BUILDING TRUST, BRICK BY BRICK SINCE 1996

AUDITED SUMMARY FINANCIAL RESULTS

FOR THE YEAR ENDED 28 FEBRUARY 2025

Balwin
PROPERTIES®

FINANCIAL OVERVIEW

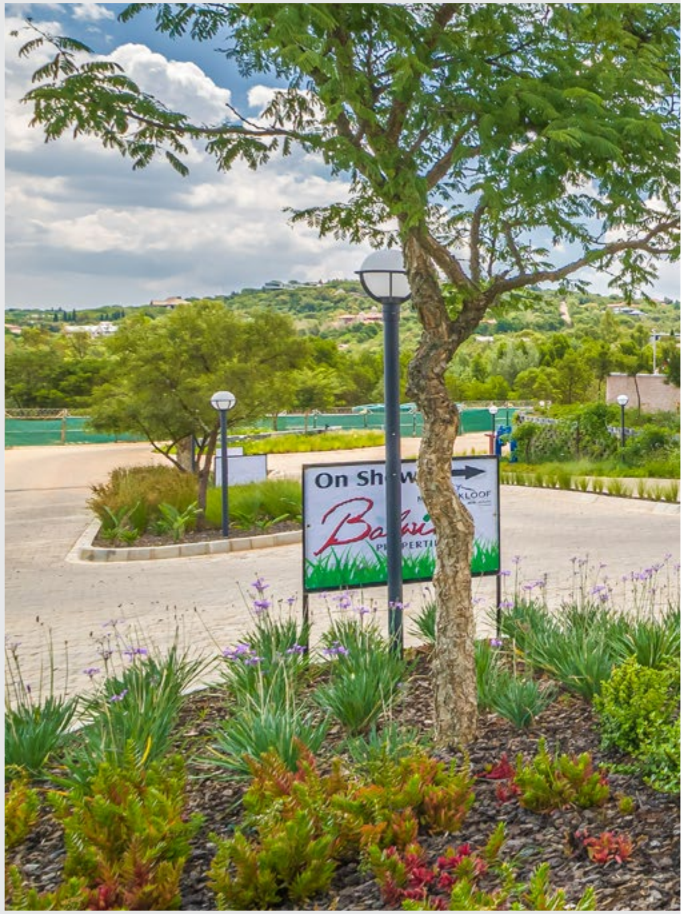
6%
REVENUE

8%
PROFIT FOR THE YEAR

8%
EARNINGS PER SHARE

4%
HEADLINE EARNINGS PER SHARE

6%
NET ASSET VALUE



MOOIKLOOF ECO-ESTATE

COMMENTARY

CORPORATE OVERVIEW

Balwin is South Africa's leading residential property developer of large-scale, sectional title estates with a focus on high quality, environmentally efficient and affordable apartments with an innovative lifestyle offering for residents.

Estates typically consist of between 1 000 and 3 500 sectional title residential apartments located in the targeted nodes of Johannesburg, Tshwane, the Western Cape and KwaZulu-Natal. Larger estates are developed where market demand allows. An increasing number of larger-scale developments have been introduced into Balwin's portfolio, particularly in the Green Collection brand where the economies of scale allow for the desired affordability of the apartments.

Balwin estates offer secure and conveniently located, one-, two- and three-bedroom apartments which are designed to appeal to a wide range of home buyers and investors. Apartments include modern fitted kitchens, prepaid water and solar assisted electricity, eco-friendly fittings and appliances, and are all fibre enabled through Balwin's subsidiary fibre business.

Sustainable building is at the heart of the development process. All Balwin's apartments are built to Excellence in Design for Greater Efficiencies (EDGE) Advanced certification and the lifestyle centres are constructed to Six-Star Green rating and net zero carbon emission as certified by the Green Building Council of South Africa (GBCSA). This commitment to environmentally sustainable building allows for significant savings to customers through reduced utility costs together with potential savings on mortgage bonds through the green bonds offering, which currently affords clients an interest rate reduction of between 0.25% to 0.75% by the major financial institutions.

Lifestyle centres are an integral part of Balwin's developments, with facilities offered as all-inclusive value-added services. These lifestyle centres typically include a wellness spa, restaurant, gym, squash court, action sports field, games room, cinema room, swimming pools, playgrounds, laundromat and concierge services. An exciting extension of the lifestyle offering has been the addition of increasingly popular padel courts, now available at five estates across the portfolio.

Development brands

Balwin's business model comprises three distinct Collections, all located in high-density, high-growth nodes across key metropolitan areas. Balwin benefits from economies of scale and in-house construction management, while retaining flexibility throughout individual phases of large developments. All estates are developed on a phase-by-phase basis and the dynamic nature of the product enables Balwin to control the pace of its developments or change the block design configuration in response to changing market conditions and customer demands.

THE CLASSIC COLLECTION

The Classic Collection is Balwin's core development model comprising four-storey, walk-up apartments. The apartments are targeted at the country's growing middle income market with prices ranging from R719 900 to R2 899 900 and offer secure, affordable, high quality and environmentally friendly developments, with a focus on lifestyle offerings to residents.

THE GREEN COLLECTION

Targeting a slightly lower income resident than the Classic Collection, Green-branded developments have distinctive architecture and high quality standards which are synonymous with Balwin, also offering residents access to traditional lifestyle facilities. Apartments are priced from R599 900 to R1 519 900.

THE Signature COLLECTION

The Signature Collection comprises three developments: The Polofields, Munyaka Lifestyle Centre (both located in Waterfall, Johannesburg) and Izinga Eco Estate (Umhlanga, KwaZulu-Natal). Apartments in the Signature Collection are built to higher specifications with luxurious finishes and are priced from R2 349 900 to R10 999 900.

GREENKLOOF

OPERATIONAL REVIEW

Balwin's results for the year ended 28 February 2025 ("the period") reflect the sustained economic pressure on consumers, owing mainly to the prolonged high-interest rate environment and growing local and international political uncertainty.

While the reduction in the prime lending rate totalling 75 basis points represented the first positive step for a recovery in the residential property market, the interest rate relief was lower than expected. The initial positive sentiment that followed the formation of the Government of National Unity ("GNU") in June 2024 has been replaced with uncertainty, owing to the policy differences of the parties in the GNU. This uncertainty has been compounded by the unpredictability and volatility of the international economy.

Despite the reduction in the prime lending rate being lower than expected, the rate relief had an immediate positive impact on the group's sales, with the monthly average gross sales rate increasing by approximately 30% since the start of the rate cutting cycle. Development continues to be aligned with the rate of sales and the group is well positioned to accelerate construction activities when market conditions improve.

Balwin recognised 1 749 apartments in revenue for the year, a reduction of 8% from the 1 892 apartments recognised in revenue for the prior year. The improving trading conditions are reflected in 1 109 apartments being recognised in revenue in the second half compared to 640 in the first half, an increase of 73% for the six-months.

Management responded to the challenging market conditions by implementing the following key measures:

- Reducing the rate of construction of apartments to match the rate of sales to preserve cash flows;
- Focusing on construction cost engineering to manage construction costs prudently without compromising on quality standards;
- Continuing with marketing activities and sales incentives to stimulate demand for apartments and other services offered by the group; and
- Reducing operating expenditure and tightening overhead costs.

Despite the pressure on consumers, the group's gross margin improved to 30% for the year compared to 28% for the prior year. The margin was supported by the increased contribution from the annuity businesses.

Balwin's commitment to energy efficiency and green living remains a strategic advantage. Sustainable building practices are not only environmentally responsible, but assist in mitigating the large increases in utility costs experienced by clients. These sustainability initiatives further benefit clients through a reduction in mortgage bond lending rates on the green bonds offered by the major financial institutions.

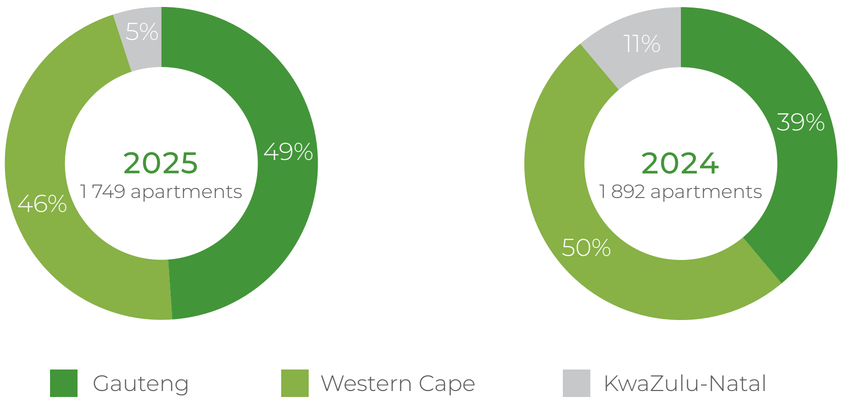
Apartments recognised in revenue

Development	Region	Collection	Apartments recognised in revenue
De Aan-Zicht	Western Cape	Classic	**224**
The Huntsman	Western Cape	Classic	**194**
Greenbay	Western Cape	Green	**187**
Greenlee	Gauteng	Green	**121**
Munyaka	Gauteng	Classic	**115**
Greenkloof	Gauteng	Green	**110**
De Kuile	Western Cape	Classic	**100**
Fynbos	Western Cape	Classic	**96**
Thaba Eco Village	Gauteng	Classic	**80**
Greencreek	Gauteng	Green	**79**
The Whisken	Gauteng	Classic	**71**
Ballito Hills	KwaZulu-Natal	Classic	**66**
The Blyde	Gauteng	Classic	**66**
The Reid	Gauteng	Classic	**56**
Greenpark	Gauteng	Green	**55**
The Polofields	Gauteng	Signature	**43**
Mooikloof Eco-Estate	Gauteng	Classic	**39**
Izinga Eco Estate	KwaZulu-Natal	Signature	**26**
Munyaka Lifestyle Centre	Gauteng	Signature	**21**
			1 749

Apartments recognised in revenue by region

Region	2025	2024
Gauteng	**856**	732
Western Cape	**801**	947
KwaZulu-Natal	**92**	213
	1 749	1 892

Apartments by region



The Gauteng node re-emerged as the largest contributor to revenue, with 856 apartments recognised in revenue (2024: 732) and the contribution increasing to 49% (2024: 39%). Apartment sales in Gauteng were supported by the resumption of sales at The Whisken (Johannesburg north) following an extended break in construction as the group awaited town planning approvals. Management remains optimistic on the long-term sustained demand within Gauteng, which is expected to continue to improve as the market recovers.

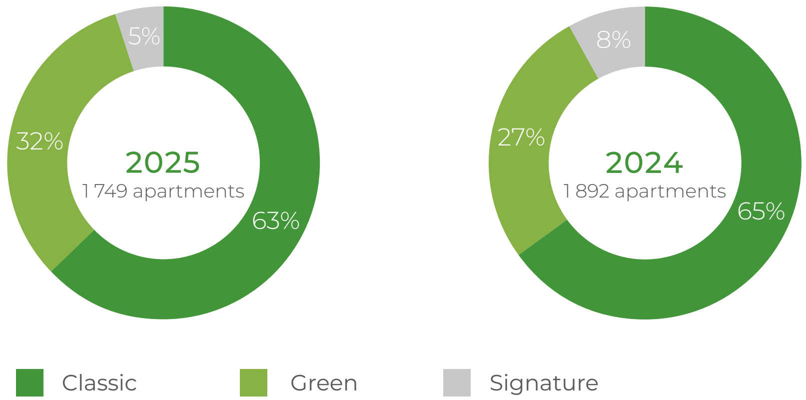
The Western Cape continued to experience strong demand, with 99% of the apartments brought to market being recognised in revenue in the period, a strong conversion rate which benefited profitability and liquidity. The region contributed 801 apartments (2024: 947) to revenue, maintaining a steady 46% contribution to the total apartments recognised for the period. Demand for the Classic Collection apartments at De Aan-Zicht (Milnerton) and The Huntsman (Somerset West) remains robust and is well supported by continued pleasing sales at De Kuile (Kuils River) and Greenbay (Gordon's Bay), the only Green Collection development in the Western Cape. The Fynbos development was sold out during the year and construction commenced on the replacement project, Suikerbos (Milnerton), where the first handovers are scheduled for the 2026 financial year. The group also took registration of additional land in Milnerton for De Buurt, a project identified to replace the highly successful De Aan-Zicht development which is nearing completion.

Sales in KwaZulu-Natal remain subdued owing mainly to town planning and council delays restricting the delivery of apartments in this node during the year. The group recorded 92 apartments in revenue, a 57% reduction on the prior year. Management is confident that the performance of this node will improve in the coming year as progress is being made in the council-related delays. Shongweni Eco-Park, an eco-estate on the outskirts of Hillcrest, was recently launched for sales, and the first apartment handovers are planned for late in the 2026 financial year.

Apartments recognised in revenue by Collection

Collection	2025	2024
Classic	**1 107**	1 236
Green	**552**	501
Signature	**90**	155
	1 749	**1 892**

Apartments by Collection



The Classic Collection apartments were again the most popular, with 1 107 apartments recorded in revenue (2024: 1 236). The Classic Collection's contribution to total apartments recognised in revenue was consistent at 63% (2024: 65%).

The Green Collection increased its contribution of apartments recognised in revenue to 552 (2024: 501), contributing 32% of apartments recognised in revenue.

Signature Collection developments recorded 90 apartments (2024: 155) in revenue. The reduction is attributable mainly to the impact of the town planning delays at Izinga Eco Estate (Umhlanga, KwaZulu-Natal) while the sales performance at The Polofields and Munyaka Lifestyle Centre (both Waterfall, Gauteng) was consistent with prior years.

Apartments recognised in revenue by apartment type

The popularity of one- and two-bedroom apartments remained steady and comprised the bulk of apartments recognised in revenue at 74% (2024: 73%), with the larger three-bedroom apartments comprising the balance of 26% (2024: 27%).

Apartments pre-sold

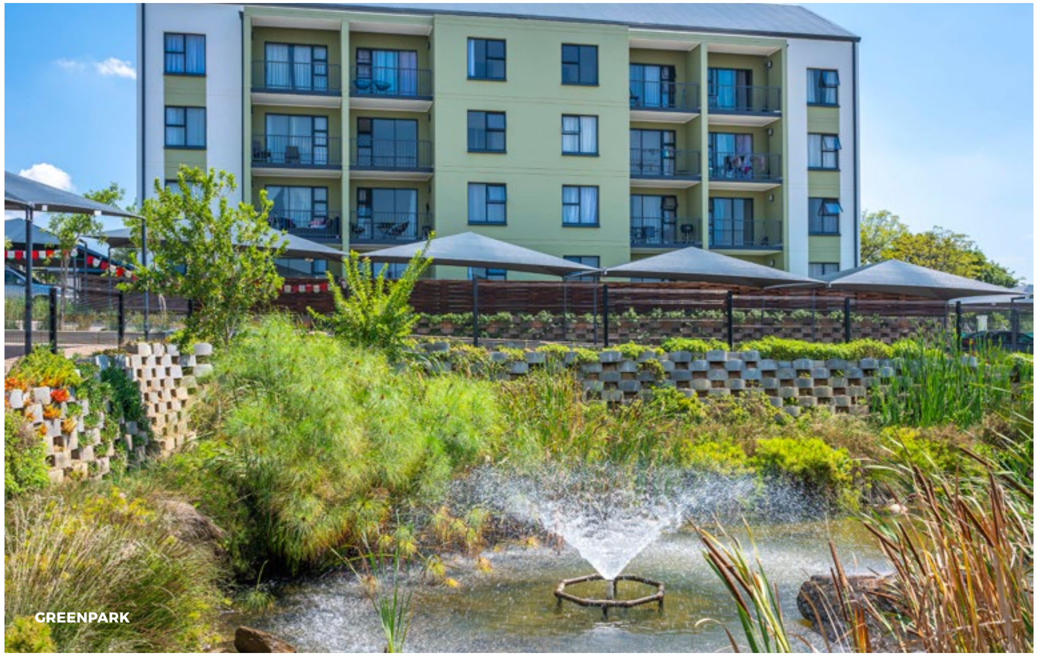
The group has pre-sold 814 (2024: 529) apartments beyond the reporting period, which are not recognised in revenue.

Annuity businesses

Balwin Annuity grew revenue by 33% to R175.8 million (2024: R132.5 million) and increased the contribution to total group revenue to 7.9% (2024: 5.6%). The annuity group continues to support the group margin.

The installation and supply of fibre networks and infrastructure services continues to be the largest contributor. In addition, Balwin Green Living (installation and management of solar PV arrays) made a positive contribution to profit after tax for the first time.

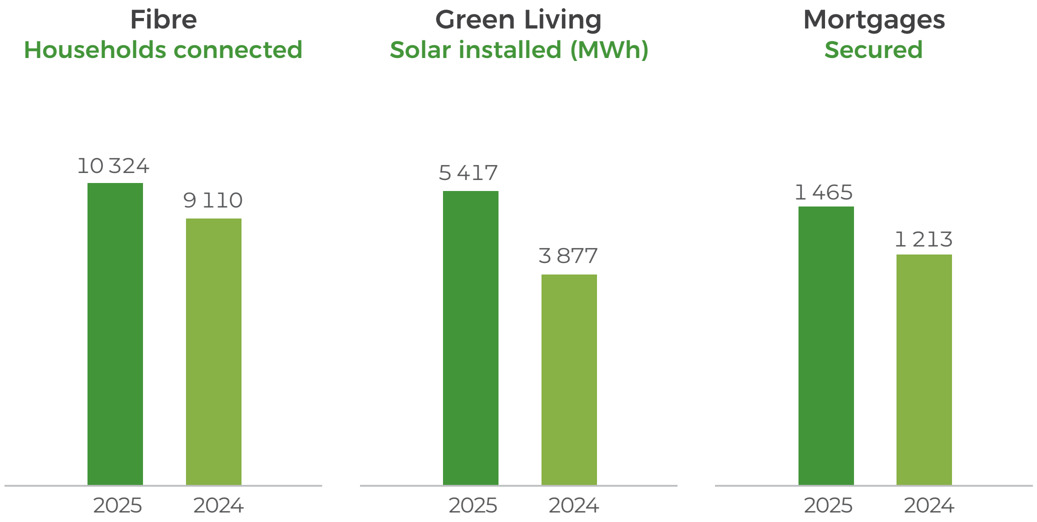
As communicated to shareholders in July 2024, the group has ambitious plans to grow its rental portfolio to complement its core build-to-sell business. Balwin has built capacity, skills, technology and systems to roll out a scalable and efficient rental portfolio, without detracting from the existing build-to-sell model. Moreover, the group intends to leverage its strong brand and position the rental portfolio as an incubator for tenants to progress up the property ladder to ultimately purchase a Balwin apartment.



The addition of this defensive property asset class will further diversify the group's revenue streams and grow annuity income that will complement the cyclical nature of its build-to-sell development business. Moreover, the group will benefit from the usage of its existing land portfolio with approximately 6 200 rental opportunities already available on the existing land bank. The rental portfolio will be rolled-out in a cautious manner and guided by the capital structure implications for the group.

Operational information

	2025	**2024**
Fibre – number of households connected	**10 324**	9 110
Green Living – installed solar (MWh)	**5 417**	3 877
Mortgages secured	**1 465**	1 213



In addition to the financial contribution of the annuity businesses, intangible benefits include customer acquisition and retention. These annuity services increase the appeal of the estates, create a competitive moat and ultimately a price premium when selling residential apartments.

ACHIEVEMENTS

The quality and innovative architecture of Balwin's developments were again recognised at the recent Africa and Arabia Property Awards where Balwin received a further eight awards in the following categories:

- Best apartment/condominium for South Africa with Mooikloof Eco-Estate (Tshwane east, Gauteng)
- Best architecture multiple residence in South Africa for Mooikloof Eco-Estate (Tshwane east, Gauteng)
- Best leisure architecture in South Africa for Izinga Eco Estate (Umhlanga, KwaZulu-Natal)
- Best leisure development in South Africa for Izinga Eco Estate (Umhlanga, KwaZulu-Natal)
- Best residential development 20+ units in South Africa for De Kuile (N1 Corridor, Western Cape)
- Best sustainable residential development in South Africa for Greencreek (Tshwane east, Gauteng)
- Best new hotel construction and design in South Africa for Munyaka Hotel (Waterfall, Gauteng)
- Best developer website in South Africa for www.balwin.co.za

Balwin has to date received 53 international awards recognising the innovation and excellence of its developments.

Sustainable building practices

Balwin continued to focus on reducing its environmental impact through innovation in design and building techniques. Management continued to expand its tracking and reporting of environmental sustainability metrics to provide a more holistic review of its performance. In particular, water management has become a significant focus area to complement the existing areas of carbon emissions, reduction in energy usage, generation of renewable energy and the achievement of EDGE Advanced ratings on all developments.

Carbon emissions

Emissions during the reporting period were as follows:

	2025 (tCO_2e)	2024 (tCO_2e)	Movement (%)
Scope 1	**232**	606	(62)
Scope 2	**2 687**	2 854	(6)
Scope 3	**23 768**	30 191	(21)

A strong reduction was noted in scope 1, 2 and 3 emissions during the period following focused efforts to contain these emissions.

Reduction in energy consumption

Balwin aims to ensure that measures implemented during construction result in a more sustainable product for clients, including energy savings. Apartments handed over during the reporting period saved 4.08GWh of energy, which excludes the renewable energy generated. This not only reduces the impact of these developments on the national grid, but also saves electricity costs for clients. The savings to clients across all developments is estimated at approximately R75 million.

Renewable energy generated

More than 5.4MWp of solar PV has been deployed on Balwin developments as part of its green living initiative. This has resulted in savings of more than R6.5 million to clients and 3.57GWh of renewable energy being produced.

In addition, solar PV deployed on Balwin developments by Bright Light Solar has produced 1.85GWh of renewable energy during the reporting period.

Potable water saved

Balwin recognises that drinking water is a critical resource in South Africa. Construction measures aim to lower water consumption by clients, reduce utility costs and lighten the impact of developments on the environment. During the period 183ML of water was saved by apartments handed over, a saving of approximately R36 million.

Treated water produced

Balwin currently operates four wastewater treatment plants at selected developments. These plants take sewerage from the development and treat it to be safe to use in non-potable applications, further reducing the use of potable water on developments. In the reporting period, over 343ML of treated water was produced.

Green certifications

Balwin has continued to achieve EDGE Advanced ratings on all new developments. EDGE Advanced requires apartments to achieve an on-site energy saving of 40% or more, 20% in water usage and embodied energy in material, an improvement on the EDGE basic certification which requires savings of 20% on all three metrics. During the reporting period, Balwin received an additional 3 889 EDGE Advanced certifications from the International Finance Corporation. This brings Balwin's total certifications to 27 162, with 19 722 being EDGE Advanced.

The reduced interest rates received by Balwin's clients on mortgage bonds due to the green certification of apartments has resulted in savings of approximately R99 million for clients on apartments sold this year when quantified over the duration of their mortgages.

Balwin also received its 11th Six-Star Green Star building rating for the Thaba Eco Lifestyle Centre (Johannesburg south, Gauteng).

Sustainability associations

As part of Balwin's drive to encourage all companies to embrace the ethos of sustainable building practices, the group sponsored the development of the new Green Star tool by the GBCSA. Additionally, in support of the United Nations Development Programme, the group has continued its association with the Worldwide Fund for Nature business network to collaborate and partner with leading non-governmental organisations to further its sustainable development goals of "Building smart for a sustainable future" and "Building inclusive for an enriched South Africa".


GREENBARN

FINANCIAL PERFORMANCE

Revenue

Group revenue totalled R2.2 billion (2024: R2.4 billion), a reduction of 6% over the prior year, reflecting the continued challenging conditions in the residential housing market.

Revenue was generated from the following sources:

	2025 R'000	2024 R'000	Movement (%)
Disaggregation of revenue by source:			
Revenue from the sale of apartments	**1 997 196**	2 222 136	(10)
Revenue from the sale of land	**45 803**	–	100
Revenue from Balwin Annuity	**175 802**	132 543	33
Donation income from Balwin Foundation	**2 117**	1 605	32
	2 220 918	2 356 284	(6)

The reduction in group revenue was largely attributable to the decline in apartment sales, which contracted by 10% to R2.0 billion, materially in line with the reduction in the number of apartments handed over in the year. Despite the continued market headwinds, the group increased selling prices slightly which partially mitigated the lower volumes of apartments sold.

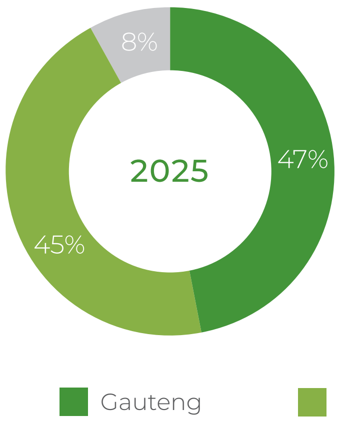
Revenue was bolstered by the sale of land at Mooikloof Smart City for the construction of a shopping centre, which is expected to enhance the value of the neighbouring residential development. The group is negotiating for the sales of further land parcels for complementary offerings including schools, fuel stations and commercial offerings.

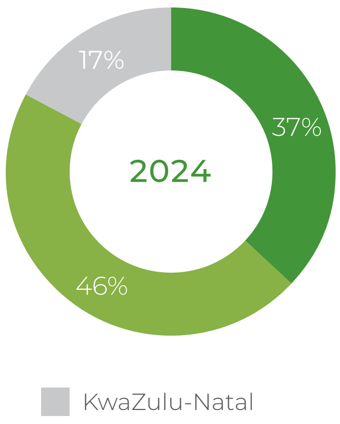
Balwin Annuity experienced strong growth and increased revenue to R175.8 million, contributing 7.9% (2024: 5.6%) to total group revenue.

Analysis of revenue from the sale of apartments

Revenue from sale of apartments by region

Region	2025 R'000	2024 R'000	Movement (%)
Gauteng	**945 129**	812 763	16
Western Cape	**889 851**	1 034 156	(14)
KwaZulu-Natal	**162 216**	375 217	(57)
	1 997 196	2 222 136	(10)





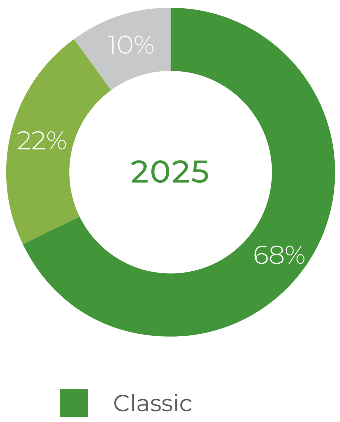
Gauteng was the largest contributor to revenue from the sale of apartments at 47% (2024: 37%) as revenue increased by 16% to R945.1 million. The improved sales performance was noted across most developments in the Gauteng node, albeit off a low base. Revenue benefited from the resumption of sales at The Whisken (Johannesburg north) following a protracted delay in construction owing to town planning approvals. Management remains optimistic about the long-term sustained demand in the Gauteng region. Gauteng currently has 12 active developments across Johannesburg (eight) and Tshwane (four).

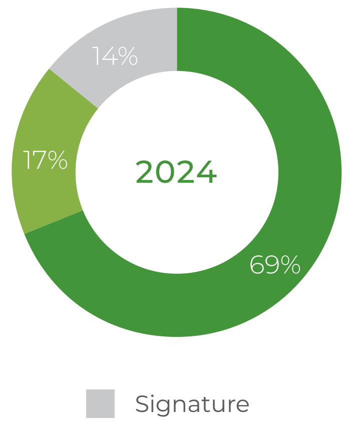
The Western Cape recorded revenue of R890.0 million from its five active developments, contracting 14% from the prior year as a result of the reduction in the number of apartments recognised in revenue. The group successfully sold-out Fynbos (Milnerton) during the year and took registration of the land for the replacement project, Suikerbos, which is planned for initial handover in the 2026 financial year. This temporary gap in development contributed to the decline in apartments sold in the region. However, sales at Suikerbos were launched on the conclusion of Fynbos with 165 apartments being forward sold at year end. The Western Cape's contribution to revenue was stable at 45% (2024: 46%), with the sales rate in the region remaining healthy.

KwaZulu-Natal was the smallest contributor to revenue from the sale of apartments at 8% (2024: 17%). Izinga Eco Estate (Umhlanga) continued to be impacted by delays in approvals by the local municipality, with only 26 apartments being handed over in the period.

Revenue from sale of apartments by Collection

Collection	2025 R'000	2024 R'000	Movement (%)
Classic	**1 362 920**	1 525 722	(11)
Green	**432 576**	381 357	13
Signature	**201 700**	315 057	(36)
	1 997 196	2 222 136	(10)





Revenue by Collection was largely consistent with the prior year, with the Classic Collection maintaining its contribution of revenue at 68% (2024: 69%) on the back of the continued strong performance of the developments in the Western Cape as well as sustained demand at Munyaka (Waterfall, Gauteng).

The Green Collection developments increased their revenue contribution to 22% (2024: 17%), with a pleasing recovery in the volumes of sales across the Collection increasing revenue by 13%. The Signature Collection contribution reduced to 10% (2024: 14%) and strategically remains the lowest contributing Collection within the portfolio.

Average selling prices

The selling prices of apartments are determined by multiple factors, including construction input costs, supply and demand dynamics in the region and general market conditions at the time of sale. Selling prices are reviewed regularly to address these constantly changing variables and to sustain a rate of sale of apartments commensurate with the rate of construction.

The average selling prices are impacted by the sales mix of apartment types within the development (one-, two-, or three-bedroom apartments) and the apartment Collection (Green, Classic or Signature). A comparison of the movement in average selling prices is therefore only considered meaningful if performed by apartment type and within the relevant Collection.

Selling prices for the Signature Collection apartments are not analysed in this manner as they are more development specific. Accordingly, these selling prices are reviewed at a development level.

The Classic Collection

	Average selling price (Rands incl. VAT) 2025	Selling price growth
1-bedroom	**1 024 128**	**2%**
2-bedroom	**1 518 649**	**0%**
3-bedroom	**2 008 518**	**1%**

The sales price performance of the Classic Collection apartments showed marginal growth during the year, with modest price increases slightly exceeding the sales incentives utilised during the year.

The one-bedroom apartments comprised 44% of all apartment sales within the Classic Collection and the strategy remains for this apartment type to comprise approximately half of the block configuration. These apartments were the strongest performing apartment type owing to their relative affordability and recorded a 2% selling price growth across the portfolio, with the Western Cape being the strongest performing region with 6% price growth for one-bedroom apartments. KwaZulu-Natal and Gauteng recorded marginal price regression during the reporting period.

The two- and three-bedroom apartments within the Classic Collection remained substantively flat year on year, with a continuation of the regional trends noted above whereby the Western Cape averaged 4% price growth. Owing to the constrained market in the other regions, a significant portion of the sales incentives were utilised to drive sales. This resulted in a net decrease in selling prices across the Gauteng and KwaZulu-Natal Classic Collection portfolio for two-and three-bedroom apartments.

The Green Collection

	Average selling price (Rands incl. VAT) 2025	Selling price growth
1-bedroom	**693 029**	**0%**
2-bedroom	**1 033 311**	**6%**
3-bedroom	**1 247 825**	**0%**

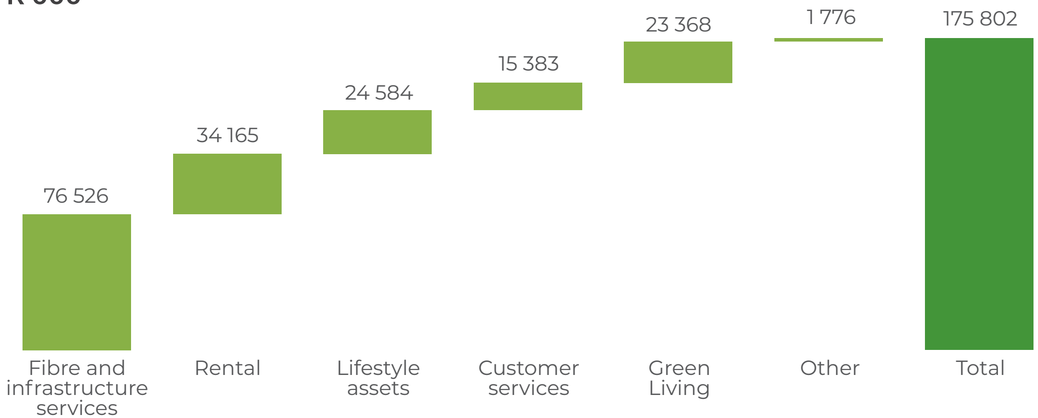
The two-bedroom Green Collection apartments achieved a 6% increase in selling prices over the financial year with all developments reflecting pleasing price growth as the group noted a recovery in the Collection in the financial year.

The pricing of the one- and three-bedroom remained consistent with the prior year, with the consistent theme of sales incentives offsetting the marginal price growth recorded prevailing.

Analysis of revenue from Balwin Annuity

Balwin Annuity recorded revenue of R175.8 million (2024: R132.5 million), an increase of 33%. Fibre and infrastructure services account for 44% of the total annuity revenue. Other strong annuity revenue contributions pertain to commercial and residential rental assets, lifestyle assets, customer services (mortgage bond origination, second-hand trade-ins and insurance) and green living (renewable energy).

Annuity revenue per business R'000



Gross profit

The gross profit margin of the group showed a recovery to 30% (2024: 28%), largely due to the growth in the performance of the businesses within the annuity stable. The movement in the gross profit margin is presented below:

	2025 R'000	2024 R'000
Gross profit*		
Gross profit from sale of apartments	**475 185**	540 876
Gross profit from Balwin Annuity	**171 671**	130 954
Gross loss from the Balwin Foundation	**(13 208)**	(6 175)
Gross profit margin	**30%**	28%
Gross profit margin from sale of apartments	**24%**	24%
Gross profit from Balwin Annuity	**98%**	99%

** Excludes the sale of land*

The gross profit margin from the sale of apartments was consistent with the prior year at 24% with the trading environment remaining challenging. The Western Cape continued to record healthy margins whereas margin pressure was experienced in Gauteng and KwaZulu-Natal owing to restrained selling prices. The management of project budgets through disciplined cost containment and cost engineering measures continues to receive priority.

The investment in sales incentives for both home buyers and investors supported demand and included a CEO loyalty programme, a referral fee campaign as well as a sales incentive for first-time home-owners. While imperative to drive the volume of sales, these incentives contributed to the dilution in the gross margin. The continued use of sales incentives will be carefully managed in response to any movement in the residential property market in the 2026 financial year.

Increased contributions from the annuity businesses supported the gross margin with a 31% increase in gross profit recorded by Balwin Annuity. Due to the nature of these businesses, a different accounting methodology applies than to the sale of apartments. The only annuity businesses to recognise cost of sales are Balwin Connect and Balwin Technik. The remaining annuity businesses do not record any cost of sale but rather the costs incurred in these entities are administrative in nature and are therefore accounted for as operating expenses. This concept is detailed in the commentary on operating costs that follows.

Refer to the commentary in the Revenue section of the report for a breakdown of the contributors to the annuity group revenue and gross profit.

The Balwin Foundation recorded a gross loss in the period as management ensured that, irrespective of the economic cycle, commitments to the foundation beneficiaries, such as student bursaries, vocational training initiatives, sponsorship of community sports events and support for early childhood development centres, were honoured throughout the year.

Operating expenses and net investment costs

Consolidated operating expenditure totalled R350.9 million (2024: R351.2 million). The table illustrates the cost basis of the company and annuity contributions:

	2025 R'000	2024 R'000	Movement (%)
Balwin Properties (the company)	**236 718**	250 961	(6)
Fixed expenditure	**162 314**	157 563	3
Depreciation and amortisation	**17 765**	20 068	(11)
Performance-linked expenditure	**8 909**	–	–
Variable expenditure (Note 1)	**47 730**	73 330	(35)
Balwin Annuity (including Foundation)	**114 231**	100 216	14
Total operating expenditure	**350 949**	351 177	–
Operating expenditure to revenue ratio	**15.8%**	14.9%	

Note 1: Variable expenditure includes sales-related costs such as sales commissions, marketing and other sales activity-related costs.

At a company level, the total operating expenditure reduced by 6% to R236.7 million as the company actively managed its cost base in response to the reduction in sales activity. A significant focus was placed on cost containment as management streamlined the overhead structures of the company.

Fixed expenditure increased by 3% from the prior year, slightly below the prevailing inflationary rates owing to continued focus on cost cutting. Variable expenditure decreased by 35%, exceeding the reduction in the group's revenue as marketing costs were aggressively managed in the year.

Allowance has been made for performance-linked incentives for all staff as the minimum measures contained in the group's performance scorecard were achieved. No performance incentives were paid in the prior year as performance measures were not achieved.

The annuity businesses' operating costs increased by 14% from the prior year to R114.2 million due to increased operational activity reflected by the 33% growth in revenue. As noted in the gross margin analysis, these businesses do not record cost of sales, and all costs are disclosed as operating costs, as the expenses incurred in these businesses are considered to be administrative in nature.

Profit for the year

The group recorded a profit after taxation of R234.0 million, an increase of 8% over the prior year.

Earnings

Earnings per share increased by 8% to 49.74 cents. Headline earnings per share decreased by 4% to 45.95 cents. The material movement in the headline earnings adjustment is due to the exclusion of the profit on the sale of land held by Balwin Annuity and the adjustment of fair value gains on investment property from the headline earnings calculation.

Property, plant and equipment and investment property

Property, plant and equipment increased to R421.6 million (2024: R381.8 million), mainly as a result of ongoing investment in solar assets and the continued rollout of fibre infrastructure during the period within the annuity group.

The group holds R325.1 million (2024: R220.4 million) of investment property. In the reporting period, the group transferred R44.3 million to investment property pertaining to the lifestyle centre at Thaba Eco Village (Johannesburg south). The lifestyle centre has a retail and sports component and attracts membership fees to access its sports facilities, which include six padel courts, a gym, two football fields, a mini basketball court and a skateboard park.

The group also commenced development at The Eastlake (Johannesburg east), the first project in the strategic expansion of the rental portfolio, with R58.8 million of development cost incurred. The first two phases have been handed over and have received strong rental support with a further 126 apartments being developed on a phase-by-phase basis.

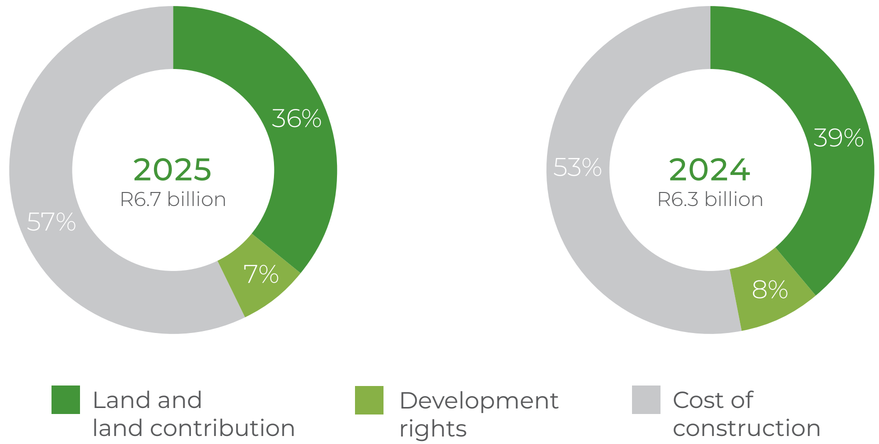
The group recorded a R6.7 million increase in fair value of the investment property portfolio in the year.

Developments under construction

Developments under construction, which include the value of land and infrastructure costs, development rights and construction costs, increased by R337.0 million to R6.7 billion. This increase was driven predominantly by the investment in two developments in the period for new projects in the Western Cape, a region benefitting from sustained strong demand and healthy margins.

Despite the investment in the Western Cape pipeline, the absolute value of land on the balance sheet reduced over the period owing to the realisation of cost of sales in the period on the existing portfolio. The group remains committed to the continued focus on developing the existing pipeline of projects, however, has balanced this with growth in the Western Cape owing to the market dynamics in the node.

Contribution of total development under construction



Cost of construction accounts for 57% (2024: 53%) of developments under construction with land and land contribution costs reducing to 36% (2024: 39%) of the total.

Construction costs have been contained in the current year as the group has maintained its discipline of aligning the rate of construction to its rate of sales. Across all 20 active projects, the working capital lock up in construction costs was limited to R67.2 million, with a release of working capital recorded in the Western Cape as the sales performance exceeded the rate of development.

The group registered two parcels of land in the period for replacement projects in the strong performing Western Cape node. The Suikerbos development located in Milnerton, Western Cape is in close proximity to Fynbos, which sold out during the year, and is therefore a natural succession project. Suikerbos is expected to comprise 1 046 apartments on completion with the first handovers planned for the coming financial year. The group also registered land for De Buurt, also located in Milnerton, which is identified as a replacement project for De Aan-Zicht. This land is located within 1km of both De Aan-Zicht and De Zicht, two previous Balwin developments that benefited from sustained sales demand and strong selling prices.

Capital management

Liquidity

Cash management and utilisation remain a priority for the group and is overseen by the Treasury committee.

The investment in the Western Cape pipeline through the registration of the two new land parcels resulted in a working capital lock up of approximately R240 million and was a significant contributor to the net cash flows from operating activities reflecting a utilisation of R211.5 million. Accordingly, excluding the necessary pipeline investment, the group balanced its operational cash flows with the need to maintain its footprint in the Western Cape through the contracted replacement projects.

The group utilised cash of R80.7 million in investing activities, primarily through the capital costs incurred for the solar and fibre assets as well as the commencement of the construction at The Eastlake, the first development of the rental portfolio.

The group closed the period with a cash balance of R254.8 million.

	2025 R'000	2024 R'000
Cash and cash equivalents	**254 812**	289 586

The cash and cash equivalents on hand exceeds funding covenants and thresholds set by the board.

In managing group liquidity, the relationship between the rate of construction and the rate of sales is paramount and ensuring the appropriate alignment of these factors is managed at an executive level.

Funding

The board actively manages the group's debt exposure relative to debt covenants and the treasury policy. The group's loan-to-value ratio was consistent at 40.4% (2024: 40.5%). It is noted that the only assets that are fair valued are the investment properties within the annuity group. This asset constitutes 4% of the group's asset base. Accordingly, 96% of the group's assets, including the material development under construction, are measured at cost with no fair value adjustments. The group complied with all lender covenants at financial year end.

Debt reduction is a key medium-term objective of the board as part of its focus on appropriate cash management and capital structure optimisation.

	2025 R'000	2024 R'000
Development loans	**2 286 557**	2 034 294
Investment facilities	**965 153**	1 038 603
Lease liabilities	**1 451**	192
Total interest-bearing debt	**3 253 161**	3 073 089
Tangible assets	**8 056 200**	7 596 808
Loan-to-value	**40.4%**	40.5%

The group concluded a financing transaction with the IFC, a member of the World Bank Group, to support the development of housing in Mooikloof (Tshwane east). Through the transaction, the group has access to R1 billion of debt capital to refinance existing land and infrastructure debt, and to allow for further investment in the infrastructure required to unlock the node together with top structure capital. The group executed on the refinance of the existing facilities during the year and at financial year end, had access to R322.1 million of the facility.

The group further secured a short-term extension of its investment loan of R500 million, which matured in April 2025. The facility was extended in order to facilitate the finalisation of a refinancing transaction with funds managed by Ninety One SA Proprietary Limited, one of the original capital providers. The group initially raised R860 million of unsecured debt, however, reduced this debt exposure to R500 million over the initial three-year term.


GREENLEE

Dividend

Following due consideration of recent trading conditions and the prevailing unpredictability of the economic environment, the board has resolved not to declare a dividend for the 2025 financial year (2024: no dividend declared). The board's primary focus in this environment is to apply capital to reducing the group's debt exposure.

The board will reconsider the declaration of a dividend for the 2026 financial year.

Prospects

The board remains confident about the prospects of Balwin's core business and the group's ability to leverage its brand in developing and growing alternative, annuity-based revenue streams. The Balwin brand remains resilient and creates a platform to drive sustained demand for residential apartments.

The 75-bps reduction in the prime interest rate announced during the second half of the financial year resulted in an increase in demand in the residential property market in line with expectation. The recovery, however, has been muted by the prevailing economic and local political uncertainty which has created an unpredictable macroeconomic landscape which continues to hamper demand. The group expects further interest rate cuts in the year ahead, which is anticipated to drive a gradual recovery in the residential property market.

Operational and development-related cost containment remains a priority, to achieve gross margin and operating profit margin growth and enhance the return on invested capital.

The group's capital structure remains a key focus with the strategic intent to reduce the debt exposure and resulting borrowing costs of the business and ongoing emphasis on appropriate cash management. This objective is required to be balanced with managing an optimal pipeline across the operating nodes, with a requirement to expand the portfolio in Western Cape. Debt reduction is being targeted through the continued efforts of engaging with local councils and governmental organisations for sustainable capital solutions on infrastructure rollouts as well as identifying certain land parcels or non-core assets for disposal to deploy funds towards debt reduction.

Balwin has a development pipeline of approximately 36 000 apartments in its build-for-sale development business across the major metropolitan nodes of Johannesburg, Tshwane, the Western Cape and KwaZulu-Natal. The development timeline of this pipeline equates to approximately 12 years and is strategically segregated between the Classic, Green and Signature Collections to broaden the prospective target market.

The group is looking to cautiously introduce rental developments by utilising existing land parcels to create a separate rental portfolio. A rental portfolio of ~6 200 apartments has been identified based on land owned by the group. Balwin expects that the addition of a more defensive asset class will further diversify the group's revenue streams and grow annuity income that will complement the cyclical nature of its build-to-sell development business in addition to benefitting from the improved usage of its unused land portfolio. The roll-out of the rental portfolio will be guided by the capital structure implications for the group.

Balwin continues to focus on reducing the environmental impact of construction activities through innovation in design and building techniques. The group continues to ensure that all apartments developed are registered for EDGE Advanced certification to the financial benefit of its clients, by receiving a reduction in the offered interest rate through the green bonds from major commercial banks, providing a competitive advantage to the group.


THE BLYDE

DEVELOPMENT PIPELINE

COMMENTARY continued

PIPELINE REPORT – BUILD-FOR-SALE

Development	Balwin Collection	Status (*)	Total apartments in development	Total apartments sold	Total apartments registered	Total apartments recognised in revenue	Total apartments sold but not recognised in revenue	Total unsold apartments	Balwin pipeline
Johannesburg, Waterfall									
The Polofields	Signature Collection	A	1 128	1 120	1 107	1 107	13	8	21
Polo Villas	Classic Collection	A	384	–	–	–	–	384	384
Munyaka Lifestyle Centre	Signature Collection	A	92	84	84	84	–	8	8
Munyaka	Classic Collection	A	2 172	1 230	1 197	1 203	27	942	969
Munyaka Village	Classic Collection	I	2 688	–	–	–	–	2 688	2 688
Total			**6 464**	**2 434**	**2 388**	**2 394**	**40**	**4 030**	**4 070**
Johannesburg east									
The Reid	Classic Collection	A	1 332	1 032	1 023	1 023	9	300	309
Greenlee	Green Collection	A	1 908	945	908	921	24	963	987
Greenpark	Green Collection	A	679	679	668	677	2	–	2
Total			**3 919**	**2 656**	**2 599**	**2 621**	**35**	**1 263**	**1 298**
Johannesburg north									
The Whisken	Classic Collection	A	1 346	508	465	493	15	838	853
Total			**1 346**	**508**	**465**	**493**	**15**	**838**	**853**
Johannesburg south									
Majella Park	Classic Collection	I	280	–	–	–	–	280	280
Thaba-Eco Village	Classic Collection	A	1 644	550	505	537	13	1 094	1 107
Total			**1 924**	**550**	**505**	**537**	**13**	**1 374**	**1 387**
KwaZulu-Natal, Ballito									
Ballito Hills	Classic Collection	A	1 320	1 012	952	991	21	308	329
Ballito Creek	Classic Collection	I	1 848	–	–	–	–	1 848	1 848
Total			**3 168**	**1 012**	**952**	**991**	**21**	**2 156**	**2 177**
KwaZulu-Natal, Umhlanga									
Izinga Eco-Estate	Signature Collection	A	1 251	376	338	349	27	875	902
Izinga Village	Classic Collection	I	864	–	–	–	–	864	864
Izinga Views	Classic Collection	I	888	–	–	–	–	888	888
Greenlake	Green Collection	I	1 420	–	–	–	–	1 420	1 420
Total			**4 423**	**376**	**338**	**349**	**27**	**4 047**	**4 074**

DEVELOPMENT PIPELINE continued

Development	Balwin Collection	Status (*)	Total apartments in development	Total apartments sold	Total apartments registered	Total apartments recognised in revenue	Total apartments sold but not recognised in revenue	Total unsold apartments	Balwin pipeline
KwaZulu-Natal, Westown									
Shongweni Eco-Park	Classic Collection	I	1 260	–	–	–	–	1 260	1 260
Total			**1 260**	**–**	**–**	**–**	**–**	**1 260**	**1 260**
Tshwane east									
The Blyde	Classic Collection	A	2 593	1 272	1 254	1 261	11	1 321	1 332
Greencreek	Green Collection	A	1 892	695	682	686	9	1 197	1 206
Mooikloof Eco-Estate	Classic Collection	A	998	142	126	139	3	856	859
Mooikloof remainder	Green Collection	I	2 374	–	–	–	–	2 374	2 374
Mooikloof Duplexes	Signature Collection	I	362	–	–	–	–	362	362
Greenkloof	Green Collection	A	2 400	269	237	254	15	2 131	2 146
Kloof Zicht	Signature Collection	I	250	–	–	–	–	250	250
Mooikloof Smart City	Green Collection	I	3 000	–	–	–	–	3 000	3 000
Mooikloof Smart City	Classic Collection	I	4 173	–	–	–	–	4 173	4 173
Total			**18 042**	**2 378**	**2 299**	**2 340**	**38**	**15 664**	**15 702**
Western Cape, Somerset West									
The Huntsman	Classic Collection	A	1 912	1 233	1 079	1 080	153	679	832
Greenbay	Green Collection	A	1 772	1 051	972	981	70	721	791
Total			**3 684**	**2 284**	**2 051**	**2 061**	**223**	**1 400**	**1 623**
Western Cape, Milnerton									
De Aan-Zicht	Classic Collection	A	1 352	1 069	881	882	187	283	470
De Buurt	Classic Collection	I	924	–	–	–	–	924	924
De Buurt Village	Classic Collection	I	126	–	–	–	–	126	126
Fynbos	Classic Collection	C	1 116	1 116	1 116	1 116	–	–	–
Suikerbos	Classic Collection	A	1 046	165	–	–	165	881	1 046
Total			**4 564**	**2 350**	**1 997**	**1 998**	**352**	**2 214**	**2 566**
Western Cape, N1 Corridor									
De Kuile	Classic Collection	A	885	225	168	175	50	660	710
Total			**885**	**225**	**168**	**175**	**50**	**660**	**710**
Grand Total – Sale portfolio			**49 679**	**14 773**	**13 762**	**13 959**	**814**	**34 906**	**35 720**

(*) A – Active, I – Inactive, C – Complete

PIPELINE REPORT – RENTAL PORTFOLIO

Development	Balwin Collection	Status (*)	Total apartments in development	Total apartments developed	Total apartments to develop	Total apartments occupied	Occupancy ratio (%)
Johannesburg east							
Greenpark	Green Collection	A	577	215	362	213	99%
The Klulee	Classic Collection	I	478	–	–	–	–
Eastlake	Classic Collection	A	154	28	126	21	75%
Northview	Classic Collection	I	132	–	–	–	–
Total			**1 341**	**243**	**488**	**234**	**96%**
Tshwane east							
The Blyde	Classic Collection	I	982	–	982	–	–
The Creek	Green Collection	I	1 720	–	–	–	–
The Kloof	Green Collection	I	940	–	–	–	–
Total			**3 642**	**–**	**982**	**–**	**–**
Western Cape, Somerset West							
The Spruit	Green Collection	I	1 272	–	–	–	–
Total			**1 272**	**–**	**–**	**–**	**–**
Grand Total - Rental portfolio			**6 255**	**243**	**1 470**	**234**	**96%**

(*) A – Active, I – Inactive, C – Complete

RECONCILIATION OF HEADLINE EARNINGS

For the year ended 28 February 2025

		Audited year ended 28 February 2025	Audited year ended 29 February 2024
Basic and headline earnings per share			
Basic	(cents)	**49.74**	46.18
Headline	(cents)	**45.95**	47.94
Diluted earnings	(cents)	**48.20**	46.18
Diluted headline earnings	(cents)	**44.54**	47.94
Tangible net asset value per share*	(cents)	**905.52**	853.75
Net asset value per share**	(cents)	**910.20**	858.49
Weighted average number of shares in issue	('000)	**467 794**	466 991
Net asset value	(R'000)	**4 257 857**	4 009 050
Tangible net asset value	(R'000)	**4 235 959**	3 986 924
Reconciliation of profit for the period to basic and headline earnings			
Profit for the period attributable to equity holders	(R'000)	**232 678**	215 668
Basic earnings	(R'000)	**232 678**	215 668
Adjusted for:			
– (Profit) or loss on disposal of property, plant and equipment, intangible assets and non-current assets held for sale	(R'000)	**(16 689)**	8 205
– Fair value gain on investment property	(R'000)	**(6 659)**	–
Headline earnings		**209 330**	223 873
Weighted average number of shares			
Weighted average number of shares in issue	('000)	**467 794**	466 991
Potential dilutive impact of share options	('000)	**14 911**	–
		482 704	466 991

Calculated as the net asset value less intangible assets divided by the weighted average number of shares in issue.

** *Calculated as the net asset value divided by the weighted average number of shares in issue.*

AUDITED SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 28 February 2025

		Audited year ended 28 February 2025 R'000	Audited year ended 29 February 2024 R'000
Revenue		**2 220 918**	2 356 284
Cost of sales		**(1 548 753)**	(1 690 629)
Gross profit		**672 165**	665 655
Other income		**25 779**	16 336
Operating expenses		**(350 949)**	(351 177)
Operating profit		**346 995**	330 814
Investment income		**17 616**	30 061
Finance costs		**(50 341)**	(50 619)
Profit before taxation		**314 270**	310 256
Taxation		**(80 246)**	(92 884)
Profit for the year		**234 024**	217 372
Items that will not subsequently be reclassified to profit or loss			
Profit (loss) on cash flow hedges		**642**	1 951
Taxation relating to items that will not be reclassified		**(173)**	(534)
Other comprehensive income (loss) for the year net of taxation		**469**	1 417
Total comprehensive income for the year		**234 493**	218 789
Profit attributable to:			
Owners of the parent		**232 678**	215 668
Non-controlling interest		**1 346**	1 704
		234 024	217 372
Total comprehensive income attributable to:			
Owners of the parent		**233 147**	217 085
Non-controlling interest		**1 346**	1 704
		234 493	218 789
Basic and diluted earnings per share			
Basic	(cents)	**49.74**	46.18
Diluted	(cents)	**48.20**	46.18

AUDITED SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2025

	Audited as at 28 February 2025 R'000	Audited as at 29 February 2024 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	**421 579**	381 826
Investment property	**325 149**	220 375
Intangible assets	**21 898**	22 126
Loans to external parties	**3 131**	8 664
Other financial assets	**1 909**	1 267
Deferred taxation	**6 360**	11 413
	780 026	645 671
Current assets		
Developments under construction	**6 679 202**	6 342 225
Trade and other receivables	**366 016**	349 709
Development loans receivable	**3 128**	1 840
Current tax receivable	**1 274**	1 316
Cash and cash equivalents	**254 812**	289 586
	7 304 432	6 984 676
Total assets	**8 084 458**	7 630 347
EQUITY AND LIABILITIES		
Equity		
Share capital	**669 483**	657 514
Reserves	**86 036**	83 222
Retained income	**3 497 697**	3 265 019
Non-controlling interest	**4 641**	3 295
Total equity	**4 257 857**	4 009 050
Non-current liabilities		
Development loans and facilities	**938 331**	1 113 695
Lease liabilities	**204**	–
Deferred taxation	**356 912**	348 079
	1 295 447	1 461 774
Current liabilities		
Development loans and facilities	**2 313 379**	1 959 202
Lease liabilities	**1 247**	192
Trade and other payables	**180 165**	175 848
Current tax payable	**16 158**	–
Employee benefits	**20 205**	24 281
	2 531 154	2 159 523
Total liabilities	**3 826 601**	3 621 297
Total equity and liabilities	**8 084 458**	7 630 347

AUDITED SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 28 February 2025

	Audited year ended 28 February 2025 R'000	Audited year ended 29 February 2024 R'000
Cash flows from operating activities		
Cash generated from operations	**116 900**	5 078
Interest received	**17 616**	30 061
Finance costs paid	**(295 644)**	(296 316)
Taxation paid	**(50 333)**	(46 738)
Net cash used in operating activities	**(211 461)**	(307 915)
Cash flows from investing activities		
Purchases of property, plant and equipment	**(66 487)**	(48 427)
Proceeds from disposal of property,plant and equipment	**30 258**	–
Purchase of investment property	**(35 351)**	(67 355)
Proceeds on disposal of non-current assets held for sale	**–**	19 000
Purchase of intangible assets	**(7 043)**	(12 507)
Proceeds from disposal of intangible assets	**20**	6 682
Decrease/(increase) in restricted cash	**–**	164 376
Loans granted to external parties	**(2 121)**	–
Net cash (used in)/generated from investing activities	**(80 724)**	61 769
Cash flows from financing activities		
Development loans raised and utilised	**2 392 989**	1 965 438
Development loan repaid	**(2 176 697)**	(1 424 661)
Investment loans and general banking facilities raised and utilised	**293 435**	131 496
Investment loans and general banking facilities repaid	**(251 278)**	(679 269)
Payment on lease liabilities	**(1 038)**	(1 074)
Dividend paid	**–**	(73 237)
Dividend received from treasury	**–**	9 690
Net cash generated from/(used in) financing activities	**257 411**	(71 617)
Total cash and cash equivalents movement for the year	**(34 774)**	(317 763)
Cash and cash equivalents at the beginning of the year	**289 586**	607 349
Total cash and cash equivalents at the end of the year	**254 812**	289 586

AUDITED SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 28 February 2025

	Share capital R'000	Cash flow hedge reserve R'000	Share-based payment reserve R'000	Retained income R'000	Total attributable to equity holders of the group R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 March 2023	**650 973**	**(492)**	**71 548**	**3 112 898**	**3 834 927**	**1 591**	**3 836 518**
Profit for the year	–	–	–	215 668	215 668	1 704	217 372
Other comprehensive income	–	1 417	–	–	1 417	–	1 417
Total comprehensive income for the year	**–**	**1 417**	**–**	**215 668**	**217 085**	**1 704**	**218 789**
Issue of shares from treasury to settle long-term incentives	6 541	–	(6 541)	–	–	–	–
Share-based payment	–	–	17 290	–	17 290	–	17 290
Dividend paid	–	–	–	(73 237)	(73 237)	–	(73 237)
Dividend received from treasury shares	–	–	–	9 690	9 690	–	9 690
Balance at 1 March 2024	**657 514**	**925**	**82 297**	**3 265 019**	**4 005 755**	**3 295**	**4 009 050**
Profit for the year	–	–	–	232 678	232 678	1 346	234 024
Other comprehensive income	–	469	–	–	469	–	469
Total comprehensive income for the year	**–**	**469**	**–**	**232 678**	**233 147**	**1 346**	**234 493**
Issue of shares from treasury to settle long-term incentives	11 969	–	(11 969)	–	–	–	–
Share-based payment	–	–	14 314	–	14 314	–	14 314
Balance at 28 February 2025	**669 483**	**1 394**	**84 642**	**3 497 697**	**4 253 216**	**4 641**	**4 257 857**

NOTES TO THE AUDITED SUMMARY CONSOLIDATED STATEMENTS

For the year ended 28 February 2025

1. BASIS OF PREPARATION

The summary consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards ("Accounting Standards") and also as a minimum contains the information required by IAS 34: Interim Financial Reporting, and complies with the requirements of the Companies Act 2008 of South Africa, the SA financial reporting requirements per section 8.60 of the JSE Listings requirements. They have been prepared on the historical cost basis, except for certain financial instruments and investment property which are measured at fair value through profit and loss and the other financial asset/liability which is measured at fair value through other comprehensive income.

The summary consolidated financial statements are presented in South African Rands rounded to the nearest R'000, which is the company's functional and presentation currency. The audited consolidated financial statements and the unmodified opinion from which these summary consolidated financial statements were derived are available on our website at no charge. The accounting policies are in terms of the Accounting Standards. The accounting policies and methods of computation are consistent to those of the prior year annual consolidated financial statements. The audited summary consolidated financial statements and annual consolidated financial statements have been internally prepared under the supervision of JS Bigham, in his capacity as chief financial officer and were approved by the board on 12 May 2025.

The audited summary consolidated financial statements have been audited by BDO South Africa, the external auditor, who issued an unmodified ISA 810 opinion. The ISA 810 opinion and the audit report on the annual consolidated financial statements are available for inspection on Balwin's company website. The auditor's report does not necessarily report on all the information contained in the announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from Balwin's company website. Forward-looking statements are not reported on by the external auditors.

	Audited year ended 28 February 2025 R'000	Audited year ended 29 February 2024 R'000
2. REVENUE		
Revenue from contracts with customers		
Revenue from the sale of apartments	**1 997 196**	2 222 136
Revenue from the sale of undeveloped land	**45 803**	–
Supply of electronic communication services	**99 985**	77 946
Bond commission	**12 372**	12 489
Rendering of services to residential developments	**28 472**	15 881
	2 183 828	2 328 452
Revenue other than revenue from contracts with customers		
Rental income	**34 973**	26 227
Donation income	**2 117**	1 605
	37 090	27 832
	2 220 918	2 356 284

Revenue is derived principally from the sale of apartments, recognised once the control has transferred to the buyer. Revenue is measured based on consideration specified in the agreement with the customer and excludes amounts collected on behalf of third parties. Revenue from the sale of apartments is recorded net of any sales incentives. There is no significant judgement applied in determining revenue from contracts with customers.

2. REVENUE continued

Revenue from the sale of apartments is disaggregated on a regional basis as well per each development brand. The disaggregation is shown below:

	Audited year ended 28 February 2025 R'000	Audited year ended 29 February 2024 R'000
Disclosure of disaggregated revenue from the sale of apartments by region:		
Gauteng	**945 129**	812 763
Western Cape	**889 851**	1 034 156
KwaZulu-Natal	**162 216**	375 217
	1 997 196	2 222 136
Disclosure of disaggregated revenue from the sale of apartments by collection:		
Classic Collection	**1 362 920**	1 525 722
Green Collection	**432 576**	381 357
Signature Collection	**201 700**	315 057
	1 997 196	2 222 136
Disaggregation of revenue from contracts with customers		
Disclosure of timing of revenue recognition		
At a point in time		
Revenue from the sale of apartments	**1 997 196**	2 222 136
Revenue from the sale of undeveloped land	**45 803**	–
Bond commission	**12 372**	12 489
Rendering of services to residential developments	**6 100**	3 911
	2 061 471	2 238 536
Over time		
Supply of electronic communication services	**99 985**	77 946
Rendering of services to residential developments	**22 372**	11 970
	122 357	89 916
	2 183 828	2 328 452

	Audited as at 28 February 2025 R'000	Audited as at 29 February 2024 R'000
3. DEVELOPMENTS UNDER CONSTRUCTION		
Developments under construction	**6 679 202**	6 342 225
Developments under construction include the following:		
Cost of construction	**3 803 123**	3 388 468
Land and land contribution costs	**2 416 002**	2 466 736
Development rights	**460 077**	487 021
	6 679 202	6 342 225

Development rights pertain to the rights assigned to Balwin, including all the rights to use the Polofields and the Waterfall Fields properties for the purpose of undertaking the developments located on those land parcels. Balwin does not hold title of the land located at Waterfall, but rather the development rights.

The cost of developments under construction recognised as an expense in cost of sales during the current year was R1 495.1 million (2024: R1 681.3 million). Costs previously capitalised to developments under construction written off in the current year amount to R0.3 million (2024: R1.9 million). The carrying amount of land which acts as security for development loans advanced is R1 714.1 million (2024: R1 434.5 million). Cash flows of R1.6 million generated by the hedged item during the year were reclassified to developments under construction.

A mortgage bond is in place over certain portions of land which acts as security for the development loans advanced.

4. SHARE CAPITAL

		Audited as at 28 February 2025 R'000	Audited as at 29 February 2024 R'000
Authorised			
Ordinary shares	('000)	**1 000 000**	1 000 000
Reconciliation of number of shares issued:			
Opening balance	('000)	**467 722**	465 209
Treasury shares issued to settle long-term incentive scheme	('000)	**2 857**	2 513
Total shares issued	('000)	**470 579**	467 722
Treasury shares	('000)	**1 922**	4 471
Adjustment to issued shares	('000)	**(308)**	–
BEE shares issued	('000)	**47 219**	47 219
Closing balance	('000)	**519 412**	519 412
The BEE shares issued are treated as an in-substance option which is within the scope of IFRS 2: Share-based payment and accordingly, together with the treasury shares held, are not disclosed as accounting shares in issue.			
Issued:			
Ordinary shares	(R'000)	**670 206**	670 206
BEE shares	(R'000)	**171 878**	171 878
Treasury shares	(R'000)	**(172 601)**	(184 570)
	(R'000)	**669 483**	657 514

The unissued shares are under the control of the directors until the next annual general meeting. The shares have no par value.

5. DEVELOPMENT LOANS AND FACILITIES

	Audited as at 28 February 2025 R'000	Audited as at 29 February 2024 R'000
Held at amortised cost		
Development loans	**2 286 557**	2 034 294
General banking facility	**566 177**	661 857
Investment loan facility	**398 976**	376 746
	3 251 710	3 072 897

5. DEVELOPMENT LOANS AND FACILITIES continued

Development loans	Average nominal interest rate %	Maturity date	Audited as at 28 February 2025 R'000
Non-current loans			
International Finance Corporation	3 Month Jibar plus 2.7%	January 2032	**677 945**
First National Bank Limited	Prime less 0.25%	December 2026	**33 752**
Absa Bank Limited	Prime less 1.0%	March 2027	**71 200**
			782 897
Current loans			
Absa Bank Limited	Prime less 0.25%	Between March 2025 and February 2026	**558 221**
Absa Bank Limited	Prime less 1.0%	Between March 2025 and February 2026	**8 800**
First National Bank Limited	Prime	Between March 2025 and February 2026	**25 700**
First National Bank Limited	Prime plus 0.25%	Between March 2025 and February 2026	**42 886**
Investec Bank Limited	Prime	Between March 2025 and February 2026	**155 511**
Investec Bank Limited	Prime less 0.25%	Between March 2025 and February 2026	**80 316**
Nedbank Limited	3 Month Jibar plus 3.076%	Between March 2025 and February 2026	**32 348**
Nedbank Limited	3 Month Jibar plus 3.291%	Between March 2025 and February 2026	**71 372**
Nedbank Limited	3 Month Jibar plus 3.344%	Between March 2025 and February 2026	**14 322**
Nedbank Limited	3 Month Jibar plus 3.51%	June 2025	**37 863**
Nedbank Limited	3 Month Jibar plus 3.344%	Between March 2025 and February 2026	**57 288**
National Housing Finance Corporation Limited	Prime	Between March 2025 and February 2026	**1 129**
Futuregrowth Asset Management Proprietary Limited	3 Month Jibar plus 3.75%	Between March 2025 and February 2026	**54 027**
Futuregrowth Asset Management	1 Month Jibar plus 3.35%	Between March 2025 and February 2026	**300 390**
Futuregrowth Asset Management	1 Month Jibar plus 3.10%	Between March 2025 and February 2026	**63 487**
			1 503 660
Total development loans			**2 286 557**

5. DEVELOPMENT LOANS AND FACILITIES continued

Investment loans and general banking facilities	Average nominal interest rate %	Maturity date	Audited as at 28 February 2025 R'000
Non-current loans			
Investec Bank Limited	Prime less 1.0%	June 2028	**155 434**
			155 434
Current loans			
Absa Bank Limited	Prime less 1.45%	No fixed terms of repayment	**100 733**
Investec Bank Limited	Prime less 1.0%	February 2026	**10 269**
Investec Bank Limited	Prime less 0.25%	December 2025	**30 598**
Nedbank Limited	3 Month Jibar plus 2.476%	December 2025	**101 942**
Nedbank Limited	Prime	March 2025	**50 000**
Ninety One SA Proprietary Limited	3 Month Jibar plus 4.50%	April 2025	**182 979**
Stanlib Asset Management Proprietary Limited	3 Month Jibar plus 4.75%	April 2025	**299 658**
Sanlam Investment Management Proprietary Limited	3 Month Jibar plus 4%	April 2025	**33 540**
			809 719
Total investment and general banking facilities			**965 153**
Total development loans and facilities			**3 251 710**

5. DEVELOPMENT LOANS AND FACILITIES continued

Development loans	Average nominal interest rate %	Maturity date	Audited as at 29 February 2024 R'000
Non-current loans			
Century Property Developments Proprietary Limited	Prime	November 2027	**203 205**
			203 205
Current loans			
Absa Bank Limited	Prime	Between March 2024 and February 2025	**395 592**
Absa Bank Limited	Prime less 0.25%	Between March 2024 and February 2025	**675 991**
Absa Bank Limited	Prime less 1.00%	Between March 2024 and February 2025	**39 996**
First National Bank Limited	Prime	Between March 2024 and February 2025	**59 822**
First National Bank Limited	Prime less 0.50%	Between March 2024 and February 2025	**168**
Investec Bank Limited	Prime	Between March 2024 and February 2025	**100 068**
Investec Bank Limited	Prime less 0.25%	Between March 2024 and February 2025	**96 576**
Nedbank Limited	3 Month Jibar plus 3.053%	Between March 2024 and February 2025	**35**
Nedbank Limited	3 Month Jibar plus 3.069%	Between March 2024 and February 2025	**947**
Nedbank Limited	3 Month Jibar plus 3.076%	Between March 2024 and February 2025	**33 673**
Nedbank Limited	3 Month Jibar plus 3.291%	Between March 2024 and February 2025	**89 117**
Nedbank Limited	3 Month Jibar plus 3.344%	Between March 2024 and February 2025	**14 322**
Nedbank Limited	Prime	Between March 2024 and February 2025	**45**
National Housing Finance Corporation Limited	Prime	Between March 2024 and February 2025	**15 166**
Futuregrowth Asset Management Proprietary Limited	3 Month Jibar plus 3.75%	Between March 2024 and February 2025	**47 040**
Futuregrowth Asset Management Proprietary Limited	1 month Jibar plus 4%	Between March 2024 and February 2025	**259 539**
Century Property Developments Proprietary Limited	Prime	February 2025	**2 992**
			1 831 089
Total development loans			**2 034 294**

5. DEVELOPMENT LOANS AND FACILITIES continued

Development loans	Average nominal interest rate %	Maturity date	Audited as at 29 February 2024 R'000
Investment loans and general banking facilities			
Non-current loans			
Ninety One SA Proprietary Limited	3 Month Jibar plus 4.50%	April 2025	**221 824**
Stanlib Asset Management Proprietary Limited	3 Month Jibar plus 4.75%	April 2025	**349 810**
Sanlam Investment Management Proprietary Limited	3 Month Jibar plus 4%	April 2025	**40 190**
Investec Bank Limited	Prime less 1.0%	June 2028	**166 100**
Investec Bank Limited	Prime less 0.25%	December 2025	**30 625**
Nedbank Limited	3 Month Jibar plus 2.476%	December 2025	**101 941**
			910 490
Current loans			
Absa Bank Limited	Prime less 1.45%	No fixed terms of repayment	**70 000**
Investec Bank Limited	Prime less 1.0%	June 2024	**8 080**
Nedbank Limited	Prime	March 2024	**50 033**
			128 113
Total investment and general banking facilities			**1 038 603**
Total development loans and facilities			**3 072 897**

5. DEVELOPMENT LOANS AND FACILITIES continued

Split between non-current and current portions

	Audited as at 28 February 2025 R'000	Audited as at 29 February 2024 R'000
Non-current liabilities	**938 331**	1 113 695
Current liabilities	**2 313 379**	1 959 202
Total development loans and facilities	**3 251 710**	3 072 897

Development loans include funding provided for top-structure funding as well as land and infrastructure loans. Top-structure funding payable to the financial institutions is secured by a pre-defined level of pre-sold apartments for which financial guarantees are in place. Land and infrastructure loans are secured by bonds registered over the land. Development loans are settled through the registration of the apartments that act as security.

The development loans payable to the IFC have long-term repayment term, maturing in January 2032. The loan features an interest-only period until April 2028, after which fixed contractual repayments are made.

Investment loans and general banking facilities pertain to asset-backed lending, short-term bridging loan facilities secured by completed apartments not yet registered and long-term unsecured funding.

The carrying amount of development loans and facilities approximate their fair value. No breaches or funding or default on payments were incurred during the year.

The South African Reserve Bank ("SARB") has indicated their intention to move away from JIBAR and to create ZARONIA a reference rate for South Africa, however there is currently no indication of when the designated successor rate will become effective.

	Audited as at 28 February 2025 R'000	Audited as at 29 February 2024 R'000
6. RELATED PARTIES		
Related party transactions		
Sale of apartments to related parties		
Directors		
ZN Brookes	**1 122**	–
Property rental management fee received		
Directors and prescribed officers		
RN Gray	**78**	135
U Gschnaidtner	**–**	13
Essence Real Estate Proprietary Limited	**6**	–
SV Brookes	**250**	364
A property rental management fee is paid by key management of Balwin for the management of their property investment portfolio. The fee charged is on an arms length basis and the underlying agreement is approved by the board annually.		
Rentals paid to related parties		
Directors, prescribed officers and companies		
Volker Properties Proprietary Limited*	**304**	454
Lucille Properties Proprietary Limited*	**–**	71
Shelby Prop Investments Proprietary Limited**	**155**	356
Rental is paid to related parties for the use of apartments owned by them. The apartments are mostly used by the group for marketing purposes for use as show apartments.		
Compensation to directors and other key management		
Short-term employee benefits	**24 237**	25 795
Post-employment benefits	**1 194**	1 252
Share-based payment	**10 391**	11 411

**The entity is controlled by SV Brookes.*
***The entity is controlled by RN Gray.*

	Audited as at 28 February 2025 R'000	Audited as at 29 February 2024 R'000
7. FINANCIAL INSTRUMENTS		
Financial assets at amortised cost		
Development loans receivable	**3 128**	1 840
Loans to external parties	**3 131**	8 664
Trade and other receivables	**350 362**	331 221
Cash and cash equivalents	**254 812**	289 586
	611 433	631 311
Financial assets at fair value through other comprehensive income		
Other financial assets	**1 909**	1 267
Financial liabilities at amortised cost		
Development loans and facilities	**(3 251 710)**	(3 072 897)
Trade and other payables	**(102 120)**	(126 100)
	(3 353 830)	(3 198 997)

8. FAIR VALUE INFORMATION

Fair value hierarchy

Financial assets and liabilities included in the group's financial statements require measurement at, and/or disclosure of, fair value.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3, based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within the Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The valuation techniques used in deriving level 2 fair values are consistent with valuing comparable hedging instruments (interest rate swaps). The primary input into these valuations are prevailing interest rates which are derived from external sources of information.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The valuation techniques used in deriving level 3 fair values are the income capitalisation approach and the comparable sales valuation method of the investment property as well as the net asset value approach of the investment that is being valued. This information is based on the unobservable market data, and adjusted for based on management's experience and knowledge of the investment.

There were no transfers between Level 1, 2 and 3 during the year.

9. SEGMENTAL REPORTING

The operating segments within the group have been identified based on the nature of their operations.

	Sale of apartments R'000	Provision of services to residential estates R'000	Bond commission R'000	Property rentals	Balwin Foundation R'000	Total R'000
Segmental reporting for statement of financial position for the year ended 28 February 2025						
Non-current assets	**99 663**	**172 659**	**153**	**507 489**	**62**	**780 026**
Current assets	**7 226 539**	**29 288**	**2 706**	**42 045**	**3 854**	**7 304 432**
Total assets	**7 326 202**	**201 947**	**2 859**	**549 534**	**3 916**	**8 084 458**
Non-current liabilities	**1 016 359**	**70 039**	**–**	**208 786**	**263**	**1 295 447**
Current liabilities	**2 198 002**	**182 112**	**1 165**	**135 782**	**14 093**	**2 531 154**
Total liabilities	**3 214 361**	**252 151**	**1 165**	**344 568**	**14 356**	**3 826 601**
Segmental reporting for statement of financial position for the year ended 29 February 2024						
Non-current assets	128 487	102 789	276	413 989	130	645 671
Current assets	6 920 590	53 816	2 570	5 090	2 610	6 984 676
Total assets	**7 049 077**	**156 605**	**2 846**	**419 079**	**2 740**	**7 630 347**
Non-current liabilities	1 141 07	13 520	64	307 083	–	1 461 774
Current liabilities	2 061 012	93 096	1 042	4 286	87	2 159 523
Total liabilities	**3 202 119**	**106 616**	**1 106**	**311 369**	**87**	**3 621 297**
Segmental reporting for statement of profit or loss and other comprehensive income for the year ended 28 February 2025						
Revenue	**2 042 999**	**107 006**	**12 372**	**56 424**	**2 117**	**2 220 918**
Cost of sales	**(1 529 407)**	**(3 999)**	**(10)**	**–**	**(15 337)**	**(1 548 753)**
Gross profit	**513 592**	**103 007**	**12 361**	**56 424**	**(13 220)**	**672 165**
Operating expenses	**(236 893)**	**(67 368)**	**(7 168)**	**(36 353)**	**(3 167)**	**(350 949)**
Depreciation	**(18 565)**	**(19 486)**	**(122)**	**(1 456)**	**(68)**	**(39 697)**
Staff cost and management fees	**(71 500)**	**(29 740)**	**(5 879)**	**(10 328)**	**(2 253)**	**(119 700)**
Other	**(146 829)**	**(18 141)**	**(1 166)**	**(24 569)**	**(846)**	**(191 551)**
Finance costs	**(2 717)**	**(15 174)**	**–**	**(32 450)**	**–**	**(50 341)**
Taxation	**(81 655)**	**3 787**	**(1 447)**	**(931)**	**–**	**(80 246)**
Profit for the year	**211 533**	**24 332**	**3 912**	**10 550**	**(16 303)**	**234 024**

9. SEGMENTAL REPORTING continued

	Sale of apartments R'000	Provision of services to residential estates R'000	Bond commission R'000	Property rentals	Balwin Foundation R'000	Total R'000
Segmental reporting for statement of profit or loss and other comprehensive income for the year ended 29 February 2024						
Revenue	2 222 136	93 827	12 489	26 227	1 605	2 356 284
Cost of sales	(1 681 262)	(1 590)	–	–	(7 777)	1 690 629
Gross profit	540 874	92 240	12 489	26 227	(6 175)	665 655
Operating expenses	(250 085)	(78 081)	(7 851)	(13 963)	(320)	(351 177)
Depreciation	(20 868)	(10 466)	(87)	(683)	(98)	(32 202)
Staff cost and management fees	(69 704)	(9 196)	(5 873)	(5 346)	(2 199)	(92 318)
Other	(160 390)	(24 348)	(1 891)	(7 934)	1 977	(192 586)
Finance costs	(7 477)	(10 222)	–	(32 920)	–	(50 619)
Taxation	(88 603)	(5 569)	(1 621)	1 856	–	(93 937)
Profit for the year	**214 678**	**14 315**	**3 385**	**(8 646)**	**(6 360)**	**217 372**

These operating segments, other than the segment relating to sale of apartments, are not reportable segments in terms of the definition in IFRS 8. All figures are presented net of consolidation adjustments.

	Audited as at 28 February 2025 R'000	Audited as at 29 February 2024 R'000
10. COMMITMENTS		
Authorised capital expenditure		
Already contracted for but not provided for		
Land (Conditional)	**301 000**	311 000
Infrastructure (Unconditional)	**4 726**	5 114

This committed expenditure relates to land purchased for development and committed infrastructure costs that have been funded. The land commitments will be financed by available retained profits, external funding and existing cash resources.

11. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting date, the group secured a short-term extension of its investment loan of R500 million. The existing facility matured in April 2025, however was extended in order to facilitate the finalisation of a refinancing transaction with funds managed by Ninety One SA Proprietary Limited, one of the original capital providers. Term sheets have been agreed on terms similar to the initial loan and accordingly there is no material financial impact on the group.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

12. GOING CONCERN

The directors have reviewed the group's and company's cash flow forecasts up to the period ending May 2026 and, in light of this review and the current financial position, the directors believe that the group and company has adequate financial resources to continue in operation for the foreseeable future. Accordingly, the consolidated and separate financial statements have been prepared on a going concern basis.

The group has performed cash flow forecasting to support the going concern assumption of the group. In preparing the cash flow forecast, the terms of the existing debt covenants have been reviewed and are expected to be complied with in full. The cash flow forecast is based upon the development programme of the business as approved by the executives. The development programme guides the potential for cash inflows from the sale and registration of apartments and drives the construction-related costs incurred in order to deliver the apartments to the market. It is this relationship between the rate of construction and the rate of sales that is paramount to the success of the business model and the ability of the group to effectively manage its cash resources. Accordingly, the cash flow forecasting of the group is dynamic and is actively managed to ensure optimum cash management.

The group has forward sold 814 apartments beyond the current reporting period. These apartments will be recognised in revenue and the resulting cash realised in future years.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group and company.

CORPORATE INFORMATION

Balwin Properties Limited

Incorporated in the Republic of South Africa
Registration number 2003/028851/06
Income tax number 9058216848
JSE share code: BWN
ISIN: ZAE000209532

Directors

Independent non-executive

Hilton Saven (Chairman)
Tomi Amosun
Reginald Kukama
Thoko Mokgosi-Mwantembe
Keneilwe Moloko
Julian Scher
Arnold Shapiro

Executive

Stephen Brookes (Chief executive officer)
Jonathan Bigham (Chief financial officer)

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Sponsor

Investec Bank Limited

Transfer secretaries

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