewaterhouseCoopers Inc. as the independent auditor, with Costa Natsas as audit partner for the year ended 31 March 2024;
- The Group has complied with the Companies Act, King IV Code and the JSE Debt Listings Requirements; and the JSE Listings Requirements;
- It considered and approved the audit fee payable to the external auditor in respect of the audit for the year ended 31 March 2024 as well as their terms of engagement and scope of the audit;
- That the appointment of the external auditor is in compliance with the Companies Act, the Auditing Professions Act and the JSE Listings Requirements;
- With the effectiveness of the internal audit function and that the system of internal financial control in all key material aspects is effective and provides reasonable assurance that the financial records may be relied upon for the preparation of the consolidated and separate annual financial statements; and
- With the expertise and experience of the financial director and the overall adequacy and appropriateness of the finance function.

The committee, having fulfilled the oversight role regarding the reporting process and the integrated annual report, recommends the integrated annual report and the consolidated and separate annual financial statements for the year ended 31 March 2024 for approval by the Board of directors.



Nosipho Molope Chairman
Audit and Risk Committee

4 July 2024
Sandton

Directors' report

INTRODUCTION

Burstone Group Limited (previously Investec Property Fund Limited) is a South African Real Estate Investment Trust, (REIT), which listed on the JSE in the Real Estate Holdings and Development Sector on 14 April 2011.

At 31 March 2024 the Group comprised a portfolio of 72 properties in South Africa with a total GLA of 971 331 m² valued at R14.2 billion. In addition, the Group has the following investments:

- Pan-European Logistics in Europe (83.15%) valued at R8.0 billion.
- Australia (50/50 JV (Irongate Group Holdings), 18.67% in Irongate Templewater Australia Property Fund Limited (ITAP) and 19.9% in Smithfield) valued at R0.5 billion.

AUTHORISED AND ISSUED SHARE CAPITAL

The authorised share capital of the Company as at 31 March 2024 is 2 000 000 000 ordinary shares of no par value. There was no change in issued capital in the current financial year.

At 31 March 2024 there are 801 160 100 ordinary shares in issue (FY23: 804 918 444), the shares have no par value and were paid in full.

FINANCIAL RESULTS

The results of the Group and Company are set out in the consolidated and separate annual financial statements and accompanying notes for the year ended 31 March 2024.

DIVIDENDS

The Group declared a final dividend of 40.95210 cents per share (cps) (R330m) (FY23: 48.31977cps; R389m) in respect of the six months ended 31 March 2024. This represents a 75% pay-out ratio for H2 FY24's distributable earnings of 554.60280cps (H2 FY23: 50.8629cps). This brought the total dividend for FY24 to 89.46458cps (FY23: 99.41074cps), representing a full year pay-out ratio of 85% for the year's distributable earnings of 105.66860cps (FY23: 104.64288cps).

DIRECTORS REMUNERATION

Burstone's remuneration policy which includes information on its remuneration philosophy and remuneration principles is provided in the Remuneration Report. Remuneration of the executive directors and non-executive directors is provided in note 30 of the annual financial statements on pages 241 to 243.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee, comprising independent non-executive directors, meet regularly with the senior management of the Group, the external auditor, internal auditor, compliance, IT, and tax, to consider the nature and scope of the audit reviews and the effectiveness of our risk and control systems.

Further details on the role and responsibility of the Audit and Risk Committee are set out on page 103.

AUDITOR

PricewaterhouseCoopers Inc. was appointed as the external auditors of Burstone Group Limited for the year ended 31 March 2024.

INTERESTS IN SUBSIDIARIES

Burstone holds 100% direct investments in twelve subsidiaries (2023: eleven subsidiaries) and indirectly holds 100% in two subsidiaries (2023: one subsidiary) through Burstone Offshore Proprietary Limited and 100% in one subsidiary (2023: none) through Burstone Offshore Investments 2 Proprietary Limited.

	% held 2024	% held 2023
For the year ended 31 March		
Principal subsidiaries		
Listani Proprietary Limited	100	100
Friedshelf 113 Proprietary Limited	100	100
Double Flash Investments Proprietary Limited	100	100
Torte Trade and Investment Proprietary Limited	100	100
Spareprops Proprietary Limited	100	100
Bethlehem Property Development Proprietary Limited	100	100
Fleurdal Properties Proprietary Limited	100	100
Erf 145 Isando Properties Proprietary Limited	100	100
Lekup Property Company 6 Proprietary Limited	100	100
Farm Rietfontein (RF) 31 Proprietary Limited	100	100
Burstone Group Offshore Investments Proprietary Limited ("BTNO")	100	100
Burstone Investments 2 Proprietary Limited ("BTNO 2")	100	-

MAJOR SHAREHOLDERS

The largest shareholders of the Group are set out on page 251.

SHAREHOLDER RESOLUTIONS

At the Annual General Meeting of shareholders held on 3 August 2023, special resolutions were passed in terms of which:

- Directors' authority was granted to allot and issue shares for cash in respect of 5% of the shares in issue.
- General authority was granted to the directors to acquire shares.
- The non-executive directors' remuneration was approved.
- Financial assistance to subsidiaries and other related and inter-related entities was granted.

The special resolutions, to the extent required, were submitted for filing with the Companies and Intellectual Property Commission in due course.

Directors' report continued

ACCOUNTING POLICIES AND DISCLOSURE

Accounting policies are set having regard to commercial practice, and comply with applicable South African law and IFRS® Accounting Standards.

📖 These policies are set out on pages 176 to 189.

FINANCIAL INSTRUMENTS

Detailed information on the Group's risk management process and policy can be found in the risk management report on pages 201 to 218. Information on the Group and Company's use of derivatives can be found on pages 212 to 214 and in note 18.4.

MANAGEMENT AND ADMINISTRATION

The Group entered into an agreement with Investec Limited and Investec Property Proprietary Limited whereby the Group purchased the asset management functions of the Group's South African assets (through the acquisition of the SA Manco, a division of Investec Property Limited) and that of PEL (through the acquisition of Burstone UK Limited (previously Urban Real Estate Partners)). This was referred to as the internalisation transaction.

ENVIRONMENTAL POLICIES

The Group is committed to pursuing sound environmental policies in all aspects of its business and seeks to encourage and promote good environmental practice with clients and the communities in which it operates.

CAPITAL COMMITMENTS

At 31 March 2024, the Group had committed to capital expenditure of R33.7 million (FY23: R78.8 million) and the Company committed to R29.9 million (FY23: R25.0 million).

GOING CONCERN

The directors have assessed the ability of the Group and Company to continue as going concern. These assessments include solvency and liquidity tests. Refer to note 32 on page 244 for details on the going concern on the Group and Company.

SUBSEQUENT EVENTS

📖 Refer to note 31, subsequent events, on page 243 for details on the events subsequent to year-end.

Distributable earnings reconciliation for the year ended 31 March 2024

Full year distributable earnings if 105.67 cents per share (March 2023: 104.64 cents per share).

R'000		Group	
		Year ended 31 March 2024	Year ended 31 March 2023
Profit after taxation			
Adjusted for:		232 446	194 946
Straight-line rental revenue adjustment		4 639	15 839
Fair value, foreign exchange (gains)/losses and other adjustments	10	524 693	392 474
Fair value adjustment on investment property		1 672	129 833
Loss on derecognition of financial instruments ¹		-	100 053
(Profit)/Loss on disposal of investment property		(7 285)	25 189
Interest not received in cash ²		-	(14 000)
Capital gains taxation ('CGT')	14	-	(19 911)
Equity accounted losses from associate		-	7 945
Expected credit losses on financial instruments		-	9 920
Unwinding of interest in deferred consideration ³		(6 284)	-
Cost of funding ITAP in development		28 225	-
Amortisation and depreciation		72 440	-
Available H1 distributable earnings		411 038	432 884
Available H2 distributable earnings		439 508	409 404
Number of shares			
Shares in issue ⁴		804 918 444	804 918 444
Weighted average number of shares in issue		801 786 491	804 918 444
Cents			
Total available distributable earnings per share		105.67	104.64
Available H1 Interim distributable earnings per share (cents)		51.07	53.78
Available H2 distributable earnings per share (cents)		54.60	50.86

¹ Settlement of loan to the PEL co-investor and sale of PEL bridge loan.

² In the prior year this amount related to interest income on loans to Izandla. In the current year the interest receivable has been provided for in the expected credit losses on financial instruments line in the Statement of Comprehensive Income and has therefore not been deducted from the Distribution Statement.

³ Relates to unwinding of deferred consideration in respect of the business combination as presented in note 17.2.

⁴ Includes 3 758 344 treasury shares held by the Group for the benefit of its employees.

Consolidated and separate statements of comprehensive income for the year ended 31 March 2024

R'000	Notes	Group		Company	
		Audited Year ended 31 March 2024	Audited Year ended 31 March 2023 ¹	Audited Year ended 31 March 2024	Audited Year ended 31 March 2023 ¹
Revenue, before straight-line rental revenue adjustments	5	1 858 260	1 832 165	1 727 475	1 715 952
Fee income from asset management business	5	198 387	-	13 031	-
Straight-line rental revenue adjustment	5	(4 639)	(15 839)	8 081	(12 047)
Revenue		2 052 008	1 816 326	1 748 587	1 703 905
Income from investments	6	323 195	239 776	-	-
Property expenses	8	(699 788)	(670 202)	(580 962)	(563 355)
Expected credit losses – trade receivables		(9 638)	(3 261)	(2 431)	(266)
Operating expenses	9	(266 092)	(109 858)	(122 421)	(118 132)
Operating profit¹		1 399 685	1 272 781	1 042 773	1 022 152
Fair value, foreign exchange (losses)/gains and other adjustments on financial instruments	10	(524 693)	(392 474)	(40 009)	42 945
Fair value adjustment on investment property		(1 672)	(129 833)	496	(124 981)
Profit/(Loss) on disposal of investment property		7 285	(25 189)	7 285	(25 493)
Loss on derecognition of financial instruments	11	-	(100 053)	-	-
Finance costs	12	(639 489)	(521 586)	(614 991)	(498 639)
Finance income	13	87 204	89 254	436 793	322 471
Equity accounted losses from associate		-	(7 945)	-	(7 945)
Expected credit losses on financial instruments and impairment of investments in subsidiaries ²		(21 966)	(9 920)	(142 242)	(77 334)
Amortisation and depreciation	7	(72 440)	-	(380)	-
Profit before taxation		233 914	175 035	689 725	653 176
Taxation	14	(1 468)	19 911	-	19 911
Profit after taxation		232 446	194 946	689 725	673 087
Other comprehensive income – items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign subsidiary		(660)	-	-	-
Other comprehensive income		(660)	-	-	-
Total comprehensive income attributable to equity holders		231 786	194 946	689 725	673 087
Basic earnings per share (cents)		28.91	24.22	85.69	83.62
Diluted earnings per share (cents)		28.90	24.22	85.69	83.62

¹ The net property income subtotal has been removed following the internalisation of the management company. The Group earns fee income which is included in revenue. Operating profit has been adjusted to include income from investments.

² Relates to expected credit losses on the investment in Izandla for the Group and Company and impairment of investment in subsidiaries for Company. Refer note 16 and 24.

Consolidated and separate statements of financial position for the year ended 31 March 2024

		Group		Company	
R'000	Notes	Audited Year ended 31 March 2024	Audited Year ended 31 March 2023 ¹	Audited Year ended 31 March 2024	Audited Year ended 31 March 2023
Assets					
Non-current assets					
Investment property	20	13 411 735	13 178 659	10 892 708	10 754 099
Straight-line rental revenue adjustment	20	326 742	324 815	291 058	276 411
Property, plant and equipment		11 754	-	2 208	-
Intangible asset	21	569 054	-	-	-
Goodwill	21	217 600	-	-	-
Investments in subsidiaries	16	-	-	2 067 930	2 185 156
Derivative financial instruments	18.2	125 221	191 079	101 627	142 200
Other financial instruments	24	10 124 924	9 856 955	253 716	247 866
Total non-current assets		24 787 030	23 551 508	13 609 247	13 605 732
Current assets					
Derivative financial instruments	18.2	47 329	94 876	1 637	29 797
Intercompany receivables	16	-	-	3 861 512	3 133 684
Trade and other receivables	22	312 965	336 114	204 843	246 673
Cash and cash equivalents	25	283 513	302 747	198 289	209 084
Total current assets		643 807	733 737	4 266 281	3 619 238
Non-current assets held-for-sale	23	417 247	1 098 627	417 247	1 098 627
Total assets		25 848 084	25 383 872	18 292 775	18 323 597
Equity and liabilities					
Equity					
Stated Capital	26	11 103 638	11 133 011	11 133 011	11 133 011
Foreign currency translation reserve		(660)	-	-	-
Retained income/(accumulated loss)		1 330 163	1 880 533	(280 514)	(187 423)
Share based payment reserve		6 090	-	6 090	-
Total equity		12 439 231	13 013 544	10 858 587	10 945 588
Liabilities					
Non-current liabilities					
Long-term borrowings	29	9 889 611	9 890 985	4 707 546	5 295 446
Deferred consideration ¹		94 828	-	23 707	-
Derivative financial instruments	18.2	147 770	149 183	14 789	33 725
Total non-current liabilities		10 132 209	10 040 168	4 746 042	5 329 171
Current liabilities					
Current portion of long-term borrowings	29	2 364 377	1 650 099	1 909 517	1 230 454
Derivative financial instruments	18.2	222 907	69 451	1 783	14 792
Employee benefit liabilities	27	70 490	-	23 623	-
Intercompany payables	16	-	-	336 120	340 609
Trade and other payables ²	28	618 870	610 610	417 103	462 983
Total current liabilities		3 276 644	2 330 160	2 688 146	2 048 838
Total liabilities		13 408 853	12 370 328	7 434 188	7 378 009
Total equity and liabilities		25 848 084	25 383 872	18 292 775	18 323 597

¹ This amount relates to the discounted, non-current portion of the deferred consideration for the purchase of the management companies from Investec Limited. Refer to note 17 for the detail of the total purchase consideration in respect of the acquisition.

² Included in this balance is the current portion of the deferred consideration in respect of the purchase of the management companies from Investec Limited. Refer to note 17 for the detail of the total purchase consideration in respect of the acquisition.

Consolidated and separate statements of changes in equity for the year ended 31 March 2024

R'000	Group				
	Stated capital	Foreign currency translation reserve	Share-based payment reserve	Retained earnings	Total equity
Balance at 1 April 2022	11 133 011	-	-	2 519 078	13 652 089
Profit for the year	-	-	-	194 946	194 946
Total comprehensive income attributable to equity holders	-	-	-	194 946	194 946
Dividends paid	-	-	-	(833 491)	(833 491)
Balance at 31 March 2023	11 133 011	-	-	1 880 533	13 013 544
Balance at 1 April 2023	11 133 011	-	-	1 880 533	13 013 544
Profit for the year	-	-	-	232 446	232 446
Other comprehensive income	-	(660)	-	-	(660)
Total comprehensive income attributable to equity holders	-	(660)	-	232 446	231 786
Dividends paid	-	-	-	(782 816)	(782 816)
Treasury shares ¹	(29 373)	-	-	-	(29 373)
Initiation of share based payment reserve	-	-	6 090	-	6 090
Balance at 31 March 2024	11 103 638	(660)	6 090	1 330 163	12 439 231

R'000	Company				
	Stated capital	Foreign currency translation reserve	Share-based payment reserve	Retained earnings	Total equity
Balance at 1 April 2022	11 133 011	-	-	(27 019)	11 105 992
Profit for the year	-	-	-	673 087	673 087
Other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to equity holders	-	-	-	673 087	673 087
Dividends paid	-	-	-	(833 491)	(833 491)
Balance at 31 March 2023	11 133 011	-	-	(187 423)	10 945 588
Profit for the year	-	-	-	689 725	689 725
Other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to equity holders	-	-	-	689 725	689 725
Dividends paid	-	-	-	(782 816)	(782 816)
Initiation of share based payment reserve	-	-	6 090	-	6 090
Balance at 31 March 2024	11 133 011	-	6 090	(280 514)	10 858 587

¹ Treasury shares were acquired by the Group to hedge employee retention packages provided to Burstone employees during the current year.

Consolidated and separate statements of cashflows

R'000	Notes	Group		Company	
		Audited year ended 31 March 2024	Audited year ended 31 March 2023	Audited year ended 31 March 2024	Audited year ended 31 March 2023
Cash generated from operations	19	947 766	1 052 325	1 321 701	518 923
Finance costs paid		(607 175)	(505 005)	(643 432)	(498 910)
Finance income received		51 157	83 114	63 747	34 847
Corporate tax		(1 468)	19 911	-	19 911
Income from investments		235 697	79 255	-	-
Dividends paid to shareholders ¹		(782 816)	(833 491)	(782 816)	(833 491)
Net cash outflow from operating activities		(156 839)	(103 891)	(40 800)	(758 720)
Loan to property co-investor ²		(12 493)	(23 782)	-	-
Loan settled by co-investor		1 859	-	-	-
Capital expenditure and tenant installation on investment property		(281 321)	(374 826)	(176 505)	(239 961)
Proceeds on disposal of investment property		356 978	417 215	356 702	417 215
Acquisition of other financial instruments ³		(131 644)	(2 270 559)	-	-
Acquisition of management companies ⁴		(264 619)	-	(264 619)	-
Proceeds from sale of other financial instruments ⁵		165 827	1 072 170	-	-
Loan issued to joint venture ⁶		(59 919)	-	-	-
Net cash (out)/inflow from investing activities		(225 332)	(1 179 782)	(84 422)	177 254
Treasury shares acquired		(29 375)	-	-	-
Derivatives settled ⁷		(139 424)	(166 742)	31 727	33 776
Proceeds from bank loans		3 397 562	8 000 087	1 940 000	4 211 500
Proceeds from bonds		450 000	2 135 000	450 000	2 135 000
Proceeds from commercial paper ⁸		2 019 700	1 459 000	2 019 700	1 459 000
Repayments of bank loans		(2 847 334)	(6 912 703)	(1 830 000)	(4 081 500)
Repayments of bonds		(685 000)	(1 855 000)	(685 000)	(1 855 000)
Repayment of commercial paper		(1 812 000)	(1 309 000)	(1 812 000)	(1 309 000)
Net cash inflow from financing activities		354 129	1 350 642	114 427	593 776
Net (decrease)/increase in cash and cash equivalents before effect of exchange rate changes		(28 042)	66 969	(10 795)	12 310
Effect of exchange rate changes on cash and cash equivalents		8 808	-	-	-
Net (decrease)/increase in cash and cash equivalents		(19 234)	66 969	(10 795)	12 310
Cash and cash equivalents at the beginning of the period		302 747	235 778	209 084	196 774
Cash and cash equivalents at end of the period	25	283 513	302 747	198 289	209 084

¹ Comprises cash paid in relation to the dividends declared to shareholders during the financial period.

² This relates to additional loans granted to the property co-investor as presented in note 24.

³ During the 2024 financial year the investment in ITAP increased as a result of a capital call (refer to note 24) and an investment was made in Smithfield (refer to note 24). During the 2023 financial year Burstone purchased an additional 19% in Pan-European Logistics Limited, 50% investment in Irongate Fund in Australia and 18.67% investment in ITAP.

⁴ This relates to the cash consideration paid for the acquisition of the asset management business.

⁵ During the 2024 financial year cash proceeds received in respect of a return of capital received from PEL, which also resulted in a decrease in the value of the investment. During the 2023 financial year the cash flow relates to the proceeds from the sale of Pan-European Logistics Limited bridge loan to a financial institution.

⁶ Additional loans were issued to PEL (refer to note 24.5.1) to fund capital expenditure.

⁷ This relates to cross currency swaps that were restruck and extended on expiry. The cash outflow relates to the mark to market settled as a result of the foreign exchange rate change. The cash inflow for the company relates to realised mark to market on foreign exchange contract trades.

⁸ Commercial paper rolls are generally refinanced every three months.

Segmental analysis

The Group determines and presents operating segments based on the information that is provided internally to the Executive Management Committee (EXCO), the Group's operating decision-making forum. As at 31 March 2024, the Group is comprised of seven segments, namely SA Retail, SA Office, SA Industrial, Europe, Australia, the South African investment portfolio and the asset management business which was acquired during the current financial year. An operating segment's operating results are reviewed regularly by the EXCO to make decisions about resources to be allocated to the segments and assess its performance.

Segment	Brief description of segment
SA Retail	The retail portfolio consists of 18 properties, comprising of shopping centres as well as retail warehouses, motor dealerships and high street properties.
SA Office	The office portfolio consists of 26 properties which includes P, A and B grade office space.
SA Industrial	The industrial portfolio consists of 28 properties which includes warehousing, standard units, high grade industrial, high-tech industrial and manufacturing.
Asset Management Business	This segment represents the asset management business of the Group which was acquired from Investec Limited effective 6 July 2023. Goodwill and an intangible asset have been recognised as a result of the business combination. The business combination has resulted in the recognition of asset management fees as revenue for the Group and associated expenses comprising of employee and operating costs. The fee income earned by the SA and European asset management businesses is analysed together with their expenses when making decisions relating to the appropriateness of allocation of resources in the Group. Note 17 sets out the detail of the business combination.
South Africa - Investment portfolio	The local investment portfolio consists of a 35% share of an empowerment vehicle (Izandla).
Australia	50% of Irongate Group Holdings, 18.67% of units in Irongate Templewater Australia Property Fund and 19.9% of units in Smithfield Industrial Property Trust.
Europe	A 94% investment into a PEL portfolio. This portfolio consists of 32 properties located in seven jurisdictions across Europe.

Segmental analysis

continued

31 March 2024

GROUP R'000	South African property portfolio				Investment portfolio				Total
	Office	Industrial	Retail	Total/fund level	Asset management	South African investment portfolio	Europe	Australia	
Material profit or loss disclosures									
Revenue, before straight line rental revenue adjustment	672 992	455 170	730 098	1 858 260	-	-	-	-	1 858 260
Fee income from Asset management business	-	-	-	-	198 387	-	-	-	198 387
Straight-line rental revenue adjustment	(8 364)	(2 731)	6 456	(4 639)	-	-	-	-	(4 639)
Revenue				1 853 621					2 052 008
Income from investments	-	-	-	-	-	-	316 565	6 630	323 195
Property expenses	(267 537)	(146 890)	(285 361)	(699 788)	-	-	-	-	(699 788)
Expected credit losses	(5 959)	(269)	(3 410)	(9 638)	-	-	-	-	(9 638)
Operating expenses	-	-	-	(37 560)	(228 532)	-	-	-	(266 092)
Operating profit				1 106 635					1 399 685
Fair value adjustments on derivative instruments	-	-	-	(57 288)	-	-	(380 940)	-	(438 228)
Fair value adjustments on investments	-	-	-	-	-	-	91 958	13 852	105 810
Foreign exchange (losses)/gains	-	-	-	-	-	-	(119 919)	-	(119 919)
Fair value adjustments on transaction costs capitalised on loans to joint ventures	-	-	-	-	(72 356)	-	-	-	(72 356)
Fair value adjustments on investment property	(68 198)	13 012	53 514	(1 672)	-	-	-	-	(1 672)
Profit on disposal of investment property	(1 431)	-	8 716	7 285	-	-	-	-	7 285
Profit/(loss) on derecognition of financial instruments	-	-	-	-	-	-	-	-	-
Finance cost	-	-	-	(607 173)	-	-	(32 316)	-	(639 489)
Finance income	-	-	-	46 442	-	40 762	-	-	87 204
Equity accounted earnings/(losses) from associate	-	-	-	-	-	-	-	-	-
Expected credit losses on financial instruments	-	-	-	-	-	(21 966)	-	-	(21 966)
Amortisation and depreciation	-	-	-	(380)	(72 060)	-	-	-	(72 440)
Profit for the year before taxation				493 849					233 914
ASSETS									
Investment property	4 574 850	3 047 832	5 789 053	13 411 735	-	-	-	-	13 411 735
Straight-line rental revenue adjustment	97 646	100 446	128 650	326 742	-	-	-	-	326 742
Property, plant and equipment	-	-	-	11 754	-	-	-	-	11 754
Intangible assets	-	-	-	-	569 054	-	-	-	569 054
Goodwill	-	-	-	-	217 600	-	-	-	217 600
Other financial instruments	-	-	-	-	-	297 137	9 337 916	489 871	10 124 924
Derivative financial assets	-	-	-	103 264	-	-	69 286	-	172 550
Trade and other receivables	-	-	-	258 591	54 374	-	-	-	312 965
Cash and cash equivalents	-	-	-	260 667	22 846	-	-	-	283 513
Non-current assets held for sale	166 619	170 627	80 001	417 247	-	-	-	-	417 247
Total assets				14 790 000					25 848 084
LIABILITIES									
Long-term borrowings	-	-	-	11 203 878	-	-	1 050 110	-	12 253 988
Derivative financial liabilities	-	-	-	59 996	-	-	310 681	-	370 677
Deferred consideration	-	-	-	-	94 828	-	-	-	94 828
Employee Benefit liability	-	-	-	60 310	10 180	-	-	-	70 490
Trade and other payables	-	-	-	484 426	134 444	-	-	-	618 870
Total liabilities				11 808 610					13 408 853

31 March 2023

South African property portfolio				Investment portfolio			Total
Office	Industrial	Retail	Total/fund level	South African investment portfolio	Europe	Australia ¹	
705 233	425 350	701 582	1 832 165	-	-	-	1 832 165
-	-	-	-	-	-	-	-
(5 529)	3 956	(14 266)	(15 839)	-	-	-	(15 839)
			1 816 326				1 816 326
-	-	-	-	-	239 776	-	239 776
(251 697)	(137 438)	(281 067)	(670 202)	-	-	-	(670 202)
4 340	819	(8 420)	(3 261)	-	-	-	(3 261)
-	-	-	(109 858)	-	-	-	(109 858)
			1 033 005				1 272 781
-	-	-	142 416	-	(468 875)	-	(326 459)
-	-	-	149 825	-	-	-	149 825
-	-	-	-	-	(97 361)	-	(97 361)
-	-	-	(118 479)	-	-	-	(118 479)
(252 930)	51 977	71 120	(129 833)	-	-	-	(129 833)
(28)	(12 681)	(12 480)	(25 189)	-	-	-	(25 189)
-	-	-	-	-	(100 053)	-	(100 053)
-	-	-	(521 586)	-	-	-	(521 586)
-	-	-	89 254	-	-	-	89 254
-	-	-	-	(7 945)	-	-	(7 945)
-	-	-	-	(9 920)	-	-	(9 920)
-	-	-	-	-	-	-	-
			619 413				175 035
4 652 383	3 123 709	5 402 567	13 178 659	-	-	-	13 178 659
108 863	101 360	114 592	324 815	-	-	-	324 815
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	634 470	9 222 485	-	9 856 955
-	-	-	122 974	-	162 981	-	285 955
-	-	-	336 114	-	-	-	336 114
-	-	-	302 747	-	-	-	302 747
656 627	52 000	390 000	1 098 627	-	-	-	1 098 627
			15 363 936				25 383 872
-	-	-	10 530 054	-	1 011 030	-	11 541 084
-	-	-	14 224	-	204 410	-	218 634
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	610 609	-	-	-	610 609
			11 154 887				12 370 327

¹ Australia was not considered a reportable segment for the year ended 31 March 2023 as the investments were only made on 29 March 2023.

Accounting Policies

1. Basis of preparation

The Burstone Group Limited Consolidated and Separate Annual Financial Statements are prepared in accordance with International Financial Reporting Standards ((IFRS® Accounting Standards)(as issued by the International Accounting Standards Board (IASB®)), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncement as issued by the Financial Reporting Standards Council, the requirements of the JSE Listings Requirements, the Companies Act (Act 71 of 2008, as amended) of South Africa and in accordance with IFRIC® Interpretations ("IFRIC Interpretations" as issued by the IFRS Interpretations Committee ("the Committee")).

The financial statements are prepared in South African Rands and are rounded off to the nearest '000. The financial statements are prepared on the historical cost basis, except where indicated otherwise. The annual financial statements are prepared on the going-concern basis and the accounting policies set out below have been applied consistently by the Group and Company.

The preparation of annual financial statements in conformity with IFRS® Accounting Standards requires the Board to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses.

The estimates and assumptions applied are based on historical experience (and various other factors) that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1.1 Basis of consolidation

The consolidated annual financial statements include those of Burstone and entities controlled by Burstone. Burstone controls an entity when:

- it has power over the investee;
- is exposed to, or has rights to the variable returns from its involvement with the investee;
- and has the ability to use its power to affect its returns.

The consolidated annual financial statements include assets, liabilities, income, expenses and cash flows of Burstone and all entities controlled by Burstone. Intercompany transactions, balances and unrealised profits are eliminated on consolidation.

1.1.1 Accounting for associates and joint ventures

An associate is an entity over which Burstone has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. IFRS requires that investments in associates are either equity accounted or measured at fair value.

A joint venture is an entity over which Burstone has joint control. Joint control is the contractually agreed sharing of control of an arrangement, between Burstone and a joint partner, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

For equity accounted associates and joint venture holdings, the consolidated annual financial statements include the attributable share of the results and reserves of associated undertakings and joint venture holdings. Burstone's interests in associated undertakings and joint venture holdings are included in the consolidated statement of financial position at cost plus the post-acquisition changes in Burstone's share of the net assets of the associated undertakings and joint venture holdings. After application of the equity method, management evaluates on an annual basis if there is objective evidence that its net investment in the associate or joint venture is impaired.

The investment in Pan European Logistics (PEL) is considered an investment in a joint venture as defined in IFRS 11 resulting from a joint control arrangement. PEL has an obligation to deliver all returns to Burstone Offshore (wholly-owned subsidiary of the Group) and its joint venture partner via a profit participating loans (PPL's) therefore Burstone measures the investment in PEL at fair value through profit or loss in terms of IFRS 9 – Financial Instruments. Burstone elected to measure the investment at fair value through profit or loss using the venture capital exemption on consolidation and classifying the investment in terms of IFRS 9 – Financial Instruments: Recognition and Measurement at fair value through profit or loss.

The investment in Irongate is considered an investment in a joint venture as defined in IFRS 11 resulting from a joint control arrangement. Irongate has an obligation to deliver all returns to Burstone Offshore (wholly-owned subsidiary of the Group) and its joint venture partner therefore Burstone measures the investment in Irongate at fair value through profit or loss in terms of IFRS 9 – Financial Instruments. Burstone elected to measure the investment at fair value through profit or loss using the venture capital exemption on consolidation and classifying the investment in terms of IFRS 9 – Financial Instruments: Recognition and Measurement at fair value through profit or loss.

The investments in ITAP and Smithfield are considered investments in associates and are recognised and measured at fair value through profit or loss. Burstone elected to measure the investment at fair value through profit or loss using the venture capital exemption on consolidation and classifying the investment in terms of IFRS 9 – Financial Instruments: Recognition and Measurement at fair value through profit or loss.

Other associates are accounted for using the equity method and are initially recognised at cost, which includes transaction costs. The cost of an investment in an associate acquired in stages is deemed to be the fair value of the investment immediately prior to transfer. Subsequent to initial recognition, the Group and Company's share of profit or loss, other comprehensive income and other changes in the net asset value thereof, is included in the consolidated annual financial statements in equity accounted earnings, other comprehensive income and equity respectively.

1.1.2 Business combinations

A business combination is recognised when the Group obtains control over another business entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group measures the cost of the business combination at the acquisition date, which includes:

- The fair value of assets transferred,
- Liabilities incurred or assumed,
- Equity instruments issued by the acquirer, and
- Any consideration transferred to previous owners, including any contingent or deferred consideration.

Any excess of the consideration transferred over the fair value of the net assets acquired is recognised as goodwill. Conversely, if the fair value of the net assets acquired exceeds the consideration transferred, the acquirer recognises the excess as a gain from bargain purchase directly in profit or loss unless there are no other receivables or payables in the business combination and the recognition criteria for the gain from bargain purchase are met.

Subsequent to initial recognition, the acquirer accounts for changes in its ownership interest in the acquiree, if any, and adjusts the carrying amount of the non-controlling interest accordingly.

1.2 Segmental reporting

Determination and presentation of operating segments

Burstone has the following operating segments:

- SA retail
- SA office
- SA industrial
- Asset management business
- South Africa – investment portfolio
- Australia
- Europe

The above segments are derived from the way the business of Burstone is structured and managed and how financial information is reported to the Chief Operating Decision Makers (consistent with the members of the EXCO of the Group), being the Exco of the Group; the Group determines and presents operating segments based on the information that is provided internally to the Executive Management Committee (EXCO), the Group's operating decision-making forum. Burstone manages its business in the retail, office and industrial property sectors where resources are South Africa, split between each sector held in achieving Burstone's stated objectives, as well as in Europe and Australia.

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments. A detailed statement of comprehensive income and statement of financial position are reported for the operating segment.

Segment results include revenue and expenses directly attributable to a segment, and the relevant portion of the enterprise revenue and expenses that can be allocated on a reasonable basis to a segment. Segment assets and liabilities comprise those assets and liabilities that are directly attributable to the segment on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period on investment property in each segment.

Disclosure of material items on segment information is only required if the items are both quantitative and qualitatively material. Burstone has no such items.

Accounting Policies

continued

1.3 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1.4 Property, plant and equipment

Property, plant, and equipment (PPE) is initially recognised at cost. Cost includes all expenditures directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. This includes purchase price, import duties, non-refundable purchase taxes, and any directly attributable costs of bringing the asset to its working condition for its intended use.

Property, plant, and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful lives of each component of an item of property, plant, and equipment.

The useful lives are as follows:

Furniture and fittings: 3 Years

Computer equipment: 3 Years

The useful lives and residual values are reviewed at least annually and adjusted if expectations differ from previous estimates.

1.5 Investment property

Properties held by Burstone for capital appreciation and/or rental income are classified as investment property. Investment property is carried in the statement of financial position at fair value, with fair value gains and losses recognised in profit or loss in the statement of comprehensive income. Investment property consists of land and buildings. Properties are measured initially at cost at acquisition, and subsequent additions that will result in future economic benefits and whose cost can be reliably, are capitalised when recognised.

Investment property under construction is measured at fair value. Direct costs relating to major capital projects are capitalised until the properties are brought into commercial operation.

Subsequent to initial recognition, investment property is measured at its fair value. Investment property is maintained, upgraded and refurbished, where necessary, in order to preserve or improve the capital value. Maintenance and repairs which do not give rise to future economic benefits are charged against profit or loss in the statement of comprehensive income.

Gains or losses on subsequent measurement or disposals of investment property is recognised in profit or loss in the statement of comprehensive income. Such gains or losses are excluded from the calculation and determination of distributable earnings.

Upon disposal an investment property shall be derecognised when it is permanently withdrawn from use and no future economic benefits can be expected from its disposal. Ownership of investment property shall change upon transfer of title deed.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest incurred in connection with the borrowing of funds.

The interest capitalised is calculated using Burstone's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised from the commencement of the development work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted.

Property-letting commissions and tenant incentives

Letting commissions and tenant incentives are capitalised to investment property and amortised over the period of the lease to which they relate. The cost of tenant incentives are recognised as a reduction of rental income over the lease term, on a straight-line basis.

The tenant incentive costs are capitalised and recognised as investment property. The tenant incentive to investment property costs are measured at cost minus amortisation written off over the period of the lease.

Letting commissions are initially measured at the amount paid or payable to third parties for securing a lease agreement for the investment property. The amounts are recorded as an expense in the statement of profit or loss in the period incurred.

1.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

An assessment of the probability of expected future economic benefits that will flow to the entity as a result of the use of an asset is made by management before the asset is recognised. This includes using reasonable and supportive assumptions that represent a best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are initially measured at cost, with acquisitions as part of a business combination being initially measured at fair value at acquisition date. Refer note 17 for the intangible assets acquired through the business combination.

The intangible asset is amortised over a total period of 82 months from the date of acquisition on a straight-line basis. The useful life is linked to the duration of the management contract acquired through the business combination.

After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

1.7 Goodwill

Goodwill arising from a business combination is recognised as an asset at the acquisition date, being the excess of the aggregate of the consideration transferred over the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed.

Goodwill is not amortised. Instead, it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, in accordance with International Accounting Standard (IAS) 36, Impairment of Assets.

The impairment test for goodwill is carried out at the level of the cash-generating unit (CGU), or groups of CGUs, to which goodwill is allocated for internal management purposes. The carrying amount of the CGU (or groups of CGUs) is compared with its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. If the carrying amount exceeds the recoverable amount, an impairment loss is recognised

The value in use is determined using discounted cash flow projections based on unobservable inputs. The most relevant assumptions are the annual growth rates used to forecast future cash flows, the discount rate used and the duration of future cash flows.

Upon disposal of the related business, any remaining balance of goodwill attributable to that business is recognized as part of the determination of the gain or loss on disposal.

1.8 Financial instruments

Financial instruments are initially recognised at their fair value. For financial assets or financial liabilities not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities are included in the initial measurement. All other transaction costs are recorded in the income statement immediately. Regular way purchase and sales transactions in respect of financial assets that require delivery of a financial instrument within the time-frame established by market convention are recorded at trade date.

Business model assessment for financial assets, IFRS 9 requires that a business model assessment is carried out which reflects how Burstone manages the assets in order to generate cash flows. The assessment is at a portfolio level, being the level at which the portfolio is managed. Factors considered by Burstone in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the assets' performance is evaluated and reported and how risks are assessed and managed.

The standard sets out different types of business models:

- **Hold to collect:** It is intended to hold the asset to maturity to earn interest, collecting repayments of principal and interest from the customer. These assets are accounted for at amortised cost.
- **Hold to collect and sell:** This model is similar to the hold to collect model, except that the entity may elect to sell some or all of the assets before maturity to achieve the objectives of the business model. These assets are accounted for at fair value through other comprehensive income (FVOCI).
- **Hold to sell / managed on a fair value basis:** The entity originates or purchases an asset with the intention of disposing of it in the short or medium term to benefit from capital appreciation or the portfolio is managed on a fair value basis. These assets are accounted for at fair value through profit and loss (FVPL).

Accounting Policies

continued

However, Burstone may make the following irrevocable election/ designation at initial recognition of a financial asset on an asset-by-asset basis:

- A debt instrument that meets the amortised cost or FVOCI criteria as measured at FVPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

The classification into one of these categories is based on Burstone's business model for managing the assets and the contractual cash flow characteristics of the assets.

Offsetting financial instruments

Financial assets and liabilities are offset when there is both an intention to settle on a net basis (or simultaneously) and a currently enforceable legal right to offset exists. No financial assets and financial liabilities of Burstone are offset during the financial year.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Solely payments of principal and interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, Burstone assesses whether the assets' cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment, Burstone considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related asset is classified and measured at FVPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets and liabilities measured at amortised cost

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise to cash flows that are solely payments of principal and interest, such as most loans and advances to banks and customers and some debt securities, are measured at amortised cost. In addition, most financial liabilities are measured at amortised cost. Burstone may commit to provide a loan which has not yet been drawn. When the loan that arises from the lending commitment is expected to meet the criteria to be measured at amortised cost, the undrawn commitment is also considered to be and is included in the impairment calculation. The carrying value of these financial assets at initial recognition includes any directly attributable transaction costs. If the initial fair value is lower than the cash amount advanced, such as in the case of some leveraged finance and syndicated lending activities, the difference is deferred and recognised over the life of the loan through the recognition of interest income, unless the loan is credit impaired.

Burstone applies the amortised cost model as the default for financial liabilities, except for instances where an accounting mismatch exists, and it is more appropriate to designate it at fair value through profit or loss. Burstone derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by Burstone is recognised as a separate asset or liability. Burstone derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired.

Profit Participating Loans

Loan receivables are initially measured within the standard of IFRS 9. With regards to profit participating loans (PPL) Burstone assess the business model applicable and whether the loan meets the solely payments of principal and interest (SPPI) test. Although the PPLs have contractual payments of principal and interest, the additional contingent payment linked to the appreciation in the property value that will be realised on sale, must be considered in order to determine whether the loan meets the SPPI test. If the PPLs fail to meet the SPPI test, Burstone will classify the PPLs at fair value through profit or loss (FVPL). Subsequent to the loan not meeting the requirements of IFRS 9 Burstone will measure the PPLs at fair value in accordance with IFRS 13 Fair value measurement with all movements in fair value going through profit or loss.

IFRS 13 requires the fair value determined to reflect the exit price (price that a seller would receive to sell an asset) and not the entry price (price that a buyer would pay to purchase an asset) of a transaction. The valuation represents the price that would most likely be achievable across a wide range of circumstances and therefore excludes any element of value attributable to a specific owner or purchaser. The market value represents the best price reasonably obtainable by the seller of an asset. The market value is negotiated in an open and competitive market where the participants are acting freely and without compulsion.

1.9 Earnings per share

Burstone calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity and, if presented, profit or loss from continuing operations attributable to those equity holders. Basic earnings per share shall be calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. Diluted earnings per share is calculated by using the amounts for profit or loss attributable to ordinary equity holders of the parent entity and, if presented, profit or loss from continuing operations attributable to those equity holders.

Headline earnings is calculated in accordance with the JSE listing requirements and in terms of circular 1/2023 issued by the South African Institute of Chartered Accountants. Headline earnings per share calculated by dividing Burstone's headline earnings by the average number of shares which it had in issue during the accounting period.

1.10 Loan modification

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, Burstone recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss.

A substantial modification of the terms of an existing financial instrument or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial instrument and the recognition of a new financial instrument. The difference between the carrying amount of the derecognised financial instrument and the fair value of the new financial instrument, shall be recognised in profit or loss.

1.11 Long-term borrowings

Long-term borrowings are initially recognised at fair value and subsequently measured at amortised cost, except for instances where an accounting mismatch exists and its more appropriate to designate it at fair value through profit or loss.

1.12 Impairment of financial assets

At each reporting date, Burstone reviews the carrying values of financial assets carried at amortised cost for an indication of impairment, based on either the 12-month expected credit losses or lifetime expected credit losses. For rental debtors and other trade receivables, Burstone applies the simplified impairment approach, and therefore assesses impairment using a lifetime approach for these assets. Impairment on other financial assets is measured using the general approach.

Changes in the loss allowance are recognised in profit or loss as an impairment gain or loss.

In determining whether an impairment loss should be recorded in profit or loss, Burstone makes judgements as to whether there is observable data, based on past behaviour as well as forward-looking information, indicating a measurable decrease in the estimated future cash flows from a financial asset. Burstone also considers any collateral held as security in estimating the loss given default.

The impairment for receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry specific forward-looking economic expectations and other indicators present at the reporting date that correlate with defaults on the portfolio.

Impairment of other assets

Burstone assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, Burstone estimates the asset's recoverable amount. The asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Accounting Policies

continued

1.13 Fair value measurement

Fair value measurements are categorized into three levels based on the inputs used:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements are reviewed and reassessed on a regular basis, considering changes in market conditions, the availability of new information, and the effectiveness of valuation techniques employed.

Transfers between levels of the fair value hierarchy occur when there are changes in the availability of observable inputs used to determine fair values.

Throughout the reporting period, the inputs used to determine fair values remain consistent and there have been no transfers between levels of the fair value hierarchy.

1.14 Intercompany loan receivable

Burstone measures intercompany loans at amortised cost less any accumulated impairment. The intercompany loans are recognised at the fair value of the consideration receivable and are subsequently measured at amortised cost using the effective interest method. Intercompany loans are tested for impairment using the expected credit loss model as per IFRS 9: Financial Instruments. The loans are classified as non-current as they do not have redemption dates relating to the maturity of the loans, and management's intention is not to have these settled within the next 12 months.

1.15 Intercompany receivable/(payable)

Burstone measures intercompany receivables and payables at amortised cost less any accumulated impairment. The intercompany receivables and payables are recognised at the fair value of the consideration receivable or payable and are subsequently measured at amortised cost using the effective interest method. Intercompany receivables and payables are tested for impairment using the expected credit loss model as per IFRS 9: Financial Instruments. The balances receivable and payable are payable on demand and therefore classified as current.

1.16 Trade and other receivables

Trade and other receivables consists of rental debtors (net of expected credit losses), prepayments, municipal deposits, sundry debtors, VAT receivable and accrued recoveries. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost less any expected credit losses. Any gains or losses on realisation of trade and other receivables previously written off are charged to profit or loss in the statement of comprehensive income.

1.17 Expected credit losses (ECL)

The assessment of credit risk and the estimation of ECL are required to be unbiased, probability-weighted and should incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take the time value of money into account. As a result, the recognition and measurement of impairment is intended to be forward-looking and therefore, potentially volatile.

Process to determine ECL

ECLs are calculated using three main components:

- A probability of default (PD)
- A loss given default (LGD)
- The exposure at default (EAD).

The 12-month and lifetime PDs represent the probability of a default occurring over the next 12 months or the lifetime of the financial exposures, respectively, based on conditions existing at the balance sheet date and future forecast macroeconomic conditions that affect credit risk.

The LGD represents losses expected on default, taking into account the mitigating effect of collateral, its expected value when realised and the time value of money. The forecast value for the collateral is also affected by the range of forward-looking probability weighted macroeconomic scenarios.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdown of a committed facility.

The calculation of the 12-month ECL is based on the 12-month PD and LGD along with the EAD and EIR for the asset. Lifetime ECL is calculated using the lifetime PD curve, and the appropriate LGDs and EADs and discount rates derived from the EIR based on the remaining life of the financial asset.

Expert judgement models are also utilised for certain portfolios where the ECL is found to be minimal, either due to the portfolio's small relative size or the low default nature of these portfolios, such as cash and balances held at central banks.

Management adjustments are made to model output to account for situations where additional information and known or expected risk factors have not been captured in the modelling process.

1.18 Other financial instruments

The listed and unlisted investments are initially recognised at fair value and subsequently held at fair value through profit or loss unless the irrevocable election at initial recognition has been made to measure the equity instrument at fair value through other comprehensive income. Investments in subsidiaries in the separate financial statements are measured at cost less any impairment.

1.19 Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in fair value. Cash and cash equivalents are measured at amortised cost.

1.20 Trade and other payables

Trade and other payables consists of accrued expenses, tenant deposits, trade and other creditors, VAT creditor and income received in advance. Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. Any gains or losses on trade and other payables are charged to profit or loss in the statement of comprehensive income.

1.21 Derivative financial instruments

Burstone utilises derivative financial instruments to mitigate its exposure to interest rate risk arising from its financing activities as well as foreign exchange risk relating to expected inflows from foreign investments. In accordance with its treasury policy, Burstone does not hold or issue derivative financial instruments for trading purposes. Derivatives used to mitigate interest rate risk are not designated as a hedge for accounting purposes and are accounted for at fair value through profit or loss.

All derivative instruments of Burstone are recorded in the statement of financial position at fair value.

Gains or losses on derivatives are charged to profit or loss in the statement of comprehensive income.

Initial recognition and subsequent measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value, at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The company uses derivative financial instruments, such as foreign currency forward exchange contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks respectively.

The fair values of various derivative instruments are disclosed in note 18.2. The full fair value of a derivative is classified as a non-current asset or liability when the remaining maturity is more than 12 months, and as a current asset or liability when the remaining maturity is less than 12 months.

Treatment of finance costs and income

Finance costs associated with interest rate swaps and cross currency swaps refer to the periodic payments made or received by the entity as part of the swap agreement. These payments are based on the agreed-upon interest rates and not directly tied to the market value of the swap. Finance costs associated with interest rate swaps and cross currency swaps are recognised in the statement of profit or loss over the term of the swap agreement on an accrual basis.

Mark-to-Market movements

Mark-to-Market movements are the changes in the fair value of the derivative over time, reflecting fluctuations in market interest rates. These changes do not result in immediate cash flows but represent unrealised gains or losses that affect the reported financial position of the entity. Mark-to-market movements are reflected in the Group's statement of financial position as unrealised gains or losses, with changes in fair value recognised in the statement of profit or loss.

Accounting Policies

continued

1.22 Non-current assets held for sale

A non-current asset or disposal group comprises assets and liabilities that are classified as held for sale if it is expected that its carrying amount will be recovered principally through sale rather than continuing use, if it is available for immediate sale and it is considered highly probable that the sale will occur within one year.

Non-current assets held for sale comprise investment property which is measured at fair value, any related fair value gain or loss is recognised in the statement of comprehensive income. Refer to note 18.2 and note 20 for further information on how the fair value of these properties is determined.

Non-current assets held-for-sale are presented separately from other assets in the statement of financial position.

1.23 Taxation and deferred taxation

Burstone is registered as a REIT, and as such will only pay tax on profits not distributed to shareholders. Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax payable is provided on taxable profits at rates that are enacted or substantively enacted and applicable to the relevant period.

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Burstone converted to a REIT on 16 August 2013. As a result, section 25BB of the Income Tax Act will apply to qualifying REIT income and expenses.

However, Section 25BB of the Income Tax Act allows for the deduction of the qualifying distribution paid to shareholders, but the deduction is limited to taxable income. To the extent that no tax will be payable in future as a result of the qualifying distribution, no deferred tax is raised on items such as the straight-line rental revenue adjustment and revenue received in advance.

As Burstone is a REIT, CGT is not applicable on the sale of investment property in terms of Section 25BB of the Income Tax Act. The deferred taxation rate applied to investment property at the sale rate will therefore be 0%. Consequently, no deferred taxation is raised on the fair value adjustments on investment property.

In the event that Burstone holds greater than 20% of an investment, this investment is a Property Company as defined in Section 25BB of the Income Tax Act and therefore the sale thereof is not subject to CGT.

1.24 Provisions, contingent liabilities and contingent assets

Provisions are liabilities of uncertain timing or amount and are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent assets and contingent liabilities are not recognised.

Provisions are determined by discounting the expected future cash flows if the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1.25 Revenue recognition

Revenue consists of contracted rental, tenant installation amortisation, assessment rates recovered, contracted operating cost recoveries, contracted parking, exhibition income, cancellation fees and other letting related income, dividends received from subsidiaries (Company only), electricity recoveries, water and municipal charges recoveries, straight-line rental adjustment and fee income from the asset management business.

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework: Identify the contract(s) with a customer; Identify the performance obligations in the contract; Determine the transaction price; Allocate the transaction price to the performance obligations in the contract; Recognise revenue when (or as) the entity satisfies a performance obligation.

As per IFRS 15 – Revenue from Contracts with Customers, which includes fee income from asset management business, exhibition income and recoveries are recognised in the accounting period in which control of the services is passed to the customer, which is when the service is rendered. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. Dividend income is recognised in profit or loss only when: (a) the entity's right to receive payment of the dividends is established, (b) it is probable that the economic benefits associated with the dividend will flow to the entity, and (c) the amount of the dividend can be measured reliably. Burstone eliminates the dividends received from subsidiaries at consolidation level.

The revenue includes fees received for services rendered in the management of properties, which may include but are not limited to leasing, maintenance, and administrative services. Each distinct service provided is considered a separate performance obligation if it is capable of being distinct (separately identifiable) and if it provides a benefit to the customer either on its own or together with other resources that are readily available to the customer. The transaction price agreed upon with the customer represents the fixed consideration for the management services provided. This involves evaluating the specifics of each agreement to establish the appropriate transaction price. Management fees are recognised over the period during which the services are rendered.

As per IFRS 16 – Leases: rental income such as contracted rental and contracted parking earned from operating leases is recognised on a straight-line basis over the lease term. When Burstone provides tenant installations, the cost of the tenant installation are recognised over the lease term, on a straight-line basis, as tenant installation amortisation.

Some property management contracts may include multiple elements of service that are provided to tenants. Burstone assesses whether individual elements of service in the contract are separate performance obligations. Where the contracts include multiple performance obligations and/or lease and non-lease components, the transaction price will be allocated to each performance obligation (lease and non-lease component) based on the relative standalone selling prices. Where these selling prices are not directly observable, they are estimated based on an expected cost plus margin. In the case of fixed price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by Burstone exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration.

1.26 Rental agreements

A finance lease is a lease that transfers substantially all of the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

Burstone is party to numerous rental agreements in the capacity as lessor of the investment properties. All rental agreements are operating leases.

Where classified as operating leases, rentals payable/receivable are charged/credited in the statement of comprehensive income on a straight-line basis over the lease term. Contingent rentals (if any) are accrued to the statement of comprehensive income when incurred. This does not affect distributable earnings.

A lessor shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

1.27 Income from investments

Represents interest on loans to Pan-European Logistics (PEL) and distributions received from Irongate and ITAP.

Interest income on loans extended is recognised on an accrual basis and is recognised as income in the period in which it accrues. Interest income accrued (not yet received in cash) is included in the fair value of the Pan-European Logistics profit participating loans at year end. Distributions received from investments are recognised when the right to receive payment is established.

Interest income is measured at the fair value of the consideration received. Distributions from investments are measured at the amount of actual cash received, at the date of distribution.

1.28 Property expenses

Property expenses include water and electricity charges, cleaning, lease commission amortisation, other property expenses, property management expenses, repairs and maintenance and management fee expenses. These expenses are included in profit or loss as and when it is incurred.

1.29 Other operating expenses

Other operating expenses include asset management fee expense, audit fees, directors' fees, legal fees and other fund expenses. These expenses are included in profit or loss as and when it is incurred.

1.30 Operating profit

Operating profit is the profit before fair value, foreign exchange gains/(losses) and other adjustments, fair value adjustments on investment property, (loss)/profit on disposal of investment property, loss on derecognition of financial instruments, finance costs, finance income, equity accounted losses from associate and expected credit losses raised on financial instruments. These items have been excluded from operating profit because they do not form part of normal business operations.

Accounting Policies

continued

1.31 Employee benefits

1.31.1 Short-term benefits

The cost of short-term employee benefits is recognised during the period in which the employees render the related service. Short-term employee benefits are measured on an undiscounted basis. The accrual for employee entitlements to bonuses and annual leave represents the amount which the Group has a present legal or constructive obligation to pay as a result of the employees' services provided up to the reporting date.

1.31.2 Share-based payment arrangements

Equity-settled share-based payments

Equity-settled share-based payments are measured at the fair value of the equity instruments granted at the grant date. The fair value is determined using an appropriate valuation method taking into account the terms and conditions of the share-based payment arrangement.

The fair value of the equity instruments granted is recognised as an expense over the vesting period of the awards, with a corresponding increase to equity in the share-based payment reserve. The annual expense is based on the Group's estimate of the shares that will eventually vest, adjusted for the effect of non-market vesting conditions.

Cancellation and settlement

Where an award is cancelled or settled, other than by forfeiture to satisfy the vesting conditions:

- if the cancellation or settlement occurs during the vesting period, it is treated as an acceleration of vesting, and the Group recognises immediately the amount that would otherwise have been recognised for services received over the remainder of the vesting period.

1.32 Related parties

Related parties include any stakeholder who is able to exert a significant influence on the operating policies of Burstone. This includes key management personnel, who are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including a director.

An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

1.33 Ordinary share capital

Ordinary shares are classified as equity. Ordinary share capital is initially measured net of directly attributable issue costs.

1.34 Dividends

Dividends on ordinary shares are recognised as a deduction from equity at the earlier of payment date or the date that it is approved by Burstone Group Limited (in relation to dividends declared by Burstone Company).

1.35 Treasury shares

The Group holds treasury shares that are intended to be used for future distribution to employees as part of an equity settled share-based payment scheme. These shares are held solely for the benefit of employees and are not held for trading purposes.

The shares are recognised at cost, which includes transaction costs directly attributable to the acquisition of the treasury shares. The cost is initially measured at the fair value of the consideration paid, including any directly attributable incremental costs.

The shares are subsequently measured at cost. No revaluation is applied to treasury shares, and they are not remeasured to fair value in subsequent periods.

2. Key management assumptions and judgements

In preparation of the annual financial statements, estimations and judgements are made that could affect the reported amount of assets and liabilities within the next financial year. The key areas in which judgement is applied lies with the valuation of investment properties, loan to joint venture at fair value, control versus joint control resulting from investments made, venture capital policy application, treatment of interests held in and fair value of Irongate; ITAP; Smithfield, goodwill and the impairment thereof and share-based payments issued.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

There were no transfers of assets and liabilities between the fair value levels 1, 2 and 3 during the year. The Group and Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

2.1 Investment Property

The valuation of Burstone's investment property portfolio is inherently subjective and a degree of judgment is required in respect of assumptions used in the valuations. Refer to accounting policy: Investment property, Note 20 Investment Property and Note 18.2 Fair value estimation for further information.

2.2 Loan to joint venture at fair value

The investment in joint venture is valued at each reporting date based on the net asset value of the joint venture as a whole. The biggest contributor to net asset value (NAV) is the entities' investment properties which are held at fair value.

Management of the joint venture obtained external valuations from an accredited valuation house which uses the income capitalisation approach in valuing the properties. The other assets and liabilities that contribute to the net asset value (being cash, derivatives, financial instruments, trade receivables and payables and borrowings) are not considered to involve significant judgments. A portfolio premium (which represents the additional value in investing in a fully operational platform) and adjustment for capital gains taxation is added to the underlying NAV to arrive at the fair value of the loan to joint venture. Refer to note 24: Other financial instruments and note 18.2: Financial Risk Management – Fair value estimation for further information.

2.3 Control versus joint control

In making its control assessment of investments made Burstone considers the following factors:

- Whether the terms and conditions underlying the agreements with other investors are at arm's length.
- Whether, through its investments, Burstone is exposed to, or has rights to variable returns of the investee company; and
- Whether Burstone is able to influence the returns generated by the investee company.

2.4 Venture capital policy

Burstone takes an active role in helping to build and develop entities in which it invests. Therefore Burstone applies the exemption in paragraph 18 of IAS 28 to value its joint venture investments and investments in associates at fair value. Burstone takes into account the following when making this determination:

- The joint ventures are managed independently from the other South African activities and have a different joint management team.
- Burstone Group's property investments are managed on a fair value basis as part of a portfolio of assets. These property investments are acquired for growth in fair value.

The Group is of the view that fair value measurement would therefore produce more relevant information for management and the entity's investors.

2.5 Interest held in Irongate

During the previous financial year, Burstone purchased a 50% interest in the Irongate Group Holdings funds management business (Irongate). The investment is recognised as a joint venture and is measured at fair value through profit or loss. There was no change in the interest held by Burstone during the current financial year. Refer note 24.1.

2.6 Interest held in ITAP

During the previous financial year, Burstone purchased a 18.67% interest in the Irongate Templewater Australia Property Fund (ITAP). The investment is recognised as an associate and is measured at fair value through profit or loss. There was no change in the interest held by Burstone during the current financial year. Refer note 24.2.

Accounting Policies

continued

2.7 Interest held in Smithfield

During the current financial year, Burstone purchased a 19.9% interest in Smithfield. The investment was finalised in November 2023. The investment is recognised as an associate and is measured at fair value through profit or loss. Refer note 24.3.

2.8 Goodwill

Burstone internalised its asset management function during the current year through the acquisition of SA Manco (a division of Investec Property (Proprietary) Limited) and Burstone UK from Investec Limited. The acquisition gave rise to a business combination. Goodwill arose due to the business combination transaction and was recorded at the value by which the consideration transferred exceeded the fair value of the net assets acquired. No impairment losses were recorded in respect of the goodwill recognised at the date of the business combination and goodwill is assessed for impairment at the end of each reporting period. Refer note 17: Business combinations and note 21: Goodwill and intangible asset.

2.9 Share-based payments

In applying IFRS 2: Share-based Payment, management has made certain judgements in respect of the fair value option pricing models to be used in determining the various share-based payment arrangements in respect of employees, as well as the variable elements used in these models. For share-based payment reserves, estimates are made in determining the fair value of equity instruments granted. Assumptions are used in the valuation models and include assumptions regarding future distributions and expected employee attrition rate.

3. Changes in accounting policies and disclosures

Standards and Interpretations effective and adopted in the current year

In the current year, the Group has adopted all new and revised International Financial Reporting Standards (IFRS® Accounting Standards) (as issued by the International Accounting Standards Board (IASB®)) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2023, none of these were considered to have a material impact on the Group.

New standards adopted at 1 April 2023:

Standard	Nature of standard
Amendments to IAS 1, Practice Statement 2 and IAS 8	These amendments aim to improve accounting disclosures and help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies
IFRS 17	Insurance contracts
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

The above standards had no material impact during the current financial year.

Impact of new accounting standards issued but not yet effective:

Change	Standard	Effective date	Impact on the Group
Non-current liabilities with covenants	Amendments to IAS 1	Annual reporting periods beginning on or after 1 January 2024	Considered to be material but will only be adopted in the 2025 financial year
Supplier Finance – Arrangements	Amendments to IAS 7 and IFRS 7	Annual reporting periods beginning on or after 1 January 2024	Not expected to materially impact the Group
Lack of exchangeability	Amendments to IAS 21	Annual reporting periods beginning on or after 1 January 2025	Not expected to materially impact the Group
Leases on sale and leaseback	Amendments to IFRS 16	Annual reporting periods beginning on or after 1 January 2024	Not expected to materially impact the Group
Presentation and Disclosure in Financial Statements	New standard IFRS 18	Annual reporting periods beginning on or after 1 January 2027	Considered to be material but will only be adopted in the 2027 financial year
Subsidiaries without Public Accountability: Disclosures	New standard IFRS 19	Annual reporting periods beginning on or after 1 January 2027	Not expected to materially impact the Group

Notes to the Consolidated and Separate Financial Statements

R'000	Group 2024	Group 2023	Company 2024	Company 2023
4. Reconciliation of basic earnings to headline earnings				
Basic and diluted profit attributable to ordinary equity holders of the parent	231 786	194 946	689 725	673 087
Adjusted for:				
Fair value adjustment on investment property	1 672	129 833	(496)	124 981
(Profit)/loss on disposal of investment property	(7 285)	25 189	(7 285)	25 493
Fair value adjustment on investment property in associate	-	1 590	-	-
Profit on disposal of investment property in associate	-	211	-	-
Headline earnings attributable to shareholders	226 173	351 769	681 944	823 561
Headline earnings per share (cents per share) ¹	28.21	43.70	84.72	102.32
Headline earnings per diluted share (cents per share) ¹	28.20	43.70	84.72	102.32
¹ Headline and diluted earnings per share decreased in the current year for Group and Company mainly due to decreases in adjustments for fair value losses on investment property.				
5. Revenue				
Contracted rental	1 208 326	1 187 273	999 269	994 663
Tenant installation amortisation	(28 452)	(29 291)	(23 424)	(23 033)
Assessment rates recovered	143 562	141 865	120 742	119 642
Contracted operating cost recoveries	87 637	82 575	69 733	64 298
Contracted parking	98 130	91 789	81 514	76 018
Exhibition income, cancellation fees and other letting related income	20 873	59 292	15 930	56 871
Dividends received from subsidiaries	-	-	188 113	171 062
Electricity recoveries	283 912	254 530	240 373	219 997
Water and municipal charges recoveries	44 272	44 132	35 225	36 434
Revenue, excluding straight-line rental adjustment	1 858 260	1 832 165	1 727 475	1 715 952
Straight-line rental adjustment	(4 639)	(15 839)	8 081	(12 047)
Fee income from asset management business	198 387	-	13 031	-
Total revenue	2 052 008	1 816 326	1 748 587	1 703 905
6. Income from investments				
Income from European platform ¹	316 564	239 776	-	-
Income from Australian platform	6 631	-	-	-
Total income from investments	323 195	239 776	-	-
¹ Represents income from gross 94% investment in Pan-European Logistics. The investment income attributable to outside shareholders of R32.32m (FY23: R31.85m) is included as a finance cost in note 12.				
7. Depreciation and amortisation				
Depreciation on property, plant and equipment	380	-	380	-
Amortisation of the intangible asset	72 060	-	-	-
Total depreciation and amortisation	72 440	-	380	-

R'000	Group 2024	Group 2023	Company 2024	Company 2023
8. Property expenses				
Assessment rates	198 901	188 969	168 073	157 283
Electricity cost	217 457	206 488	184 861	182 121
Water and municipal charges cost	48 554	48 411	38 211	38 672
Cleaning	21 765	22 159	17 428	17 811
Lease commission amortisation	26 450	30 482	23 312	26 921
Insurance	16 375	16 380	13 669	13 197
Security	42 545	40 921	34 559	33 609
Marketing	7 922	5 347	5 549	4 787
Salaries and consulting fees	9 672	8 944	6 659	6 312
Property management expenses	51 378	51 413	40 615	40 840
Repairs and maintenance	41 673	42 349	33 470	32 972
Other property expenses	17 096	8 339	14 556	8 830
Total administrative expenses	699 788	670 202	580 962	563 355
9. Operating expenses				
Asset management fee expense ¹	27 976	74 145	10 029	89 411
Statutory audit fees	7 121	4 593	5 978	3 296
Non-assurance related audit fees ²	3 020	-	3 020	-
Other assurance related audit fees ²	666	120	666	120
Directors' fees	7 220	4 791	7 220	4 791
Staff costs ³	169 042	-	70 203	-
Overheads ⁴	30 620	938	10 968	938
Other expenses	20 427	25 271	14 337	19 576
Total operating expenses	266 092	109 858	122 421	118 132

¹ Asset management fee expenses have decreased in the current year due to the internalisation of the asset management businesses, refer to note 17 for further detail on the business combination.

² The non-assurance related audit fees were paid to PricewaterhouseCoopers Inc for work on the circular to Burstone shareholders, relating to the internalisation of the Group's management function, as Independent Reporting Accountants. It is the policy of the Group to only employ the services of the external auditor for services required by regulation or legislation.

³ The acquisition of the management businesses from Investec Limited gave rise to staff costs as employees who were previously employed by Investec Limited are now employed and paid by the Group. Burstone UK is now consolidated and their staff cost are also included in this line.

⁴ Overheads have increased for the Group following the business combination as overheads previously incurred by Burstone UK Limited are now incurred by the Group. The majority is made up of management fee expenses, international accommodation and travel, staff entertainment and rental expenses incurred by Burstone UK Limited.

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R'000	Group 2024	Group 2023	Company 2024	Company 2023
10. Fair value, foreign exchange (losses)/ gains on financial instruments				
Fair value adjustments on derivative instruments ¹	(438 228)	(326 459)	(12 886)	74 278
Fair value adjustments on loans to and investments in joint ventures at fair value (net of foreign exchange) ²	94 357	149 825	-	-
Fair value adjustments on investments in associates at fair value (net of foreign exchange) ³	11 453	-	-	-
Fair value adjustments as a result of transaction costs capitalised on loans to joint ventures	(72 356)	(118 479)	(36 532)	-
Foreign exchange translation adjustments on long-term borrowings, and loans provided to joint ventures not at fair value	(119 919)	(97 361)	9 409	(31 333)
Total	(524 693)	(392 474)	(40 009)	42 945
¹ The fair value adjustment on derivatives is primarily due to the ZAR/EUR and ZAR/AUD currency deterioration since Burstone is primarily exposed to the ZAR/EUR and ZAR/AUD currency movement.				
² Includes the fair value adjustments and foreign exchange gains on the loans to PEL and investments in Irongate joint venture. The €25m fair value loss on the loan to PEL is offset by a larger foreign exchange gain due to the deterioration of the ZAR/EUR exchange rate.				
³ Includes the fair value adjustments and foreign exchange gains on the ITAP and Smithfield investments.				
11. Loss on derecognition of financial instruments				
Settlement of loan to PEL co-investor ¹	-	21 905	-	-
Sale of PEL bridge loan ²	-	78 148	-	-
Total loss on derecognition of financial instruments	-	100 053	-	-
¹ The loan to the co-investor was settled at a value of €6.5m compared to a carrying value of €7.5m in the prior year.				
² The PEL bridge loan, which had a carrying value of €58.8m was sold to a financial institution in the prior year for €54.8m, based on the present value of the interest differential.				
12. Finance costs				
Interest on term loans	473 384	262 244	108 229	93 818
Net interest on derivatives ¹	(406 748)	(130 309)	(28 441)	52 481
Interest on commercial paper	55 041	22 119	55 041	22 119
Interest on corporate bonds	472 977	321 252	472 977	321 252
Finance cost on profit participating loans	32 316	31 850	-	-
Other interest	12 519	14 430	7 185	8 969
Total finance costs	639 489	521 536	614 991	498 639
¹ Includes the net interest on derivatives on the interest rate impacts driven by the steeper ZAR interest rate curve				
13. Finance income				
Interest income on loans to associates and JV's	40 762	68 685	40 762	34 493
Interest from financial institutions and other financial instruments	40 158	20 569	22 360	14 092
Other finance income	6 284	-	1 571	-
Interest on intercompany loans	-	-	372 100	273 886
Total finance income	87 204	89 254	436 793	322 471

R'000	Group 2024	Group 2023	Company 2024	Company 2023
14. Taxation				
South African normal taxation:				
Corporate taxation in relation to Burstone UK	1 468	-	-	-
Capital gains taxation	-	19 911	-	19 911
Total taxation	1 468	19 911	-	19 911
Effective tax rate	0.6%	0%	0%	0%
Standard tax rate	27%	27%	27%	27%
The taxation charge is reconciled as follows:				
Profit before tax from operations	233 914	175 035	689 725	653 176
Income tax calculated at 27%	63 157	47 260	186 226	176 358
Effect of income that is exempt of taxation:				
Straight-line rental revenue adjustment	(4 639)	(15 839)	8 081	(12 047)
Fair value, foreign exchange (losses)/gains and other adjustments	(403 747)	(392 474)	(40 009)	42 945
Fair value adjustment on investment property	(1 672)	(129 833)	496	(124 981)
Profit/(loss) on disposal of investment property	7 285	(25 189)	7 285	(25 493)
Loss on derecognition of financial instruments	-	(100 053)	-	-
Equity accounted losses from associate	-	(7 945)	-	(7 945)
Non-deductible expenditure	(20 266)	-	(4 325)	-
Amortisation and depreciation	(72 440)	-	(380)	-
Impairment on investments in subsidiaries	(21 966)	-	(142 242)	-
Unrecognised temporary difference	153 413	-	257 436	-
Total adjustments	(364 032)	(671 333)	86 342	(127 521)
Fair value, straight-line rental adjustments and other distribution reconciliation adjustments not taxable (27%)	98 289	181 260	(23 312)	34 431
Qualifying distribution deduction ¹	(162 913)	(228 520)	(162 913)	(210 789)
Corporate tax in relation to Burstone UK	(1 468)	-	-	-
Capital gains tax on sale of IAP shares	-	19 911	-	19 911
Effective tax rate	0.63%	0%	0%	0%

¹ The tax deduction of the qualifying distribution is limited such that no assessed loss is created, as per Section 25BB of the Income Tax Act. During the current year, 85% of the distributable earnings were declared for distribution.

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15. Share-based payments

Retention performance shares (Note 15.2) and Retention restricted shares (Note 15.3):

Following the internalisation, the Group established the Burstone Long Term Incentive Plan (LTIP), which was approved by shareholders in September 2023.

The LTIP is designed to provide share-based awards to executive and key members of staff and embeds alignment with shareholder returns. Furthermore, the LTIP aims to attract, motivate and retain suitably skilled and competent talent.

Under the plan, participants are granted zero-strike options. Awards are granted for no consideration and employees are entitled to dividend equivalents over the period of the award. When exercisable, each option is convertible into one ordinary share.

Awards are generally made annually following the completion of the financial year. A 30-trading day volume-weighted average price (VWAP) before the award approval date will be used as the award price, rounded to the nearest whole share. Awards are subject to malus and clawback provisions. The Group's malus and clawback policy applies to all employees of the Group. On or before the vesting date of an award, the Remuneration Committee may reduce the quantum of the award in whole or in part after a trigger event occurs which arose during the relevant vesting or financial period. The Committee may apply clawback and take steps to recover incentive remuneration from an employee that has vested and settle due to a trigger event which, in the Committee's judgement, arose within the three years preceding or during the clawback period.

The LTIP is administered by the Burstone Remuneration and Nominations Committee. When the options are exercised, the vested shares are transferred to the employees. The proceeds received, net of any directly attributable transaction costs, are credited directly to equity.

Share usage limit and settlement

The appropriate number of shares will be settled via acquiring shares in the open market on behalf of participants, or through the allotment and issue of shares to participants (equity settlement).

Awards are issued as equity (in scrip) on vesting.

In terms of the share plan share rules, the aggregate number of shares issued under the LTIP may not exceed 24 147 553 shares, which equates to 3% of the entire issued share capital of the Company on the date of adoption of the plan. Shares purchased in settlement do not count towards this dilution.

The aggregate number of shares which may be allocated to any individual under the LTIP may not exceed 4 024 592 shares, which equates to 0.5% of the entire issued share capital of the Company on the date of adoption of the plan.

Treasury shares

The Group purchased 3 758 344 treasury shares on 7 June 2023 at a cost of 782 cents per share which will be used to settle the retention LTIP's in the future.

15.1 The company had the following share based payment agreements which are described below:

Type of arrangement	Financial year granted	Number of shares granted	Contractual life	Settlement	Vesting conditions
Retention performance shares (Note 15.2)	2024	2 069 426	3 years; 4 years	Equity settled	The retention performance shares/units will vest in two equal tranches in years 3 and 4, subject to achieving a Total Shareholder Return (TSR) performance hurdle (measured in year 3 and year 4).
Retention restricted shares (Note 15.3)	2024	3 671 561	3 years; 4 years	Equity settled	For executives, the retention restricted shares will vest in year 3 subject to the participant still being employed by the Group. For other employees, the retention restricted shares will vest in two equal tranches in years 3 and 4 subject to the participant still being employed by the Group.

15.2 Retention performance shares – Equity settled

The retention performance shares/units will vest in two equal tranches in years 3 and 4, subject to achieving a Total Shareholder Return (TSR) performance hurdle (measured in year 3 and year 4). The awards entitle the participants to participate in dividend distributions in the form of dividend equivalents should the performance conditions be met at the end of the vesting period. The awards are subject to malus and clawback provisions.

	2024	2023
Shares granted during the period	2 069 426	n/a
Average vesting period	2.5 years	n/a
Share price at date of award	R7.49	n/a
IFRS 2 share-based payment expense recognised	–	n/a

Notes to the Consolidated and Separate Financial Statements

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15. Share-based payments continued

15.3 Retention restricted shares – Equity settled

The Group awarded retention restricted shares to the CEO, CFO (Exco) and other employees. For the Exco, the retention restricted shares will vest in year 3 subject to the participant still being employed by the Group. For other employees, the retention restricted shares will vest in two equal tranches in years 3 and 4 subject to the participant still being employed by the Group. The awards entitle the participants to participate in dividend distributions in the form of dividend equivalents over the period. The awards are subject to malus and clawback provisions.

	2024	2023
Shares granted during the period	3 671 561	n/a
Average vesting period	2.5 years	n/a
Share price at date of award	R7.49	n/a
IFRS 2 share-based payment expense recognised in the statement of changes in equity (R'000)	(6 090)	n/a
Share price at date of vesting ¹	n/a	n/a

¹ No shares have vested, however, as these shares only require employees to be employed on vesting, all are expected to vest.

The number of restricted retention shares allotted in terms of the award scheme is set out below:

	2024	IFRS 2 charge R'000
Andrew Wooler (CEO)	1 001 335	1 875
Jenna Sprenger (CFO)	400 534	750
Other employees	2 269 692	3 465
	3 671 561	6 090

16. Related parties

R'000		Group 2024	Group 2023	Company 2024	Company 2023
Related party transactions and balance					
Investec Property (Proprietary) Limited¹	Shareholder				
Asset management fees paid ²		(12 789)	(74 145)	(12 789)	(89 411)
Letting commissions and fees		-	(21 903)	-	(16 693)
Irongate JV Australia	Joint venture				
Equity Investment		70 612	59 614	-	-
Shareholder loan		12 745	11 290	-	-
Investment in ITAP Fund at fair value	Associate	321 526	264 919	-	-
Investment in Smithfield at fair value	Associate	84 987	-	-	-
Izandla Property Fund³	Equity Investment				
Equity accounted losses from associate		-	(7 945)	-	(7 945)
Loans receivable		253 716	247 866	253 716	247 866
Finance income from associate		40 762	34 493	40 762	34 493
Asset management fee income		900	-	900	-
Pan-European logistics investment	Joint venture				
Fair value of profit participating loans to PEL		8 960 609	9 051 489	-	-
Finance income accrual		69 314	159 834	-	-
Loan to PEL		282 456	-	-	-
Interest accrual		6 624	11 162	-	-
Investec Bank Limited Group¹	Shareholder				
Cash and cash equivalents		-	212 426	-	143 678
Fair value of derivative instruments		-	6 851	-	74 287
Mark-to-market of swap derivatives		-	2 492 245	-	-
Nominal value of interest rate swaps		-	2 803 126	-	2 067 500
Nominal value of FEC's		-	344 725	-	344 725
Rental and recoveries received		17 052	73 240	17 052	73 240
Interest received		5 327	14 659	5 327	11 479
Sponsor fees paid		(294)	(282)	(294)	(282)
Corporate advisory and structuring fees paid		(15 000)	(22 868)	(15 000)	(687)
Interest paid on related party borrowings		-	(28 862)	-	(28 862)
Net interest (paid)/received on cross currency swaps		(3 931)	96 326	-	-
Interest paid on interest rate swaps		(2 055)	(34 681)	(2 055)	(28 852)
Dividends received from subsidiaries		-	-	188 113	171 062

¹ Related party up until 6 July 2023.

² The business combination was completed on 6 July 2023. In terms of the agreement Burstone would reimburse Investec for all salary costs and overhead charges with a pre-agreed 'profit ticker' being paid to Investec Property Proprietary Limited, which equated to the equivalent of the asset management fee.

³ The finance income relates to mezzanine loans provided to Izandla. In the current year the loan receivable balance with Izandla, was added to the disclosure in this note, to meet the requirements of IAS24 related parties.

Notes to the Consolidated and Separate Financial Statements

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16. Related parties continued

Company R'000	% held 2024 and 2023	Investment at book value		Intercompany loan receivable ¹	
		2024	2023	2024	2023
Bethlehem Property Development	100	-	-	-	-
Double Flash Investments Proprietary Limited	100	40 365	40 364	-	-
Erf 145 Isando Properties Proprietary Limited	100	110 774	110 774	2 048	-
Farm Rietfontein (RF) 31 Proprietary Limited	100	73 250	73 250	-	-
Fleurdal Properties Proprietary Limited	100	182 502	182 502	128 386	128 386
Friedshelf 113 Proprietary Limited	100	184 150	237 253	479 148	479 148
Burstone Offshore Investments Proprietary Limited	100	-	-	-	-
Burstone Offshore Investments 2 Proprietary Limited	100	-	-	-	-
Lekup Property Company 6 Proprietary Limited	100	20 256	20 256	1 000	-
Listani Proprietary Limited	100	561 404	561 405	-	-
Spareprops Proprietary Limited	100	67 673	134 844	216 974	216 974
Torte Trade and Investment Proprietary Limited ²	100	-	-	-	-
Closing balance		1 240 374	1 360 648	827 556	824 508

¹ The loans receivable are interest free and are repayable on demand.

² Investment deemed not material.

Burstone holds 100% direct investments in twelve subsidiaries (2023: eleven subsidiaries) and indirectly holds 100% in two subsidiaries (2023: one subsidiary) through Burstone Offshore Proprietary Limited and 100% in one subsidiary (2023: none) through Burstone Offshore Investments 2 Proprietary Limited.

In 2024, the impairment loss of R120 million (2023: R62 million) represents the write-down of investments in subsidiaries to the recoverable amount as a result of downward fair value adjustment of investment property in the underlying subsidiary investments. This was recognised in the statement of comprehensive income. The recoverable amount is based on the net asset values (total assets less total liabilities) which represents the fair value of the subsidiary companies at the reporting date. In the current year, impairments were recognised for Friedshelf 113 Proprietary Limited (R53m) and Spareprops Proprietary Limited (R67m).

Intercompany receivable/(payable)

Company	Company Intercompany receivable ¹		Company Intercompany payable ¹	
	2024	2023	2024	2023
Bethlehem Property Development Proprietary Limited	-	-	(67 222)	(67 222)
Double Flash Investments Proprietary Limited	7 137	2 255	-	-
Erf 145 Isando Properties Proprietary Limited	-	-	(112 647)	(110 600)
Farm Rietfontein (RF) 31 Proprietary Limited	-	-	(2 136)	(7 947)
Fleurdal Properties Proprietary Limited	89 079	80 237	-	-
Friedshelf 113 Proprietary Limited	177 436	104 452	-	-
Burstone Offshore Investments Proprietary Limited	3 558 485	2 946 686	-	-
Lekup Property Company 6 Proprietary Limited	-	-	(21 277)	(20 231)
Listani Proprietary Limited	-	-	(113 556)	(98 070)
Spareprops Proprietary Limited	-	-	(19 282)	(36 539)
Torte Trade and Investment Proprietary Limited	29 375	54	-	-
Closing balance	3 861 512	3 133 684	(336 120)	(340 609)

¹ The intercompany receivables and payables are interest free and are receivable/repayable on demand with the exception of Burstone Offshore. The Burstone Offshore intercompany receivable accrues interest at a rate of 13%.

Remuneration paid to key management personnel (as defined in the accounting policies) is disclosed in Note 30: Directors' and prescribed officers' remuneration.

The following categories of key management personnel are included:

1. Executive directors
2. Non-executive directors

17. Business combinations

17.1 Details of acquisition

Name of acquiree	Principal activity	Date of acquisition	Proportion of voting equity interests acquired	
			%	R'000
SA Manco and Burstone UK Limited	Asset management	2023/07/06	100	850 000

Effective 1 April 2023 Burstone acquired 100% of Burstone UK Limited (previously Urban Real Estate Partners Limited) and SA Manco (the South African management company previously a division managed 100% by Investec Property (Proprietary) Limited) from Investec Limited and Investec Property (Proprietary) Limited respectively.

The acquisition gave rise to a business combination. The assets acquired (which included an intangible asset relating to management contracts in place at acquisition date) and liabilities assumed in the business combination are presented below and equates the fair value of the assets and liabilities acquired.

The businesses acquired comprise of operational businesses which generate income from asset management activities.

This acquisition creates operational benefits for the Group which include improving its operating leverage, cost savings resulting from the management fee and increase in exposure to the European market in line with the Group's strategy of participation in capital light activities which leads to the synergies attributable to the transaction.

Goodwill arose as the consideration transferred exceeded the fair value of the net assets acquired.

The fair value of the consideration paid for the businesses was based on the fair values of the net assets acquired and the fair value of the of termination fee to acquire SA Manco.

The goodwill is attributable to additional cash flows generated by the Group through the acquisition of the Burstone UK Limited and the SA Manco asset management businesses. Goodwill is not deductible for tax purposes. The cash generating unit that is expected to benefit from the business combination is the asset management business operating segment.

The purchase price allocation as a result of the business combination is presented as follows:

17.2 Consideration transferred

R'000	2024
Property disposal consideration	390 000
Deferred consideration ¹	200 000
Cash consideration	264 619
Working Capital adjustments	(4 619)
Headline consideration	850 000
Additional consideration transferred	79 450
Total consideration transferred	929 450

¹ This relates to the undiscounted deferred consideration. The discounted deferred consideration is disclosed in the balance sheet with the current portion disclosed as part of trade and other payables on the balance sheet.

Notes to the Consolidated and Separate Financial Statements

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17. Business combinations continued

17.3 Assets acquired and liabilities recognised at the date of acquisition

R'000	2024
Non-current assets	
Property, plant and equipment	1 251
Intangible asset relating to management contracts	637 500
Current assets	
Prepayments	262
Trade and other receivables (note 17.4)	157 980
Cash and cash equivalents	12 467
Current liabilities	
Provisions	2 803
Trade and other payables	65 829
Employee benefit liabilities	23 158
Lease accrual	820
Assets acquired and liabilities recognised at the date of acquisition	716 850
17.4 Receivables acquired	
Management fee accrual	45 082
Asset management fee accrual	110 587
VAT accrual	951
Other accruals	1 360
	157 980
17.5 Goodwill arising on acquisition	
Consideration transferred (note 17.2)	929 450
Purchase consideration adjustments	5 000
Less fair value of net assets acquired (note 17.3)	(716 850)
Goodwill arising on acquisition	217 600

The business combination was concluded on 6 July 2023. There have been changes in market values and interest rates from 1 April 2023 to the date of conclusion, however the business combination transaction was concluded within the changes in the market and the impacts of these were taken into consideration within the purchase price of the transaction.

The amounts of revenue and profit or loss of the companies acquired since the acquisition date are shown within the segment report.

18. Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

18.1 Total assets and liabilities

The table below sets out the Group's accounting classification of each class of asset and liability and their fair values at 31 March 2024

R'000	Group			
	Held at fair value	Amortised cost	Non-financial instruments	Total
ASSETS				
Non-current assets				
Investment property	-	-	13 411 735	13 411 735
Straight-line rental revenue adjustment	-	-	326 742	326 742
Property, plant and equipment	-	-	11 754	11 754
Intangible assets	-	-	569 054	569 054
Goodwill	-	-	217 600	217 600
Derivative financial instruments	125 221	-	-	125 221
Other financial instruments	9 507 048	617 876	-	10 124 924
Total Non-current assets	9 632 269	617 876	14 536 885	24 787 030
Current assets				
Derivative financial instruments	47 329	-	-	47 329
Trade and other receivables	-	204 325	108 640	312 965
Cash and cash equivalents	-	283 513	-	283 513
Non-current assets held for sale	-	-	417 247	417 247
Total Current assets	47 329	487 838	525 887	1 061 054
Total assets	9 679 598	1 105 714	15 062 772	25 848 084
LIABILITIES				
Non-current liabilities				
Long-term borrowings	1 050 110	8 839 501	-	9 889 611
Deferred consideration	-	94 828	-	94 828
Derivative financial instruments	147 770	-	-	147 770
Total Non-current liabilities	1 197 880	8 934 329	-	10 132 209
Current liabilities				
Long-term borrowings	-	2 364 377	-	2 364 377
Derivative financial instruments	222 907	-	-	222 907
Employee benefit liabilities	-	-	70 490	70 490
Trade and other payables	-	543 679	75 191	618 870
Total Current liabilities	222 907	2 908 056	145 681	3 276 644
Total liabilities	1 420 787	11 842 385	145 681	13 408 853

Notes to the Consolidated and Separate Financial Statements

continued

18. Financial risk management continued

18.1 Total assets and liabilities continued

The table below sets out the Group's accounting classification of each class of asset and liability and their fair values at 31 March 2023

R'000	Group			Total
	Held at fair value	Amortised cost	Non-financial instruments	
ASSETS				
Non-current assets				
Investment property	-	-	13 178 659	13 178 659
Straight-line rental revenue adjustment	-	-	324 815	324 815
Derivative financial instruments	191 079	-	-	191 079
Other financial instruments	9 535 856	321 099	-	9 856 955
Total Non-current assets	9 726 935	321 099	13 503 474	23 551 508
Current assets				
Derivative financial instruments	94 876	-	-	94 876
Trade and other receivables	-	144 018	192 096	336 114
Cash and cash equivalents	-	302 747	-	302 747
Non-current assets held for sale	-	-	1 098 627	1 098 627
Total Current assets	94 876	446 765	1 290 723	1 832 364
Total assets	9 821 811	767 864	14 794 197	25 383 872
LIABILITIES				
Non-current liabilities				
Long-term borrowings	1 011 030	8 879 955	-	9 890 985
Derivative financial instruments	149 183	-	-	149 183
Total Non-current liabilities	1 160 213	8 879 955	-	10 040 168
Current liabilities				
Long-term borrowings	-	1 650 099	-	1 650 099
Derivative financial instruments	69 451	-	-	69 451
Trade and other payables	-	500 322	110 287	610 609
Total Current liabilities	69 451	2 150 421	110 287	2 330 159
Total liabilities	1 229 664	11 030 376	110 287	12 370 327

18. Financial risk management continued

18.1 Total assets and liabilities continued

The table below sets out the Company's accounting classification of each class of asset and liability and their fair values at 31 March 2024.

R'000	Company			
	Held at fair value	Amortised cost	Non-financial instruments	Total
ASSETS				
Non-current assets				
Investment property	-	-	10 892 708	10 892 708
Straight-line rental revenue adjustment	-	-	291 058	291 058
Property, plant and equipment	-	-	2 208	2 208
Derivative financial instruments	101 627	-	-	101 627
Investment in subsidiaries	-	827 556	1 240 374	2 067 930
Other financial instruments	-	253 716	-	253 716
Total Non-current assets	101 627	1 081 272	12 426 348	13 609 247
Current assets				
Derivative financial instruments	1 637	-	-	1 637
Intercompany receivable ¹	-	3 861 512	-	3 861 512
Trade and other receivables	-	117 021	87 822	204 843
Cash and cash equivalents	-	198 289	-	198 289
Non-current assets held for sale	-	-	417 247	417 247
Total Current assets	1 637	4 176 822	505 069	4 683 528
Total assets	103 264	5 258 094	12 931 417	18 292 775
LIABILITIES				
Non-current liabilities				
Long-term borrowings	-	4 707 546	-	4 707 546
Deferred consideration	-	23 707	-	23 707
Derivative financial instruments	14 789	-	-	14 789
Total Non-current liabilities	14 789	4 731 253	-	4 746 042
Current liabilities				
Long-term borrowings	-	1 909 517	-	1 909 517
Derivative financial instruments	1 783	-	-	1 783
Intercompany payable	-	336 120	-	336 120
Employee benefit liabilities	-	-	23 623	23 623
Trade and other payables	-	360 237	56 866	417 103
Total Current liabilities	1 783	2 605 874	80 489	2 688 146
Total liabilities	16 572	7 337 127	80 489	7 434 188

¹ For assets and liabilities measured at amortised cost, the carrying value as at 31 March 2024 approximates the fair value with the exception of the loan granted to Burstone Offshore Investments Proprietary Limited with a difference of R55 million (2023: R596 million) between its fair value and amortised cost. The significant change in the fair value of the receivable year on year was as a result of significant changes in the swap curve that is applied over the contractual maturity of 29 years.

Notes to the Consolidated and Separate Financial Statements

continued

18. Financial risk management continued

18.1 Total assets and liabilities continued

The table below sets out the Company's accounting classification of each class of asset and liability and their fair values at 31 March 2023

R'000	Company			Total
	Held at fair value	Amortised cost	Non-financial instruments	
ASSETS				
Non-current assets				
Investment property	-	-	10 754 099	10 754 099
Straight-line rental revenue adjustment	-	-	276 411	276 411
Investment in subsidiaries	-	824 508	1 360 648	2 185 156
Derivative financial instruments	142 200	-	-	142 200
Other financial instruments	-	247 866	-	247 866
Total Non-current assets	142 200	1 072 374	12 391 158	13 605 732
Current assets				
Intercompany loans receivable	-	3 133 684	-	3 133 684
Trade and other receivables	-	114 378	132 295	246 673
Cash and cash equivalents	-	209 084	-	209 084
Derivative financial instruments	29 797	-	-	29 797
Non-current assets held for sale	-	-	1 098 627	1 098 627
Total Current assets	29 797	3 457 146	1 230 922	4 717 865
Total assets	171 997	4 529 520	13 622 080	18 323 597
LIABILITIES				
Non-current liabilities				
Long-term borrowings	-	5 295 446	-	5 295 446
Derivative financial instruments	33 725	-	-	33 725
Total Non-current liabilities	33 725	5 295 446	-	5 329 171
Current liabilities				
Intercompany loans payable	-	340 609	-	340 609
Trade and other payables	-	369 687	93 296	462 983
Long-term borrowings	-	1 230 454	-	1 230 454
Derivative financial instruments	14 792	-	-	14 792
Total Current liabilities	14 792	1 940 750	93 296	2 048 838
Total liabilities	48 517	7 236 196	93 296	7 378 009

18. Financial risk management continued

18.1 Total assets and liabilities continued

Fair Value Hierarchy at 31 March 2024

R'000	Group				Carried at amortised cost
	Carried at fair value	Level 1	Level 2	Level 3	
Assets					
Investment Property	13 411 735	-	-	13 411 735	-
Derivative financial instruments	172 550	-	172 550	-	-
Other financial instruments	9 507 048	-	-	9 507 048	617 876
Trade and other receivables	-	-	-	-	204 325
Cash and cash equivalents	-	-	-	-	283 513
Non-current assets held for sale	417 247	-	-	417 247	-
Total financial assets	23 508 580	-	172 550	23 336 030	1105 714
Liabilities					
Derivative financial instruments	370 677	-	370 677	-	-
Deferred consideration	-	-	-	-	94 828
Borrowings	1 050 110	-	-	1 050 110	11 203 878
Trade and other payables	-	-	-	-	543 679
Total financial liabilities	1 420 787	-	370 677	1 050 110	11 842 385

Fair Value Hierarchy at 31 March 2023

Assets					
Investment Property	13 178 659	-	-	13 178 659	-
Derivative financial instruments	285 955	-	285 955	-	-
Other financial instruments	9 535 856	-	-	9 535 856	321 099
Trade and other receivables	-	-	-	-	144 018
Cash and cash equivalents	-	-	-	-	302 747
Non-current assets held for sale	1 098 627	-	-	1 098 627	-
Total financial assets	24 099 097	-	285 955	23 813 142	767 864
Liabilities					
Derivative financial instruments	218 634	-	218 634	-	-
Borrowings	1 011 030	-	-	1 011 030	10 530 054
Trade and other payables	-	-	-	-	500 322
Total financial liabilities	1 229 664	-	218 634	1 011 030	11 030 376

Notes to the Consolidated and Separate Financial Statements

continued

18. Financial risk management continued

18.1 Total assets and liabilities continued

Fair Value Hierarchy at 31 March 2024

R'000	Company				Carried at amortised cost
	Carried at fair value	Level 1	Level 2	Level 3	
Assets					
Investment Property	10 892 708	-	-	10 892 708	-
Derivative financial instruments	103 264	-	103 264	-	-
Other financial instruments	-	-	-	-	253 716
Investment in subsidiaries	-	-	-	-	827 556
Intercompany loans receivable	-	-	-	-	3 861 512
Trade and other receivables	-	-	-	-	117 021
Cash and cash equivalents	-	-	-	-	198 289
Non-current assets held for sale	417 247	-	-	417 247	-
Total financial assets	11 413 219	-	103 264	11 309 955	5 258 094
Liabilities					
Derivative financial instruments	16 572	-	16 572	-	-
Deferred consideration	-	-	-	-	23 707
Borrowings	-	-	-	-	6 617 063
Intercompany payable	-	-	-	-	336 120
Trade and other payables	-	-	-	-	360 237
Total financial liabilities	16 572	-	16 572	-	7 337 127

Fair Value Hierarchy at 31 March 2023

Assets					
Investment Property	10 754 099	-	-	10 754 099	-
Derivative financial instruments	171 997	-	171 997	-	-
Other financial instruments	-	-	-	-	247 866
Investment in subsidiaries	-	-	-	-	824 508
Intercompany loans receivable	-	-	-	-	3 133 684
Trade and other receivables	-	-	-	-	114 378
Cash and cash equivalents	-	-	-	-	209 084
Non-current assets held for sale	1 098 627	-	-	1 098 627	-
Total financial assets	12 024 723	-	171 997	11 852 726	4 529 520
Liabilities					
Derivative financial instruments	48 517	-	48 517	-	-
Borrowings	-	-	-	-	6 525 900
Intercompany loans payable	-	-	-	-	340 609
Trade and other payables	-	-	-	-	369 687
Total financial liabilities	48 517	-	48 517	-	7 236 196

18. Financial risk management continued

18.2 Fair value estimation

Level 2 valuations:

Derivatives

Derivative financial instruments consist of interest hedging instruments, cross-currency hedges as well as foreign exchange hedging instruments. Interest rate hedging instruments are valued by discounting future cash flows using the market rate indicated on the interest rate curve at the dates when the cash flows will take place. Foreign exchange and cross-currency hedging instruments are valued by making reference to market prices for similar instruments and discounting for the effect of the time value of money.

Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), will the net position owing/receivable to a single counterparty in the same currency be taken as owing and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet, but have been presented separately in the table below.

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Non-current assets				
Cross currency swaps	3 890	5 739	-	-
Interest rate swaps	75 804	97 672	56 100	54 531
Forward exchange contracts	-	23 775	-	23 775
Foreign exchange options	37 702	63 893	37 702	63 894
Derivatives to hedge staff equity options	7 825	-	7 825	-
Total non-current derivative financial instrument assets	125 221	191 079	101 627	142 200
Current assets				
Cross currency swaps	24 038	54 449	-	-
Interest rate swaps	18 863	11 810	1 040	1 633
Forward exchange contracts	-	20 002	-	20 002
Foreign exchange options	4 428	8 615	597	8 162
Total current derivative financial instrument assets	47 329	94 876	1 637	29 797
Non-current liabilities				
Cross currency swaps	89 557	82 214	-	-
Interest rate swaps	-	2 405	-	1 858
Foreign exchange options	14 789	31 866	14 789	31 867
Contract for difference	43 424	32 698	-	-
Total non-current derivative financial instrument liabilities	147 770	149 183	14 789	33 725
Current liabilities				
Cross currency swaps	217 293	54 659	-	-
Forward exchange contracts	-	78	-	78
Foreign exchange options	5 614	14 714	1 783	14 714
Total current derivative financial instrument liabilities	222 907	69 451	1 783	14 792

Notes to the Consolidated and Separate Financial Statements

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18. Financial risk management continued

18.2 Fair value estimation continued

Level 3 valuations at 31 March 2024

The significant unobservable inputs used to derive the level 3 fair value measurements are those relating to the valuation of underlying investment properties and the fair value of the returns from the investments.

The total net asset values of the entities are determined at the end of the reporting period and are adjusted for the percentage of total interest held by the Group to determine the fair value of the investments at the end of the reporting period. The total net asset value is the gross asset value less capital gains tax payable, less external debt and other short-term payables.

R'000

The Level 3 valuations are reconciled as follows:	Group				
	Smithfield Investment	Irongate Group Holdings funds management business	ITAP Fund Australia	Pan-European logistics investment	Profit Participating Liability ²
Balance at the beginning of the year	-	59 614	264 919	9 211 323	(1 011 030)
Acquisition/increase in investments	84 330	-	37 495	-	-
Capitalised fees	441	1 969	7 875	-	-
Net interest accrued	-	6 630	-	69 314	(3 129)
Fair value and foreign exchange gains/ (losses)	216	2 399	11 237	149 708	(57 750)
Capital distribution on sale of Schipol property by PEL	-	-	-	(187 626)	21 799
Receipt of interest accrued ¹	-	-	-	(212 796)	-
Balance at the end of the period	84 987	70 612	321 526	9 029 923	(1 050 110)

¹ In the current and prior years it was agreed with PEL that a portion of the distributable earnings would be held back to fund capital expenditure. The amount attributable to the Group that was held back was raised as an interest accrual. During the current year this interest was paid to the Group and this line represents the reversal of the accrual.

² Profit participating liability is the effective 10.85% in PEL. The liability is included in the non-current portion of long-term borrowings.

Level 3 valuations at 31 March 2023

The Level 3 valuations are reconciled as follows:	Irongate Group Holdings funds management business	ITAP Fund Australia	Pan-European logistics investment	Profit Participating Liability ¹
Balance at the beginning of the year	-	-	6 873 541	(950 570)
Acquisition/increase in investments ²	59 614	264 919	1 986 413	-
Net interest accrued	-	-	159 834	(18 750)
Fair value and foreign exchange gains/ (losses)	-	-	191 535	(41 710)
Balance at the end of the period	59 614	264 919	9 211 323	(1 011 030)

¹ Profit participating liability is the effective 10.85% in PEL.

² Purchase of additional 19% in Pan-European Logistics Limited, 50% investment in Irongate Group Holdings funds management business and 18.67% investment in ITAP Fund Australia.

	Group 2024	Group 2023	Company 2024	Company 2023
Investment property¹				
Balance at the beginning of the year	13 178 659	13 515 379	10 754 099	11 236 120
Disposals	(97 723)	(90 783)	(97 723)	(90 783)
Developments and capital expenditure	250 891	324 774	170 434	204 840
Fair value adjustments	3 167	(129 833)	5 335	(124 981)
Tenant incentives	42 670	(7 715)	26 492	(6 211)
Transfer to non-current assets held for sale	(192 376)	(846 463)	(192 376)	(846 463)
Transfer from non-current assets held for sale	226 447	413 300	226 447	381 577
Balance at the end of the year	13 411 735	13 178 659	10 892 708	10 754 099

¹ Investment property is included as a level 3 instrument, therefore a reconciliation of the investment property amounts has been included here.

18. Financial risk management continued

18.2 Fair value estimation

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Non-current assets held for sale¹				
Balance at the beginning of the year	1 098 627	1 026 187	1 098 627	969 234
Disposals	(640 694)	(373 614)	(640 694)	(348 614)
Developments and capital expenditure	6 071	3 258	6 071	3 259
Fair value adjustments	(4 839)	-	(4 839)	-
Straight-line rental adjustment	(2 084)	505	(2 084)	505
Transfer from Investment property	196 166	871 365	196 166	871 363
Transfer to Investment property	(236 000)	(429 074)	(236 000)	(397 120)
Total non-current assets held for sale	417 247	1 098 627	417 247	1 098 627
Held for sale made up as follows:	417 247	1 098 627	417 247	1 098 627
Non-current assets held for sale excluding straight-lining	413 823	1 066 761	413 823	1 066 761
Straight-line rental adjustment	3 424	31 866	3 424	31 866

¹ In the current year a reconciliation of opening to closing balance of non-current assets held for sale was added to the financial risk management note as it is a level 3 instrument.

Valuation techniques used to derive Level 3 fair value

The significant unobservable inputs used to derive the fair value measurements are those relating to the valuation of underlying investment properties. The table below includes the following definitions and relationship between the unobservable inputs and fair value measurement:

Expected rental value ('ERV')	The rent at which space could be let in the market conditions prevailing at the date of valuation.
Capitalisation rate	The rate of return that is expected to be generated on the real estate investment property.
Long-term vacancy rate	The ERV of the expected long-term average structural vacant space divided by the ERV of the whole property. Long-term vacancy rate can also be determined based on the percentage of estimated vacant space divided by the total lettable area.
Equivalent Yield Range	The measure used in property valuation to determine the expected return on investment for a property.

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18. Financial risk management continued

The following table shows the valuation techniques used in measuring level 2 and 3 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between
Investment	The fair value of the underlying property portfolio has been determined using the income capitalisation method, which capitalises the net revenue stream supported by market-related rentals and deducting market-related expenses.	<ul style="list-style-type: none"> Expected rental value ('ERV') Capitalisation rate Long-term vacancy rate Equivalent Yield Range 	The estimated fair value would increase if: <ul style="list-style-type: none"> the exit capitalisation rates declined; Property operating expense growth rates declined; Maintenance costs declined; and rental growth rates increased
Derivative assets and liabilities: interest rate hedging instruments	Valued by discounting future cash flows using the applicable interest rate curve at the dates when the cash flows will take place.	Not applicable	Not applicable
Derivative assets and liabilities: forward exchange, cross currency and contract for difference hedging instruments	Valued with reference to market pricing of similar instruments discounted using applicable forward rates.	Not applicable	Not applicable

18.3 Level 3 valuations at 31 March 2024

Description	Group					
	Average Expected rental value per m ²	Equivalent yield range (%)	Weighted average cap rates (%)	Long-term vacancy rate (%)	Change in FV ('000) from a 25bps increase/decrease in cap rate	Change in FV ('000) from 500bps increase/decrease in expected rental value
SA Retail ('R)	171	7.3 – 10.3	8.3	3.6 – 4.6	140 882	240 908
SA Industrial ('R)	55.4	4.9 – 17.3	9.0	1.9 – 3.0	83 560	154 742
SA Office ('R)	167	3.3 – 12.4	9.2	7.7 – 8.4	127 176	240 362
PEL €	60.74	4.1 – 7.9	5.0	1.0 – 3.0	52 923	52 762
ITAP Australia AUD\$	21.96	5.6 – 6.2	6.0	1.3 – 1.5	1 559	1 903
Smithfield AUD\$	3.43	4.6 – 6.0	5.75	–	554	636

Level 3 valuations at 31 March 2023

SA Retail ('R)	162.2	7.4 – 11.0	8.3	4.0 – 5.0	140 904	270 033
SA Industrial ('R)	53.8	7.6 – 12.9	9.3	1.5 – 2.0	73 950	158 691
SA Office ('R)	144.0	7.7 – 12.0	8.9	7.7 – 9.5	58 102	237 479
PEL €	56.4	4.0 – 8.3	4.7	1.0 – 3.0	51 111	54 930
ITAP Australia AUD\$	21.0	4.6 – 6.0	5.5	1.0 – 3.0	1 087	2 497

Level 3 valuations at 31 March 2024

Description	Company					
	Average Expected rental value per m ²	Equivalent yield range (%)	Weighted average cap rates (%)	Long-term vacancy rate (%)	Change in FV ('000) from a 25bps increase/decrease in cap rate	Change in FV ('000) from 500bps increase/decrease in expected rental value
SA Retail ('R)	170.1	7.3 – 10.3	8.4	5 – 5.3	117 806	202 841
SA Industrial ('R)	55.9	4.9 – 17.3	9.2	2.5 – 3.5	67 530	127 116
SA Office ('R)	165.7	5.3 – 12.4	9.2	5.5 – 8.4	105 567	200 536

Level 3 valuations at 31 March 2023

SA Retail ('R)	144.5	7.4 – 10.5	8.3	4.3 – 4.4	182 269	321 598
SA Industrial ('R)	53.9	7.8 – 12.9	9.3	1.9 – 2.3	14 662	224 616
SA Office ('R)	161	8.1 – 12.0	8.9	8.0 – 9.9	110 860	330 268

18.4 Other financial risk management considerations

The financial instruments of the Group consist mainly of cash and cash equivalents (including deposits with banks), borrowings, derivative instruments, trade and other receivables and trade and other payables. The Group purchases or issues financial instruments in order to finance operations and to manage the interest rate risks that arise from these operations and the source of funding.

The Group has exposure to the following risks from its use of financial instruments:

- (1) Market risk
- (2) Credit risk
- (3) Liquidity risk

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the audit and risk committee, which is responsible for developing and monitoring the Group's risk management policies. The audit and risk committee reports regularly to the Board on its activities.

The audit and risk committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit and risk committee is assisted in its oversight role by Investec internal audit, which undertake both regular and ad hoc reviews of risk management controls and the results of which are reported to the audit and risk committee.

Market risk**Interest rate risk**

The Group is exposed to interest rate risk and adopts a policy of ensuring that at least 75% of its exposure to changes in interest rates on borrowings is on a fixed basis. This is achieved by entering into fixed for variable interest rate swap instruments. All such transactions are carried out within the guidelines set by the audit and risk committee. As a consequence, the Group is exposed to fair value interest rate risk in respect of the fair value of its interest rate derivative instruments, which will not have an impact on distributions. Short-term receivables and payables and investments are not directly exposed to interest rate risk.

It is estimated that for the year ended 31 March 2024, a 1% increase/decrease in interest rates on the variable rate borrowings would have decreased/increased the Group's profit after tax by approximately R2.22 million (2023: R14.21 million).

For the financial instruments carried at amortised cost, market related interest rates are applied and as a result the amortised cost of financial instruments equates fair value.

Currency risk

Distributions and interest on the PEL loan is received in Euros and some external borrowings are in Euros. This exposes the Group to changes in the value of the distribution as a result of currency fluctuations. The risk is managed through entering into cross currency swaps. The Group also has foreign denominated borrowings which expose it to currency risk.

It is estimated that for the year ended 31 March 2024, a R1 strengthening/weakening in exchange rates on foreign profile interest rate swaps would have decreased/increased the Group's profit after tax by approximately R79million (2023: R71 million).

It is estimated that for the year ended 31 March 2024, a R1 strengthening/weakening in exchange rates on foreign profile cross currency swaps would have decreased/increased the Group's profit after tax by approximately R247.5 million (2023: R211.5 million).

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18. Financial risk management continued

18.4 Other financial risk management considerations continued

Derivatives

Derivative instruments are used to hedge the Group's exposure to any increases in interest rates on variable interest rate loans. Interest rate swap contracts are entered into whereby the Group hedges out its variable rate obligation to provide a maximum fixed rate obligation

Interest rate swaps

Details of the interest rate fixed for variable swap instruments are as follows:

Financial institution	Group		
	Nominal amount ZAR'000	Expiry date financial year	Weighted average swap rate (%)
31 March 2024			
Nedbank	800 000	2026	7.6
Standard Bank	350 000	2025	7.2
Standard Bank	100 000	2026	7.8
Investec	150 000	2026	7.9
Investec	2 467 500	2027	7.2
31 March 2023			
Nedbank	150 000	2024	7.3
Nedbank	650 000	2025	7.7
Standard Bank	450 000	2025	7.5
Investec	912 500	2025	7.7
Investec	525 000	2026	7.4
Investec	760 000	2027	6.9
Investec	240 000	2028	6.4

Financial institution	Group		
	Nominal amount EUR'000	Expiry date financial year	Weighted average swap rate (%)
31 March 2024			
Standard Chartered	39 000	2025	0.5
Standard Chartered	20 000	2026	0.2
Investec	20 000	2025	1.0
31 March 2023			
Standard Chartered	30 000	2024	0.2
Standard Chartered	20 000	2026	0.2

Forward exchange rate contracts

FECs are entered into to mitigate foreign exchange exposure. The details of the FEC instruments are as follows:

Financial institution AUD FEC	Group		
	Nominal amount AUD'000	Expiry date financial year	Weighted average exchange rate
31 March 2024			
Investec	3 418	2025	14.7

	Group		
	Nominal amount EUR'000	Expiry date financial year	Weighted average exchange rate
Financial institution EUR FEC			
31 March 2024			
Standard Back	215	2025	23.3
Investec	642	2025	23.4
Investec	10 288	2026	23.9
Investec	3 377	2027	26.7
Investec	1 186	2028	29.4
31 March 2023			
Investec	46 401	2024	21.2
Investec	83 914	2025	22.7
Investec	154 656	2026	24.6
Investec	40 167	2027	26.9
Investec	19 586	2028	29.4

Cross-currency swaps (CCS's)

CCS were entered into to convert ZAR borrowings to hedge the mismatch between the currency of the borrowing and the currency of the investment. The details of the CCS are as follows:

	Group		
	Nominal amount AUD'000	Expiry date financial year	Weighted average fixed rate (%)
Financial institution AUD CCS			
31 March 2024			
Investec	6 000	2027	6.25
	Group		
	Nominal amount EUR'000	Expiry date financial year	Weighted average fixed rate (%)
Financial institution EUR CCS			
31 March 2024			
Investec	90 257	2025	1.4
Investec	18 000	2026	3.5
Investec	34 000	2027	2.1
Investec	12 000	2028	4.0
Nedbank	87 200	2025	3.8
31 March 2023			
Investec	56 000	2024	1.6
Nedbank	72 200	2024	2.8
Investec	56 257	2025	1.6
Nedbank	10 000	2025	2.7
Investec	3 000	2026	0.5
Investec	14 000	2027	2.0

Notes to the Consolidated and Separate Financial Statements

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18. Financial risk management continued

18.4 Other financial risk management considerations continued

Interest rate swaps

The interest swaps are entered into to minimise the Group's exposure to unfavourable interest rate positions.

Financial institution	Company		
	Nominal amount ZAR'000	Expiry date financial year	Weighted average swap rate (%)
31 March 2024			
Nedbank	800 000	2026	7.6
Standard Bank	350 000	2025	7.2
Standard Bank	100 000	2026	7.8
Investec	2 267 500	2027	7.2
31 March 2023			
Nedbank	150 000	2024	7.3
Standard Bank	450 000	2025	7.5
Investec	892 500	2025	7.6
Investec	375 000	2026	8.0
Investec	560 000	2027	6.9
Investec	240 000	2028	6.4

Forward exchange rate contracts

FECs are entered into to mitigate foreign exchange exposure. The details of the FEC investments are as follows:

Financial institution EUR FEC	Company		
	Nominal amount EUR'000	Expiry date financial year	Weighted average exchange rate
31 March 2024			
Standard Bank	215	2025	23.3
Investec	642	2025	23.4
Investec	10 288	2026	23.9
Investec	3 377	2027	26.7
Investec	1 186	2028	29.4
31 March 2023			
Investec	46 401	2024	21.2
Investec	83 914	2025	22.7
Investec	154 656	2026	24.6
Investec	40 167	2027	26.9
Investec	19 586	2028	29.4

18. Financial risk management continued

18.4 Other financial risk management considerations continued

Credit risk

Credit risk is the risk of financial loss to The Group if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises from derivatives, trade and other receivables as well as cash and cash equivalents. There is no significant concentration of credit risk as exposure is spread over a large number of counterparties.

Maximum exposure to credit risk R'000	Group 2024	Group 2023	Company 2024	Company 2023
Trade and other receivables (excluding non-financial instruments)	204 325	144 018	117 021	114 378
Other financial instruments ¹	9 647 799	9 532 422	253 716	247 866
Derivative financial instruments	172 550	285 955	103 264	171 997
Cash and cash equivalents	283 513	302 747	198 289	209 084
Intercompany loans receivable	-	-	3 861 512	3 133 684
Investment in subsidiaries	-	-	827 556	824 508

¹ The Group has exposure to credit risk on the debt component of the investment.

Risk management

Trade receivables

The Group's exposure to credit risk is mainly in respect of clients and is influenced by the individual characteristics of each client. The Group's widespread client base reduces credit risk.

Management has established a credit policy under which each new client is analysed individually for creditworthiness before The Group's standard payment terms and conditions are offered which include, in the majority of cases, the provision of a deposit of at least one month's rental. When available, The Group's credit review includes external ratings.

The debtors' ageing is monitored on an ongoing basis and any amount outstanding for an extended period of time is an indicator of impairment.

Other financial instruments: loans to associates and joint ventures

The value of the PEL investment and loans is underpinned by the value of the direct property in the portfolio and strong balance sheet position. The value and performance of the properties demonstrate the ability to recover the value of the investment.

Other financial instruments: loans to associates (Izandla)

Any deterioration in Izandla's cash flows would indicate an increase in credit risk. The mezzanine loans are secured by the underlying properties, but rank behind senior lenders. The junior mezzanine loans are impaired as these loans have the lowest credit ranking and therefore it is considered prudent to impair these loans.

Derivative assets and cash and cash equivalents

Exposure to credit risk is limited by investing in liquid funds and entering into derivative financial instruments with counterparties who have a high percentage tier one capital holdings and strong credit ratings assigned by international credit rating agencies. For derivative financial instruments, management has established limits so that, at any time, less than 10% of the fair value of favourable contracts outstanding are with any individual counterparty.

Intercompany loan receivable

The Company's exposure to credit risk relating to intercompany receivables arises mainly from shareholder loans provided to subsidiaries of the Group. Management considers the probability of default, exposure at default and loss given default to determine if an ECL is required to be provided for on the intercompany receivables. Management considers the strength of the subsidiary's balance sheet value of underlying property and investment values to determine the exposure at default.

Loans to property co-investor

There is no expected credit losses on the loans to the property co-investor as the total value of the loans are secured by sufficient value in the underlying value of the properties. The Group is exposed to credit risk on the loans to the property co-investor.

Concentration risk

The majority of the derivative balances are held with Investec. The Group does not see this as a risk as the bank has a high credit rating. The Group evaluates the concentration risk with respect to trade receivables as low, as its clients are in several jurisdictions and industries and operate in largely independent markets.

Notes to the Consolidated and Separate Financial Statements

continued

18. Financial risk management continued

18.4 Other financial risk management considerations continued

External credit risk

For credit risk exposure, The Group monitors their exposure and cash and cash equivalents are held with the following institutions:

Financial institutions	Instruments	Rating ¹
Investec	Borrowings	Ba1
	Derivatives	Ba2
	Cash and cash equivalents	Ba2
Standard Bank	Borrowings	(P)Ba2
	Derivatives	Ba2
	Cash and cash equivalents	Baa2
Nedbank	Borrowings	(P)Ba2
	Derivatives	Ba2
	Cash and cash equivalents	Baa2
Standard Chartered	Borrowings	A1
	Derivatives	A1
	Cash and cash equivalents	A1
ABSA	Borrowings	Ba2
Rand Merchant Bank	Borrowings	Ba2

¹ Moody's rating scale applied. Ba1, Ba2 represents 'speculative', Baa2 represents 'lower medium grade', A1 represents 'upper medium grade'.

Financial instruments

Trade receivables	Unrated
Intercompany loans	Unrated
Investments in subsidiaries	Unrated
Investments in associates and joint ventures	Unrated

Capital management

The Group is funded partly by stated share capital and partly by external borrowings.

In terms of its covenants in place during the year, the Group is committed to a maximum value of external borrowings of 50% of the value of investment property and investment assets. In practice, the Group will aim to keep loan-to-value (LTV) levels between 37% and 40% within the next 12 months. At 31 March 2024, the nominal value of borrowings was equal to 44.0%(2023: 42.1%) of the value of investment property and investment assets.

The Board's policy is to maintain a strong capital base comprising its shareholders' interest so as to promote investor, creditor and market confidence and to sustain future development of the business. It is the Group's stated purpose to deliver medium to long-term sustainable growth in distributions per share. The Board monitors the level of distributions to shareholders and ensures that no profits of a capital nature are distributed. There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements except for the loan covenants agreed to.

The covenants are reported to the Board twice per year, the Board is satisfied that the Group is not at risk of breaching any covenants

18. Financial risk management continued

18.4 Other financial risk management considerations continued

Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet their financial obligations as they fall due. The Group and Company's policy is to seek to minimise its exposure to liquidity risk by balancing its exposure to interest rate risk and refinancing risk. In effect the Group and Company seek to borrow for as long as possible at the lowest acceptable cost.

The Group and Company regularly review the maturity profile of its financial liabilities and will seek to avoid concentration of maturities through the regular replacement of facilities and by using a selection of maturity dates.

As at 31 March 2024 the Group has a positive net asset value, however the current liabilities exceed the current assets. Refer to note 32: going concern, for the assessment of the Group's liquidity.

As at 31 March 2024 the Company has a positive net asset value and its current assets exceed current liabilities, which evidences a stable liquidity position and the ability of the Company to cover short-term liabilities.

The table below set out the maturity analysis of the Group and Company's financial liabilities based on the undiscounted contractual cash flows, being capital and interest repayments.

Contractual maturities of financial liabilities (undiscounted)

R'000	Within 1 year	1-2 years	3-5 years	Over 5 years	Total
Year ended 31 March 2024 – Group					
Trade and other payables excluding non-financial liabilities (Note 28)	543 679	–	–	–	543 679
Deferred consideration	100 000	100 000	–	–	200 000
Derivative financial instruments	339 359	(19 466)	301 236	–	621 129
Long-term borrowings (Note 29) ¹	4 381 190	2 658 177	6 255 077	427 655	13 722 099
Total liabilities	5 364 228	2 738 711	6 556 313	427 655	15 086 907
Year ended 31 March 2023 – Group					
Trade and other payables excluding non-financial liabilities (Note 28)	500 322	–	–	–	500 322
Derivatives	92 954	101 503	49 180	–	243 637
Long-term borrowings (Note 29)	2 025 857	2 237 882	7 780 586	1 331 141	13 375 466
Total liabilities	2 619 133	2 339 385	7 829 766	1 331 141	14 119 425

¹ The largest part of the outstanding balance is in the 3 – 5 years bucket. Of the total long-term borrowings, R1 760m falls due in year 3, R2 772m in year 4 and R1 723m in year 5.

Notes to the Consolidated and Separate Financial Statements

continued

18. Financial risk management continued

18.4 Other financial risk management considerations continued

R'000	Within 1 year	1-2 years	3-5 years	Over 5 years	Total
Year ended 31 March 2024 – Company					
Trade and other payables excluding non-financial liabilities (Note 28)	360 237	-	-	-	360 237
Derivative financial instruments	5 821	12 465	4 365	-	22 651
Deferred consideration	25 000	25 000	-	-	50 000
Long-term borrowings (Note 29) ¹	2 377 337	1 840 567	3 839 693	-	8 057 597
Intercompany loans payable	336 120	-	-	-	336 120
Total liabilities	3 104 515	1 878 032	3 844 058	-	8 826 605
Year ended 31 March 2023 – Company					
Trade and other payables excluding non-financial liabilities (Note 28)	369 687	-	-	-	369 687
Derivatives	14 792	8 793	25 207	-	48 792
Long-term borrowings (Note 29)	1 741 579	1 569 622	4 338 913	538 769	8 188 883
Intercompany loans payable	340 609	-	-	-	340 609
Total liabilities	2 466 667	1 578 415	4 364 120	538 769	8 947 971

¹ The largest part of the outstanding balance is in the 3 – 5 years bucket. Of the total long-term borrowings, R1 546m falls due in year 3, R1 088m in year 4 and R1 206m in year 5.

Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet the funding requirements of the Group. In terms of covenants with the lenders of the Group, the nominal value of interest bearing borrowings may not exceed 50% of the value of investment property and the carrying value of other investments and the interest cover ratio is not less than 2x.

Secured debt also has other SPV covenants which apply.

The Group has comfortably met all its covenant requirements.

19. Notes to the statements of cash flows

19.1 Cash generated from operations

	Group 2024	Group 2023	Company 2024	Company 2023
Profit before taxation	233 914	175 035	689 725	653 176
Adjustments for:				
Income from investments	(323 195)	(239 776)	-	-
Finance income	(87 204)	(89 254)	(436 793)	(322 471)
Finance costs	639 489	521 586	614 991	498 639
Equity accounted losses from associate	-	7 945	-	7 945
Realised (gains)/losses on derivatives	173 935	156 766	(31 727)	-
(Gain)/Loss on disposal of investment property	(7 285)	25 189	(7 285)	25 493
Loss on derecognition of financial instruments	-	100 053	-	-
Non-Cash items (Note 19.2)	407 137	369 509	217 736	224 820
Working capital movement:				
Increase in trade and other receivables	(81 571)	(73 560)	(33 829)	(54 979)
(Decrease)/increase in trade and other payables	(7 454)	98 832	18 529	49 854
Decrease/(increase) in intercompany loans receivable	-	-	294 843	(551 067)
Decrease in intercompany loans payable	-	-	(4 489)	(12 487)
Net cash flows from operations	947 766	1 052 325	1 321 701	518 923

19.2 Non-cash Items

	Group 2024	Group 2023	Company 2024	Company 2023
Fair value adjustments on loans to joint ventures at fair value	(105 810)	11 742	-	-
Unrealised losses on derivatives	228 481	126 605	43 933	(74 278)
Losses on foreign exchange realised in profit or loss	119 919	97 361	(9 409)	31 333
Fair value adjustment on investment property	1 672	129 833	(496)	124 981
Expected credit losses - trade receivables	9 638	4 559	2 431	1 563
Expected credit losses - finance income	21 966	9 920	142 242	77 334
Amortisation and depreciation ¹	72 440	-	380	-
Amortisation of tenant incentives	27 742	29 291	23 424	23 033
Reclassification of tenant incentives from investment property	-	(25 908)	-	(9 169)
Amortisation of letting commission	26 450	30 482	23 312	26 921
Straight-line rental revenue adjustment	4 639	15 839	(8 081)	12 047
Loss on sale of co-investor loan	-	(21 905)	-	-
Accrued expenses relating to the PEL investment	-	(52 855)	-	-
Other	-	14 545	-	11 055
Total non-cash items	407 137	369 509	217 736	224 820

Notes to the Consolidated and Separate Financial Statements

continued

20. Investment property

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Total Investment Property	13 411 735	13 178 659	10 892 708	10 754 099
Investment property	13 326 139	13 135 733	10 828 421	10 716 304
Tenant Incentives	85 596	42 926	64 287	37 795
¹ Properties to the value of R11.74bn (2023: R11.64bn) have been pledged as security for the secured long-term borrowings for the Group. R7.72bn of the properties pledged as security by the Group are in respect of secured long-term borrowings of Burstone Offshore Investments Proprietary Limited. Properties to the value of R9.87bn (2023: R9.87bn) have been pledged as security for the secured long-term borrowings for the Company.				
Balance at the beginning of the year	13 178 659	13 515 379	10 754 099	11 236 120
Disposals	(97 723)	(90 783)	(97 723)	(90 783)
Developments and capital expenditure	250 891	324 774	170 434	204 840
Fair value adjustments	3 167	(129 833)	5 335	(124 981)
Tenant incentives	42 670	(7 715)	26 492	(6 211)
Transfer to non-current assets held for sale	(192 376)	(846 463)	(192 376)	(846 463)
Transfer from non-current assets held for sale	226 447	413 300	226 447	381 577
Balance at the end of the year	13 411 735	13 178 659	10 892 708	10 754 099
Straight line rental asset				
Balance at 31 March	330 166	356 681	294 482	308 277
Straight-line rental asset related to non-current assets held for sale	(3 424)	(31 866)	(3 424)	(31 866)
Straight-line rental asset	326 742	324 815	291 058	276 411
Straight line rental asset – Balance at the beginning of the year	324 815	353 982	276 411	302 017
Disposals	(276)	(572)	(276)	(572)
Straight-line rental adjustment	(3 561)	(19 469)	9 160	(15 677)
Transfer to non-current assets held for sale	(3 789)	(24 900)	(3 790)	(24 900)
Transfer from non-current assets held for sale	9 553	15 774	9 553	15 543
Balance at the end of the year	326 742	324 815	291 058	276 411

Fair Value of investment property

The Group and Company's policy is to assess the valuation of investment property (including those classified as held for sale) at each reporting period. During the year ended 31 March 2024, this assessment resulted in an upward revaluation of R3.17 million in investment property and a downward revaluation of R4.84 million in non-current assets held for sale (2023: R129.8 million downward revaluation in investment property) for the Group. The assessment resulted in an upward revaluation of R5.34 million in investment property and downward revaluation of R4.84 million in non-current assets held for sale (2023: R124.98 million downward revaluation in investment property) for the Company.

The full portfolio of investment property (including those held for sale) is valued internally by the Group's asset management team and the head of the Group's South African asset management using the income capitalisation rate method. Note 18.2 sets out the significant unobservable inputs applied in this method of valuation. These assumptions are mainly based on market conditions exiting at reporting date.

In line with the JSE Listing Requirements, each property is externally valued by an independent valuer every three years. In the current financial year 36 properties were valued which represents 50% of the portfolio by property, and 49.22% in terms of value. These valuations were performed by Mills Fitchett Magnus Penny (Proprietary) Limited, a valuer registered in terms of Section 19 of the Property Valuers Profession Act, no 47 of 2000. The outcome of these independent external valuations did not materially differ from those of the internal asset management team on both an individual property and total (across the 36 properties) level.

21. Goodwill and intangible assets

R'000	Intangible assets	Goodwill	Total
Reconciliation for the year ended 31 March 2024 – Group			
Balance at 1 April 2023	-	-	-
Movements for the year ended 31 March 2024			
Acquisitions through business combinations	637 500	217 600	855 100
Amortisation	(72 060)	-	(72 060)
Foreign exchange difference	3 614	-	3 614
Intangible assets at the end of the year	569 054	217 600	786 654
Closing balance at 31 March 2024			
At cost	641 114	217 600	858 714
Accumulated amortisation	(72 060)	-	(72 060)
Carrying amount	569 054	217 600	786 654

Intangible assets

The intangible asset was measured at fair value at the acquisition date in line with the accounting policy. The key input to determine the fair value at the date of acquisition was the future cashflows, forecasted to be generated by the asset management contracts of Burstone UK Limited acquired through the business combination, discounted at an appropriate rate over the appropriate forecast period.

The intangible asset was assessed for potential impairment at the end of the reporting period. The recoverable amount exceeded the carrying amount at 31 March 2024 and no impairment loss was recognised.

The intangible asset is amortised over a total period of 82 months from the date of acquisition on a straight-line basis. The useful life is linked to the duration of the management contract acquired through the business combination.

Goodwill

The entire goodwill balance recognised by the Group initiated through the business combination and is attributed to the asset management segment as disclosed in the segmental analysis.

No impairment charge arose as a result of the impairment test performed at the end of the reporting period. The recoverable amount of the asset management segment was based in its value in use which exceeded the carrying amount at the end of the reporting period.

The value in use is determined using discounted cash flow projections. The most relevant assumptions are the annual growth rates used to forecast future cash flows, the discount rate used and the duration of future cash flows.

The value in use (recoverable amount) is most sensitive to a change in discount rate used to discount forecasted cash flows. A decrease of 50bp results in a R9.06m increase of the value in use, while an increase of 50bp results in a R8.80m decrease of the value in use. The discount rate used would have to increase by 13.58% for the recoverable amount to be lower than the carrying amount.

Notes to the Consolidated and Separate Financial Statements

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22. Trade and other receivables

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Rental Debtors	47 133	59 702	25 862	42 908
Expected credit losses	(22 195)	(24 940)	(13 305)	(20 813)
Sundry debtors	54 550	42 733	41 985	38 950
Prepayment ¹	101 359	167 946	87 822	132 295
Municipal deposits	22 986	16 954	18 826	13 022
Accrued recoveries	101 851	49 569	43 653	40 311
VAT receivable ¹	7 281	24 150	-	-
Total trade and other receivables	312 965	336 114	204 843	246 673

¹ Excluded as financial instruments carried at amortised cost in Note 18.

22.1 Movement in expected credit losses

	Group 2024	Group 2023	Company 2024	Company 2023
At the beginning of the year	24 940	34 107	20 813	29 538
Charge for the year	9 639	3 261	2 431	266
Written off during the year	(12 384)	(12 428)	(9 939)	(8 991)
At the end of the year	22 195	24 940	13 305	20 813

22.2 Minimum contracted rental

The Group leases a number of retail, office and industrial properties under operating leases, which typically run for a period of 3 to 5 years.

Contractual amounts receivable in terms of operating lease agreements:

	Group 2024	Group 2023	Company 2024	Company 2023
Less than 1 year	1 169 643	1 208 794	971 225	1 006 283
Between 1 and 5 years	2 692 758	2 451 441	2 282 259	2 155 313
Between 1 and 2 years	903 128	927 849	761 757	790 035
Between 2 and 3 years	769 809	645 599	660 076	572 911
Between 3 and 4 years	590 921	533 245	498 290	484 546
Between 4 and 5 years	428 900	344 748	362 136	307 821
More than 5 years	902 899	1 063 463	856 270	1 000 319
	4 765 300	4 723 698	4 109 754	4 161 915

Lessees are entitled to the use of the properties leased to them for their own business purposes for the duration of the contracted lease period.

All leases currently take the form of operating leases as per IFRS 16: Leases as no lease transfers substantially all the risks and rewards of incidental ownership to the lessee.

The Group is exposed to changes in the residual value of properties at the end of the current lease agreements. The residual value active management of its property portfolio with the objective of optimising the tenant mix in order to achieve the largest weighted average lease term possible, minimise vacancy rates across all properties and minimise the turnover of tenants with high quality credit ratings.

23. Non-current assets held for sale

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Investment Property ¹				
Office	166 619	656 627	166 619	656 627
Industrial	170 628	52 000	170 628	52 000
Retail	80 000	390 000	80 000	390 000
Total	417 247	1 098 627	417 247	1 098 627

¹ Burstone intends to sell 6 properties (2023: 9) with settlement taking place within 12 months of the reporting date and has presented those assets as non-current assets held for sale.

	Group 2024	Group 2023	Company 2024	Company 2023
Held for sale				
Balance at the beginning of the year	1 098 627	1 026 187	1 098 627	969 234
Disposals	(640 694)	(373 614)	(640 694)	(348 614)
Developments and capital expenditure	6 071	3 258	6 071	3 259
Fair value adjustments	(4 839)	-	(4 839)	-
Straight-line rental adjustment	(2 084)	505	(2 084)	505
Transfer from Investment property	196 166	871 365	196 166	871 363
Transfer (to) Investment property	(236 000)	(429 074)	(236 000)	(397 120)
Total non-current assets held for sale	417 247	1 098 627	417 247	1 098 627
Held for sale made up as follows:	417 247	1 098 627	417 247	1 098 627
Non current assets held for sale excluding straight- lining	413 823	1 066 761	413 823	1 066 761
Straight-line rental asset relating to straight-lining	3 424	31 866	3 424	31 866

Non-current assets held for sale represent investment properties held for sale at 31 March. Investment property is classified as held for sale either where sale agreements have been concluded that are subject to transfer and are unconditional in all other material respects, or where options to purchase have been exercised or management has received firm indications that options are going to be exercised.

All investment properties classified as held for sale are expected to be sold and transferred within 12 months after year-end.

	Group 2024	Group 2023	Company 2024	Company 2023
The following properties are held for sale:				
Devland Silverlakes (Retail)	80 000	80 000	80 000	80 000
Shoprite Van Der Bijl (Retail)	-	136 000	-	136 000
Builders Warehouse Tiger Wheel & Tyre The Glen (Retail)	-	174 000	-	174 000
Barinors Vineyards - Farm 5 (Office)	119 207	119 838	119 207	119 838
Vinebridge (Office)	47 412	47 789	47 412	47 789
Investec Durban (Office)	-	206 000	-	206 000
Investec Pretoria (Office)	-	183 000	-	183 000
Bigen Africa (Office)	-	100 000	-	100 000
52 Jakaranda (Industrial)	37 538	-	37 538	-
Lerwick (Industrial)	96 040	-	96 040	-
Riverhorse - Media24 (Industrial)	37 050	-	37 050	-
Martin & Martin (Industrial)	-	52 000	-	52 000
	417 247	1 098 627	417 247	1 098 627

Notes to the Consolidated and Separate Financial Statements

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24. Other financial instruments

R'000	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Investment in Irongate Group Holdings funds management business (joint venture at fair value)	24.1	70 612	59 614	-	-
Investment in ITAP Fund Australia (associate at fair value)	24.2	321 526	264 919	-	-
Investment in Smithfield (associate at fair value)	24.3	84 987	-	-	-
Profit participating loans (joint venture at fair value)	24.4	9 029 923	9 211 323	-	-
Loan to Pan European Logistics Investments (amortised cost)	24.5.1	289 080	11 162	-	-
Loan to Pan European Logistics Mauritius (amortised cost)	24.5.2	21 244	20 324	-	-
Izandla mezzanine loans (amortised cost)	24.5.3	253 716	247 866	253 716	247 866
Loan to property co-investor (amortised cost)	24.5.4	41 091	30 457	-	-
Shareholder loan to Irongate Group (amortised cost)	24.5.5	12 745	11 290	-	-
		10 124 924	9 856 955	253 716	247 866

24.1 Irongate Group Holdings funds management business¹

	Group 2024	Group 2023	Company 2024	Company 2023
Investment in joint venture at fair value (50%)	70 612	59 614	-	-
	70 612	59 614	-	-

¹ The investment into Irongate Group Holdings funds management business was made on 29 March 2023 for an amount of A\$5 million (R59.6 million), the income from the platform is shown in note 6.

24. Other financial instruments continued

24.1 Irongate Group Holdings funds management business¹

Irongate Annual Financial Statements

Statement of financial position

R'000	31 March 2024	31 March 2023 ¹
Assets		
Current assets		
Cash and cash equivalents	35 407	34 645
Accounts Receivable	5 003	-
Other receivables	5 070	3 315
Prepayments	412	122
Total current assets	45 892	38 082
Non-current assets		
Right-of-use asset	8 037	4 361
Office equipment	754	864
Intangible asset	3 675	-
Total non-current assets	12 466	5 225
Total assets	58 358	43 307
Current liabilities		
Other payables	16 888	12 593
Distribution payable	15 727	-
Withholding tax payable	3 357	-
Goods and Services Tax	796	-
Provisions	6 188	-
Income received in advance	6 798	25 995
Total current liabilities	49 754	38 588
Non-current liabilities		
Lease liability	8 592	4 718
Total non-current liabilities	8 592	4 718
Total liabilities	58 346	43 306
Equity		
Current year earnings	(1)	1
Retained Earnings	1	-
Share capital	12	-
Total equity	12	1

¹ These amounts have been restated as presented in Note 33.1.

Notes to the Consolidated and Separate Financial Statements

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24. Other financial instruments continued

24.1 Irongate Group Holdings funds management business' continued

R'000	31 March 2024
Statement of Comprehensive Income	
Trading Income	
Fee Income – Contractual revenue	70 784
Fee Income – Growth	3 931
Total Trading Income	74 715
Operating Expenses	
Fixed assets expenses	(1 476)
Personnel expenses	(32 172)
Business expenses	(12 210)
Premises expenses	(4 574)
Total Operating Expenses	(50 432)
Earnings before interest and tax (EBIT)	24 283
Interest Earned	1 532
Interest Expense	(1 124)
Net interest income	408
Bonus provision	(6 071)
Net profit before tax	18 620
Distribution Declared	(18 621)
Total comprehensive income/(loss) for the year net of distribution	(1)

The investment was entered into on 29 March 2023 and therefore the profit/loss at fair value is insignificant to the Group in the prior year. As a result, no income statement has been shown for the prior year.

24.2 Investment in ITAP Fund Australia

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Investment in ITAP Fund at fair value (18.67%) ¹	321 526	264 919	-	-
	321 526	264 919	-	-

¹ A capital call to the value of R37.4 million (2023: 23.6 million) was made during the financial year.

R'000	31 March 2024	31 December ¹ 2023
ITAP Annual financial statements¹		
Statement of Financial Position		
Current assets		
Cash and cash equivalents	31 586	14 498
Trade receivables	138	533
Other receivables	69	21
Prepayments	860	316
Total current assets	32 653	15 368
Non-current assets		
Investments	1 378 534	1 189 521
Equity accounted investments	312 761	262 553
Total non-current assets	1 691 295	1 452 074
Total assets	1 723 948	1 467 442
Current liabilities		
Other payables	1 411	139
Total current liabilities	1 411	139
Total liabilities	1 411	139
Equity		
Capital contributions	1 514 125	1 227 434
Retained earnings	227 748	135 034
Current earnings	(18 967)	104 835
Foreign currency translation reserve	(369)	-
Total equity	1 722 537	1 467 303
Statement of Comprehensive Income		
Interest income	1 494	2 306
Fee income	-	584
Distribution received	7 838	35 399
Share of equity accounted profit	47 119	83 594
Total income	56 451	121 883
Bank fees	(1)	(10)
Fund finance facility fees and interest	-	(1 436)
Impairment of loan	(36 433)	-
Legal fee expense	(631)	(1 517)
Management fees	(28 536)	(27 104)
Asset management fees	(5 199)	(9 847)
Operational expenses	(4 618)	(5 101)
Total expenses	(75 418)	(45 015)
Net profit/(loss)	(18 967)	76 868

¹ An investment into ITAP Fund Australia was made during the prior financial year. The investment was entered into on 29 March 2023, the 29 March 2023 financial results were not yet available as at 31 March 2023 and the disclosure was based on the Irogate Templewater Australia Property Fund investor statement.

Notes to the Consolidated and Separate Financial Statements

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24. Other financial instruments continued

24.3 Investment in Smithfield

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Investment in Smithfield				
Investment in Smithfield at fair value ¹	84 987	-	-	-
	84 987	-	-	-

¹ This investment relates to the first industrial property purchased in New South Wales, Australia as part of the investment in Australia. This investment was finalised in November 2023 and represents an effective 19.9% interest in Smithfield.

R'000	31 March 2024
Smithfield financial information	
Statement of Financial Position	
Current assets	
Trade and other receivables	345
Cash and cash equivalents	46 922
Prepayments	2 677
Total current assets	49 944
Non-current assets	
Investment Property	763 911
Formation cost	1 783
Total non-current assets	765 638
Total assets	815 638
Current liabilities	
Trade and other payables	10 658
Total current liabilities	10 658
Non-current liabilities	
Borrowings	391 473
Total non-current liabilities	391 473
Total liabilities	402 131
Equity	
Capital contributions	422 731
Retained earnings	-
Current earnings	(9 003)
Foreign currency translation reserve	(221)
Total equity	413 507

R'000	31 March 2024
Statement of Comprehensive Income	
Rental income	9 016
Fee income	176
Straight-line rental adjustment	(77)
Total income	9 115
Marketing expense	(242)
Leasing fee	(45)
Legal fee expense	(59)
Formation cost amortisation	(245)
Asset management fees	(3 843)
Operational expenses	(4 280)
Total expenses	(8 719)
Net interest expense	(9 399)
Net profit/(loss)	(9 003)

24.4 Loans to associates and joint ventures at fair value through profit or loss

	Group 2024	Group 2023	Company 2024	Company 2023
Pan-European logistics investment (PEL)				
Finance income accrual ¹	69 314	159 834	-	-
Profit participating loan asset	8 960 609	9 051 489	-	-
94% Profit participating loans to PEL at fair value	9 029 923	9 211 323	-	-
Effective 10.85% profit participating liability	(1 050 110)	(1 011 030)	-	-
Burstone's effective 83.15% profit participating loan asset	7 979 813	8 200 293	-	-

¹ Represents the unpaid portion of the income from investments earned by the Group through its investment in PEL.

Notes to the Consolidated and Separate Financial Statements

continued

24. Other financial instruments continued

24.4 Loans to associates and joint ventures at fair value through profit or loss continued

Rm	31 December 2023 ¹	31 March 2023
PEL summarised balance sheet		
Investment property	21 785	21 189
Derivative financial instruments	344	540
Trade and other receivables	718	308
Cash	398	290
Total assets	23 245	22 327
Shareholder interest	5 912	8 233
Total equity	5 912	8 233
Long-term borrowings	11 418	11 337
Other liabilities	5 915	2 757
Total liabilities	17 333	14 094
Total equity and liabilities	23 245	22 327
PEL income statement		
Gross income	1 627	1 041
Net expense	(1 278)	(87)
Net property income	349	954
Asset management fees	(159)	(141)
Other operating expenses	(319)	(127)
Tax	222	(56)
Interest costs	(619)	(339)
Distributable earnings	(526)	291

¹ The 31 December 2023 balances have been used as these were the latest management accounts available and subsequent movements are considered immaterial.

The Group has joint control over the PEL portfolio and accounts for the investment as a joint venture classified as a financial asset at fair value through profit or loss. The total fair value of the investment in the joint venture comprises an equity element of R595.9m and a debt element of R7 383.9m, through the profit participating loans (PPL's). As at 31 March 2024 the Group holds a total of 94% in the PEL platform. The Group is entitled to 94% of the net rental income earned on leasing the investment properties held by the underlying property companies held by PEL. The PEL entities have an obligation to deliver the net returns to the Group and its joint venture partner via the profit participating loans (PPL's). These PPL's are valued at fair value through profit and loss.

Due to the legal nature of the PPL's advanced by the Group to the PEL platform and PPLs assumed through the 10.85% share held by Pan-European Logistics Mauritius ("PELM"), the Group recognises the gross 94% right to receive cash flows as a financial asset and the PPL to PELM as a financial liability.

24.5 Loans at amortised cost

24.5.1 Pan-European logistics investment

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Loan to Pan European Logistics Investments ¹	282 456	-	-	-
Interest accrual ²	6 624	11 162	-	-
Total bridge loan to PEL	289 080	11 162	-	-

¹ A loan facility of R59,92m was extended to PEL during the 2024 financial year. The loan carries interest at 3-month Euribor + 5.25% and is repayable on 30 October 2025.

² The interest accrued in the prior year was settled in the current year. The interest accrued in the current year has not yet been settled."

Movement reconciliation				
Opening balance	11 162	961 660	-	-
Settlement of bridge loan ¹	-	(961 660)	-	-
Loan facility extended to PEL	59 919	-	-	-
Additional drawdown on capex loan	9 741	-	-	-
Receipt of interest accrued ²	212 796	-	-	-
Settlement of interest accrued	(11 162)	-	-	-
Interest accrual	6 624	11 162	-	-
Closing balance	289 080	11 162	-	-

¹ The bridge loan granted to PEL was sold to a financial institution effective 23 March 2023.

² In the current and prior years it was agreed with PEL that a portion of the distributable earnings would be held back to fund capital expenditure. The amount attributable to the Group that was held back was raised as an interest accrual. During the current year the interest was paid to the Group and this line represents the reversal of the accrual.

24.5.2 Loan to Pan European Logistics Mauritius

Loan to Pan European Logistics Mauritius ¹	19 840	19 840	-	-
Interest accrual	1 404	484	-	-
	21 244	20 324	-	-

¹ The loan receivable from the PELM co-investor carried interest at 3 month Euribor + 2.5% and is repayable on 31 October 2025. The receivable is carried at amortised cost.

Movement reconciliation				
Opening balance	20 324	-	-	-
Loan extended to PEL Co-investor	-	19 840	-	-
Interest accrual	920	484	-	-
Forex adjustment	-	-	-	-
Closing balance	21 244	20 324	-	-

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24. Other financial instruments continued

24.5.3 Izandla Mezzanine loans

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Senior mezzanine ¹	204 720	189 317	204 720	189 317
Junior mezzanine ²	80 882	68 469	80 882	68 469
Expected credit losses ³	(31 886)	(9 920)	(31 886)	(9 920)
Total	253 716	247 866	253 716	247 866

¹ The loan expires on 29 April 2025 and interest is charged at prime + 350 basis points.

² The loan repayment terms were extended to 29 April 2025 and interest is charged at prime + 550 basis points.

³ Izandla is currently in the process of being wound down and has received partial settlement of the loans after 31 March 2024.

Movement reconciliation				
Opening balance	247 866	258 048	247 866	258 048
Interest accrual	40 762	68 685	40 762	68 685
Credit losses	(21 966)	(9 920)	(21 966)	(9 920)
Interest payment received	(12 946)	(68 947)	(12 946)	(68 947)
Closing balance	253 716	247 866	253 716	247 866

24.5.4 Loan to Property Co-investor

Receivable from co-investor – sale of property ¹	21 955	23 814	-	-
Receivable from co-investor – building improvements ²	19 136	6 643	-	-
	41 091	30 457	-	-

¹ During the 2023 financial year, the Group sold a 25% undivided share in a property. The purchaser was granted a loan at prime + 1% which is repayable in full within 10 years.

² The Group previously granted a development loan for up to R20 million for building improvements to the purchaser. The loan carries interest at prime + 1% and is repayable in full at the end of the lease contract. As at 31 March 2024 R19 million was drawn on the loan.

Movement reconciliation – sale of property				
Opening balance	23 814	-	-	-
Loan extended to co-investor	-	23 814	-	-
Loan settled by co-investor	(1 859)	-	-	-
Closing balance	21 955	23 814	-	-
Movement reconciliation – building improvements				
Opening balance	6 643	-	-	-
Loan extended to co-investor	12 493	6 643	-	-
Closing balance	19 136	6 643	-	-

24.5.5 Shareholder Loan to Irongate Group JV

Shareholder Loan to Irongate Group JV ¹	12 745	11 290	-	-
	12 745	11 290	-	-

¹ This loan relates to the working capital funding of A\$ 950 thousand (R12.7 million, Mar 23: R11.3 million) which carries interest at the applicable rate of Bank Bill Swap Rates (BBSW) + 4% multiplied by the period.

25. Cash and cash equivalents

	Group 2024	Group 2023	Company 2024	Company 2023
Cash held on call account	283 513	302 747	198 289	209 084
Total cash and cash equivalents¹	283 513	302 747	198 289	209 084

¹ Cash for the Group includes cash relating to tenant deposits of R87 million (2023: R79 million), municipal guarantees of R7 million (2023: R7 million) and revenue received in advance of R64 million (2023: R85 million). Cash for the Company includes cash relating to tenant deposits of R72 million (2023: R61 million), municipal guarantees of R7 million (2023: R7 million) and revenue received in advance of R61 million (2023: R69 million).

26. Stated capital

26.1 Authorised and issued share capital

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Authorised				
2 000 000 000 ordinary shares				
Issued				
Opening issued number of shares	804 918 444	804 918 444	804 918 444	804 918 444
Shares in issue at year –end	801 160 100	804 918 444	804 918 444	804 918 444
Stated capital at year –end	11 103 638	11 133 011	11 133 011	11 133 011

26.2 Weighted average number of shares reconciliation

Opening issued number of shares	804 918 444	804 918 444	804 918 444	804 918 444
Treasury shares acquired (7 June 2023)	(3 758 344)	–	–	–
Closing issued number of shares	801 160 100	804 918 444	804 918 444	804 918 444
Weighted average number shares	801 786 491	804 918 444	804 918 444	804 918 444

27. Employee benefit liabilities

	Leave pay provision	Bonus provision	Total
Group			
Balance at 1 April 2023	–	–	–
Provisions raised during the year	695	69 795	70 490
Balance at 31 March 2024	695	69 795	70 490
Company			
Balance at 1 April 2023	–	–	–
Provisions raised during the year	695	22 928	23 623
Balance at 31 March 2024	695	22 928	23 623

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28. Trade and other payables

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Trade and other creditors	92 543	129 739	55 659	66 513
Income received in advance ¹	64 335	85 064	47 372	68 764
Tenant deposits	87 443	78 907	72 445	61 161
Accrued expenses	263 367	291 677	207 411	242 013
Deferred consideration	98 888	-	24 722	-
Corporate tax payable	1 438	-	-	-
Value added tax ¹	10 856	25 223	9 494	24 532
Total trade and other payables	618 870	610 610	417 103	462 983

¹ Excluded as financial instruments carried at amortised cost in Note 18.

R'000	Group 2024	Group 2023	Company 2024	Company 2023
29. Long-term borrowings				
Bonds	4 385 000	4 620 000	4 385 000	4 620 000
Bank loans	6 028 140	5 348 135	1 480 000	1 370 000
Profit Participating Loans (PPL) – effective 10.85% interest ¹	1 050 110	1 011 030	-	-
Capitalised fees on bank loans	(14 012)	(17 553)	(7 454)	(9 554)
Commercial paper	707 700	500 000	707 700	500 000
Interest accrual on borrowings	97 050	79 472	51 817	45 454
	12 253 988	11 541 084	6 617 063	6 525 900
Non-current portion of long-term borrowings	9 889 611	9 890 984	4 707 546	5 295 446
Bonds	3 235 000	3 935 000	3 235 000	3 935 000
Bank Loans	5 618 513	4 962 508	1 480 000	1 370 000
Profit Participating Loans (PPL) – effective 10.85% interest ¹	1 050 110	1 011 030	-	-
Capitalised fees on bank loans	(14 012)	(17 553)	(7 454)	(9 554)
Current portion of long-term borrowings	2 364 377	1 650 099	1 909 517	1 230 454
Bonds	1 150 000	685 000	1 150 000	685 000
Bank Loans	409 627	385 627	-	-
Commercial paper	707 700	500 000	707 700	500 000
Interest accrual on borrowings	97 050	79 472	51 817	45 454
	12 253 988	11 541 084	6 617 063	6 525 900

¹ Relates to the 10.85% share of Pan-European logistics investment.

² Short-term borrowings are de-risked by the availability of R850 million (2023 R1.2 billion) undrawn facilities and cash of R0.3 billion (2023 R0.3 billion).

Burstone has various bonds in Group and Company amounting to R4 385 million (2023: R4 620 million). These bonds have differing maturities ranging from 2024 to 2029. The weighted average interest rate charged on these bonds ranges from 8.85% to 9.46%.

Burstone has commercial paper amounting to R707 million (2023: R500 million), for both the Group and Company. This is a rolling facility. The weighted average interest rate charged on the commercial paper is 8.05% (2023: 8.05%).

The company has various bank loans with various banks amounting to R1 480 million (2023: R1 370 million). These bonds have differing maturities ranging from 2024 to 2030. The majority of these borrowings are secured, as disclosed in note 29.1. The weighted average interest rate charged on these bonds ranges from 8.85% to 9.73%.

Burstone has various bank loans in the Group with various banks amounting to R6 028 million (2023: R5 348 million). These loans have differing maturities ranging from 2024 to 2030. The majority of these borrowings are secured, as disclosed in note 29.1. The weighted average interest rate charged on these bonds ranges from 3.52% to 9.73%.

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank ('SARB') has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. In early November 2023, the SARB designated the South African Rand Overnight Index Average ('ZARONIA') as the successor to replace the JIBAR. The observation period for ZARONIA ended on 3 November 2023 and the SARB has indicated that market participants may use the published ZARONIA as a reference rate in pricing financial contracts going forward. The SARB has indicated that the transition from JIBAR to ZARONIA is a multi-year initiative and has not yet communicated a cessation date for JIBAR. The Group currently has a number of contracts which reference ZAR JIBAR, all of which have yet to transition to an alternative benchmark interest rate as at 31 March 2024. The Group is still in the process of evaluating the impact of the benchmark reform.

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29. Long-term borrowings

29.1 Summary of borrowing facilities

R'000	Interest Rate	Maturity Date
Loans – secured – Foreign term bank debt		
Standard Bank – Tranche 15A	3-month EURIBOR +2.34%	2025-02-28
Standard Bank – Tranche 15C	3-month EURIBOR +2.35%	2028-01-09
Nedbank Tranche 6c	3-month EURIBOR +1.15%	2023-04-07
Standard Chartered Facility 1	3-month EURIBOR +1.80%	2025-02-15 ¹
Standard Chartered Facility 2	3-month EURIBOR +1.80%	2025-02-15 ¹
Standard Chartered Facility 3	3-month EURIBOR +1.80%	2025-02-15 ¹
Standard Chartered Facility 4	3-month EURIBOR +1.80%	2025-02-15 ¹
Standard Chartered Facility 5	3-month EURIBOR +2.20%	2025-02-15 ¹
Standard Chartered Facility 6	3-month EURIBOR +1.75%	2026-01-31

¹ The Standard Chartered loans contain an extension option at the election of the borrower to extend for a further 12 months, or 24 months. As at 31 March 2024 the intention is to extend the facility for another 12 months therefore it is classified as non-current.

Loans – unsecured – Foreign term bank debt

Standard Bank – Tranche 15B	3-month EURIBOR +2.56%	2025-02-28
Loans – unsecured – Term bank debt		
Standard Bank Headroom Facility	3-month JIBAR + 1.80%	2025-06-05
Standard Bank – Tranche 25A	3-month JIBAR + 1.77%	2026-11-30
Standard Bank – Tranche 25C	3-month JIBAR + 1.90%	2027-11-30

Loans – unsecured – Corporate bonds /DMTN programme

Commercial Paper BTNC1	3-month JIBAR + 0.75%	2024-04-16
Commercial Paper BTNC3	3-month JIBAR + 0.60%	2024-05-29
Commercial Paper IPFC41	3-month JIBAR + 0.60%	2023-05-26
Note IPF 30	3-month JIBAR + 1.60%	2024-03-25
Note IPF 31	3-month JIBAR +1.83%	2026-03-25
Note IPF 37	3-month JIBAR +1.50%	2026-02-23
Note IPF 38	3-month JIBAR +1.70%	2028-02-23
Note IPF 39	3-month JIBAR +1.75%	2029-02-23
Note IPF25	3-month JIBAR +1.70%	2023-10-15
Note IPFG01	3-month JIBAR +1.90%	2024-06-22
Note BTNIU	3-month JIBAR +1.60%	2028-09-27

Loans – unsecured – HQLA (bonds)

Note IPF 32	3-month JIBAR +1.82%	2026-07-01
Note IPF 34	3-month JIBAR +1.75%	2026-12-15
Note IPFG02	3-month JIBAR +1.40%	2026-02-23
Note IPF 35	3-month JIBAR +1.65%	2028-02-23
Note IPF 36	3-month JIBAR +1.75%	2029-02-23

	2024				2023			
	Group		Group	Company	Group		Group	Company
	Total Facility (R'000)	Drawn (R'000)	Foreign Profile Drawn (£'000)	Drawn (R'000)	Total Facility (R'000)	Drawn (R'000)	Foreign Profile Drawn (£'000)	Drawn (R'000)
	184 333	184 333	9 000	-	173 532	173 532	9 000	-
	409 627	409 627	20 000	-	385 627	385 627	20 000	-
	-	-	-	-	385 627	385 627	20 000	-
	204 814	204 814	10 000	-	-	-	-	-
	409 628	409 628	20 000	-	192 813	192 813	10 000	-
	184 333	184 333	9 000	-	173 532	173 532	9 000	-
	20 482	20 482	1 000	-	115 688	115 688	6 000	-
	409 627	409 627	20 000	-	57 844	57 844	3 000	-
	-	-	-	-	231 376	231 376	12 000	-
	1 822 844	1 822 844	89 000	-	1 716 039	1 716 039	89 000	-
	225 295	225 295	11 000	-	212 095	212 095	11 000	-
	350 000	-	-	-	200 000	-	-	-
	200 000	200 000	-	-	200 000	-	-	-
	250 000	250 000	-	-	250 000	-	-	-
	800 000	450 000			650 000			
	292 700	292 700	-	292 700	-	-	-	-
	415 000	415 000	-	415 000	-	-	-	-
	-	-	-	-	500 000	500 000	-	500 000
	-	-	-	-	300 000	300 000	-	300 000
	400 000	400 000	-	400 000	400 000	400 000	-	400 000
	230 000	230 000	-	230 000	230 000	230 000	-	230 000
	480 000	480 000	-	480 000	480 000	480 000	-	480 000
	200 000	200 000	-	200 000	200 000	200 000	-	200 000
	-	-	-	-	85 000	85 000	-	85 000
	800 000	800 000	-	800 000	800 000	800 000	-	800 000
	450 000	450 000	-	450 000	-	-	-	-
	3 267 700	3 267 700	-	3 267 700	2 995 000	2 995 000	-	2 995 000
	250 000	250 000	-	250 000	250 000	250 000	-	250 000
	240 000	240 000	-	240 000	240 000	240 000	-	240 000
	550 000	550 000	-	550 000	550 000	550 000	-	550 000
	335 000	335 000	-	335 000	335 000	335 000	-	335 000
	100 000	100 000	-	100 000	100 000	100 000	-	100 000
	1 475 000	1 475 000	-	1 475 000	1 475 000	1 475 000	-	1 475 000

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29. Long-term borrowings continued

29.1 Summary of borrowing facilities continued

R'000	Interest Rate	Maturity Date
Loans – secured – ZAR term bank debt		
Standard Bank Tranche 22A	3-month JIBAR +1.95%	2025-12-13
Standard Bank Tranche 31A	3-month JIBAR +1.61%	2026-02-23
Standard Bank Tranche 23	3-month JIBAR +1.62%	2026-05-31
Standard Bank Tranche 25B	3-month JIBAR +1.77%	2027-11-30
Standard Bank Tranche 25D	3-month JIBAR +1.85%	2028-11-30
Standard Bank Tranche 25E	3-month JIBAR +1.95%	2029-11-30
Rand Merchant Bank Tranche 21C	3-month JIBAR +2.20%	2025-12-04
Rand Merchant Bank Tranche 28	3-month JIBAR +1.90%	2026-12-23
ABSA Tranche 26C	3-month JIBAR +1.85%	2028-12-23
ABSA Tranche 26B	3-month JIBAR +1.75%	2027-12-23
ABSA Tranche 26A	3-month JIBAR +1.65%	2026-12-23
Nedbank Tranche 30	3-month JIBAR +1.60%	2028-02-23
Nedbank Tranche 27B	3-month JIBAR +1.60%	2028-02-23
Nedbank Tranche 27A	3-month JIBAR +1.50%	2026-02-23
Loans – secured – Corporate bonds /DMTN programme		
Note IPF 34	3-month JIBAR +1.80%	2024-02-16
Note IPF23U DMTN	3-month JIBAR +1.83%	2024-11-02

	2024				2023			
	Group		Group	Company	Group		Group	Company
	Total Facility (R'000)	Drawn (R'000)	Foreign Profile Drawn (£'000)	Drawn (R'000)	Total Facility (R'000)	Drawn (R'000)	Foreign Profile Drawn (£'000)	Drawn (R'000)
	300 000	250 000	-	-	250 000	250 000	-	-
	300 000	300 000	-	-	300 000	300 000	-	-
	470 000	470 000	-	470 000	470 000	370 000	-	370 000
	190 000	190 000	-	-	190 000	190 000	-	-
	310 000	310 000	-	-	310 000	310 000	-	-
	400 000	400 000	-	-	400 000	400 000	-	-
	100 000	100 000	-	100 000	100 000	100 000	-	100 000
	250 000	250 000	-	250 000	250 000	250 000	-	250 000
	200 000	200 000	-	200 000	200 000	200 000	-	200 000
	100 000	100 000	-	100 000	100 000	100 000	-	100 000
	260 000	260 000	-	260 000	260 000	-	-	-
	600 000	600 000	-	-	600 000	600 000	-	-
	300 000	-	-	-	300 000	100 000	-	100 000
	250 000	100 000	-	100 000	250 000	250 000	-	250 000
	4 030 000	3 530 000	-	1 480 000	3 980 000	3 420 000	-	1 370 000
	-	-	-	-	300 000	300 000	-	300 000
	350 000	350 000	-	350 000	350 000	350 000	-	350 000
	350 000	350 000	-	350 000	650 000	650 000	-	650 000

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29. Long-term borrowings continued

29.2 Summary of drawn Amounts:

R'000	Group 2024	Group 2023	Company 2024	Company 2023
Total ZAR borrowings – unsecured	5 192 700	4 470 000	4 742 700	4 470 000
Total EUR borrowings – unsecured	225 295	212 095	-	-
Total ZAR borrowings – secured	3 880 000	4 070 000	1 830 000	2 020 000
Total EUR borrowings – secured	1 822 844	1 716 039	-	-
Total drawn amount	11 120 839	10 468 134	6 572 700	6 490 000
Add: Other borrowings ¹	1 050 110	1 011 030	-	-
Less: Capitalised fees	(14 012)	(17 553)	(7 454)	(9 554)
Add: Accrued interest	97 050	79 473	51 817	45 454
Total borrowings	12 253 988	11 541 084	6 617 063	6 525 900

¹ Other borrowings relate to the 10.85% interest in the PPL owed to a third party.

29.3 Reconciliation of borrowings

Opening balance	11 541 084	9 634 065	6 525 900	5 949 797
Proceeds from bank loans	3 397 562	8 000 087	1 940 000	4 211 500
Proceeds from bonds	450 000	2 135 000	450 000	2 135 000
Proceeds from commercial paper	2 019 700	1 459 000	2 019 700	1 459 000
Repayment of bank loans	(2 847 334)	(6 912 703)	(1 830 000)	(4 081 500)
Repayment of bonds	(685 000)	(1 855 000)	(685 000)	(1 855 000)
Repayment of commercial paper	(1 812 000)	(1 309 000)	(1 812 000)	(1 309 000)
Movement in PPL	39 080	60 459	-	-
Amortised fees	3 628	(5 925)	2 100	1 597
Accrued interest	17 577	40 120	6 363	14 506
Foreign exchange	129 691	294 981	-	-
Closing balance	12 253 988	11 541 084	6 617 063	6 525 900

29.4 Borrowing Powers

The borrowing capacity of the Group is unlimited in terms of its Memorandum of Incorporation.

29.5 Capital Commitments¹

Authorised and contracted	33 658	78 870	29 946	24 984
	33 658	78 870	29 946	24 984

¹ Capital commitments relate to development work that has been contracted but not completed (and therefore Burstone is not liable) at 31 March 2024.

30. Directors' and prescribed officers' remuneration

The executive directors are the only prescribed officers of the Company. The following remuneration was paid to directors:

30.1 Executive directors' remuneration

	Cash payments			Share awards		
	Salary and benefits ⁷ R'000	Short-term incentive (cash) ³ R'000	Dividends ⁴ R'000	Internalisation performance shares ⁵ R'000	Internalisation restricted shares ⁵ R'000	Other share schemes ⁶ R'000
2024						
Andrew Wooler (CEO)	4 760	6 174	486	7 500	7 500	-
Jenna Sprenger (CFO)	3 000	2 598	194	3 000	3 000	-
2023¹						
Andrew Wooler (CEO)	3 560	-	-	-	-	-
Jenna Sprenger (CFO) ²	2 025	-	-	-	-	-

¹ In the prior year, before the internalisation transaction was completed, the Manager (a wholly owned subsidiary of the Investec Group) employed all the employees of Investec Property Fund (subsequently renamed Burstone Group Limited). The Manager rewarded the Fund's employees (including executive directors) aligned to the Fund's performance, and in accordance with the Investec Group's remuneration approach. In line with the requirements of the Companies Act (71 of 2008), the amounts disclosed in the 2023 financial year included the payments made by the Manager to the executive directors for remuneration as executive directors of the Investec Property Fund. They were paid a salary by the Manager. Any variable pay component including cash bonus and longer term incentives were at the discretion of the Manager.

² Jenna Sprenger resumed her role as CFO on 1 July 2022. Her annualised effective salary for the previous year was R3.0 million.

³ The short-term incentive (STI) cash was determined with reference to FY24 STI performance conditions.

⁴ Dividends are paid on unvested restricted share awards.

⁵ As part of the internalisation transaction, the Company awarded retention shares to the CEO and CFO. These awards aimed to ensure they were retained to ensure an orderly transition of the business post internalisation. These were one-off awards of shares/units, and the Company does not intend to issue further of these awards to executive directors. Retention performance shares/units will vest in two equal tranches in years 3 and 4. Awards will only vest to the extent that performance conditions have been met. Retention restricted shares/units will vest in year 3 subject to the participant still being employed by the Group. Awards made equated to 1 001 335 performance shares and 1 001 335 restricted shares for Andrew Wooler, and 400 534 performance shares and 400 534 restricted shares for Jenna Sprenger.

⁶ The other elements of the long-term share scheme including long-term incentive (LTI) performance shares, LTI restricted shares and the deferred award of restricted bonus shares were only issued in June 2024 with respect of the March 2024 year end and as such no IFRS 2 charge was raised in the 2024 financial year, thus these awards are not reflected in the annual financial statements.

⁷ Andrew Wooler's annualised effective salary was R5.0 million from 1 June 2023.

Notes to the Consolidated and Separate Financial Statements

continued

30. Directors' and prescribed officers' remuneration continued

30.2 Service contracts

Executive directors retire from their positions and from the Board (as executive directors) at the age of 65. Though normal retirement age is 65 years for executive directors, the Group's retirement policy makes provision to extend the working relationship beyond the normal retirement age. The executive directors are subject to six calendar months' written notice under their existing employment contracts.

30.3 Non-executive directors' fees paid

Group R'000	Directors' fee		Special fees ⁸		Total	
	2024	2023	2024	2023	2024	2023
Moss Ngoasheng (Chairman)	2 000	1 575	278	264	2 278	1 839
Philip Hourquebie	514	410	104	198	618	608
Samuel Leon ¹	382	525	69	132	451	657
Constance Mashaba ²	–	410	–	–	–	410
Disebo Moephuli ³	563	182	243	146	806	328
Nosipho Molope	857	725	243	231	1 100	956
Nicholas Riley ⁴	355	–	–	–	355	–
Khumo Shuenyane ⁵	156	625	–	231	156	856
Paul Theodosiou ⁶	116	–	–	–	116	–
Rex Tomlinson ⁷	861	265	278	208	1 139	473
Total	5 804	4 717	1 215	1 410	7 019	6 127

¹ Retired as non-executive director with effect from 16 November 2023.

² Retired as non-executive director with effect from 30 November 2022.

³ Appointed as an independent non-executive director with effect from 1 December 2022.

⁴ Nicholas Riley is employed by Investec Limited and represents Investec Limited's 24.3% interest in the Company. Post internalisation he is entitled to director's fees which are paid directly to Investec Limited.

⁵ Retired as non-executive director with effect from 3 August 2023.

⁶ Appointed as an independent non-executive director with effect from 16 November 2023.

⁷ Appointed as an independent non-executive director effective from 1 September 2022.

⁸ Special board meetings were required during the period to approve and implement transactions. The fees were approved by the Nominations Committee based on the number of meetings attended and their duration, in line with the fees approved by shareholders at the AGM in August 2023. In FY24, a payment of R35 000 was paid per special meeting. During FY24: 5 special internalisation meetings; 2 special Board meetings and 1 special Nomination/Remuneration Committee were held.

30.4 Directors' and prescribed officers' interests

The interests of the directors and prescribed officers in the shares of Burstone Group Limited were as follows:

Number of shares	Direct/ indirect beneficial interest	
	2024	2023
Executive directors		
Andrew Wooler (CEO)	456 164	257 350
Jenna Sprenger (CFO)	61 789	38 015
Non-executive directors		
Samuel Leon ¹	n/a	7 500 000
Nicholas Riley	623 759	623 759
Independent non-executive directors		
Moss Ngoasheng (Chairman) ²	6 114 930	6 114 930
Khumo Shuenyane ³	n/a	74 942
Total	7 256 642	14 608 996

¹ Retired as non-executive director with effect from 16 November 2023.

² Indirectly held through Modidima Ventures Proprietary Limited and Modidima Properties Proprietary Limited.

³ Retired as non-executive director with effect from 3 August 2023.

There have been no changes to the directors' interests between 31 March 2024 and the date on which these consolidated and separate annual financial statements were approved.

31. Subsequent events

Burstone entered into a new asset management contract to drive the asset management function of a light industrial portfolio in Germany, with an opportunity for co-investment and continued management of this platform with existing owners. The financial impact of the new asset management contract is not yet accurately quantifiable.

The Group concluded a JV with Flanagan and Gerard Frontiers Proprietary Limited in acquiring the Neighbourhood Square, a best-in-class convenience retail asset located in Linksfield, Johannesburg. Transfer is subject to Competition Commission approval which is expected in July 2024.

The Group has received R334.8m in property sale proceeds after year end for properties held for sale at 31 March 2024.

The Group signed a new 12-month facility agreement for R745m with Standard Bank on 20 June 2024 to cover short-term liquidity risk whilst the Group awaits pending property sale proceeds.

The Group received R110.7m on 4 June 2024 for partial settlement of its Izandla Mezzanine loan following the sale of the Sasol property previously owned by Izandla.

The Group rolled and increased the commercial paper in issue and raised R415m and R377.3m for 3 months and 6 months respectively (R415m and R292m at 31 March 2024). Both were raised at the same margin and terms.

32. Going concern

The directors have assessed the ability of the Group and Company to continue as going concerns. These assessments include solvency and liquidity tests.

As at 31 March 2024 the Group has a positive net asset value, however the current liabilities exceed the current assets by R2.6bn. As at 31 March 2024 the Group has, at its disposal, R0.85bn of undrawn facilities.

Subsequent to 31 March 2024, the Group has successfully raised funds to meet its short-term liquidity requirements as follows:

R'000

• Issuance of Commercial paper that matures on 30 August 2024	415 000
• Issuance of Commercial paper that matures on 16 October 2024	377 300
• Loan facility from Standard Bank with a maturity date of 23 June 2025	745 000
• Proceeds from Izandla in settlement of their loans outstanding	110 716
• Property proceeds received after 31 March 2024	334 767
	<hr/> 1 982 783

Together, the facilities available at 31 March 2024 with additional arrangements entered into post 31 March 2024 ensure sufficient funds are available to settle short-term liabilities.

As at 31 March 2024 the Company has a positive net asset value and its current assets exceed current liabilities, which evidences a stable liquidity position and the ability of the Company to cover short-term liabilities.

The Group has generated profit after taxation of R232.45m in the current year and R194.95m in the prior year. The Company generated profit after tax of R689.73m in the current year and R673.09m in the prior year. Despite generating profits, the Company reports a retained loss primarily due to dividends paid out in the current and prior financial years. Group profits are used to determine the distribution and while the Company itself is in a retained loss position, it is noted that the Group maintains a retained income position and other entities within the Group could support the Company if needed.

The directors consider a distribution at a Group level given the material contribution of the Group's offshore investments.

The Group reports its covenant positions to its lenders at 30 September and 31 March. There have been no covenant breaches to date and as at 31 March 2024 the Group has sufficient headroom on all of its covenants (refer to note 18.4).

Based on the above, the directors have concluded that the Group has adequate resources to continue operating into the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the consolidated and separate financial statements.

33. Restatement

33.1 Investment in Irongate Group Holdings funds management business

In the prior year, the Irongate Group balance sheet was erroneously disclosed in Australian Dollars and not in thousands of South African Rand as indicated by the heading included in the disclosure. The prior period balances have been restated in the current year financial statements to thousands of South African Rand using a spot rate of R11.88/AUD 1 which was the translation rate as at 31 March 2023.

This restatement has no impact on the primary statements, it only impacts the additional disclosures included in the notes to the consolidated financial statements as required by IFRS 12 Disclosure of interest in other entities.

Irongate Annual Financial Statements

	Amounts previously reported 31 March 2023 AUD	Amounts restated 31 March 2023 R'000
Statement of financial position		
Assets		
Current assets		
Cash and cash equivalents	2 916 265	34 645
Other receivables	279 047	3 315
Prepayments	10 280	122
Total current assets	3 205 592	38 082
Non-current assets		
Right-of-use asset	367 123	4 361
Office equipment	72 692	864
Total non-current assets	439 815	5 225
Total assets	3 645 407	43 307
Current liabilities		
Other payables	1 060 000	12 593
Income received in advance	2 188 146	25 995
Total current liabilities	3 248 146	38 588
Non-current liabilities		
Lease liability	397 161	4 718
Total non-current liabilities	397 161	4 718
Total liabilities	3 645 307	43 306
Equity		
Current year earnings	100	1
Share capital	-	-
Total equity	100	1



REIT best practice ratios

REIT best practice ratios

Burstone presents the SA REIT best practice ratios in response to the second edition of the SA REIT Association's best practice recommendations issued in November 2019. The publication outlines consistent presentation and disclosure of relevant ratios in the SA REIT sector. This will ensure information and definitions are clearly presented, enhancing comparability and consistency across the sector.

SA REIT Funds from Operations (SA REIT FFO) per share	31 March 2024		31 March 2023	
	REIT BPR	Burstone Ratio	REIT BPR	Burstone Ratio
Profit per IFRS Statement of Comprehensive Income (SOCl) attributable to the parent	232 446	232 446	194 946	194 946
Adjusted for:				
Accounting/specific adjustments:	337 057	337 057	178 473	178 473
Fair value adjustments to Investment property, debt and equity instruments held at fair value through profit or loss	438 228	438 228	326 459	326 459
Fair value adjustments to debt and equity instruments held at fair value through profit or loss	(94 357)	(94 357)	(149 825)	(149 825)
Fair value adjustments on investments in associates at fair value through profit or loss	(11 453)	(11 453)	-	-
Deferred tax movement recognised in profit or loss	-	-	(14 000)	(14 000)
Straight-lining rental revenue adjustment	4 639	4 639	15 839	15 839
Adjustments arising from investing activities:	(5 613)	(5 613)	155 022	155 022
Fair value adjustment on investment property	1 672	1 672	129 833	129 833
Gains or losses on disposal of investment property and property, plant and equipment	(7 285)	(7 285)	25 189	25 189
Foreign exchange and hedging items:	192 275	192 275	215 840	215 840
Foreign exchange translation adjustments on long-term borrowings, and loans provided to joint ventures not at fair value	119 919	119 919	97 361	97 361
Foreign exchange gains or losses relating to capital items - realised and unrealised	72 356	72 356	118 479	118 479
Other adjustments:	100 471	100 471	(7 945)	(7 945)
Cost of funding ITAP in development	28 225	28 225	-	-
Other finance income	(6 284)	(6 284)	-	-
Amortisation and depreciation	72 440	72 440	-	-
Adjustments made for equity-accounted entities	-	-	(7 945)	(7 945)
Increase in staff incentive scheme costs	6 090	6 090	-	-
SA REIT FFO:	856 636	856 636	736 337	736 337
Number of shares outstanding at end of period (net of treasury shares '000)	801 160	804 918	804 918	804 918
SA REIT FFO per share:	106.92	106.43	91.48	91.48
Company-specific adjustments (cents per share)	-	3.46	-	(1.74)
Capitalised interest on loans to associates	-	(27 879)	-	(14 000)
Dividend per share (cents):	106.92	109.89	91.48	89.74

REIT best practice ratios CONTINUED

	31 March 2024		31 March 2023	
	REIT BPR	Burstone Ratio	REIT BPR	Burstone Ratio
SA REIT Net Asset Value (SA REIT NAV)				
Reported NAV attributable to the parent	12 439 231	12 439 231	13 013 544	13 013 544
Adjustments:				
Dividend to be declared	(318 991)	-	(388 934)	-
Intangible assets	(569 054)	-	-	-
Goodwill	(217 600)	-	-	-
SA REIT NAV:	11 333 586	12 439 231	12 624 610	13 013 544
Shares outstanding				
Number of shares in issue at period end (net of treasury shares)	801 160 100	801 160 100	804 918 444	804 918 444
Dilutive number of shares in issue	801 928 179	801 928 179	804 918 444	804 918 444
SA REIT NAV per share:	1 413	1 551	1 568	1 617
SA REIT loan-to-value				
Gross debt	(12 253 988)	(12 253 988)	(11 541 084)	(11 541 084)
Less:				
Profit participating loans ²	1 050 110	1 050 110	1 011 030	1 011 030
Accrued interest and deferred fees	-	-	-	61 919
Cash and cash equivalents	283 513	283 513	302 747	302 747
Add/Less:				
Derivative financial instruments ¹	(370 677)	-	(218 633)	-
Net debt	(11 291 042)	(10 920 365)	(10 445 940)	(10 165 388)
Total assets – per Statement of Financial Position	25 848 084	25 848 084	25 383 872	25 383 872
Less:				
Cash and cash equivalents	(283 513)	(283 513)	(302 747)	(302 747)
Derivative financial assets	(172 550)	(172 550)	(285 955)	(285 955)
Trade and other receivables	(312 965)	(312 965)	(336 114)	(336 114)
Profit participating loans ²	(1 050 110)	(1 050 110)	(1 011 030)	(1 011 030)
Carrying amount of property-related assets	24 028 946	24 028 946	23 448 026	23 448 026
SA REIT loan-to-value (“SA REIT LTV”)	47.0%	45.5%	44.5%	43.4%

¹ The REIT BPR adjusts net debt for the mark to market on derivative financial instruments.

² The investment in PEL is made through a profit participating loan of which this portion is seen as equity which would have been NCI on the balance sheet and therefore should not gross up the assets and liabilities.

SA REIT cost-to-income ratio				
Expenses				
Operating expenses per IFRS income statement (excludes municipal expenses) ^{1,2}	917 326	357 943	730 265	381 558
Administrative expenses per IFRS income statement (if directly related to property)	-	-	-	-
Operating costs	917 326	357 943	730 265	381 558
Rental income				
Contractual rental income per IFRS income statement (excluding straight-lining) ^{1,2}	1 298 877	1 298 877	1 540 261	1 540 261
Utility and operating recoveries per IFRS income statement	559 383	-	348 707	-
Gross rental income	1 858 260	1 298 877	1 888 968	1 540 261
SA REIT cost-to-income ratio	49.3%	27.6%	38.7%	24.8%

¹ The REIT BPR and Burstone ratios are calculated using base net property income (NPFI) to ensure that the income and expenses are for a comparable period.

² Burstone calculates cost to income by netting off the recoveries against expenses and not grossing up rental income.

	31 March 2024		31 March 2023	
	REIT BPR	Burstone Ratio	REIT BPR	Burstone Ratio
Cost of debt				
<i>Variable interest-rate borrowings</i>				
Floating reference rate plus weighted average margin	8.5%	8.5%	8.1%	8.1%
Fixed interest-rate borrowings				
Weighted average fixed rate	-	-	-	-
Pre-adjusted weighted average cost of debt - CU:	8.5%	8.5%	8.1%	8.1%
Adjustments:				
Impact of interest rate derivatives	(0.1%)	(0.1%)	(0.2%)	(0.2%)
Impact of cross-currency interest rate swaps	(3.6%)	(3.6%)	(2.5%)	(2.5%)
All-in weighted average cost of debt - CU:	4.8%	4.8%	5.4%	5.4%
SA REIT GLA vacancy rate				
Gross lettable area of vacant space ¹	43 398	43 398	39 731	39 731
Gross lettable area of total property portfolio	971 332	971 332	1 000 034	1 000 034
SA REIT GLA vacancy rate	4.5%	4.5%	4.0%	4.0%

¹ 53 972m² (2023: 158 675m²) is classified as held for sale.



Shareholder Information

Shareholder analysis

Spread of shareholders at 31 March 2024

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares in issue	% of issued capital
1 - 10 000 shares	5 186	79.0	7 331 828	0.9
10 001 - 50 000 shares	969	14.8	30 245 848	3.8
50 001 - 100 000 shares	299	4.6	99 937 203	12.4
100 001 - 1 000 000 shares	101	1.5	276 633 951	34.4
1 000 001 shares and over	8	0.1	390 769 614	48.5
Total	6 563	100.0	804 918 444	100.0

Shareholder classification at 31 March 2024

Holdings	Number of shares in issue	% of total shares
Non-public shareholders	321 375 371	40.0
Executive directors ¹	517 953	0.1
Independent non-executive directors ¹	6 114 930	0.8
Non-executive directors ¹	623 759	0.1
Burstone Employee Share Scheme	3 758 344	0.4
Shareholdings of more than 10% (two shareholders)	310 360 385	38.6
Public shareholders²	483 543 073	60.0
Total	804 918 444	100.0

¹ Including beneficial and non-beneficial holdings.

² Per JSE Listings Requirements definitions.

Largest shareholders as at 31 March 2024

Beneficial shareholders holding 3% or more	Number of shares in issue	% holding
Investec Limited	195 636 495	24.3
Government Employees Pension Fund	114 723 890	14.3
Coronation Fund Managers	60 099 847	7.5
Ninety One Limited	27 217 561	3.4
Total	397 677 793	49.5

Share statistics

	31 March 2024	31 March 2023
Closing market price (R)		
Year-end	7.53	8.25
High	9.10	13.00
Low	6.81	7.66
Shares in issue (million)	804.9	804.9
Market capitalisation (million)	6 061	6 641
Daily average volume of shares traded	915 171	1 371 850

Notice of annual general meeting

Burstone Group Limited

Previously Investec Property Fund
 Approved as a REIT by the JSE
 Incorporated in the Republic of South Africa
 Registration number 2008/O11366/O6
 Share code: BTN
 Bond code: BTNI
 ISIN: ZAE000180915
 (the Company or the Group)



Directors of the Company

Moses M Ngoasheng (Independent non-executive chair)
 Andrew R Wooler (Chief executive officer)
 Jenna C Sprenger (Chief financial officer)
 Nicholas P Riley (Non-executive)
 Disebo C Moephuli (Independent non-executive)
 CW Nosipho Molope (Independent non-executive)
 Philip A Hourquebie (Independent non-executive)
 Rex G Tomlinson (Independent non-executive)
 Paul A Theodosiou (Independent non-executive)

Notice is hereby given that the annual general meeting (AGM) of the Company will be held on the 4th Floor, 4 Sandown Valley Crescent, Sandown, Sandton, South Africa, 2196 at 09:00 on Thursday, 15 August 2024 to: (i) deal with such business as may lawfully be dealt with at the meeting, and (ii) consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions of the Company as set out hereunder.

In terms of section 63(1) of the Companies Act, No. 71 of 2008, as amended (the Act), meeting participants (including proxies) will be required to provide reasonable satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licenses and passports.

Record dates, proxies and voting

In terms of sections 59(1)(a) and (b) of the Act, the board of the Company has set the record date for the purpose of determining which shareholders are entitled to receive notice and participate in the AGM. Important dates and times to note:

Record date at which shareholder is entitled to receive notice	Friday, 28 June 2024
2024 Integrated Report available on Burstone's website	Friday, 5 July 2024
Notice of AGM, form of proxy and electronic participation issued to shareholders	Friday, 5 July 2024
Last day to trade in order to be eligible to vote at the AGM	Monday, 5 August 2024
Record date at which shareholder is entitled to vote at the AGM	Thursday, 8 August 2024

Last day forms of proxy should be lodged with the transfer secretaries for the AGM (by 09:00), failing which forms of proxy may be handed to the transfer secretaries or the chair at any time prior to the commencement of the AGM

Tuesday, 13 August 2024

AGM held at 09:00

Thursday, 15 August 2024

Results of AGM released on SENS

Thursday, 15 August 2024

Notes:

- All dates and times in this notice are local dates and times in South Africa.
- The above dates and times are subject to change. Any changes will be released on SENS and, if required, published in the press.
- Shareholders should note that as transactions in Burstone shares are settled in the electronic settlement system used by Strate, and settlement of trades takes place three business days after such trade. Therefore, shareholders who acquire Burstone shares after Monday, 5 August 2024 will not be eligible to vote at the AGM.
- In order to ensure the orderly arrangement of affairs at the AGM, forms of proxy should be lodged with the transfer secretaries by 09:00 on Tuesday, 13 August 2024, failing which forms of proxy may be handed to the transfer secretaries or the chair at any time prior to the commencement of the AGM or prior to voting on any resolution proposed at the AGM.
- If the AGM is adjourned or postponed, forms of proxy submitted for the initial AGM will remain valid in respect of any adjournment or postponement of the AGM.

Shareholders who have not dematerialised their shares or who have dematerialised their shares with 'own name' registration, and who are entitled to attend, participate in and vote at the AGM, are entitled to appoint a proxy (or more than one proxy in respect of different shares held by them) to attend, speak and vote in their stead.

A proxy need not be a shareholder and shall be entitled to vote on a show of hands or a poll. Forms of proxy can be emailed to: proxy@computershare.co.za

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, should contact their CSDP or broker in the manner and within the time stipulated in the agreement entered into between them and their CSDP or broker:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the AGM, to obtain the necessary letter of representation to do so.

Every shareholder present in person or represented by proxy and entitled to vote shall, on a show of hands, have only one vote irrespective of the number of shares such shareholder holds.

On a poll, every shareholder present in person or represented by proxy and entitled to vote shall be entitled to one vote for each share such shareholder holds.

Electronic participation

Shareholders or their proxies may participate in (but not vote at) the AGM by way of telephone conference call and if they wish to do so, they:

- must contact the Company Secretary (by email at the address pieter.vandersandt@burstone.com) or Computershare (by email at the address proxy@computershare.co.za) by no later than 10:00 on Thursday, 8 August 2024, in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification;
- will be billed separately by their telephone service providers for their telephone calls to participate in the AGM; and
- shareholders and their proxies will not be able to vote telephonically at the AGM and will still need to appoint a proxy or representative to vote on their behalf at the AGM.

Presentation of annual financial statements

To present to shareholders:

- the audited annual financial statements of the Company for the year ended 31 March 2024, together with:
 - the reports of the directors and the auditors;
 - the report by the chair of the Audit and Risk Committee; and
 - the report by the chair of the Social and Ethics Committee.

📖 The complete set of the audited annual financial statements, together with the abovementioned reports, are set out on page 109 and pages 155 to 245 of the 2024 integrated annual report.

Resolutions

To consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions of the Company:

Ordinary resolutions

1. To elect Paul A Theodosiou as a director of the Company, in accordance with the provisions of the Memorandum of Incorporation of the Company.

Nosipho Molohe, Nicholas P Riley and Disebo C Moephuli will retire by rotation at the AGM. Nosipho Molohe is not available for re-election.

📖 For brief biographical details of the directors refer to pages 20 to 23 of the 2024 integrated annual report.

2. To re-elect Nicholas P Riley, as a director of the Company in accordance with the provisions of the Memorandum of Incorporation of the Company.
3. To re-elect Disebo C Moephuli, as a director of the Company in accordance with the provisions of the Memorandum of Incorporation of the Company.
4. To elect Disebo C Moephuli as a member of the Audit and Risk Committee, with effect from the end of this AGM, in terms of section 94(2) of the Act, subject to her re-election as director.
5. To elect Rex G Tomlinson as a member of the Audit and Risk Committee, with effect from the end of this AGM, in terms of section 94(2) of the Act.
6. To elect Paul A Theodosiou as a member of the Audit and Risk Committee, with effect from the end of this AGM, in terms of section 94(2) of the Act, subject to his election as director.

Notice of annual general meeting CONTINUED

The members of the Audit and Risk Committee have been nominated by the Board of the Company for election as members of the Company's Audit and Risk Committee in terms of section 94(2) of the Act. The Board has reviewed the proposed composition of the Audit and Risk Committee against the requirements of the Act and the Regulations under the Act and has confirmed that if all the individuals referred to above are elected, the Committee will comply with the relevant requirements and have the necessary knowledge, skills and experience to enable it to perform its duties in terms of the Act.

7. Ordinary resolution number 7: To reappoint PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090 (Private Bag X36, Sunninghill, 2157) as independent external auditor of the Company, until such time as the conclusion of the next AGM of the Company.

In terms of section 90(1) of the Act, each year at its AGM, the Company must appoint an auditor who complies with the requirements of section 90(2) of the Act. Following a detailed review, which included an assessment of its independence, the current Audit and Risk Committee of the Company has recommended that PricewaterhouseCoopers Inc. be reappointed as the auditor of the Company. The designated individual auditor is Costa Natsas.

8. Ordinary resolution number 8: To authorise any director or the company secretary of the Company to do all things and sign all documents which may be necessary to carry into effect the resolutions contained in this notice to the extent the same have been passed and, where applicable, filed.
9. Ordinary resolution number 9: Directors' authority to issue shares specifically in relation to a Dividend Reinvestment Plan:

Resolved that:

- To the extent required by and subject to the provisions of the Act and the Listings Requirements of the JSE Limited (JSE Listings Requirements), the directors be and they are hereby authorised by way of a specific standing authority to issue ordinary shares of no par value (ordinary shares) as and when they deem appropriate, for the exclusive purpose of affording shareholders the opportunity from time to time to elect to reinvest their dividends into new ordinary shares of the Company. The directors have decided to seek annual renewal of this authority in accordance with best practice.

The exercise of the authority will be subject to the provisions of the Act and the JSE Listings Requirements.

10. Ordinary resolution number 10: Authorising the directors to allot and issue 40 245 922 (five percent) authorised but unissued shares:

Resolved that:

- To the extent required by and subject to the Memorandum of Incorporation of the Company, the Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, the directors of the Company are authorised, as they in their discretion think fit, to allot and issue 40 245 922 of the authorised but unissued shares in the Company, which equates to 5% (five percent) of the shares in issue, to such person(s) and upon such terms and conditions as the directors may determine, such authority to not exceed 10% (ten percent) of the shares in issue at the date of the AGM when read in conjunction with Resolution 13 (Special Resolution 1) and to expire at the next AGM of the Company. In terms of the Company's Memorandum of Incorporation, read with the JSE Listings Requirements, the shareholders of the Company may authorise the directors to, inter alia, issue any unissued shares of the Company, as the directors in their discretion think fit.

The directors have decided to seek annual renewal of this authority in accordance with best practice. The exercise of the authority will be subject to the provisions of the Act and the JSE Listings Requirements. The directors consider it advantageous to attain the authority to enable the Company to take advantage of any business opportunity that may arise in future.

ADVISORY ENDORSEMENT OF THE REMUNERATION POLICY AND IMPLEMENTATION REPORT

The JSE Listings Requirements and King IV™ recommend that the remuneration policy of the company and the implementation thereof be tabled for separate non-binding advisory votes by shareholders at each AGM of the company. This enables shareholders to express their views on the remuneration policy adopted by the company and the manner in which the policy is implemented. Ordinary resolution numbers 11 and 12 are of an advisory nature only, and failure to pass these resolutions will therefore not have any legal consequences relating to existing remuneration arrangements. The Board will, however, take the outcomes of these votes into consideration when considering amendments to the Company's remuneration policy.

If 25% or more of the shareholders vote against either resolution (or both), the Remuneration Committee will engage with the dissenting shareholders to ascertain their concerns with the Group's remuneration framework. The Remuneration Committee may take steps to address any valid and reasonable concerns raised and will seek to disclose information pertaining to this engagement process. The remuneration report is included on page 112 to 146 in the 2024 integrated annual report and is available on the Company's website, www.burststone.com.

11. Ordinary resolution number 11: Non-binding advisory vote on the remuneration policy of the Company:

Resolved that:

In accordance with King IV™ and the JSE Listings Requirements, shareholders endorse the remuneration policy of the Company as set out in part 2 of the remuneration report.

12. Ordinary resolution number 12: Non-binding advisory vote on the implementation of the remuneration policy of the Company:

Resolved that:

In accordance with King IV™ and the JSE Listings Requirements, shareholders endorse the implementation of the remuneration policy of the Company as set out in part 3 of the remuneration report.

Special resolutions

13. Special resolution number 1: Directors' authority to allot and issue shares for cash in respect of 40 245 922 (five percent) of the shares in issue:

Resolved that:

- To the extent required by, and subject to the JSE Listings Requirements, the Company's Memorandum of Incorporation and the Act, each as presently constituted and as amended from time to time, the directors of the Company are authorised by way of a general authority, which authority shall not extend beyond the date of the next AGM of the Company to be held in 2024 or the date of the expiry of 15 (fifteen) months from the date of the AGM of the Company convened for 15 August 2024, whichever period is shorter, to allot and issue 40 245 922 shares for cash (i.e. other than by way of rights offer, to the existing shareholders in proportion to their then existing holdings), which equates to 5% (five percent) of the shares in issue, such authority to not exceed 10% (ten percent) of the shares in issue at the date of the AGM when read in conjunction with Resolution 10 subject to the limitations as required by the JSE Listings Requirements from time to time, it being recorded that at 4 July 2024, the JSE Listings Requirements provide, inter alia, that:
 - i. the shares must be issued to public shareholders;
 - ii. an announcement giving full details of the issue, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the issue is agreed in writing and an explanation, including supporting information (if any), of the intended use of the funds;
 - iii. the issue of shares for cash in the aggregate in any 1 (one) financial year will not exceed 30% (thirty percent) of the number of the Company's shares in issue, including instruments which are compulsorily convertible;

- iv. in determining the price at which an allotment and issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of the shares in question as determined over the 30 (thirty) business days prior to the date that the price of the issue is agreed to between the directors of the Company and the party subscribing for the shares; and
- v. related parties may participate in a general issue for cash through a bookbuild process provided that: (a) the related party only participate with a maximum bid price at which they are prepared to take up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price, the relevant related party will be 'out of book' and not be allocated shares; and (b) equity securities must be allocated equitably 'in the book' through the bookbuild process and the measures applied be disclosed in the SENS announcement launching the bookbuild.

The directors are seeking authority to allot and issue up to 40 245 922 of the number of unissued shares for cash which represents 5% (five percent) of the number of the Company's issued shares as at the date of this notice of AGM, which is in line with the 30% (thirty percent) permitted in terms of the JSE Listings Requirements.

The authority will be exercised subject to the provisions of the Act, the Company's Memorandum of Incorporation and the JSE Listings Requirements.

The directors consider it beneficial to obtain the authority to enable the Company to take advantage of any business opportunity that may arise in future.

Notice of annual general meeting CONTINUED

14. Special resolution number 2: Directors' authority to acquire shares:

Resolved that:

- Burstone Group Limited and its subsidiaries (the Company) is authorised (to the extent required), by way of a general authority, which authority shall not extend beyond the date of the next AGM of the Company to be held in 2024 or the date of the expiry of 15 (fifteen) months from the date of the AGM of the Company convened for 15 August 2024, whichever period is shorter, to acquire shares issued by the Company, from any person, upon such terms and conditions and in such number as the directors of the Company may from time to time decide, but subject to the provisions of the Company's Memorandum of Incorporation, the Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, it being recorded that at 4 July 2024, the JSE Listings Requirements provide, inter alia, that:
 - i. any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
 - ii. an announcement containing full details of such acquisitions will be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% (three percent) of the number of the Company's shares in issue (at the time that this authority is granted) and for each 3% (three percent) in aggregate of the initial number of such shares acquired thereafter;
 - iii. acquisitions of shares by the Company in aggregate in any 1 (one) financial year may not exceed 20% (twenty percent) of the Company's issued shares as at the date of passing of this special resolution No 2;
 - iv. in determining the price at which shares are repurchased by the Company are acquired by it in terms of this general authority, the maximum price at which such shares may be acquired will be 10% (ten percent) above the weighted average of the market value at which such shares are traded on the JSE as determined over the 5 (five) business days immediately preceding the date of acquisition of such shares, by the Company;
 - v. at any point in time, the Company may only appoint 1 (one) agent to effect any acquisition on the Company's behalf;
 - vi. a resolution is passed by the board of directors that it has authorised the acquisition, that the Company (and where applicable, its subsidiaries) has passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Company; and
 - vii. the Company may not acquire any shares during a prohibited period as defined by the JSE Listings Requirements unless there is in place a repurchase programme where dates and quantities of securities to be traded during the prohibited period are fixed and full details of the programme have been disclosed in writing to the JSE prior to the commencement of the prohibited period.

Special resolution number 2 is sought to allow the Company, by way of a general authority, to acquire its own shares in issue from time to time, subject to the Company's Memorandum of Incorporation, the Act and the JSE Listings Requirements.

At the present time, the directors of the Company have no specific intention of making any such acquisition, but believe that the Company should retain the flexibility to take action if future acquisitions are considered desirable and in the best interests of shareholders, taking into account prevailing market conditions.

The directors of the Company are of the opinion that, after considering the effect of such acquisition of shares, if implemented and on the assumption that the maximum of 20% (twenty percent) of the current issued shares of the Company will be acquired, using the mechanism of the general authority at the maximum price at which the acquisition may take place and having regard to the price of the shares on the JSE at the last practical date prior to the date of the notice of AGM of the Company convened for 15 August 2024:

- The Company will be able, in the ordinary course of business, to pay its debt for a period of 12 (twelve) months after the date of the notice of AGM of the Company convened for 15 August 2024.
- The assets of the Company will be in excess of the liabilities of the Company, each recognised and measured in accordance with IFRS, for a period of 12 (twelve) months after the date of the notice of AGM of the Company convened for 15 August 2024.
- The Company will have adequate capital and reserves for ordinary business purposes for a period of 12 (twelve) months after the date of the notice of AGM of the Company convened for 15 August 2024.
- The working capital of the Company will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the notice of AGM of the Company convened for 15 August 2024.

Directors' responsibility statement

The directors, whose names appear on page 252 of the 2024 integrated annual report, collectively and individually accept full responsibility for the accuracy of the information given pertaining to this special resolution number 2 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by law and the JSE Listings Requirements.

15. Special resolution number 3: Non-executive directors' remuneration:

Resolved that:

- In terms of section 66(9) of the Act, fees to be paid by the Company to the non-executive directors for their services as directors, exclusive of VAT, be and are hereby approved as follows:
- i. for the period 1 April 2024 to 31 March 2025:

In Rands	Current	Proposed	% increase
Chair ¹	1 670 000	1 670 000	0%
Lead independent director	557 000	584 850	5%
Non-executive director	390 000	409 500	5%
Audit and risk committee chair	334 000	350 700	5%
Audit and risk committee member	145 000	152 250	5%
Social and ethics committee chair	117 000	122 850	5%
Social and ethics committee member	55 000	57 750	5%
Investment committee chair	167 000	175 350	5%
Investment committee member	83 000	87 150	5%
Remuneration and nominations committee chair	150 000	157 500	5%
Remuneration and Nominations committee member	70 000	73 500	5%
Nomination committee chair	–	–	0% ²

Notes:

1. Excluding an additional fee of R330 000 per annum which was paid in FY24 and will be paid again in FY25. The Chairperson fee is thus R2 million which was approved at the 2023 AGM.
 2. The Nominations Committee has been chaired by the Board Chairperson (i.e. the Nominations Committee Chairperson fee is included in the all-inclusive Board Chairperson fee).
- ii. thereafter, but only until the next AGM (or until amended by a special resolution of shareholders prior to the expiry of such period), on the same basis as above, escalated as determined by the board of the Company up to a maximum of 5% (five percent), per annum, per amount set out as aforesaid, exclusive of VAT.

Special resolution number 3 is proposed to enable the Company to comply with the provisions of sections 65(11)(h), 66(8) and 66(9) of the Act, which stipulate that remuneration to non-executive directors for their service as non-executive directors may be paid only in accordance with a special resolution approved by the shareholders within the previous two years. The remuneration proposed for approval has been determined being mindful thereof that the role of non-executive directors is under increasing focus of late with greater accountability and risk attached to the position.

Value-Added Tax (VAT), at the prevailing rate, where applicable, will be added to the above fees.

For further information on the proposed directors' remuneration, please refer to pages 134 and 146 of the 2024 annual integrated report.

16. Special resolution number 4: Financial assistance to subsidiaries and other related and interrelated entities:

Resolved that:

- To the extent required by the Act, the board of directors of the Company may, subject to compliance with the requirements of the Company's Memorandum of Incorporation, the Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance by way of a loan, guarantee, provision of security or otherwise, to:
 - any of its current and future subsidiaries; and/or
 - any other company or entity that is or becomes related or interrelated to the Company; and/or
 - any company or entity created for the purpose of providing a guarantee to noteholders under the Company's Domestic Medium-Term Notes Programme for the purpose of or in connection with any matter, including, but not limited to:
 - the subscription of any option, or any securities, issued or to be issued by the Company or a related or interrelated company; or
 - for the purchase of any securities of the Company or a related or interrelated company; or
 - for the purpose of lending money, guaranteeing a loan or other obligation and securing any debt or obligation; or
 - for the provision of a guarantee by special purpose vehicles to noteholders under the Domestic Medium-Term Notes Programme such authority to endure until the next AGM of the Company.

Notice of annual general meeting CONTINUED

Reason

The Company would like the ability to provide financial assistance to its subsidiaries and related or interrelated entities and to any company or entity created for the purpose of providing a guarantee to noteholders under the Company's Domestic Medium-Term Notes Programme, for the purpose of or in connection with the subscription of any option, or any securities, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company or for the purpose of lending money, guaranteeing a loan or other obligation and securing any debt or obligation of any such company.

Under sections 44 and 45 of the Act, the Company will require a special resolution to be adopted before such financial assistance may be provided. In the circumstances and in order to, among others, ensure that the Company's related and interrelated companies and entities have access to financing and/or financial backing from the Company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution number 4.

It should be noted that this resolution does not authorise financial assistance to a director or a prescribed officer of the Company or any company or person related to such a director or prescribed officer.

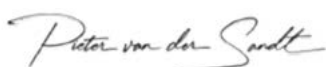
Material changes

Other than the facts and developments reported on in the 2024 integrated annual report, there have been no material changes in the affairs or financial position of the Company since the date of signature of the audit report and up to the date of this notice of AGM of the Company.

The following additional information is provided in terms of the JSE Listings Requirements for purposes of the general authority:

- Largest shareholders: page 251 of the 2024 integrated annual report
- Directors: page 252 of the 2024 integrated annual report
- Issued capital of the Company: page 166 of the 2024 integrated annual report.

By order of the board



Burstone Group Limited
Company secretary

4 July 2024

Registered office

4th Floor, 4 Sandown Valley Crescent
Sandown
Sandton
2196

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196

Private Bag X9000
Saxonwold 2132

Email: proxy@computershare.co.za

Form of proxy



Burstone Group Limited

Previously Investec Property Fund
 Approved as a REIT by the JSE
 Incorporated in the Republic of South Africa
 Registration number 2008/011366/06
 Share code: BTN
 Bond code: BTNI
 ISIN: ZAE000180915
 (the Company or the Group)

For use by certificated and 'own name' dematerialised shareholders only.

For use by certificated and 'own name' registered dematerialised shareholders of the Company, recorded as such in the Company's securities register as at Thursday, 8 August 2024, in the exercise of their voting rights in respect of the ordinary shares in the capital of the Company, at an annual general meeting (AGM) of the Company will be held at, 4th Floor, 4 Sandown Valley Crescent, Sandton, South Africa, 2196 at 09:00 on Thursday, 15 August 2024.

I/We: (please print names in full)

of (address)

being the holder/s of shares in the Company, appoint (see note 1):

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chair of the AGM,

as my/our proxy to act for me/us and on my/our behalf at the AGM which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof and to vote for and/or against such resolutions and/or abstain from voting in respect of the share component of the shares registered in my/our name/s, in accordance with the following instructions (see note 3):

	Number of votes (one vote per share)		
	For	Against	Abstain
Ordinary resolution number 1: To elect Paul A Theodosiou as a director of the Company			
Ordinary resolution number 2: To re-elect Nicholas P Riley as a director of the Company			
Ordinary resolution number 3: To re-elect Disebo C Moephuli as a director of the Company			
Ordinary resolution number 4: To elect Disebo C Moephuli as a member of the Audit and Risk Committee			
Ordinary resolution number 5: To elect Rex G Tomlinson as a member of the Audit and Risk Committee			
Ordinary resolution number 6: To elect Paul A Theodosiou as a member of the Audit and Risk Committee			
Ordinary resolution number 7: To reappoint PricewaterhouseCooper Inc. as designated auditor of the Company for the year to 31 March 2025			
Ordinary resolution number 8: To provide the directors or the company secretary with the authority to take action in respect of the resolutions approved by shareholders			
Ordinary resolution number 9: Directors' authority to issue shares specifically in relation to a Dividend Reinvestment Plan			
Ordinary resolution number 10: Authorising the directors to allot and issue 40 245 922 of the authorised but unissued shares (5.00% of shares in issue)			
Ordinary resolution number 11: Non-binding advisory vote on the remuneration policy of the Company			
Ordinary resolution number 12: Non-binding advisory vote on the implementation of the remuneration policy of the Company			
Special resolution number 1: To provide the directors with general authority to allot and issue 40 245 922 of the authorised but unissued shares (5.00% of shares in issue) for cash			
Special resolution number 2: To provide the directors with general authority to acquire shares			
Special resolution number 3: Non-executive directors' remuneration			
Special resolution number 4: Financial assistance to subsidiaries and other related and interrelated entities			

Form of proxy CONTINUED

Certificated shareholders

If you are a certificated shareholder or have dematerialised your shares with 'own name' registration and you are unable to attend the annual general meeting (AGM) of the Company to be held at 4th Floor, 4 Sandown Valley Crescent, Sandton, South Africa, 2196 at 09:00 on Thursday, 15 August 2024 and wish to be represented thereat, you are requested to complete and return this form of proxy in accordance with the instructions contained herein and to lodge it with, or post it to the Transfer Secretaries, namely Computershare Investor Services Proprietary Limited.

Dematerialised shareholders, other than those with 'own name' registration

If you hold dematerialised shares in the Company through a CSDP or broker, other than with an 'own name' registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the AGM or be represented by proxy thereat in order for your CSDP or broker to provide you with the necessary letter of representation to do so, or should you not wish to attend the AGM in person, you must timeously provide your CSDP or broker with your voting instruction in order for the CSDP or broker to vote in accordance with your instruction at the AGM.

Signed at: _____ on _____ 2024

Signature: _____ Assisted by me where applicable: _____

Name: _____ Capacity: _____ Signature: _____

Please read the notes that follow.

Notes to the form of proxy

Notes and summary of rights under section 58 of the Act

1. A shareholder entitled to attend and vote at the annual general meeting (AGM) is entitled to appoint any one or more individual (who need not be a shareholder of the Company) as a proxy to attend, speak and vote in his place at the AGM, provided that, if more than one proxy is concurrently appointed by a shareholder, each proxy is appointed to exercise the rights attached to different shares held by that shareholder. Such shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting 'the chair of the meeting', provided that any such deletion must be signed in full by the shareholder. The person whose name stands first on the proxy form and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow. Should a proxy not be specified, this will be exercised by the chair of the AGM.
2. A shareholder or his proxy shall have one vote for every share held. You are not obliged either to cast all your votes or to cast all your votes in the same way. Please instruct your proxy how to vote by either:
 - Marking the appropriate box with an 'X' next to the resolution (i.e. in favour of and/or against and/or by way of abstention), in which event the proxy will cast all your votes in the manner so specified; or
 - Setting out the number of votes to be cast in the appropriate box next to the resolution, provided that, if for any resolution the aggregate number of votes to be cast would exceed the total number of shares held, you will be deemed to have given no specific instruction as to how you wish your proxy to vote in respect of that resolution.

Your proxy will have discretion to vote in respect of your total holding on any resolution on which you have not (or are deemed not to have) given specific instruction as to how to vote and, unless instructed otherwise, on any business which may properly come before the meeting.
3. The date must be filled in on this form of proxy when it is signed.
4. If you are signing in a representative capacity, whether for another person or for an organisation, then, in order for this form to be valid, you must include a power of attorney or other written authority that authorises you to sign (or a certified copy of such power or authority).
5. In the case of a company, the proxy form should either be sealed by the Company or signed by a director or an authorised signatory (and the provisions of paragraph 4 shall apply to such authorised signatory).
6. In the case of joint shareholders, only one need sign.

If more than one joint shareholder votes, whether in person or by proxy, only the most senior shareholder who casts a vote, whether in person or by proxy, will be counted. For this purpose, seniority is determined by the order in which shareholders' names appear in the securities register for that share.
7. Any alteration or correction made to this form of proxy must be signed in full and not initialled by the signatory or signatories.
8. A minor must be assisted by his/her parent/guardian and the relevant documentary evidence establishing his/her legal capacity must be attached to this form of proxy unless previously recorded by the Company or waived by the chair of the AGM.
9. The chair of the AGM may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
10. The return of this form of proxy will not prevent you from attending the meeting and voting in person.
11. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.
12. The appointment of a proxy or proxies:
 - Is suspended at any time to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
 - Is revocable in which case the shareholder may revoke the proxy appointment by:
 - Cancelling it in writing or making a later inconsistent appointment of a proxy; and
 - Delivering a copy of the revocation instrument to the proxy and to the Company
13. Should the instrument appointing a proxy or proxies have been delivered to the Company, as long as the appointment remains in effect, any notice that is required by the Act or the Company's Memorandum of Incorporation to be delivered by such Company to the shareholder, must be delivered by such Company to:
 - the shareholder; or
 - the proxy or proxies, if the shareholder has directed the Company to do so in writing and has paid any reasonable fee charged by the Company for doing so.
14. The proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used (including any adjournment thereof), unless revoked as contemplated in section 58(5) of the Act.
15. It is requested that this form of proxy be forwarded to the Company's transfer secretaries by no later than 09:00 on Tuesday, 13 August 2024:

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank Johannesburg 2196

Private Bag X9000
Saxonwold 2132

proxy@computershare.co.za

Electronic participation in the AGM

Application Form

Burstone Group Limited

Previously Investec Property Fund
 Approved as a REIT by the JSE
 Incorporated in the Republic of South Africa
 Registration number 2008/O11366/O6
 Share code: BTN
 Bond code: BTNI
 ISIN: ZAE000180915
 (the Company or the Group)

The annual general meeting (AGM) of the Company will be held in person and through electronic participation at 09:00 on Thursday, 15 August 2024.

Should any shareholder (or a representative or proxy for a shareholder) wish to participate in the AGM by way of electronic participation, such shareholder must either:

- (i) register online using the online registration portal at www.meetnow.global/za prior to the commencement of the AGM; or
- (ii) make a written application (the form of which is attached to this notice) to so participate, by delivering the application form to the transfer secretaries, being Computershare Investor Services Proprietary Limited, at First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posting it to Private Bag X9000, Saxonwold, 2132 (at the risk of the shareholder), or sending it by email to proxy@computershare.co.za, so as to be received by the transfer secretaries by no later than 09:00 on Tuesday, 13 August 2024, in order for the transfer secretaries to arrange such participation for the shareholder and for the transfer secretaries to provide the shareholder with the details as to how access to the AGM by means of electronic participation is to be made. Shareholders may still register/apply to participate in and/or vote electronically at the AGM after this date, provided, however, that those shareholders are verified (as required in terms of Section 63(1) of the Companies Act, No 71 of 2008, as amended (the Act)) and are registered at the commencement of the AGM.

For the avoidance of doubt, dematerialised shareholders without "own name" registration would need to obtain a letter of representation from their CSDP or broker to participate in and/or vote at the AGM by way of electronic means.

Application Form: Electronic participation in the AGM

Full name of shareholder:

Identity/registration number:

Email address:

Cell number:

Telephone number: (code): (number):

Number of ordinary shares in the Company:

Name of CSDP or broker (if shares are held in dematerialised form):

Contact number of CSDP/broker:

Contact person of CSDP/broker:

Number of share certificate (if applicable):

Signed at

on

2024

Signature of shareholder

Terms and conditions for participation in the AGM via electronic means

1. Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM and it will not be for the expense of the Company, the transfer secretaries or the JSE. Neither the Company, the transfer secretaries nor the JSE will be held accountable in the case of loss of network connectivity or network failure due to insufficient airtime/internet connectivity/power outages which would prevent a shareholder from participating in and/or voting at the AGM electronically.
2. The shareholder acknowledges that the electronic platform through which the AGM will be facilitated is provided by third parties and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use of the electronic platform, whether or not the problem is caused by any act or omission on the part of the shareholder or anyone else.
3. A shareholder, participating in and/or voting at the AGM by means of electronic participation, acknowledges by signing this application form, that he/she will have no claim against the Company, the transfer secretaries and the JSE, whether for consequential damages or otherwise, arising from the use of the electronic platform or any defect in it or from total or partial failure of the electronic platform and connections linking the shareholder via the electronic platform to the AGM.
4. An application to participate in the AGM electronically, utilising this application form, will only be deemed successful if this application form, along with the submission of the necessary letter of representation (if applicable), has been completed fully, signed by the shareholder and submitted to the transfer secretaries of the Company as detailed above, prior to the commencement of the AGM and such shareholder is verified (as required in terms of Section 63(1) of the Act).

Corporate information

Burstone Group Limited

Incorporated in the Republic of South Africa
Registration number 2008/O11366/O6
Share code: BTN
ISIN: ZAE000180915

Secretary and registered office

The Group Company Secretary
Burstone Group Limited
4th Floor, 4 Sandown Valley Crescent
Sandown, Sandton 2196
PO Box 78949
Sandton 2196

Website

www.burstone.com

Auditor

PricewaterhouseCoopers Inc.
4 Lisbon Lane, Waterfall City
Jukskei View
Midrand 2090

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196
Private Bag X9000
Saxonwold 2132
Telephone (27 11) 370 5000

Sponsor

Investec Bank Limited
100 Grayston Drive
Sandown, Sandton 2196
PO Box 785700
Sandton 2146

Directorate

Refer to pages 20 to 23

For queries regarding information in this document:

Investor Relations

Telephone (27 11) 568 8708
e-mail: investorrelations@burstone.com

Preparer

This integrated annual report and annual financial statements have been prepared under the supervision of the chief financial officer, Jenna Sprenger *CA(SA) (BACC Rhodes; Post Graduate Diploma in Accounting)*.



Glossary of terms

AGM	Annual general meeting
AML	Anti-Money Laundering
ASX	Australian Securities Exchange
AUD	Australian Dollar
B-BBEE	Broad-based black economic empowerment
Black	All African, Indian or Coloured people qualifying for South African citizenship by birth or descent, or people who were naturalised before 27 April 1994
Board	Board of directors of Burstone
BPR	Best Practice Recommendations
BREEAM	Building Research Establishment Environment Assessment Methodology
Capital light activities	Those activities where the Group earns revenue for managing funds on behalf of third parties
CCS	Cross-currency swap
CGT	Capital gains tax
The Company	Burstone Group Limited and its subsidiaries
CPS	Cents per share
CSDP	Central Securities Depository Participant
CSI	Corporate social investment
DIPS	Distributable income or earnings per share
DPS	Dividend per share
DMTN	Domestic medium-term note
EMEA	Europe, the Middle East and Africa
ERV	Estimated rental value
ESG	Environmental, social and governance
EUR	Euro
Euribor	The Euro Interbank offered rate
EV	Enterprise value
FECs	Forward exchange contracts
FVTPL	Fair value through profit or loss
FX	Foreign exchange
GAV	Gross asset value
GBCSA	Green Building Council of South Africa
GBF	General banking facility
GCR	Global Credit Rating
GDP	Gross domestic product
GHG	Greenhouse gas
GLA	Gross lettable area
GRI	Global Reporting Initiative
The Group	Burstone Group Limited and its subsidiaries
Hexagon	Hexagon Holdco S.a.r.l and Hexagon Holdco S.a.r.l 2
HFS	Held for sale
HQLA	High quality liquid assets
ICR	Interest coverage ratio
IFRS	International Financial Reporting Standards
Investec Group	Investec Bank Limited and Investec Limited
Investec Property, IP or The Manager	Investec Property (Pty) Ltd
IRS	Interest rate swaps
IT	Information technology
ITAP	Irongate Templewater Australia Property
Izandla	Izandla Property Fund (Pty) Ltd
JIBAR	Johannesburg Interbank Agreed Rate
JSE	Johannesburg Stock Exchange
King IV	Report on Corporate Governance for South Africa 2016
KPIs	Key performance indicators
KZN	KwaZulu-Natal
LED	Light-emitting diodes

LFL	Like-for-like
LID	Lead Independent Director
LTV	Loan-to-value
MOI	Memorandum of Incorporation
MTM	Mark to market
NAV	Net asset value
NOI	Net property income
Offshore	All operations outside of South Africa
OECD countries	Countries that are members of the Organisation for Economic Co-operation and Development
PEL	Pan-European logistics platform
PELI	Pan-European light industrial
PPE	Personal protective equipment
PPL	Profit participating loans
Proptech	The usage of technology and software to assist in today's property needs
PV	Photovoltaic
REIT	Real Estate Investment Trust
SA	Africa/n
SAICA	South African Institute of Chartered Accountants
SAPOA	South African Property Owners' Association
SDG	Sustainable Development Goals
SLA	Service level agreement
SMME	Small, medium and micro enterprises
UREP	Urban Real Estate Partners
VAT	Value-Added Tax
WALE	Weighted average lease expiry
WFH	Work from home
WHT	Withholding tax
Y-o-y	Year-on-year
ZAR	South African Rand

