



INTEGRATED REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2023



Balwin
PROPERTIES®

INTEGRATED REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

CONTENTS

1 ABOUT BALWIN PROPERTIES

- 1 Introducing our 2023 integrated report
- 3 Introducing Balwin Properties
- 5 2023 in review
- 6 Business model
- 8 Material risks
- 11 Stakeholder engagement
- 15 Strategic objectives
- 18 Investment case

2 LEADERSHIP AND PERFORMANCE

- 20 Chairman's letter to stakeholders
- 22 Board of directors
- 24 Executive management
- 26 Chief executive officer's report
- 28 Chief financial officer's report

3 LIFESTYLE AND SUSTAINABILITY

- 34 Development portfolio
- 36 Development pipeline
- 38 International awards
- 40 Lifestyle showcase
- 42 Development showcase
- 80 Building a sustainable future

4 GOVERNANCE

- 85 Corporate governance report
- 91 Remuneration report
- 102 Social, ethics and transformation committee report

5 FINANCIAL AND SHAREHOLDER INFORMATION

- 104 Financial highlights
- 105 Compliance statements
- 106 Audit and risk committee report
- 111 Independent auditor's report
- 112 Abridged consolidated financial statements
- 128 Shareholder analysis
- 130 Notice of annual general meeting
- 137 Form of proxy
- 139 Corporate information

Navigating the integrated report

This is an interactive report which allows for ease of navigation using the buttons in the top right corner of each page as well as accessing specific reports and online references. The following tools will assist in navigating the report:

-  HOME: Return to home/contents page
-  PREVIOUS VIEW: Back to previously viewed page
-  NEXT PAGE
-  PREVIOUS PAGE



SFINZ
CONTENTS

01

INTRODUCING OUR 2023 INTEGRATED REPORT

The dominant theme of the past year has been the mounting economic headwinds facing businesses and individuals alike in the low growth, post-pandemic environment, with significant inflationary pressures being compounded by the highest ever levels of electricity loadshedding. Our 2023 integrated report aims to provide a balanced view of how the group has managed the impact of these macro-economic challenges to create value for shareholders and our other key stakeholders.

REPORTING SCOPE AND BOUNDARY

The integrated report covers information on the group's business model, strategy, material issues and related risks and mitigation plans, governance, sustainability as well as financial and non-financial performance for the period 1 March 2022 to 28 February 2023. There have been no changes in the reporting scope and boundary over the past year.

Abridged financial statements have again been published in the integrated report, with the audited consolidated and separate annual financial statements available at www.balwin.co.za.

The principle of materiality has been applied in preparing the report. Materiality is determined by the board and focuses on internal and external issues that could affect the group's ability to create and protect value and that are likely to have a material impact on strategy, revenue and profitability.

GOVERNANCE AND REPORTING COMPLIANCE

Balanced reporting and transparent disclosure are core to the governance philosophy of Balwin and these principles are entrenched in our integrated reporting processes.

Our reporting complies with International Financial Reporting Standards, the Companies Act of South Africa and the JSE Listings Requirements. The King IV Report on Corporate Governance (King IV) has been applied throughout the 2023 financial year and the directors confirm that the group has in all material respects applied the principles of the code. A schedule outlining the group's application of King IV is available on our website.

CAPITALS OF VALUE CREATION

The guiding principles of the Integrated Reporting Framework of the IFRS Foundation have been applied in preparing this report.

The framework recommends reporting to shareholders in terms of the six capital resources applied in the creation, preservation or erosion of value which are as follows:



Financial capital relates to the funding received from providers of capital and the financial resources deployed by the group.



Manufactured capital is the construction and development of estates, icon apartments and lifestyle offerings.



Human capital covers talent management and retention including board, management and employees.



Intellectual capital focuses on the knowledge in the business, systems, processes, intellectual property and brands.



Social and relationship capital addresses stakeholder relationships and engagement, corporate reputation and values.



Natural capital deals with environmental resources applied and utilised.

These capitals are either increased, decreased or transformed through the activities of the business and should ultimately lead to value creation. For ease of understanding and navigation of the report, visual icons have been included throughout the report to indicate where these capitals are addressed in the commentary.



THABA-ECO VILLAGE



GREENBAY



IZINGA ECO ESTATE



THE REID

INTRODUCING OUR 2023 INTEGRATED REPORT continued

ASSURANCE

Reporting	Assurance process
Annual financial statements	The group's external auditor, BDO South Africa Inc. (BDO), has provided assurance on the annual financial statements and expressed an unmodified audit opinion.
Integrated report	Reviewed by the directors and management and has not been independently assured. BDO has reviewed the accuracy of the financial information extracted from the annual financial statements that appears in the integrated report.
Non-financial information	<p>The sustainability information disclosed in the report has been approved by the board's social, ethics and transformation committee. Independent, accredited service providers have verified selected non-financial indicators as follows:</p> <p>B-BBEE rating: Reviewed and verified by GLP BBBEE</p> <p>Edge green building certification: Green Building Council of South Africa</p> <p>Green Star building certification: Green Building Council of South Africa</p> <p>Management has verified the processes for measuring all other non-financial information.</p>

FORWARD-LOOKING STATEMENTS

Shareholders will note that the integrated report includes forward-looking statements which relate to the possible future financial position and results of the group's operations. These are not statements of fact, but rather statements by management based on current estimates and expectations of future performance. No assurance can be provided that these forward-looking statements will prove to be correct, and shareholders are advised to exercise caution in this regard.

The group does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information or future events. The forward-looking statements are the responsibility of the board and have not been reviewed or reported on by the group's external auditor.

DIRECTORS' APPROVAL

The board acknowledges its responsibility to ensure the integrity of the integrated annual report. The directors confirm that the report accurately reflects the group's material issues, strategy, performance and prospects.

The audit and risk committee has oversight for integrated reporting and recommended the report for approval by the board of directors. The 2023 integrated report was unanimously approved by the board for release to shareholders on 22 May 2023.



Hilton Saven
Chairman



Stephen Brookes
Chief executive officer



Jonathan Bigham
Chief financial officer



Tomi Amosun



Thoko Mokgosi-Mwantembe



Reginald Kukama



Keneilwe Moloko



Arnold Shapiro



Julian Scher



Ronen Zekry

01 INTRODUCING BALWIN PROPERTIES

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.

Listed in the Real Estate Investment and Services sector on the JSE since 2015, and on A2X since 28 February 2023, the group is based in Johannesburg, with regional offices in Somerset West (Western Cape) and Umhlanga Ridge (KwaZulu-Natal) to service the expanding development portfolio.

Founded in 1996 by Steve Brookes, the current CEO and largest shareholder, Balwin completed its first sectional title development later that year in Johannesburg south. The first large-scale estate development was undertaken in 2007 in Johannesburg east, with the business expanding into the Western Cape in 2011, Tshwane in 2014 and KwaZulu-Natal in 2017.

LARGE-SCALE RESIDENTIAL ESTATES

Balwin's residential estates are located in high-density, high-growth areas in Johannesburg, Tshwane, the Western Cape and KwaZulu-Natal. Estates typically consist of between 1 000 and 3 000 sectional title residential apartments. Larger estates are developed where market demand and infrastructure requirements allow. An increasing number of larger-scale developments are being introduced into Balwin's portfolio where the economies of scale allow for the desired affordability of the apartments.

Estates are conveniently located close to amenities including shopping centres, entertainment and leisure facilities, medical centres and schools.

Balwin estates offer secure and conveniently located, one-two-, and three-bedroom apartments designed to appeal to a wide range of home buyers and investors. Apartments include modern fitted kitchens, prepaid water and prepaid solar assisted electricity, eco-friendly fittings and appliances, and are all fibre enabled. Through its investment in green innovation, Balwin strives to provide energy security for residents, with solutions ranging from solar energy at developments which are currently in progress to the installation of generators or battery backup solutions at other developments.

DEVELOPMENT BRANDS

Balwin operates a build-to-sell model, currently developing and selling approximately 2500 – 3000 sectional title residential apartments each year. Developments comprise three distinctive collections:

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 R769 900 to R2 439 900 and offer secure, affordable, high quality and environmentally friendly developments with a focus on lifestyle offerings to residents.



THE GREEN COLLECTION

Targeting lower income consumers than the Classic Collection, Green-branded developments have distinctive architecture and high quality standards which are synonymous with Balwin, also offering residents access to lifestyle facilities. Apartments are priced from R599 900 to R1 299 900.



THE Signature COLLECTION

The Signature Collection comprises three developments: The Polofields and Munyaka Lifestyle Centre (both located in Waterfall City, Johannesburg) and Izinga Eco Estate (Umhlanga KwaZulu-Natal). Our signature development in the Western Cape, Paardevlei Lifestyle Estate, was sold out during the current period under review. Apartments in the Signature collection are built to higher specifications with luxurious finishes and are priced from R1 019 900 to R3 199 900.



INTRODUCING BALWIN PROPERTIES continued

BALWIN HAS A SECURED PIPELINE OF



43 781
APARTMENTS

ACROSS
26
DEVELOPMENTS AND
OVER AN ESTIMATED

15 – 20
YEAR DEVELOPMENT
HORIZON

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. Balwin benefits from economies of scale, in-house construction management while retaining flexibility throughout individual phases of large developments.

LIFESTYLE, LEISURE AND LAGOONS

Lifestyle centres are an integral part of Balwin’s developments and offer all-inclusive value-added facilities and services. These lifestyle centres generally include a wellness spa, restaurant, gym, squash court, running track, action sports field, games room, cinema room, swimming pools, playgrounds, laundromat and concierge services. The lifestyle offering has been extended with the building of padel courts at five of the developments.

The Blyde development in Tshwane East was the first in South Africa to incorporate an innovative clearwater lagoon built in a beach setting. The second lagoon was launched at Munyaka in Waterfall, Johannesburg in March 2023.

ENVIRONMENTALLY SUSTAINABLE BUILDING

Sustainable building is core to the development process. All apartments are built to global environmental standards aimed at obtaining the Edge Advanced certification from the International Finance Corporation while the lifestyle centres are constructed to Six-Star Green rating and Net Zero Carbon emission standards as certified by the Green Building Council of South Africa (GBCSA). Over 21 000 apartments have received Edge certification, and the ninth Net Zero Carbon emissions certification was achieved for The Reid development (Linbro Park, Johannesburg).

The commitment to environmentally sustainable building allows for significant savings for customers through lower utility costs and reduced interest rates through green mortgage bonds developed with most major financial institutions. The lower interest rates assist in unlocking investment potential of green infrastructure technologies and services while offering value to customers through improved affordability.

GROWING ANNUITY REVENUE

Through Balwin Annuity a range of value adding products and services are offered which enhance the client experience and make living at Balwin developments more convenient and cost effective. These services generate annuity revenue and diversify the group’s sources of income.

Balwin Annuity currently has a portfolio of 11 diverse businesses, with the largest contribution to annuity revenue being from the longer established businesses of Balwin Fibre and Balwin Mortgages. Balwin Rentals currently has 215 rental apartments at Greenpark (Boksburg). The other early-stage annuity businesses, which include energy, lifestyle centre management, security and financial services, are progressing well.

INTERNATIONAL RECOGNITION

Balwin is the proud recipient of 38 international property awards, recognising the quality of the developments and the creative design of the apartments.

In the past year the group won six categories in the Africa and Arabia Property Awards 2022–2023 and also received four awards at the International Property Awards. This includes the prestigious Best International Social Housing Award for the Greenbay development in Gordon’s Bay in the Western Cape.

COMMITMENT TO COMMUNITY INVESTMENT

As an invested corporate citizen of South Africa, The Balwin Foundation supports and empowers the younger generation and previously disadvantaged people to gain greater knowledge and skills through technical education and training. Students, employees, contractors and job seekers are trained in building industry-related trades which includes bricklaying and construction entrepreneurship.

Through funds donated by Balwin from the registration of each apartment, the Foundation trained more than 1 400 previously disadvantaged individuals in the past year and funded bursaries for 15 scholars and 18 tertiary students. The water safety programme undertaken through the Foundation has reached more than 3 000 children in townships and rural areas.

01

2023 IN REVIEW

2 788

APARTMENTS SOLD AND RECOGNISED IN REVENUE

870

APARTMENTS PRE-SOLD FOR FUTURE YEARS

43 781

APARTMENTS IN DEVELOPMENT PIPELINE OVER 15 TO 20 YEARS

BEST INTERNATIONAL SOCIAL HOUSING

AWARD FOR GREENBAY DEVELOPMENT AT INTERNATIONAL PROPERTY AWARDS

6

INTERNATIONAL AWARDS AT THE AFRICA AND ARABIA PROPERTY AWARDS



R3.3bn

6% increase in revenue

91.49c

21% increase in headline earnings per share

93.74c

21% increase in basic earnings per share

26.12c

Total dividend per share 7%

2.5%

Total revenue contribution from annuities business

R607.3m

Cash position at year end

824.38c

Net asset value per share

Secondary listing

Balwin shares listed on AltX stock exchange

21 768

APARTMENTS WITH INTERNATIONAL EDGE CERTIFICATION

9

NET ZERO

CARBON EMISSIONS AWARDED AT LIFESTYLE CENTRES AND HEAD OFFICE

9

SIX-STAR GREEN RATING

AWARDED AT DEVELOPMENTS AND HEAD OFFICE

3 842MWH RENEWABLE ENERGY

GENERATED THROUGH MORE THAN 9 000 SOLAR PANELS INSTALLED ACROSS DEVELOPMENTS

1 210

PREVIOUSLY DISADVANTAGED INDIVIDUALS

BALWIN FOUNDATION



BUSINESS MODEL

“Balwin aims to create sustainable long-term shareholder value by developing large-scale, sectional title residential estates in major growth nodes for South Africa’s expanding low-to-middle income population.”

INPUTS >

- 

FINANCIAL CAPITAL
Relates to the funding received from providers of capital and the financial resources deployed by the group.
- 

MANUFACTURED CAPITAL
The construction and development of estates, apartments and lifestyle offerings.
- 

HUMAN CAPITAL
Covers talent management and retention, including board, management and employees.
- 

INTELLECTUAL CAPITAL
Focuses on the knowledge in the business, systems, processes, intellectual property and brands.
- 

SOCIAL AND RELATIONSHIP CAPITAL
Addresses stakeholder relationships and engagement, corporate reputation and values
- 

NATURAL CAPITAL
Deals with environmental resources applied and utilised.

CONSISTENT DEVELOPMENT FORMULA >



MUNYAKA

APPLY PROVEN PROCESSES FOR ACQUIRING LAND FOR RESIDENTIAL DEVELOPMENT IN HIGH-GROWTH NODES

- Acquire land located close to shopping centres, medical facilities, schools, entertainment and leisure facilities



GREENBAY

ADOPT A PHASED APPROACH TO DEVELOPMENT AND FINANCING TO LIMIT GEARING

- Residential estates are developed and marketed in phases, allowing for appropriate risk management at all stages of the development process
- Development finance is secured for the land (approximately 50% to 70%), infrastructure costs as well as the construction costs (approximately 80%). The balance of the cost is funded internally
- Development finance is funded on a phase-by-phase basis secured against pre-sales of apartments
- Repay land debt and infrastructure costs if any within the early phases of a development where possible through profits realised on the sale of apartments



THABA-ECO VILLAGE

UTILISE LOCAL SUPPLIERS AND MAINLY LOCALLY PRODUCED CONSTRUCTION MATERIAL

- Negotiate competitive pricing through longstanding supplier relationships and centralised procurement model
- Limits the impact of exchange rate fluctuations on construction costs
- Increase ability to control quality and costs

BUSINESS MODEL continued

OPERATING ENVIRONMENT

- Weak economic environment with consumers under severe financial pressure
- Increasing inflationary pressures compounded by rising interest rates
- Extensive electricity load shedding impacting businesses and consumers
- Growing focus on the environment, sustainability and renewable energy

OUR OPERATING MODEL >

APPLY BUILD-TO-SELL MODEL TO DEVELOP LARGE-SCALE RESIDENTIAL ESTATES IN KEY STRATEGIC TARGET NODES

- Build quality, affordable one, two and three-bedroom sectional title apartments
- Focus on sustainable building practices with the achievement of EDGE Advanced certification for all apartments developed
- Ensure construction is scalable and adaptable to market conditions
- Alignment of rate of construction to the rate of sale experienced at the respective developments
- Expand into new and growing residential nodes in major metropolitan areas and reduce risk of regional exposure

DRIVE EFFICIENCIES THROUGH A TURNKEY APPROACH TO DEVELOPMENT

LAND ACQUISITION

- Land sourcing, acquisition and financing

PROJECT PLANNING

- Project timelines
- Re-zoning
- Town planning
- Quantity surveying
- Development design and costing
- Treasury and financing
- Procurement

MARKETING AND SALES

- Marketing and pre-sales
- Bond origination

CONSTRUCTION MANAGEMENT

- Construction
- Construction management
- Quality control
- Safety, health, environmental and quality management

TRANSFER AND ESTATE MANAGEMENT

- Title deed registrations
- Establishment of body corporates
- Estate management
- Ongoing client support

Stakeholder value created in 2023



OUTCOMES

FINANCIAL CAPITAL



- Declared total dividend of **26.12 cents** per share
- Cash position increased by **R105.0m** to **R771.7m**

MANUFACTURED CAPITAL



- 2 788** apartments sold and recognised in revenue
- 18** active developments nationally

HUMAN CAPITAL



- Appointed key executives to new Balwin Annuity businesses
- Retention and attraction of top talent

INTELLECTUAL CAPITAL



- Received a further **six** international industry awards
- Best international social housing award** (Greenbay, Western Cape)

SOCIAL AND RELATIONSHIP CAPITAL



- Maintained **level 4 B-BBEE** rating

NATURAL CAPITAL



- Installed additional **1 MW** of solar infrastructure
- EDGE certification** increased to over **21 000** apartments

OUTPUTS >

Revenue **R3.3 billion** · Profit for the year **R437.4 million** · Carbon emissions reduction **10 300 tonnes CO₂e**



MATERIAL RISKS

RISK 1. CHALLENGING MACROECONOMIC ENVIRONMENT

Why material?

The group's operations, profitability and cash flow may be materially impacted by prevailing macroeconomic factors, in particular rising interest rates and inflation.

Risks

- The current upward interest rate cycle could impact negatively on the consumer's ability to secure funding to purchase or invest in property.
- Rising interest rates could impact the group's ability to secure funding as banks adopt an increasingly conservative approach to lending.
- Disruptive economic or socio-political events could impact on the group's ability to meet its financial and operational targets.
- A downturn in global growth prospects and economic outlook may result in a recessionary environment locally which would impact negatively on profitability and liquidity.
- Input costs such as raw materials and fuel may increase sharply as a result of inflationary pressures.
- Social unrest may damage property and cause uncertainty and negative investment sentiment.

Mitigation plans

- Handover schedule and resulting construction activities are adaptable and reviewed by management frequently in relation to market conditions.
- Cash flows and cash flow planning is performed regularly and reviewed by the treasury committee and the board.
- Healthy margins allow a degree of flexibility on selling prices or the introduction of sales incentives, allowing the business to reduce prices in order to stimulate sales while remaining profitable.
- Revenue forecasts and development cost budgets are performed regularly to improve planning and respond quickly to a change in market conditions.
- An independent external sales demand analysis is prepared for all new developments to determine the demand for the product and the configuration of the build.
- Entrenched relationships with a broad base of funding institutions to ensure liquidity.
- Affordability of the apartments and the levies provides positive yields for investment purposes.

RISK 2. CASH FLOW AND CAPITAL MANAGEMENT

Why material?

Cash flow is critical to the group and enables the business to acquire land, install infrastructure and construct apartments. Cash flow is dependent on revenues from the sale of apartments as well as the availability of development debt funding.

Risks

- Planned revenues and resulting cash flows may not materialise due to lower than expected pre-sales or delays in the registration of apartments.
- Inaccurate cash flow projections which may lead to poor cash flow planning and insufficient cash to meet working capital requirements.
- Inappropriate funding of long-term development costs may result in repayment needing to be made before revenues and resulting cash flows are realised.
- Breach of existing debt covenants may result in a withdrawal of funding.
- Inappropriate capital allocation could result in investment in non-strategic assets or value diluting assets as well as diminished shareholder value and negative market perception.
- Long-term lock up of capital in assets that are not generating the required return, especially land and infrastructure.

Mitigation plans

- Treasury committee provides oversight on capital structure, cash flows, debt management and allocation of capital.
- Dedicated land and infrastructure funding is secured to fund development and structured to allow for repayment from the realised profits of the development.
- Development funding is obtained on a phase-by-phase basis and is secured against pre-sold apartments. The funding is only repayable once the cash is realised upon the registration of the secured apartments.
- Building schedules are adaptable to align construction to the rate of sales and funding resources.
- Prudent minimum cash reserve levels are set by the board.
- The group has established funding relationships with a wide range of funding partners.
- Conservative debt and cash flow covenants are set by the board and monitored regularly, with governance process for material transaction approvals.

MATERIAL RISKS continued

RISK 3. DELAYS IN TOWN PLANNING AND LOCAL AUTHORITY APPROVALS OR CHANGES IN GOVERNMENT POLICIES

Why material?

Delays in obtaining town planning and regulatory approvals could have a significant impact on cash flows, sales and profitability. The legislation framework and universe is complex, onerous and constantly changing which makes compliance challenging.

Risks

- Delays or inefficiencies in obtaining local authority approvals may result in the registration of apartments being delayed which impacts cash flow, financial performance and may cause reputational damage.
- Postponement of handover of apartments due to delays in the construction results in reputational damage from affected customers.
- Lack of effective internal processes to identify changes to legislation timeously could lead to financial penalties, reputational damage or poor stakeholder relationships.
- Uncertainty on government's medium- to long-term position on land and social issues may deter investment or curtail demand for apartments.
- Changes to government policy, political interference and increased political activism and radicalism may lead to policy uncertainty which curtails business investment, particularly in long-term development projects. It could also result in social instability such as land expropriation without compensation, land invasions and social unrest.

Mitigation plans

- Independent professionals employed to ensure compliance with all town planning as well as local government processes.
- Comprehensive legislative universe together with a ranking of the existing legal universe and mitigation plans for key risks.
- Closely monitoring government communication and co-operative professional relationships with key government leaders ensures pro-active engagement and planning for the future.



RISK 4. INJURIES AND FATALITIES ON CONSTRUCTION SITES

Why material?

Besides the devastating human impact, serious injury or death on construction sites could result in criminal prosecution, financial penalties and reputational damage.

Risks

- Serious injury or death could result in criminal prosecution, financial penalties and reputational damage.
- Inadequate systems to manage health and safety at an operational level may result in non-compliance with health and safety rules.

Mitigation plans

- Balwin uses the services of outsourced subcontractors. All construction contractors are required to have a formal health and safety policy before commencing projects for Balwin. In addition, Balwin has a health and safety policy which all staff and subcontractors are required to adhere to.
- The business has achieved ISO 9001, ISO 45001 and ISO 14001 certifications which confirms compliance with the necessary health and safety standards.
- On-site employees undergo periodic health and safety training.
- Effective internal SHEQ department performs regular site inspections and supplier audits and issues fines to sub-contractors who are non-compliant.
- External audits are conducted on all sites on a monthly basis and subcontractor audits are carried out weekly to ensure compliance with Balwin's strict SHEQ policies.
- A dedicated, accredited Balwin safety officer is allocated to each development.

RISK 5. FAILURE TO COMPLY WITH B-BBEE LEGISLATION OR LOSS OF B-BBEE STATUS

Why material?

Compliance with complex and multi-layered legislation and codes is imperative in the South African business environment to ensure the sustainability of the group.

Risks

- Non-compliance with B-BBEE legislation may result in loss of existing business, loss of business opportunities or inability of the business to obtain regulatory approvals.

Mitigation plans

- B-BBEE strategy implemented across the group and external B-BBEE rating undertaken annually.
- The group has a significant BEE equity partner, with board representation.
- Introduced supplier development and enterprise development programmes.
- Active engagement with suppliers and sub-contractors to assist these companies to obtain an acceptable B-BBEE rating which directly impacts the group's scorecard.
- Formal employment equity plan adopted.

MATERIAL RISKS continued

RISK 6. RELIANCE ON KEY SUPPLIERS AND CONTRACTORS, AND ATTRACTION AND RETENTION OF SKILLED STAFF

Why material?

The sustained performance of the group is dependent on several key stakeholders, including sourcing suppliers and contractors to provide the appropriate volume and quality of goods and services timeously, as well as its ability to attract and retain scarce and experienced construction industry talent.

Risks

Suppliers and contractors

- Inability of suppliers and contractors to deliver goods and services timeously could hamper construction activities.
- Poor quality goods and services supplied may result in increased costs, delayed handover of apartments or reputational damage.

Staff

- Organisational structure or company culture not conducive to retaining key staff and delivering on the business objectives.
- Inability to replace or recruit people timeously and with the required skills.

Mitigation plans

Suppliers and contractors

- National procurement department ensures appropriate allocation of suppliers and contractors and continuously identifies alternate vendors in accordance with the group's approved procurement policy.
- Reliance on particular suppliers or contractors is limited through existing relationships with different entities across the regions and developments.
- Constructive and often long-standing relationships with suppliers and contractors facilitates positive and constant interaction to ensure they work with Balwin.

Staff

- Identify and train skilled and experienced managers as succession candidates for senior positions.
- Key management positions within the newly created annuity business structure have been filled with competent and experienced staff while the group oversight function ensures consistency of policies and governance.
- Formal succession planning for key executive positions.
- Offer short- and long-term executive incentive schemes to remain competitive in the job market and to motivate and retain top talent.

RISK 7. INFORMATION TECHNOLOGY SECURITY AND BUSINESS CONTINUITY

Why material?

The increasingly complex information technology (IT) landscape places greater demands on security for protecting personal and business-critical information and disaster recovery processes to ensure business continuity.

Risks

- Ineffective IT governance and security controls may lead to breaches in the information security system which may result in the loss of data, breach of data confidentiality or breach of confidential client personal data.
- Ineffective disaster recovery systems resulting in significant business continuity disruptions.
- Inappropriate or ineffective strategies and processes to manage business continuity may result in delays or inability to conduct business.
- Reputational damage and loss of stakeholder trust arising from breaches in information security.

Mitigation plans

- Implemented extensive security systems, including firewalls, endpoint protection, email filtering and a security information and event system.
- Off-site backups are maintained and tested quarterly.
- Disaster recovery system operational and tested quarterly.
- Production systems are located externally for power and connectivity redundancy.
- Cyber security insurance is in place and policy technical requirements are met.
- Regular technology security tests are conducted.



01 STAKEHOLDER ENGAGEMENT

Balwin is committed to identifying and addressing the perceptions and views of all key stakeholders to manage reputational risks and build goodwill while maintaining the confidence of stakeholders. The group's stakeholder engagement strategy is ultimately aimed at ensuring the sustainable growth of the business.

Management has identified eight primary stakeholder groups which are most likely influence the group's ability to deliver sustainable value:

- 🌱 Shareholders
- 🌱 Lending institutions
- 🌱 Clients
- 🌱 Suppliers, contractors and vendors
- 🌱 Government and local authorities
- 🌱 Industry regulators
- 🌱 Communities
- 🌱 Employees

The key engagement issues with each of the primary stakeholder groups during the reporting period and the group's response to these issues is covered below.

Stakeholder group	Main engagement issues in 2023	Balwin's response to engagement issues
<i>Shareholders</i>		
Local and international institutional and private investors as well as the broader investment community.	Financial and operational performance in the challenging domestic economic environment.	The group's investor relations programme includes annual and interim results presentations and roadshows, pre-close period trading updates, participation in broker conferences, site visits for local and international investors, and one-on-one meetings with shareholders and analysts. These open forums provide a medium for the CEO, CFO and key executive management to address crucial engagement issues directly with the investor community, including the engagement issues referenced here, and to ensure that investors make balanced and well-informed investment decisions.
<p>Reason for engaging</p> <p>Shareholders are the group's primary providers of financial capital and effective engagement ensures continued access to capital.</p>	Resignation for health reasons of Jonathan Weltman, who served as CFO since prior to the group's listing, and the internal appointment of Jonathan Bigham as part of the CFO succession plan.	

Stakeholder group	Main engagement issues in 2023	Balwin's response to engagement issues
<i>Lending institutions</i>		
Financial institutions providing debt funding to the group.	Changes to traditional funding arrangements to ensure access to more cost-effective funding.	The group successfully converted existing development loans into term based facilities. This not only maintained the discipline of the traditional phase-by-phase funding approach and security cover, but also reduced the total cost of debt to the group.
<p>Reason for engaging</p> <p>Effective relationships with funding institutions are essential to secure ongoing funding for land and development on competitive terms.</p>	<p>Increase in the quantum of unsecured debt and the inclusion of the first sustainability-linked loan</p> <p>Business fundamentals as a result of the challenging trading environment</p>	<p>Ninety One SA were included in the unsecured club loan facility for R300 million with a sustainability linked loan which reduces the cost of funding contingent upon the group achieving sustainability targets.</p> <p>Proactive engagement with financial institutions and providers of debt capital to ensure strong relationships with this key stakeholder based on transparent and timeous feedback and access to financial modelling and forecasts.</p>



STAKEHOLDER ENGAGEMENT continued

Stakeholder group	Main engagement issues in 2023	Balwin's response to engagement issues
<i>Clients</i>		
<p>Homeowners, tenants and residents of apartments at Balwin developments.</p> <p>Reason for engaging Clients are the group's main source of revenue through the purchase of apartments and the payment for services as residents in developments.</p>	<p>Affordability of apartments as consumers are under increasing financial pressure in the constrained economic climate and current rising interest rate cycle.</p> <p>Impact of ongoing loadshedding on residents.</p> <p>Opportunity for tenants and home owners to engage directly with Balwin to address concerns and discuss plans for developments.</p>	<p>The group's healthy gross margin allows for flexibility in selling prices with several incentives being introduced to drive sales. Block configurations in developments can be adapted to market demand. The Green Collection developments offer apartments at lower entry prices. Green home loans offer reduced interest rates which further supports affordability.</p> <p>Solutions to address loadshedding include the roll-out of solar power energy at all active developments, with an additional one megawatt of solar infrastructure installed in the past year, as well as the installation of generators and battery backup solutions at developments.</p> <p>'Meet the CEO' events hosted by Steve Brookes at several developments around the country, enabling the CEO to meet with homeowners to promote open communication and encourage feedback.</p> <p>The Balwin smartphone app was introduced to enhance client communications and development security.</p>

Stakeholder group	Main engagement issues in 2023	Balwin's response to engagement issues
<i>Suppliers, contractors and vendors</i>		
<p>Suppliers of services and materials, outsourced contractors at developments and vendors which include the owners and sellers of land for developments.</p> <p>Reason for engaging Positive relationships with suppliers, contractors and vendors ensures security of supply, efficient service and favourable trading terms.</p>	<p>Consistency and quality of supply due to raw material shortages and managing the impact of inflationary pressures from higher input costs.</p> <p>Health and safety standards on all sites.</p>	<p>The group's centralised procurement model and longstanding supplier relationships supports the security of supply while also ensuring competitive pricing. The use of local suppliers and mainly locally produced construction materials also limits the impact of exchange rate fluctuations on construction costs.</p> <p>All staff and construction contractors are required to comply with Balwin's health and safety policy, with a dedicated safety officer at each site. The group has achieved certification for three international health and safety standards. During the period eight Department of Employment and Labour audits and four environmental authority inspections were conducted, with no contraventions noted. Independent health and safety audits are conducted monthly at all sites.</p>



STAKEHOLDER ENGAGEMENT continued

Stakeholder group	Main engagement issues in 2023	Balwin's response to engagement issues
<i>Government and local authorities</i>		
National and provincial government and local municipalities and other local authorities.	Engagement with local municipalities and provincial governments for development approvals.	Balwin continues to proactively engage with local, provincial, and national government to obtain the required approvals to enable development in the relevant nodes. In the reporting period Balwin received 27 planning approvals across the active projects in the portfolio.
Reason for engaging Facilitate efficient approval processes and limit delays which can adversely impact sales and profitability.	Engagement with environmental authorities.	Balwin is a responsible developer and regularly engages with the environmental departments of local, provincial and national government to obtain approvals, which will ensure responsible and sustainable development. 22 environmental approvals were received in the reporting period, including various environmental authorisations and water use licenses.
	Engagement with national government in relation to the gazetted Strategic Integrated Projects identified at Greencreek and Mooikloof Smart City in Tshwane east with respect to installation of bulk services.	Balwin is actively engaged with government on the funding of infrastructure at the Strategic Integrated Projects, with numerous meetings and site visits with government officials to progress the projects.

Stakeholder group	Main engagement issues in 2023	Balwin's response to engagement issues
<i>Industry regulators</i>		
Industry regulatory bodies, JSE, SA Revenue Service.	No issues of regulatory non-compliance identified during the reporting period.	Management remains informed of regulatory changes to ensure compliance and effective adoption.
Reason for engaging Regulatory compliance ensures the group's licence to trade.		
<i>Communities</i>		
Communities in which Balwin operates and develops estates.	Engagement with communities in which Balwin operates to create confidence and trust in the Balwin brand.	Donations to vulnerable communities from the Balwin Foundation spanning blankets, food parcels, solar panels, vegetable gardens, trees and stationery packs, and support of flood relief, Mandela Day and Rise Against Hunger campaigns.
Reason for engaging Positive community engagement creates confidence and trust in the Balwin brand and provides a source of potential employment for members of the community.	Provision of skills training and SME development to community businesses.	Over 1 000 community members benefited from Balwin training and skills development programmes in the past year, with over 2 700 scholars undergoing water safety training



STAKEHOLDER ENGAGEMENT continued

Stakeholder group	Main engagement issues in 2023	Balwin's response to engagement issues
<i>Employees</i>		
All employees across the group.	Promoting employment equity and diversity.	The diversity and employment equity committee meets regularly to assess progress on employment equity and reports on its activities to the board social, ethics and transformation committee. The group's target employment equity plan has been approved by the Department of Employment and Labour. Achieving employment equity targets in the short term is proving challenging with the group's current low staff turnover.
Reason for engaging	Employee engagement survey.	An engagement survey was undertaken among all staff focusing on talent management, values, diversity, inclusion and belonging, with a 85% response rate from staff. The survey yielded general positive responses, with matters for improvement being communication to staff and employee wellbeing.





STRATEGIC OBJECTIVES

DELIVER QUALITY AND AFFORDABLE APARTMENTS

Prioritise the construction quality of apartments through consistency and excellence in the building process, supported by focused and creative cost engineering to ensure the affordability of the apartments and the lifestyle offerings.



Progress in 2023

- Maintained International Organisation for Standardisation (ISO) certifications for quality, environmental and health and safety standards.
- Introduced a site staff awards campaign to incentivise the sites with the best quality construction, based on the outstanding “snags”.
- Maintained a high proportion of one- and two-bedroom apartments in the current block configuration to aid affordability.
- Development of the Green Collection apartments at a lower selling price.
- Continued to offer Green bond home loans to enhance the affordability of apartments through a reduction in interest rates to customers resulting from the EDGE certification achieved in the construction of the apartments.



Plans for 2024

- Further enhance the building quality of apartments, with increased focus on construction processes and resulting reduction in snags.
- Maintain ISO certification to ensure consistency in the construction process to internationally recognised levels of excellence.
- Continuously review and refine costings to ensure cost-efficient development.
- Release development phases at prices in line with market conditions to maintain affordability.
- Continue to proactively engage with body corporates and managing agents to ensure that living in a Balwin development remains affordable.
- Continue to engage with funding institutions with a view to increase the quantum of the interest rate concession offered through the Green bond concept.
- Introduction of enticing sales incentives for home buyers and investors, to encourage the sale of apartments.

ENSURE SUSTAINABLE BUSINESS PRACTICES

Reducing the environmental impact of construction activities through innovation in design and building techniques is key to the development process. Sustainability further incorporates investing in local communities and staff, implementing best practice governance strategies, maintaining excellent health and safety standards on site and engaging all key stakeholders in the business.



Progress in 2023

- Identified and reported on initial ESG metrics including carbon emissions avoided, water saved and monetary savings passed on to clients due to the incorporation of Green elements in apartments and Green home loans.
- Incorporated ESG metrics into the company performance scorecard.
- Continued commitment to sustainable building through developing all apartments in the period to EDGE Advanced certification.
- Commenced post-construction EDGE certification on several developments within the portfolio.
- Reduced scope 1 and scope 2 emissions in line with Balwin’s 1.5°C Science Based Target.
- Achieved an additional Net Zero Carbon rating at the Reid’s Lifestyle Centre.
- Installation of an additional one megawatt of solar infrastructure.
- Maintained a level 4 B-BBEE rating.



Plans for 2024

- Commitment to achieve EDGE Advanced certification for all apartments developed and Six-Star Green ratings for all lifestyle centres.
- Enhance measurement and reporting of sustainability programme.
- Reduce scope 1 and scope 2 carbon emissions in line with Science Based Target for 2024.
- Further reduction in the overall health and safety incident rate.
- Continued support for The Balwin Foundation.
- Maintain a stable B-BBEE rating during the period.

STRATEGIC OBJECTIVES continued

CAPITALISE ON ANNUITY REVENUE OPPORTUNITIES

Balwin is positioned to generate annuity income by leveraging the existing asset and client base, and expanding its service offering to home owners and investors.

 **Progress in 2023**

- Formalised structure and strategy of Balwin Annuity business, aligned to the group strategy, and established several annuity-based businesses aimed at enhancing the Balwin client experience and generating annuity-based revenues.
- Continued growth of the Balwin Fibre annuity business with a total client base of 8 230 subscribers representing 70.5% of total homes installed and 79.9% of occupied homes. A further 2 486 homes were installed in the period with a total of 11 671 homes installed to date.
- Established Balwin Mortgages as a wholly-owned subsidiary of Balwin to house the existing mortgage origination business which was previously a division of Balwin.
- Annuity businesses generated revenue of R83.1 million, an increase of 61% over the prior year.

 **Plans for 2024**

- Expand annuity revenue opportunities by retaining ownership and management of lifestyle centres and security installations within developments to ensure these assets are properly maintained for the benefit of clients.
- Continue roll-out of solar power energy solutions at all active Balwin developments and monetise these assets through revenue for the group and savings of energy costs for clients.

OFFER COMPLEMENTARY BRANDS IN TARGETED HIGH GROWTH NODES

Offering a portfolio of Balwin development brands in the key strategic target nodes of Johannesburg, Tshwane, Western Cape and KwaZulu-Natal while remaining responsive to market demand in the design of the block configuration.

 **Progress in 2023**

- Continued growth in revenue contribution from the coastal nodes of Western Cape and KwaZulu-Natal, consistent with the semigration trend.
- Stable contribution to revenue from the Green and Signature collections, with the majority of the revenue generated from the Classic apartment collection.

 **Plans for 2024**

- Continued roll-out of existing development pipeline to ensure a balanced offering across the Green, Classic and Signature Collection brands.
- Apply responsive development methodology in relation to the block configuration of developments to ensure the product caters to the needs of each specific market.
- Selectively evaluate further potential development nodes.
- Handover of the first apartments at Greenkloof in Pretoria, a Green collection development consisting of approximately 2 500 apartments.
- Handover of the first apartments at De Kuile, a Classic collection development consisting of 885 apartments in the Western Cape.
- Continuation of the handover of apartments at The Whisken in Kyalami, Johannesburg.



THE BLYDE

STRATEGIC OBJECTIVES continued

ENHANCE PRODUCT AND CUSTOMER EXPERIENCE

Continuously improve the Balwin product offering and customer experience through ongoing innovation and delivering operating efficiencies.



Progress in 2023

- Awarded six further international awards at the Africa and Arabia Property Awards, recognising the creative design and excellence of the Balwin product, as well as the prestigious Best International Social Housing Award for the Greenbay development in Gordon's Bay in the Western Cape.
- Launched the Munyaka lifestyle centre and lagoon, the first Crystal Lagoon in Johannesburg, at the Munyaka development, Waterfall City.
- Completed the construction of the Greenbarn lifestyle centre at Greenbay, Western Cape.
- Addition of state of the art Training Science gyms at the Greenbarn lifestyle centres at Greenlee and Greencreek.
- Introduced the Balwin smartphone app designed to enhance client communications and development security.
- Completed the construction of the Little Hills Montessori pre-school at Thaba-Eco Village to expand the beneficial offering to residents.



Plans for 2024

- Launch of Thaba-Eco Estate lifestyle centre, the first Balwin lifestyle centre to be open to the general public, on a membership model basis.
- Introduction of the Thaba-Eco Village sports village, including two padel courts, a half sized basketball court and an action soccer field.
- Further development of the Balwin app to include new features to improve client communications and service offerings.

EFFICIENT CASH MANAGEMENT AND CAPITAL ALLOCATION

Cash management and the preservation of cash reserves remains a priority for the group. Capital allocation strategies are continually reviewed to ensure the appropriate and optimal allocation of cash resources.



Progress in 2023

- Healthy cash resources with an increase in cash on hand at year end.
- Established in-house treasury function to manage cash, funding and debt.
- Maintained loan to value ratio (LTV) between the targeted 35%–45% range.
- Compliance with all board approved thresholds and bank funding covenants.
- Continued focus and development of existing project pipeline to optimise investment in developments under construction.
- Embarked on a share buy-back programme to take advantage of the discount to net asset value at which the Balwin shares traded during the period.
- Paid dividends during the year in accordance with the dividend policy to distribute 30% of profits.



Plans for 2024

- Continue proactive engagement with funding partners.
- Evaluate alternative funding sources and models to continue to grow the business and fund working capital in a more cost-effective manner.
- Evaluate ways to unlock value from the existing investment in developments under construction.
- Appropriate allocation of capital to shareholders in a value enhancing manner.
- Prudent and responsible management of capital in challenging economic environment.



INVESTMENT CASE

Investors should consider the following factors when evaluating a potential investment in Balwin, ignoring any sector, sovereign, economic or other risk factors.



“Balwin is well positioned to offer long-term growth to investors seeking exposure to residential property development targeting South Africa’s growing low-to-middle income population. While property development is under pressure owing to challenging macro-economic conditions prevailing in the country, the group’s investment case remains unchanged.”

1 Well positioned to address the undersupply of housing

- Ongoing demand for quality, affordable and conveniently located housing in secure environments close to amenities
- Sustained growth in South Africa’s low-to-middle income population and continuing trend to urbanisation supporting housing demand
- Balwin is an established, recognised and trusted brand among homeowners, investors and financial institutions
- Three distinctive development brands are offered by Balwin to meet the needs of a broad target market of owners and investors

2 Long-term development pipeline in key locations

- Pipeline of 43 781 residential apartments to be constructed over the next 15 to 20 years in well located developments in major metropolitan areas
- Land secured in key nodes for future development

3 Proven business model for large-scale developments

- Benefit from economies of scale and geographic diversification across major growth nodes
- Phased development model ensures the rate of construction is matched to the rate of sales
- Scalability of developments allow for investment in extensive lifestyle facilities for residents and focused management of levies, factors which differentiate Balwin in the market

- Long-term relationships with suppliers and sub-contractors nationally results in cost savings and high quality apartments
- Dynamic product with an ability to change the block design configuration in response to changes in market conditions and demands

4 Sustainable margins supported by high level of pre-sales

- Balwin has a high margin for a listed residential property developer due to construction management and sales being managed in-house
- Healthy profit margins allow the flexibility to increase marketing campaigns to drive sales when necessary, dependent on market conditions
- Pre-sales enable development finance to be secured which is undertaken on a phase-by-phase basis, providing protection against negative economic factors
- 870 apartments pre-sold for future financial years

5 Significant barriers to entry into the market

- The extensive initial capital outlays required for developments prevent competitors from easily entering the market
- Balwin has a proven track-record and the support of a broad range of major banks and financial institutions; funding is not easily accessible to new entrants



GREENPARK



MOOIKLOOF ECO-ESTATE



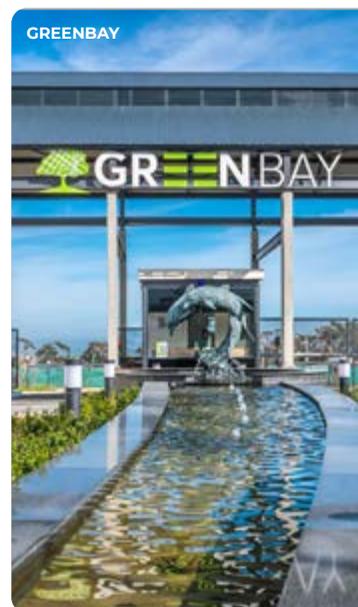
THE REID



Receiving our EDGE champion award from IFC in Washington DC, USA



GREENBAY



GREENBAY

6 Quality and design of international standards

- Received 38 international property industry awards which recognise excellence in creativity, design and delivery of product
- Achieved certification for international standards of quality, health and safety, and environmental management
- Environmental building standards reflected in nine buildings receiving the Six-Star Green rating
- Over 21 000 apartments obtained the Excellence in Design for Greater Efficiencies (EDGE) certification from the International Finance Corporation, with all new apartments being built to this standard

7 Growing annuity revenue stream

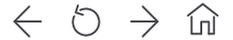
- Products and services offered to clients which generate annuity income and diversify the group's sources of revenue
- Strategy of each annuity business aligned with the group's strategy
- Good growth potential anticipated in annuity businesses in the medium term

8 Experienced management team with extensive market knowledge

- Executive management team has combined hands-on experience of over 100 years in the large-scale residential market
- Founder/chief executive officer and other executives are significant shareholders which aligns their interests with those of other investors



CHAIRMAN'S LETTER TO STAKEHOLDERS



Hilton Saven

DEAR STAKEHOLDERS

The resilience born out of the pandemic has remained very much in evidence over the past year as Balwin has navigated challenging conditions in South Africa's low growth, high inflationary environment. The electricity load shedding crisis is having a detrimental impact on business activity and weighing heavily on the sentiment and well-being of many South Africans.

Against this weak macroeconomic background, it is pleasing to report to shareholders that the group has grown headline earnings per share by 21% to 91.49 cents and increased the total dividend by 15%. The performance has been supported by prudent capital and treasury management, with net cash generated from operations of R245 million compared to cash utilisation of R141 million last year. The group's total cash increased by R105 million to R772 million and R20 million was returned to shareholders through the share buy-back programme.

Successive interest rate increases have compounded the financial stress facing South African consumers and the higher debt servicing costs is placing further pressure on the property development sector. However, we believe that the group's investment case remains resilient and compelling.

Balwin is well positioned to address the undersupply of housing in South Africa through its long-term development pipeline, backed by the proven business model which has been applied in approximately 100 large-scale developments over the years. In addition, the group has a small but growing annuity revenue business, with promising prospects in the medium term.

The group's building quality, health and safety, and environmental management has been certified to international standards, with the commitment to sustainable building practices reflected in nine properties being Six-Star Green rated, more than any other company globally.

CEO Steve Brookes, managing director Rodney Gray and our chief projects officer Ulrich Gschnaidtner have together led the development of our large-scale residential estates for over 25 years. During this time they have encountered several economic downturns and the board has full confidence in the management team steering the business through the current challenging conditions. Importantly, our CEO and other senior executives are significant shareholders in Balwin which ensures that the interests of management and investors are aligned.

Balwin secured a secondary listing on the A2X Markets stock exchange shortly before year end in February 2023, becoming the first specialist residential property developer to list on the fledgling bourse. The A2X listing complements our primary listing on the Johannesburg Stock Exchange and offers investors greater access to Balwin shares, while potentially attracting new investors through the lower trading costs offered on the A2X platform.

Two new directors were appointed in the past year. As we advised shareholders in last year's integrated report, chief financial officer (CFO) Jonathan Weltman resigned due to health reasons at the end of March 2022. On behalf of the board, I reiterate our thanks to

Jonathan for his outstanding contribution and we wish him well. Jonathan Bigham was appointed as CFO and an executive director with effect from 1 April 2022, in line with the company's succession plan. Jonathan has been in his new role for over a year and is making an excellent contribution in leading the finance, capital management, treasury and administration functions.

One of our longest-serving board members, Kholeka Mzondeki, who was appointed as a director shortly before the group's listing in 2015, retired at the annual general meeting in August 2022. Kholeka played a valuable role as a board member and as chairman of the audit and risk committee, and we thank her for sharing her extensive business experience and wise counsel.

Following Kholeka's retirement, Tomi Amuson was appointed as chairman of the audit and risk committee. He has served as a member of the committee since 2017 and is a chartered accountant with wide-ranging financial and commercial experience.

We welcomed Keneilwe Moloko as an independent non-executive director with effect from 19 August 2022. She has also been appointed as a member of the audit and risk committee and the social, ethics and transformation committee. A quantity surveyor who spent nearly a decade in the construction industry, Keneilwe later qualified as a chartered accountant and gained experience in the property and financial services sectors. She is currently a non-executive director of two other listed companies and has previously served on the board of two listed property companies.

CHAIRMAN'S LETTER TO STAKEHOLDERS continued

It should be reassuring to shareholders that our board is independent, diverse and engaged, with an effective balance between the eight non-executive directors and two executive directors. As a board we also strive to achieve an effective balance between meeting our governance oversight responsibilities and maintaining the entrepreneurial spirit on which Balwin was founded.

Our diversity policy is aimed at promoting broader diversity at board level, including gender, race, culture, age, skills and experience. Currently 40% of the board are black and 20% female, in line with our policy which includes a voluntary target for 20% female and 30% black representation on the board.

On behalf of the board, I thank Steve Brookes and his executive team for their determined and astute leadership of the group in these demanding conditions. My fellow non-executive directors continue to provide oversight, guidance and counsel, and I thank them for their active participation in board affairs. Thank you to our shareholders both in South Africa and offshore for your continued belief in our investment case and we welcome those who invested for the first time during the year.

Sincerely



Hilton Saven
Independent non-executive chairman



02

BOARD OF DIRECTORS



FYNBOS



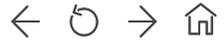
GREENCREEK



BALLTO HILLS



THE REID



Tomi Amosun (41)

BBus Sci (Finance Hons), CA(SA)

Independent non-executive director

Appointed in 2017

Tomi is the managing partner, head of investments and a founding member of Summit Africa, a black-owned and managed alternative investment manager focusing on unlisted equity, social infrastructure and unlisted real estate investments in Southern Africa. Tomi is a FAIS Key Individual and also has extensive experience and a proven track record in governance, capital raising, mergers and acquisitions, portfolio management and strategy, as an adviser to many large listed and unlisted companies in South Africa and Africa.



Jonathan Bigham (38)

BCom (Hons), CA(SA)

Chief financial officer

Appointed in 2022

Jonathan joined the group in 2018 and served as the group finance manager until he was appointed the Chief Financial Officer on 1 April 2022. He has been a member of the executive committee since 2020 and is responsible for the group's treasury function. Prior to joining Balwin, he completed his articles at Deloitte whereafter he continued in the role of an audit manager. He also previously worked for Capital Property Fund as the finance manager with company secretarial and governance responsibilities.



Stephen ("Steve") Brookes (58)

National Higher Diploma Civil Engineering

Chief executive officer

Appointed in 2003

Steve is the founder of Balwin, with approximately 25 years of experience in the position of chief executive officer at the company. Steve has been instrumental in growing the company from a start-up to a successful listed company today. His passion for environmentally responsible building practices is the driving force behind Balwin's approach to minimising its environmental impact by achieving green building ratings at its developments, including "Six-Star" Green ratings from the Green Building Council of South Africa (GBCSA) for its lifestyle centres and net zero certification.

Prior to founding Balwin in 1996, Steve completed four years as a civil engineer at Eskom and three years as a project manager at Matrix projects. Steve is a member of the GBCSA and the chairman of the Balwin Foundation, a non-profit company established in 2016 aimed at making a social difference in education, training and funding.



Reginald ("Reggie") Kukama (53)

BAS, B Arch (Hons) cum laude, MSc in Building and Urban Design in Development (University of London)

Non-executive director

Appointed in 2021

Reggie founded Yaetsho Investments and Projects, which is a multi-disciplinary investment company that holds investments in agriculture, property, telecommunications and information technology. He has extensive experience in a number of aspects of the property industry, including greenfields development, redevelopment of properties, education centers, student accommodation, healthcare properties, office accommodation, property banking and property equity investments in excess of R3 billion. Reggie furthermore holds various board positions in private companies.



Keneilwe Moloko (54)

National Diploma in Building Surveying, BSc Quantity Surveying, Bcom, PGDA, CA(SA)

Independent non-executive director

Appointed in 2022

Keneilwe started her career as a quantity surveyor at CP de Leeuw Walden; Colussi and Dawso; Frazer Building, and then qualified as a Chartered Accountant after nearly a decade in the construction industry. For her articles, Keneilwe had commenced her Chartered Accountant career at KPMG, whereafter she worked with Spearhead Property Holding (Redefine) as a Development Executive, followed by her role at Coronation Fund Managers as a fixed interest credit analyst. Keneilwe had previously served as a director on the boards of Attacq Limited, Fairvest Property Holdings Limited and Long4Life Limited, and currently serves as an independent non-executive director of Bid Corporation Limited and Brimstone Investment Corporation Limited.



Thoko Mokgosi-Mwantembe (60)

BSc and diploma in teaching (Swaziland), MSc (Medicinal Chemistry UK), executive courses at Harvard (USA) and IMD (Switzerland)

Independent non-executive director

Appointed in 2017

Thoko is the chief executive officer and a founding member of the Kutana Group. She has held executive positions in global pharmaceutical and ICT companies including the CEO of Alcatel SA and Hewlett Packard SA. She is currently a non-executive director of Old Mutual, Omnia Group and Royal Bafokeng Platinum. She was the South African Businesswoman of the Year in 2007, IT businesswoman of the year and voted second most influential woman in Africa for IT, media and telecommunications.



Hilton Saven (70)

BCom, CA(SA)

Independent non-executive chairman

Appointed in 2015

Hilton is the former chairman of Mazars South Africa, an international firm of accountants and Praxity, an international alliance of accounting firms. He has extensive experience in listed and unlisted entities in the areas of governance, strategy and general management. Hilton is the non-executive chairman of Truworths International Limited and Lewis Group Limited.



Arnold Shapiro (60)

BBus Sci (Finance Hons, English Literature Studies (UNISA)

Independent non-executive director

Appointed in 2016

In the early part of his career, Arnold was involved in investment analysis, fund management and general management at Old Mutual and Brait. Since 2005, he has been the chief executive officer of Trematon Capital. Trematon Capital is a JSE listed, closed-end investment fund with investments that have included the purchase and development of leisure, commercial and residential property, the establishment and management of schools (pre-school to tertiary), and a broad range of local and offshore equity investments. He has a particular interest in computer technology and software and started life as a software programmer before moving into the financial sector. He has served on the boards of several JSE listed companies in both an executive and non-executive capacity.



Julian Scher (60)

BCom, LLB

Independent non-executive director

Appointed in 2019

After starting his legal career at Webber Wentzel, Julian expanded his experience, spending a few years at UAL Merchant Bank. Julian's focus is predominantly on the commercial aspects of property development law, including sectional title, property litigation, town planning and conveyancing. In 1994, he co-founded Strauss Scher Attorneys and is the senior director at Strauss Scher.



Ronen Zekry (43)

BCom, BAcc CA(SA)

Independent non-executive director

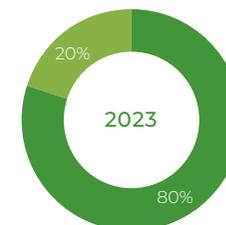
Appointed in 2015

Ronen is an investor at Buffet Investment Services, investing in private equity, venture capital and real estate with over 20 years of experience. Ronen serves as a director on a number of private company boards where he offers strategic input and direction.

Ronen has been involved in Balwin since 2011.

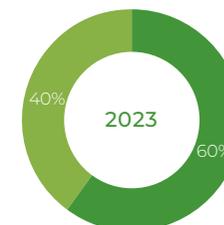
BOARD PROFILE

Gender



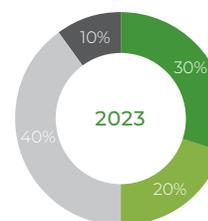
■ Male ■ Female

Race



■ White ■ Black

Age



■ 35-44 ■ 45-54
■ 55-64 ■ 65-70

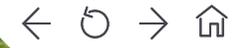
Tenure



■ 0-2 years ■ 3-5 years
■ 6-10 years ■ Over 11 years

02

EXECUTIVE MANAGEMENT



Kyle Gallagher (34)

BSc Construction Management

General manager | KwaZulu-Natal

Kyle joined Balwin in 2013 as a foreman and subsequently held the position of contracts manager and regional contracts manager before being promoted to his current role of General Manager in KwaZulu-Natal. Kyle has 10 years' experience in the construction and property development industry focusing on the planning and implementation of high-density residential developments. Prior to being an executive committee member, Kyle was a member of the management committee.

Rodney Gray (54)

National Higher Diploma Mechanical

Managing director

Rodney is the managing director of Balwin with over 25 years' experience in the position. Prior to joining Balwin, Rodney was the director of a project management company Nostrum, which managed one of Balwin's developments at the time and was appointed in 1997 as a partner to Steve Brookes.

Ulrich Gschnaidtner (56)

T4 Architecture

Chief projects officer

Ulrich is the chief projects officer of Balwin and has been with the group since 1997. Ulrich held management positions at Spie Batignolles and Bovis Southern Africa before joining Balwin as a partner to Steve Brookes and Rodney Gray. Ulrich manages all construction-related activities at Balwin.

Clare Harrison (55)

General Manager | Western Cape

Clare joined Balwin in 2016 as the Group SHEQ Manager before being promoted to general manager in the Western Cape in 2021. Clare has over 16 years' experience in the construction industry and has previously held senior management roles at Group Five and the Gautrain Management Agency.

Amber Heywood (51)

Conveyancing Secretarial Dip
National properties manager

Amber joined Balwin in 2001 to head up the sales, marketing and mortgage divisions. She has 30 years' experience in the property and mortgages industries. Prior to joining Balwin, Amber was employed at Murray & Roberts Housing division and Seeff Projects where she was the sales, marketing and conveyancing manager as well as heading up sectional title management. Amber was a member of the management committee prior to her appointment to the executive committee.



Raaziq Ismail (32)

*BCom Law cum laude;
LLB cum laude*

Head of legal and annuity

Raaziq is an attorney and notary public and joined the group in 2017. He was shortlisted as one of the candidates for the position of President of the Convocation at the University of Pretoria in 2019 as well as Young Achiever of the Year at the Legal Era Africa Conclave in 2019.

Raaziq is a member of the Sectional Title Regulation Board and also currently serves on the SAPOA legal committee. Prior to joining Balwin, Raaziq worked as an associate at Cliffe Dekker Hofmeyr Inc. where he specialised in financial services and markets regulation, derivative regulation, property law, consumer law as well as development and project finance transactions.

Jaco Strydom (45)

BSc QS, PrQS, PMAQS, MBA

General manager | Gauteng

Jaco has more than 20 years' experience in the construction and property development fields. He has been intensively involved in the planning and rollout of several mixed-use development parcels on a national level. Prior to joining Balwin in 2019, Jaco served in various technical and senior management roles and his experience is informed by a focus on mixed use land development which has led to his role in the planning, implementation, and management of high-density residential development.

02

CHIEF EXECUTIVE OFFICER'S REPORT



“We are passionate about environmentally responsible building practices and believe that green building is making a significant difference in our developments and offering real financial benefits to our clients.”



Steve Brookes

Q & A WITH STEVE BROOKES

Q How would you describe Balwin's performance over the past year in the low growth, inflationary environment where your product is highly interest rate sensitive?

A Balwin delivered a highly competitive all-round performance and once again demonstrated the resilience of our business model, our product and our people. While the number of apartments recognised in revenue declined by 6%, we managed to grow our revenue by 6% and improve our gross profit margin to 29%, resulting in an increase in profit for the year of 20% as well as declaring a 15% higher dividend than the prior year. We have launched world class estates, further entrenched our green building credentials, grown our annuity revenue businesses and been recognised locally and internationally for the quality and design of our developments. However, we are never complacent and are well prepared for what lies ahead in the 2024 financial year.

Q Green building is core to Balwin developments. While there are proven environmental and sustainability advantages, what are the benefits of green building for owners of apartments and residents in the developments?

A We are passionate about environmentally responsible building practices and believe that green building is making a significant difference in our developments and offering real financial benefits to our clients.

We target EDGE Advanced ratings on all new developments, which requires our apartments to achieve a minimum 40% energy saving and 20% water saving. Balwin received an

additional 5 112 Advanced certifications this year, bringing the total to over 14 000, with our residents being the beneficiaries of these utility savings. In total, Balwin has 21 768 apartments certified as either EDGE or EDGE Advanced.

Another area of saving is the green bonds developed with major financial institutions, offering reduced interest rates which supports the affordability of living in a Balwin estate. The green mortgages approved in the past year alone will provide a saving to our clients of approximately R98 million over the 20-year mortgage term.

Based on the reduction in utility and bond costs, sustainable building practices have saved our clients approximately R12 million in the past year alone.

Q Load shedding is having a significant impact on South Africans. What is Balwin doing to limit the impact of electricity outages on the residents in its developments across the country?

A Energy security is a national priority and Balwin is implementing green energy solutions at all active developments to address the current load shedding crisis. In the past year Balwin Energy installed an additional one megawatt of solar power energy through more than 2 000 solar panels across 10 developments. The first battery backup solution was installed in April 2023 at The Reid in Linbro Park and generators have also been installed at some of our other developments.

Importantly, our solutions are not only reducing our dependency on the national energy grid but also reducing utility costs for our homeowners which we believe is a competitive advantage with rising living costs and erratic energy supply.

CHIEF EXECUTIVE OFFICER'S REPORT continued

Q The R10 billion lifestyle estate development, Munyaka, in Waterfall, Gauteng, has been described as the crown jewel in the Balwin portfolio. What makes this development so unique?

A Munyaka means 'crystal' in Venda and at the heart of the development is one of the largest Crystal Lagoons in the southern hemisphere. This clearwater lagoon creates a beach environment to complement the extensive lifestyle offering which includes gym facilities, swimming pool, cinema, wellness spa, restaurants and water activities such as paddle boarding and canoeing.

On completion the development will comprise 4 772 apartments which are all fibre-ready and include a Scandinavian style kitchen, free eco-friendly appliances as well as a balcony or patio for outdoor entertaining. The majority of the apartments are within the Classic Collection range, while the development is complemented by 92 luxury lifestyle centre apartments within the Signature Collection that overlook the Crystal Lagoon.

Balwin has invested in several infrastructure upgrades in the popular Waterfall node, which includes the improvement of Mia Road at a cost of over R100 million. Further infrastructure enhancements are planned for the longer-term, including the building of a Gautrain station within walking distance from Munyaka.

Q How does Balwin benchmark the success of its developments?

A While success can be measured by standard financial metrics such as sales, revenue and profitability, we believe that external endorsement measured by global standards is the ultimate benchmark of success in our industry.

Balwin has received 38 international awards recognising the innovation and excellence of the developments. At the 2022 Africa and Arabia Property Awards we received a further six awards, with our Munyaka (Waterfall, Johannesburg), Thaba-Eco Village (Johannesburg) and Greenbay (Gordon's Bay, Western Cape) developments each being recognised as best in class in two categories.

The ultimate recognition was our Greenbay development receiving the award for the Best International Social Housing at the prestigious International Property Awards.

Q Balwin's annuity revenue business is gaining traction and expanding the range of services offered to residents. What are the growth drivers of this annuity business and what is the potential for expansion?

A Our annuity revenue strategy not only aims to diversify the group's sources of income but also to enhance the client experience while making living at Balwin developments more cost effective for homeowners. We were confident in our strategy from the outset and knew it would take time to gain traction and are now starting to reap the benefits. In the past year annuity business-based revenue totalled R83.1 million and doubled the contribution to group revenue to 2.5%. The majority of revenue is being generated by Balwin Fibre, which has grown its subscriber base to over 8 200, and our bond origination business, Balwin Mortgages, which secured 2 125 apartments in 2023 alone.

Expansion prospects are most promising. Our solar energy business, Balwin Energy, is strategically important and is making a small contribution to the group's profitability, while we are confident in the longer-term prospects of other early-stage annuity businesses focused on security and access control installations, rental property portfolio and financial service products.

Q Effective stakeholder relationships are critical for business sustainability. Describe Balwin's stakeholder engagement philosophy and how this has been entrenched over the past year?

A Our stakeholder philosophy is based on employing exceptional people, creating partnerships with our advisers, professional teams, contractors, sub-contractors and suppliers, and developing relationships with our shareholders and funders who provide the capital to grow our business.

Homeowners, property investors and residents are also a key stakeholder group and it is important that we listen and learn from them. We introduced 'Meet the CEO' events at developments around the country where I got to hear first-hand the issues facing our homeowners. While the feedback was often direct and hard-hitting, I was encouraged by the open and constructive communication and believe these sessions were well received by residents.

At the end of the day, we want to build goodwill and maintain the confidence of our stakeholders through transparent and honest engagement.

Q How is Balwin positioned to mitigate the mounting economic headwinds facing the country and consumers, and what gives you confidence in the group's prospects?

A The current macro-economic environment will no doubt place pressure on demand for residential housing in the short- to medium term. Balwin has operated successfully through several major economic downturns and the management team are no strangers to adverse development cycles.

In response to the current headwinds we will continue to monitor market demand and adjust the rate of construction to match to the rate of sales, introduce incentives to drive sales, increase selling prices where reasonable and manage operating costs tightly. At the same time, we will continue to roll-out and monetise solar energy installations at all Balwin developments.

We remain optimistic on the prospects of our core business and our ability to leverage the brand in generating complementary annuity-based revenue streams. In the near term, our pre-sales of 870 apartments provides a solid base to start the 2024 financial year, while our long-term development pipeline of 43 781 apartments with a 15-to-20-year timeline highlights the group's organic growth prospects.

In closing off on a challenging but highly successful year in the life of Balwin, I sincerely thank all our stakeholders, including my fellow directors, executive colleagues and our people, who have ensured that Balwin maintains its market leading position, and we look forward to your ongoing support and commitment.



Stephen Brookes
Chief Executive Officer

02 CHIEF FINANCIAL OFFICER'S REPORT



“The improvement in gross profit margin is a pleasing achievement, particularly on the back of high cost increases in the construction industry during the year. While the demand for the product has allowed for elasticity in selling prices, management have also been able to mitigate a large portion of the cost increases experienced in the market.”



Jonathan Bigham

INTRODUCTION

A strong and resilient operational performance, together with disciplined capital management, has enabled Balwin to report robust financial results in a constrained macroeconomic environment.

Revenue growth was supported by a change in the mix of apartments sold, stronger selling prices and an increased contribution from the annuity businesses. The group reported a higher gross profit margin despite significant cost pressures in the construction sector in the past year.

These factors translated into group profit increasing by 20% to R437.4 million. The group ended the year in a healthy cash position and the loan-to-value at 40.7% was well within the covenant and board thresholds and consistent with the prior year.

The board declared a final dividend of 14.1 cents per share, which together with the interim dividend of 9.9 cents per share, brings the total dividend for the 2023 financial year to 24.0 cents per share.

FINANCIAL REVIEW

The following review of the financial performance for the year ended 28 February 2023 should be read together with the group's consolidated annual financial statements which are available on our website <https://balwin.co.za/balwin-corporate/investor-relations/>. This review covers the key line items of the statements of comprehensive income, financial position and cash flows, which management consider material to the group's performance.

STATEMENT OF COMPREHENSIVE INCOME

Revenue

Group revenue increased by 6% to R3.3 billion (2022: R3.1 billion) despite the number of apartments recognised in revenue declining by 6% to 2 788 (2022: 2 962).

The group has recorded strong revenue growth in the last three reporting periods, with a cumulative 23% increase in revenue from 2021 to 2023. Revenue earned for the group arises from the following sources:

	February 2023 (R'000)	February 2022 (R'000)	February 2021 (R'000)
Revenue	3 326 908	3 125 269	2 700 574
<i>Disaggregation of revenue by source:</i>			
Revenue from sale of apartments	3 243 815	3 073 506	2 659 330
Bond commission*	–	15 804	15 892
Revenue from annuity business	83 093	35 959	25 352
	3 326 908	3 125 269	2 700 574

* The mortgage business was a division of Balwin Properties Limited in the prior year and was included in the revenue for that entity. In the current year, the business was housed in its own legal entity, Balwin Mortgages Proprietary Limited, a wholly owned subsidiary within the annuities group. The current year's revenue was therefore consolidated in the revenue from the annuities business.

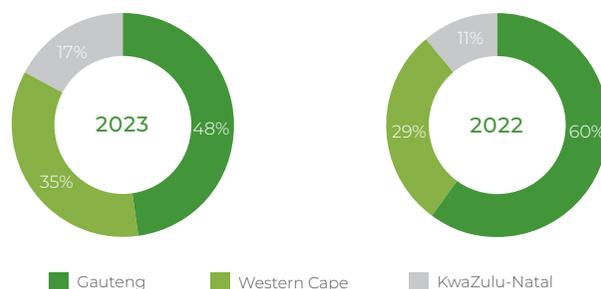
CHIEF FINANCIAL OFFICER'S REPORT continued

The increase in revenue over the prior year resulted primarily from the following contributors:

- An increased contribution of Signature Collection apartments in the sales mix which traditionally have a higher average selling price than the other Collections in the portfolio. Despite only contributing 14% (2022: 9%) of the total apartments handed over for the year, the Signature Collection comprised 22% (2022: 16%) of revenue owing to the higher selling prices. This contribution was largely due to the success at Izinga Eco Estate (Umhlanga, KwaZulu-Natal) and the initial handover of the luxury apartments at the Munyaka Lifestyle Centre (Waterfall, Gauteng);
- A change in the demand for apartment configuration with a slight increase experienced in the higher-priced 3-bedroom apartments which comprised 23% (2022: 20%) of all apartments recognised in revenue;
- A general increase in selling prices of apartments to cover increased input construction costs and to sustain margin growth; and
- A pleasing increase in the contribution of annuity business-based revenue, which contributed 2.5% of group revenue (2022: 1.2%).

Revenue from sale of apartments by region

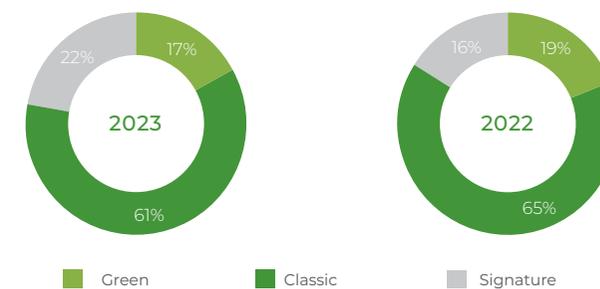
Region	February 2023 (R'000)	February 2022 (R'000)
Gauteng	1 542 544	1 851 581
Western Cape	1 135 322	896 259
KwaZulu-Natal	565 949	325 666
Revenue from sale of apartments	3 243 815	3 073 506



The changes in revenue contribution from the sale of apartments by region reflect the semigration trend, with significant increases in revenue contributions for both coastal nodes. The coastal regions' contribution to group revenue consequently increased to 52% in the current year (2022: 40%). The Gauteng region recorded a 17% reduction in revenue contribution as a result of prevailing market conditions, declining to 48% of total revenue (2022: 60%).

Revenue from sale of apartments by Collection

Collection	February 2023 (R'000)	February 2022 (R'000)
Classic Collection	1 987 145	1 992 279
Green Collection	548 332	583 239
Signature Collection	708 338	497 988
Revenue from sale of apartments	3 243 815	3 073 506



The Classic Collection continued to be the mainstay of the business and contributed 61% of revenue from sale of apartments (2022: 65%). The Signature Collection increased its contribution to 22% (2022: 16%) due to additional revenue derived from Izinga Eco Estate and Munyaka Lifestyle Centre. The Green Collection's contribution reflected a slight decrease to 17% (2022: 19%).

For further information on the Green, Classic and Signature Collections refer to Introducing Balwin Properties on page 3 and the Development Showcase on pages 42 to 79.



CHIEF FINANCIAL OFFICER'S REPORT continued

Gross profit

The group's gross profit margin improved further in the current year to 29% (2022: 27%). The group has shown pleasing margin growth in the last three reporting periods:

	February 2023 (R'000)	February 2022 (R'000)	February 2021 (R'000)
Gross profit	960 150	832 556	720 976
Gross profit margin	29%	27%	27%

This strong improvement has resulted from focused cost containment measures, design efficiencies as well as careful price adjustments to cover increased costs where possible. This was further complemented by a revised pricing strategy as communicated earlier. In terms of this strategy, more robust selling prices are achieved on the sale of early phase apartments, resulting in an improved gross margin on the initial phases, with a slightly flatter growth in phase-by-phase revenue recorded thereafter.

A further contributor to the improved gross profit margin was the contributions to revenue of the respective annuity businesses, whose accounting methodology differs from the sale of apartments due to the nature of these businesses. For service-related annuity businesses, such as fibre and mortgage origination, no cost of sale is recorded but rather the costs incurred in these businesses are considered to be more fixed and/or administrative in nature and are therefore accounted for as operating expenses. This concept is more fully described in the commentary on operating costs that follows.

The improvement in gross profit margin is a pleasing achievement, particularly on the back of high cost increases in the construction industry during the year. While the demand for the product has allowed for elasticity in selling prices, management have also been able to mitigate a large portion of the cost increases experienced in the market. This has been achieved through effective cost engineering, concentrated cost containment supported by the in-house procurement department and creative modifications to designs and specifications while not compromising on the commitment to quality and world leading environmental standards.

Operating expenses and net investment costs

Consolidated operating expenses amounted to R392.8 million, an increase of R91.1 million or 30% over the prior comparative period.

Balwin Properties (the company) operating expenses increased by 18%. However, if variable costs directly related to sales activity, depreciation and performance linked costs are excluded, the remaining operating expenses increased by 5% over the prior period.

	28 February 2023 R'000	28 February 2022 R'000	Movement
Balwin Properties (the company)	332 844	280 972	18%
Fixed expenditure	161 195	153 621	5%
Depreciation and amortisation	19 576	13 494	45%
Performance linked expenditure	33 653	20 085	68%
Variable expenditure (Note 1)	118 420	93 772	26%
Balwin Annuities	59 924	20 659	190%
Total operating expenditure	392 768	301 631	30%
Operating expenditure to revenue ratio	11.8%	9.7%	

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

Variable expenditure increased by 26% despite only a 6% increase in revenue, as additional marketing costs were incurred to stimulate revenue. Sales commission increased due to the use of external agents in selected specific cases at a higher cost than normal. The group has taken a decision to no longer use external agents.

Performance linked expenditure pertains to short-term incentives paid to staff and is based on a pre-approved company scorecard which includes a blend of financial (60%) and non-financial metrics (40%). Depreciation and amortisation increased by R6.1 million, largely as a result of the depreciation of the right-of-use asset relating to the group's head office.

The balance of fixed expenditure of the company of R161.2 million increased at a slightly below inflationary linked rate of 4.9%.

The annuity businesses' operating expenses increased by R39.3 million over the prior year, however, this was largely as a result of many of these businesses becoming operational in the current year. In the prior year, only Balwin Fibre was reported separately as an annuity entity. 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 more fixed and/or administrative in nature. Accordingly, revenue from the annuity businesses totalled R83.1 million with an operating profit of 28% reported.

The total operating cost-to-revenue ratio for the group increased from 9.7% to 11.8% in the current year. When excluding the annuity business costs (and revenue), the total operating cost-to-revenue ratio of the company increased to 10.3% (2022: 9.1%). This was materially due to the increase in variable expenditure.

Net finance income, being the net excess of interest income earned and finance costs incurred, was R4.4 million for the year, an increase of R2.1 million, reflecting improved management of cash resources.

Group profit and earnings

Group profit increased by 20% to R437.4 million (2022: R363.1 million). Earnings per share and headline earnings per share increased by 21% to 93.74 cents and 91.49 cents respectively.

CHIEF FINANCIAL OFFICER'S REPORT continued

STATEMENT OF FINANCIAL POSITION

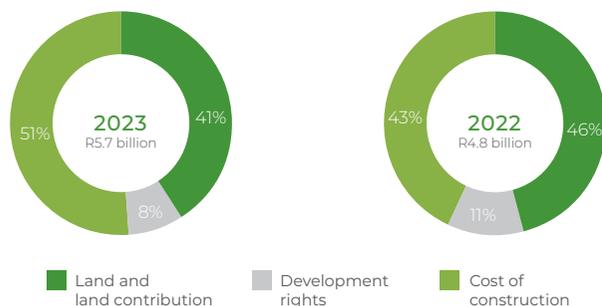
Property, plant and equipment

Property, plant and equipment increased to R328.4 million at year-end (2022: R259.4 million). The increase was due to the acquisition and improvement costs of the head office building in Melrose, Johannesburg. While the head office is accounted for as an investment property in the financial statements of the annuity business, at a consolidated level the head office represents an owner-occupied building.

The previous head office building in Bedfordview, Johannesburg, is for sale and accounted for as a non-current asset held for sale.

Developments under construction

Developments under construction, which include the value of land, infrastructure costs, development rights and development costs, increased by R915.0 million to R5.7 billion (2022: R4.8 billion). This increase in investment was driven predominantly through construction and development costs, as opposed to additional investment in land, reflecting Balwin's focus on developing the existing pipeline of projects.



A significant driver behind the increase in developments under construction has been the investment of a further R274.3 million at Munyaka, Balwin's flagship development in the popular Waterfall node. The investment in the year includes costs incurred on completion of the iconic Crystal Lagoon as well as the development of 92 luxury apartments overlooking the lagoon.

In pursuance of Balwin's development of the pipeline in Tshwane, the group took registration of land previously acquired at Mooikloof Smart City and further invested R224.1 million in the current financial year in the infrastructure required to provide the necessary services to this development node. Construction has commenced at the first development within this Smart City, namely Greenkloof, with the first phase expected for handover in the 2024 financial year.

Similar to the investment in infrastructure at Mooikloof Smart City, R129.4 million was spent at The Blyde (Tshwane East) relating to the installation of services as well as a strategically important upgrade to Hazeldean Road. It is expected that this road upgrade will significantly improve access to the development making the destination more favourable to homeowners.

A further R128.8 million was invested at Thaba-Eco Village, primarily for infrastructure as well as the construction of the lifestyle centre and sports centre at this development. These facilities are external to the development and are open to the public on a membership basis.



CHIEF FINANCIAL OFFICER'S REPORT continued

Capital management

Liquidity

Cash management and utilisation remain a priority focus area and Balwin continues to engage with its funding partners to ensure that appropriate facilities and financial support remain in place.

Cash generated from operations by the group amounted to R245.2 million for the year, a pleasing performance on a key strategic item. The positive operational cash flows were achieved based upon the strong profitability of the group and the discipline of timely registrations of apartments. Despite continued disruptions in the various deeds offices during the period, Balwin and its team of professionals effectively navigated these challenges to ensure net trade receivables collections of R538.4 million in the year. This enabled the group to record strong operational cash flows despite the increase in investment in developments under construction in the period. The temporary closure of the Tshwane deeds office as a result of relocation early in the new financial year is not expected to have a significant impact on deed registrations.

	February 2023 (R'000)	February 2022 (R'000)	February 2021 (R'000)
Cash generated from/ (used in) operations	558 868	(10 243)	(400 703)
Tax and net finance costs paid	(313 705)	(130 866)	(84 137)
Net cash generated/ (used in) operations	245 163	(141 109)	(484 840)

Through focus on capital allocation, the group is pleased with its cash position of R607.3 million at year-end. Including restricted cash, the group grew total cash by R105.0 million over the year.

	Audited 28 February 2023 (R'000)	Audited 28 February 2022 (R'000)
Cash and cash equivalents	607 349	665 636
Restricted cash	164 376	1 086
Total cash	771 725	666 722

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

Restricted cash reflects cash required to be held in a ring-fenced accounts in the form of a debt service reserve account, an existing covenant from the club loan facility. The funds are not available for utilisation in the operations of the business. Subsequent to year-end, Balwin successfully negotiated with the lenders to settle this cash holding to avoid the negative finance cost drag, resulting from the differential of the return generated and the cost of holding the cash.

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 process to migrate the traditional development funding model to a term-based funding model has progressed well with several facilities being converted to term-based funding during the year. The traditional funding model necessitates funding to be obtained on a phase-by-phase basis and is secured against the pre-sales of the specific phase being financed. While retaining the existing security requirements, the group is in the

process of amending the funding from a phase-by-phase model to a term-based facility to reduce associated funding costs and improve process efficiencies.

The board actively manages the debt exposure of the group against debt covenants and the treasury policy. The group's loan-to-value ratio has remained consistent at 40.7% (2022: 40.5%). It is noted that the only asset class that is fair valued pertains to the residential property portfolio held as investment property by the subsidiary, Balwin Rentals Proprietary Limited. This asset constitutes 2% of the total asset base of the group. Accordingly, 98% of the group's assets, including the material development under construction, are measured at cost with no fair value adjustments.

The group reported an interest cover ratio of 3.8 times, comfortably exceeding the required 2 times cover as stipulated by the covenants.

The board will continue to place emphasis on appropriate cash management and capital structure optimisation.

Share buy-back programme

Balwin repurchased 7.1 million shares at an average price of R2.81 for a total value of R20.0 million. The buy-back programme was undertaken between 17 May and 13 June 2022.



CHIEF FINANCIAL OFFICER'S REPORT continued

Annuity businesses

Revenue from the annuity businesses totalled R83.1 million with the majority contribution from the fibre and bond origination businesses.

Balwin Fibre increased its subscriber base by 27% or 1 763 subscribers to 8 230. In the past year 72% of apartments handed over subscribed for fibre services.

The bond origination business, Balwin Mortgages, secured 1 648 mortgages (2022: 2 824). While the business is currently mainly focused on mortgages from the sale of Balwin apartments, the company is investigating expanding to include external sales.

Balwin Energy, the solar energy business focused on providing photovoltaic (PV) energy solutions at Balwin's developments, generated 3.3 GWh of energy during the year and is already making a small contribution to the group's profitability.

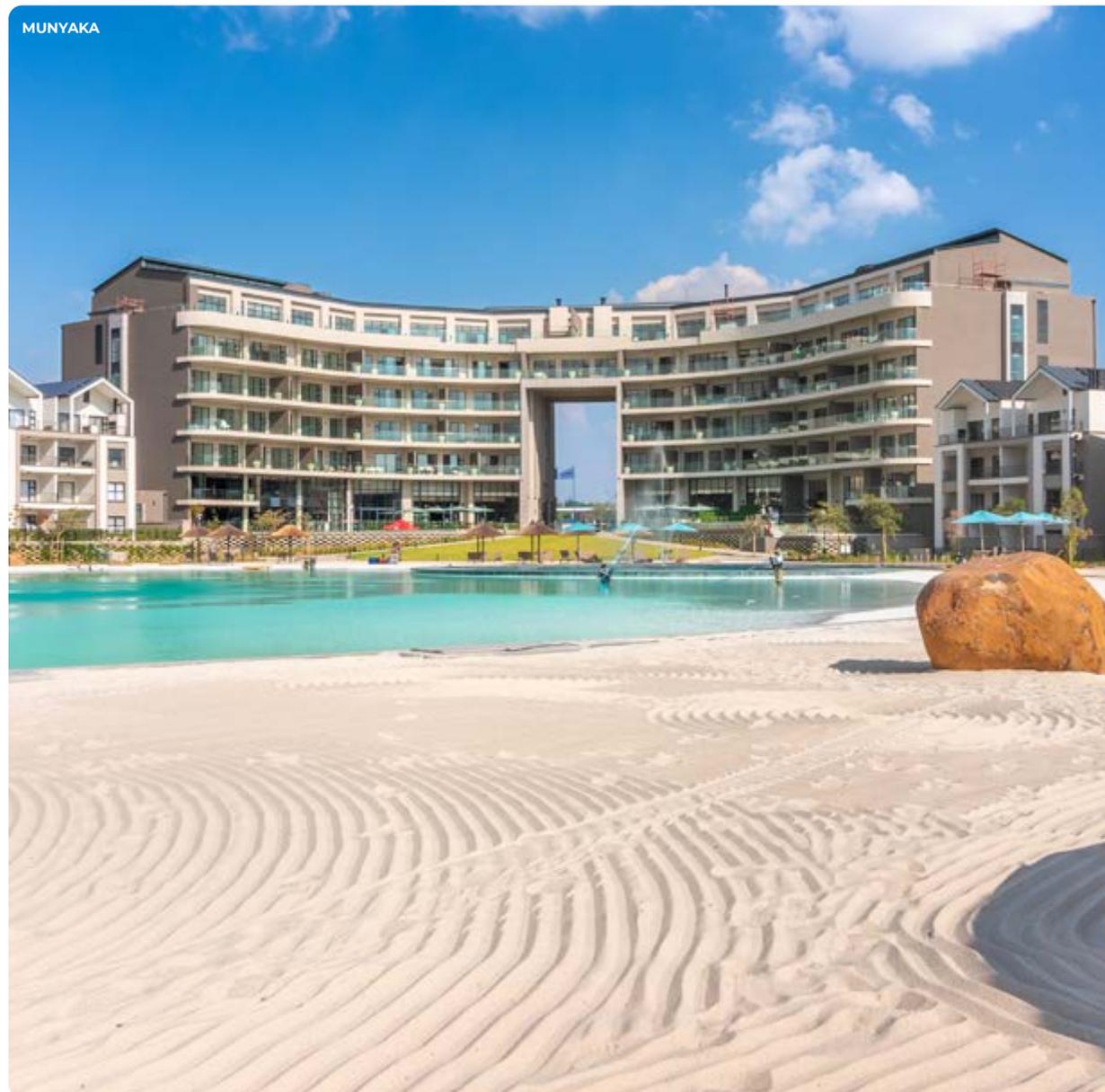
The remaining early-stage annuity businesses did not contribute materially to the group's results.

APPRECIATION

Thank you to our funding partners for their ongoing support as well as our shareholders for their constructive engagement and continued confidence in the group. I extend my sincere thanks to the board and my executive colleagues for their support during my first year in the role of chief financial officer and to the Balwin finance team for their commitment to quality reporting to our stakeholders.



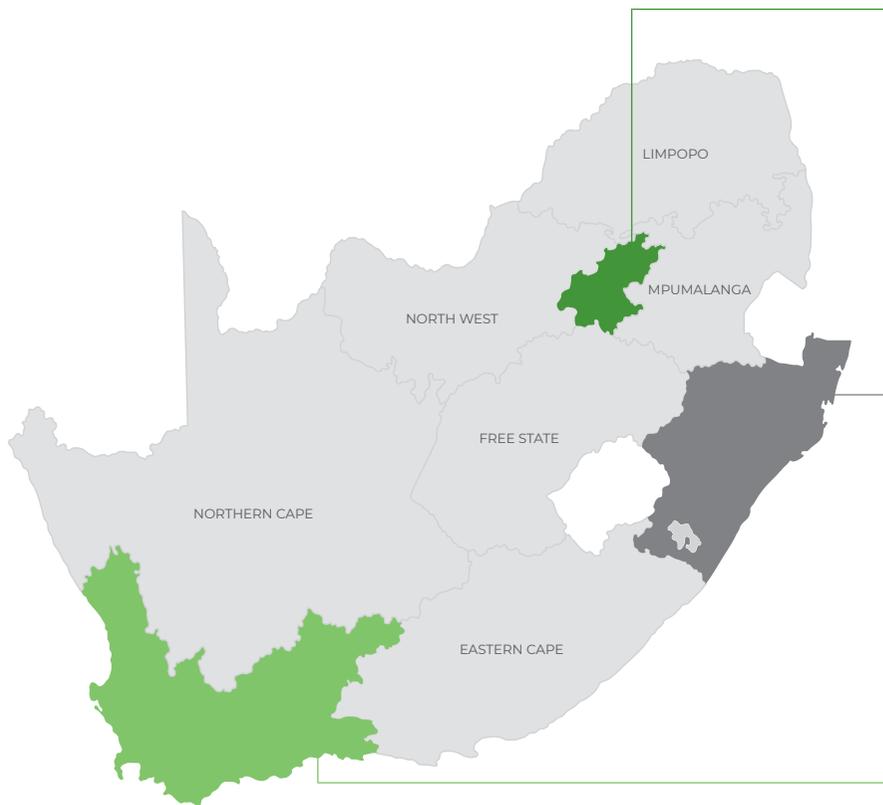
Jonathan Bigham
Chief financial officer



03

DEVELOPMENT PORTFOLIO

Balwin Properties operates in three main regions within South Africa: Gauteng, the Western Cape and KwaZulu-Natal. Balwin’s residential estates are located in high-density, high-growth areas within these regions.



JOHANNESBURG EAST
 The Reid
 The Klulee*
 Greenlee
 Greenpark
 Eastlake*
 Northview*

JOHANNESBURG SOUTH
 Majella Park*
 Thaba-Eco Village

JOHANNESBURG NORTH
 The Whisken

TSHWANE
 The Blyde
 Greencreek
 Mooikloof Eco-Estate
 Greenkloof
 Mooikloof Smart City

WATERFALL
 The Polofields
 Munyaka



BALLITO
 Ballito Hills
 Ballito Creek

UMHLANGA
 Izinga Eco Estate
 Greenlake



SOMERSET WEST
 The Huntsman
 Greenbay

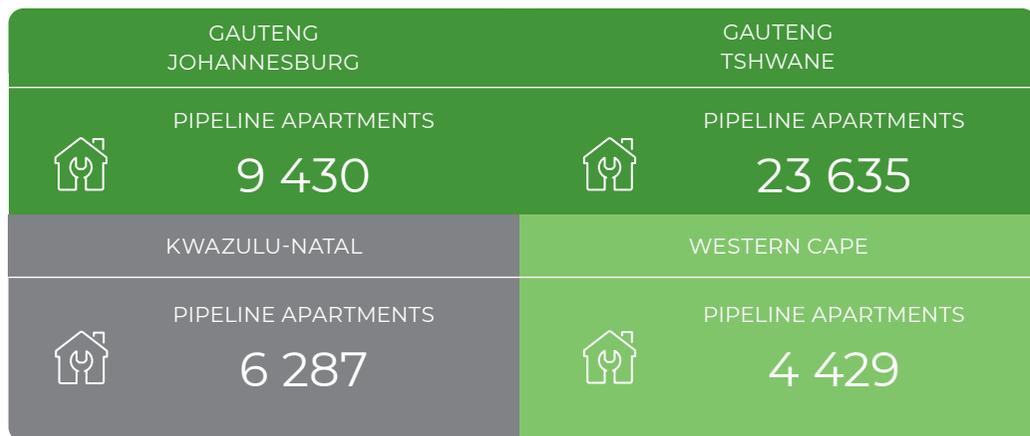
MILNERTON
 De Aan-Zicht
 Fynbos

NI CORRIDOR
 De Kuile

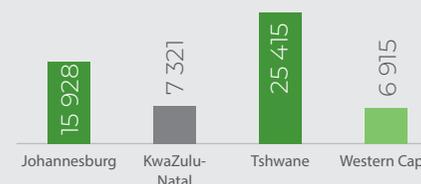
* Identified for the purposes of development by Balwin Rental (Pty) Ltd.

DEVELOPMENT PORTFOLIO continued

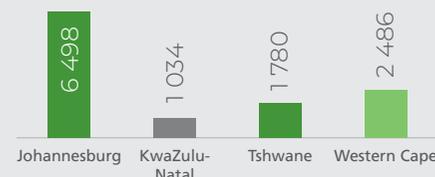
PRIME LOCATIONS IN HIGH GROWTH NODES



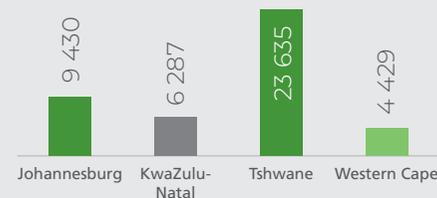
TOTAL NUMBER OF APARTMENTS IN DEVELOPMENT



TOTAL NUMBER OF APARTMENTS RECOGNISED IN REVENUE



BALWIN PIPELINE



Lifestyle Centres

- Restaurant
- Gym
- Squash court
- Padel court
- Outdoor action sports field
- Playgrounds
- Games room
- Cinema room
- Swimming pool
- Lagoon
- Kids lagoon
- Wellness spa
- Laundromat
- Concierge services
- Conference rooms
- Convenience store
- Car wash facilities
- Free wi-fi

The restaurants, wellness centres and gyms at the lifestyle centres are outsourced to specialist providers to ensure consistent quality and standards across all Balwin developments.



DEVELOPMENT PIPELINE

Development	Balwin Brand	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									
Kikuyu	Classic Collection	C	1 270	1 270	1 240	1 270	–	–	–
The Polofields	Signature Collection	A	1 512	1 027	1 020	1 021	6	485	491
Munyaka	Classic and Signature Collection	A	4 772	1 069	1 019	1 023	46	3 703	3 749
Total			7 554	3 366	3 279	3 314	52	4 188	4 240
Johannesburg East									
The Reid	Classic Collection	A	1 300	908	874	895	13	392	405
The Klulee**	Classic Collection	I	546	–	–	–	–	546	546
Greenlee	Green Collection	A	1 908	732	691	703	29	1 176	1 205
Greenpark	Green Collection	A	1 278	795	790	791	4	483	487
Eastlake**	Classic Collection	I	182	–	–	–	–	182	182
Northview**	Classic Collection	I	132	–	–	–	–	132	132
Total			5 346	2 435	2 355	2 389	46	2 911	2 957
Johannesburg North									
The Whisken	Classic Collection	A	1 358	447	422	422	25	911	936
Total			1 358	447	422	422	25	911	936
Johannesburg South									
Majella Park**	Classic Collection	I	280	–	–	–	–	280	280
Thaba-Eco Village	Classic Collection	A	1 390	399	366	373	26	991	1 017
Total			1 670	399	366	373	26	1 271	1 297
KwaZulu-Natal, Ballito									
Ballito Hills	Classic Collection	A	1 320	852	809	809	43	468	511
Ballito Creek	Classic Collection	I	1 512	–	–	–	–	1 512	1 512
Total			2 832	852	809	809	43	1 980	2 023
KwaZulu-Natal, Umhlanga									
Izinga Eco Estate	Signature Collection	A	3 069	354	223	225	129	2 715	2 844
Greenlake	Green Collection	I	1 420	–	–	–	–	1 420	1 420
Total			4 489	354	223	225	129	4 135	4 264

DEVELOPMENT PIPELINE continued

Development	Balwin Brand	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
Tshwane East									
The Blyde	Classic Collection	A	3 257	1 162	1 148	1 151	11	2 095	2 106
Greencreek	Green Collection	A	3 512	561	556	556	5	2 951	2 956
Mooikloof Eco-Estate	Classic Collection	A	3 734	82	73	73	9	3 652	3 661
Greenkloof	Green Collection	A	2 500	72	–	–	72	2 428	2 500
Mooikloof Smart City	Green and Classic Collection	I	12 412	–	–	–	–	12 412	12 412
Total			25 415	1 877	1 777	1 780	97	23 538	23 635
Western Cape, Somerset West									
The Huntsman	Classic Collection	A	1 788	749	665	665	84	1 039	1 123
Greenbay	Green Collection	A	1 772	660	622	628	32	1 112	1 144
Total			3 560	1 409	1 287	1 293	116	2 151	2 267
Western Cape, Milnerton									
De Aan-Zicht	Classic Collection	A	1 354	597	364	364	233	757	990
Fynbos	Classic Collection	A	1 116	884	824	829	55	232	287
Total			2 470	1 481	1 188	1 193	288	989	1 277
Western Cape, N1 Corridor									
De Kuile	Classic Collection	A	885	48	–	–	48	837	885
Total			885	48	–	–	48	837	885
Grand Total			55 579	12 668	11 706	11 798	870	42 911	43 781

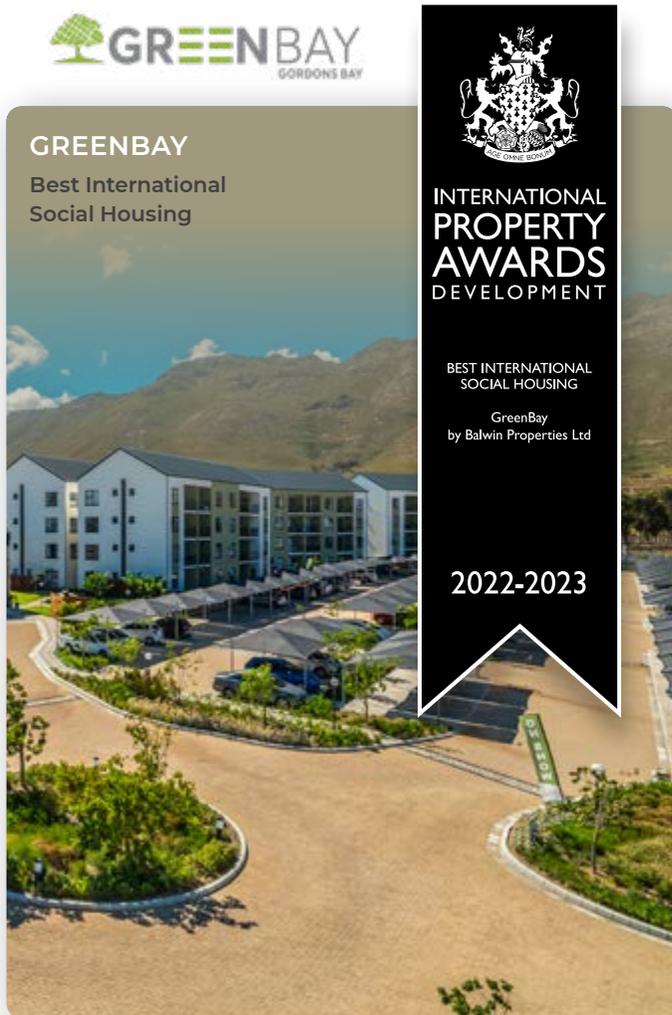
* A – Active, I – Inactive, C – Complete

** Identified for purposes of development by Balwin Rentals Proprietary Limited

03

INTERNATIONAL AWARDS

The quality of Balwin’s developments was again recognised at the Africa and Arabia Property Awards 2022–2023 where Balwin received six awards, adding to the 32 international awards previously won by the group.



GREENBAY
GORDONS BAY

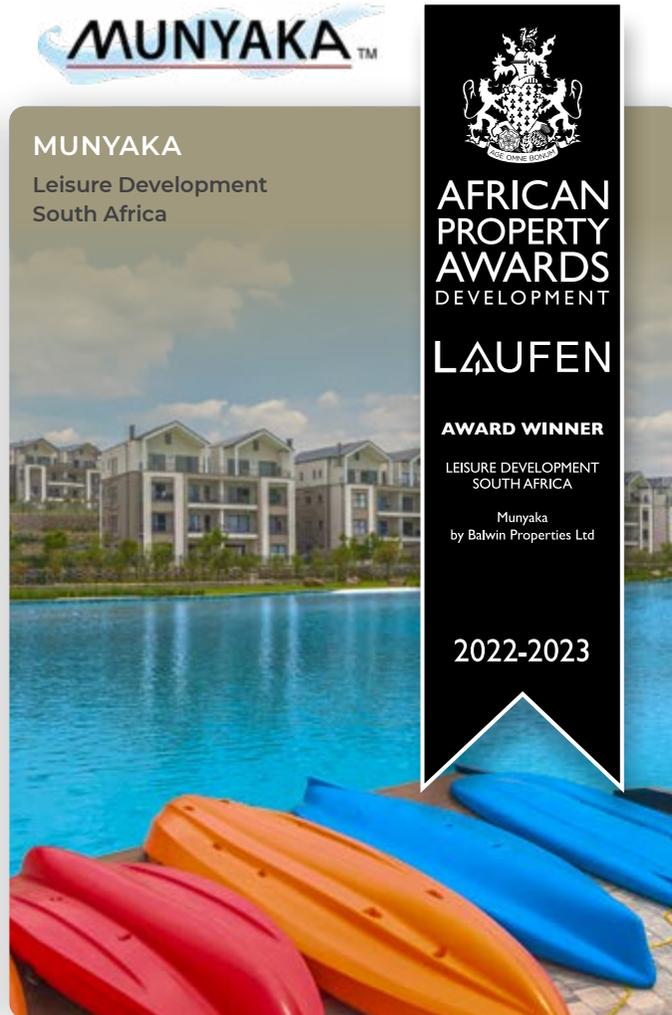
GREENBAY
Best International Social Housing

INTERNATIONAL PROPERTY AWARDS
DEVELOPMENT

BEST INTERNATIONAL SOCIAL HOUSING

GreenBay
by Balwin Properties Ltd

2022-2023



MUNYAKA™

MUNYAKA
Leisure Development South Africa

AFRICAN PROPERTY AWARDS
DEVELOPMENT

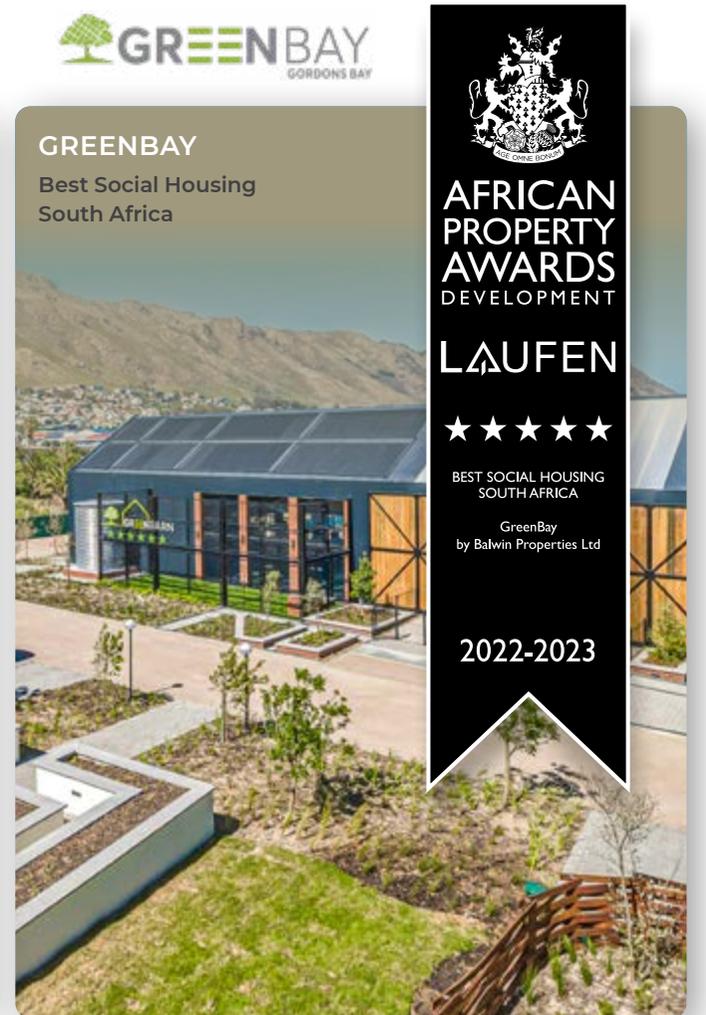
LAUFEN

AWARD WINNER

LEISURE DEVELOPMENT SOUTH AFRICA

Munyaka
by Balwin Properties Ltd

2022-2023



GREENBAY
GORDONS BAY

GREENBAY
Best Social Housing South Africa

AFRICAN PROPERTY AWARDS
DEVELOPMENT

LAUFEN

★★★★★

BEST SOCIAL HOUSING SOUTH AFRICA

GreenBay
by Balwin Properties Ltd

2022-2023

INTERNATIONAL AWARDS continued

THABA-ECO VILLAGE
KLIPRIVIER KAPUTENG

THABA-ECO VILLAGE
Best Apartment/Condominium
South Africa



AFRICAN PROPERTY AWARDS
DEVELOPMENT

LAUFEN
★★★★★

BEST APARTMENT /
CONDOMINIUM
SOUTH AFRICA

Thaba Eco Village
by Balwin Properties Ltd

2022-2023

THABA-ECO VILLAGE
KLIPRIVIER KAPUTENG

THABA-ECO VILLAGE
Best Architecture Multiple
Residence South Africa



AFRICAN PROPERTY AWARDS
ARCHITECTURE

LAUFEN
★★★★★

BEST ARCHITECTURE
MULTIPLE RESIDENCE
SOUTH AFRICA

Thaba Eco Village
by Balwin Properties Ltd

2022-2023

MUNYAKA™

MUNYAKA
Best Leisure Architecture
South Africa



AFRICAN PROPERTY AWARDS
ARCHITECTURE

LAUFEN
★★★★★

BEST LEISURE
ARCHITECTURE
SOUTH AFRICA

Munyaka
by Balwin Properties Ltd

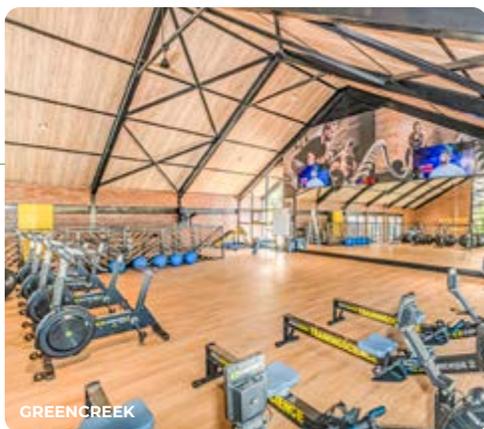
2022-2023

03

LIFESTYLE SHOWCASE



LIFESTYLE SHOWCASE continued



03

DEVELOPMENT
SHOWCASE



The 1-, 2- and 3-bedroom top quality apartments are in the super secure, ultra-modern estate with a Six-Star Green rated Lifestyle Centre.



Greenpark

Boksburg's eco-friendly Greenpark Estate has all the convenience, comfort and healthy lifestyle benefits today's families need to grow and prosper. Greenpark features a Six-Star Green rated Lifestyle Centre with an outdoor gym, mini soccer pitch, restaurant and laundromat. The beautifully designed 1-, 2- and 3-bedroom, open-plan apartments come with high-speed fibre connectivity, prepaid electricity and water meters. 24/7 security ensures resident peace of mind.



NUMBER OF APARTMENTS

1 278 UNITS



GEOGRAPHIC LOCATION

JOHANNESBURG EAST



POWER GENERATED

572 187 kWh



WATER SAVED

66 859 KI



ELECTRICITY SAVED

1 450 029 kWh



CO₂E AVOIDED

2 144 tCO₂e





Ultra-modern, meticulously designed studio, 1-, 2- and 3-bedroom open plan apartments flow seamlessly into beautifully landscaped outdoor area with its communal core and future Greenbarn Lifestyle Centre.



Greenbay

Award-winning Greenbay has something for everyone with the superb features and amenities for which Balwin developments are renowned. A top-quality, secure, and ultra-modern home surrounded by natural beauty. Greenbay's 1-, 2- and 3-bedroom apartments flow seamlessly to the beautifully landscaped outdoor area. Its communal core features a Six-Star Green rated Lifestyle Centre with an indoor gym, green café, multi-purpose sports field and more.



NUMBER OF APARTMENTS

1 772 UNITS



GEOGRAPHIC LOCATION

CAPE TOWN



POWER GENERATED

159 713 kWh



WATER SAVED

41 428 KI



ELECTRICITY SAVED

1 118 184 kWh



CO₂E AVOIDED

1 355 tCO₂e





Beautifully designed studio, 1-, 2- and 3-bedroom apartments within a super secure, ultra-modern lifestyle estate. That's what's waiting for you and your family at Greencreek, Pretoria East.



Greencreek

Beautifully designed 1-, 2 and 3-bedroom apartments within a super secure, ultra-modern lifestyle estate. That's what's waiting for you and your family at Greencreek, Pretoria East. One of Balwin's up-and-coming developments, Greencreek boasts all the fabulous features that make communal living such a pleasure, including a Six-Star Green rated Lifestyle Centre with a swimming pool, laundromat, outdoor gym, plus so much more!



NUMBER OF APARTMENTS

3 512 UNITS



GEOGRAPHIC LOCATION

PRETORIA EAST



POWER GENERATED

199 633 kWh



WATER SAVED

44 936 KI



ELECTRICITY SAVED

1 018 071 kWh



CO₂E AVOIDED

1 291 tCO₂e





Green-Kloof Mooikloof Smart City in Pretoria has so much to offer! Top-quality, secure, and ultra-modern 1-, 2- and 3-bedroom apartments with a beautifully landscaped Barn Lifestyle Centre complete with an indoor gym, canteen, and swimming pool.



Greenkloof

With first-class features and amenities for which Balwin developments are renowned, Greenkloof Mooikloof Smart City in Pretoria has so much to offer as part of FLISP Property Development. Expect top-quality, secure, and ultra-modern 1-, 2- and 3-bedroom apartments that flow seamlessly to the beautifully landscaped outdoor area with its communal core – a Barn lifestyle centre complete with an indoor gym, canteen, and swimming pool.



NUMBER OF APARTMENTS

2 500 UNITS



GEOGRAPHIC LOCATION

PRETORIA EAST



CO₂E AVOIDED

0 CO₂e





International award winning Greenlee in Johannesburg presents top quality apartments in stunning surroundings, plus a Greenbarn Lifestyle Centre.



Greenlee

Situated in Johannesburg, near highways and the Marlboro Gautrain station, Greenlee is perfect for modern living, with 24/7 security and 1-, 2 and 3-bedroom apartments amid beautifully landscaped surrounds. Onsite jogging tracks, sports fields and a fully functional Six-Star Green rated Lifestyle Centre promote healthy indoor and outdoor living. Wi-Fi ready apartments include solar-supplemented electricity and pre-paid electricity.



NUMBER OF APARTMENTS

1 908 UNITS



GEOGRAPHIC LOCATION

JOHANNESBURG NORTH



POWER GENERATED

366 459 kWh



WATER SAVED

56 205 KI



ELECTRICITY SAVED

1 353 960 kWh



CO₂E AVOIDED

1 824 tCO₂e





Munyaka, Balwin’s latest top-quality Lifestyle Estate in the Waterfall area, presents magnificent apartments surrounding a lagoon by Crystal Lagoons.



Munyaka

Beach living comes to Waterfall. Each stunningly designed 1-, 2- and 3-bedroom Munyaka apartment is mere meters from an inviting, crystal-clear lagoon, is fibre-ready, includes a Scandinavian style kitchen, free eco-friendly appliances, a balcony or patio for outdoor entertaining plus pre-paid water and electricity meters. Residents experience worldclass security plus a Lifestyle Centre which boast impressive health and leisure facilities.



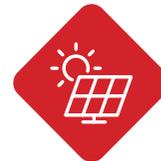
NUMBER OF APARTMENTS

4 680 UNITS



GEOGRAPHIC LOCATION

JOHANNESBURG WATERFALL



POWER GENERATED

630 991 kWh



WATER SAVED

76 009 KI



ELECTRICITY SAVED

869 996 kWh



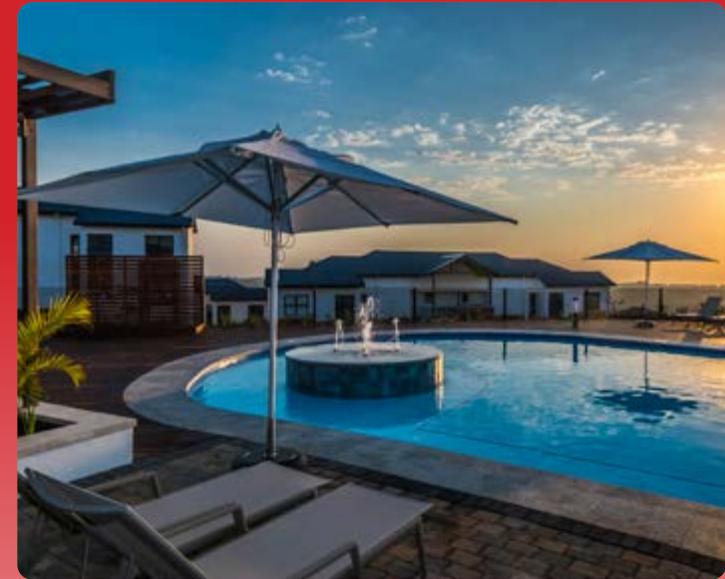
CO₂E AVOIDED

1 591 tCO₂e





Situated along the beautiful KwaZulu-Natal Dolphin Coast, Ballito Hills comprises 1-, 2- and 3-bedroom apartments and a Six-Star Green rated Lifestyle Centre.



Ballito Hills

The Ballito Hills lifestyle estate offers the best of coastal living. The estate is set in the picturesque town of Ballito only 20 minutes from King Shaka International Airport. Apartments are Wi-Fi ready and include free eco-friendly appliances. The Ballito Hills Six-Star Green rated Lifestyle Centre offers residents access to fantastic facilities within beautifully landscaped surroundings.



NUMBER OF APARTMENTS

1 320 UNITS



GEOGRAPHIC LOCATION

BALLITO



POWER GENERATED

85 103 kWh



WATER SAVED

54 481 KI



ELECTRICITY SAVED

1 312 139 kWh



CO₂E AVOIDED

1 481 tCO₂e



DE AAN-ZICHT

Conveniently located 19 minutes out of Cape Town CBD, De Aan-Zicht showcases the best of Cape Town’s natural beauty – from spectacular views of Table Mountain to the natural Cape indigenous garden.



De Aan-Zicht

De Aan-Zicht is conveniently located 19 minutes out of Cape Town’s CBD and perfectly showcases the best of the Cape’s natural beauty – from spectacular views of Table Mountain to the tranquility of the natural Cape indigenous garden. The luxury apartments are Wi-Fi-ready and come with free eco-friendly appliances, while the Lifestyle Centre will offer world-class facilities tailored for rest and relaxation.



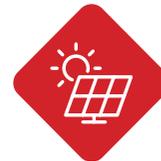
NUMBER OF APARTMENTS

1 354 UNITS



GEOGRAPHIC LOCATION

CAPE TOWN



POWER GENERATED

65 651 kWh



WATER SAVED

15 959 KI



ELECTRICITY SAVED

322 133 kWh



CO₂E AVOIDED

411 tCO₂e



De Kuile

ZEVENWACHT - CAPE TOWN

De Kuile in Kuils River, Cape Town has so much to offer! This secure estate will boast ultra-modern 1-, 2- and 3- bedroom apartments within beautifully landscaped surrounds, plus a world-class Lifestyle Centre.



De Kuile

De Kuile lifestyle estate will soon be adding value to the hamlet of Kuils River near Cape Town. Close to schools, malls, nature reserves, wine estates and more, De Kuile is ideal for family living. This secure estate will boast ultra modern apartments within beautifully landscaped surrounds, plus a world-class Lifestyle Centre that will satisfy your every lifestyle and leisure need.



NUMBER OF APARTMENTS

885 UNITS



GEOGRAPHIC LOCATION

CAPE TOWN



CO₂E AVOIDED

0 tCO₂e





Fynbos, in the Western Cape, is a quality, eco-friendly, secure development, perfectly situated for modern family living.



Fynbos

The Fynbos lifestyle estate is on the MyCiti Bus route, close to Big Bay, the beachfront, and top private schools. This Estate is ideal for buyers who prioritise convenient, modern living. Each 1-, 2- or 3-bedroom apartment is fibre ready, with prepaid electricity and water meters. Fynbos has 24/7 security and a fabulous Lifestyle Centre with facilities encouraging a healthy lifestyle, including a gym, padel court and swimming pool.



NUMBER OF APARTMENTS

1 116 UNITS



GEOGRAPHIC LOCATION

CAPE TOWN



POWER GENERATED

471 748 kWh



WATER SAVED

105 747 KI



ELECTRICITY SAVED

1 895 827 kWh



CO₂E AVOIDED

2 510 tCO₂e





The new Mooikloof Eco-Estate offers upmarket, luxury 1-, 2- and 3-bedroom apartments in the beautiful surrounds of the Pretoria East area.



Mooikloof Eco-Estate

Taking you from the old Pretoria to the modern, new Tshwane, Balwin Properties is excited to bring the spectacular Mooikloof Eco-Estate to the east of Tshwane. Consisting of 1-, 2- and 3-bedroom upmarket luxury apartments, these homes have modern finishes and a net-zero, Six-Star Green rated, Edge certified green Lifestyle Centre, coming soon with a fully equipped gym, communal swimming pool, restaurant and more.



NUMBER OF APARTMENTS

3 734 UNITS



GEOGRAPHIC LOCATION

TSHWANE EAST



WATER SAVED

1 781 KI



ELECTRICITY SAVED

16 438 kWh



CO₂e AVOIDED

17tCO₂e





Situated in picturesque Somerset West, The Huntsman is a quality, modern, beautifully designed, secure and family friendly lifestyle estate.



The Huntsman

First time homebuyers, young couples, small families, or rental investors – The Huntsman will add lasting value to your lives. Besides quality apartments with eco-friendly appliances, modern finishes and cutting-edge 24/7 security, you'll enjoy the estate's proximity to shopping centres, schools and convenient amenities. The Huntsman is modern living at its best within the tranquil surrounds of the Somerset West mountains.



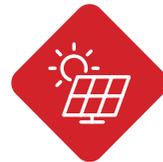
NUMBER OF APARTMENTS

1 788 UNITS



GEOGRAPHIC LOCATION

CAPE TOWN



POWER GENERATED

325 210 kWh



WATER SAVED

47 162 KI



ELECTRICITY SAVED

1 162 123 kWh



CO₂E AVOIDED

1 577tCO₂e





A South African first, this unique development includes a beach-like crystal-clear sustainable lagoon to use for an array of water sports.



The Blyde

A water-lover's paradise in Pretoria East, The Blyde is a one-of-a-kind lifestyle estate with a crystal-clear sustainable lagoon for swimming, kayaking and paddle-boarding. The onsite classic Lifestyle Centre has something for everyone, including a laundromat, restaurant, gym and spa. The apartments come standard with free appliances, prepaid utilities and quality finishes. All this, with state-of-the-art security too.



NUMBER OF APARTMENTS

3 257 UNITS



GEOGRAPHIC LOCATION

PRETORIA EAST



POWER GENERATED

314 428 kWh



WATER SAVED

69 565 KI



ELECTRICITY SAVED

2 342 026 kWh



CO₂E AVOIDED

2 816 tCO₂e





This upmarket lifestyle estate's top quality 1-, 2- and 3-bedroom apartments include free appliances and the first Six-Star Green rated Lifestyle Centre.



The Reid

Located in Johannesburg, The Reid lifestyle estate is conveniently located near highways and the Marlboro Gautrain station. Surrounded by natural beauty, The Reid offers residents scenic walking and running trails. The ultra modern 1-, 2- and 3-bedroom apartments are Wi-Fi ready and include free eco-friendly appliances. The classic Six-Star Green rated Lifestyle Centre features cutting-edge facilities, including Balwin's first padel court.



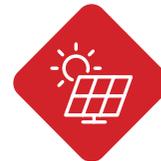
NUMBER OF APARTMENTS

1 300 UNITS



GEOGRAPHIC LOCATION

JOHANNESBURG NORTH



POWER GENERATED

323 099 kWh



WATER SAVED

76 071 KI



ELECTRICITY SAVED

1 532 356 kWh



CO₂E AVOIDED

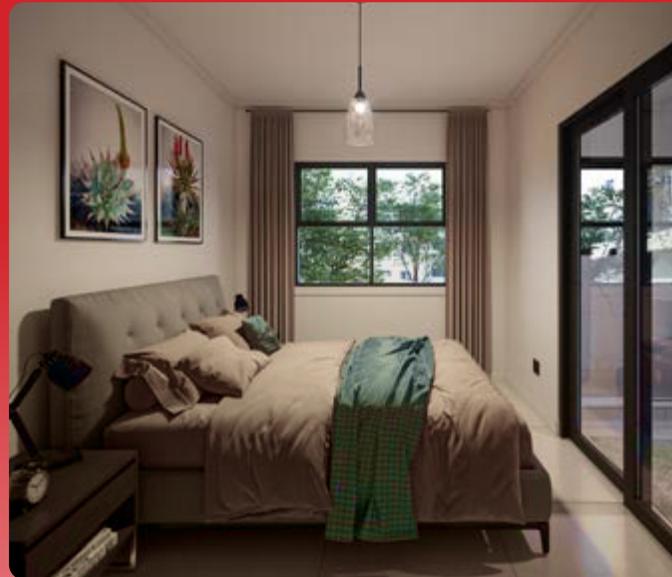
1 967 tCO₂e



THE WHISKEN

CREWATHORNE

The Whisken epitomises secure, stylish, modern living. This secure estate will boast ultra-modern 1-, 2- and 3-bedroom bedroom apartments. The Whisken's classic Lifestyle Centre offers residents access to fantastic leisure facilities within beautifully landscaped surrounds.



The Whisken

The Whisken epitomises secure, stylish, modern living. The apartments have beautifully finished Scandinavian-styled kitchens with free eco-friendly appliances, and either a balcony or patio for outdoor entertaining. They also come standard with prepaid electricity and water meters. The Whisken's classic Lifestyle Centre offers residents access to fantastic leisure facilities within beautifully landscaped surrounds.



NUMBER OF APARTMENTS

1 358 UNITS



GEOGRAPHIC LOCATION

JOHANNESBURG NORTH



POWER GENERATED

431 561 kWh



WATER SAVED

38 872 KI



ELECTRICITY SAVED

936 922 kWh



CO₂E AVOIDED

1 451 tCO₂e





The top quality, super secure and green Thaba-Eco Village features all the fabulous benefits for which Balwin developments are renowned, with impressive, beautifully designed apartments.



Thaba-Eco Village

Situated in the South of Johannesburg, the top quality, green Thaba-Eco Village has all the fabulous features and benefits Balwin developments are renowned for. These spacious, impressive, beautifully designed apartments are perfect for investors, couples young and old, or families alike. A world-class Lifestyle Centre is coming soon with a gym, swimming pool, mini sports field, kiddies' jungle gym, restaurant, laundromat and more.



NUMBER OF APARTMENTS

1 390 UNITS



GEOGRAPHIC LOCATION

JOHANNESBURG SOUTH



POWER GENERATED

16 042 kWh



WATER SAVED

25 185 KI



ELECTRICITY SAVED

964 602 kWh



CO₂E AVOIDED

1 039 tCO₂e





Situated in the beautiful coastal town of Umhlanga, just north of Durban, Izinga Eco Estate comprises 2- and 3-bedroom apartments.



Izinga Eco Estate

Location, location, lifestyle! Izinga Eco Estate is located in Umhlanga, one of South Africa's most popular beach resort locations, and will soon offer residents a wide range of leisure, sport and entertainment facilities at its signature Lifestyle Centre. This secure estate's 2- and 3-bedroom apartments are Wi-Fi ready and include free eco-friendly appliances and prepaid utility meters, with ultra-modern finishes.



NUMBER OF APARTMENTS

3 069 UNITS



GEOGRAPHIC LOCATION

UMHLANGA



POWER GENERATED

63 471 kWh



WATER SAVED

11 269 KI



ELECTRICITY SAVED

272 932 kWh



CO₂E AVOIDED

357 tCO₂e





Munyaka, Balwin’s latest top-quality Lifestyle Estate in the Waterfall area, presents magnificent apartments surrounding a lagoon by Crystal Lagoons.



Munyaka

Beach living comes to Waterfall. Each stunningly designed 1-, 2- and 3-bedroom Munyaka apartment is mere meters from an inviting, crystal-clear lagoon, is fibre-ready, includes a Scandinavian style kitchen, free eco-friendly appliances, a balcony or patio for outdoor entertaining plus pre-paid water and electricity meters. Residents experience worldclass security plus a Lifestyle Centre which boast impressive health and leisure facilities.



NUMBER OF APARTMENTS

92 UNITS



GEOGRAPHIC LOCATION

JOHANNESBURG WATERFALL



POWER GENERATED

630 991 kWh



WATER SAVED

76 009 KI



ELECTRICITY SAVED

869 996 kWh



CO₂E AVOIDED

1 591 tCO₂e





The Polofields boasts stunning 3-bedroom apartments with a world-class signature Lifestyle Centre.



The Polofields

An oasis of luxury nestled in Johannesburg's up-and-coming Waterfall City, The Polofields is part of Balwin's luxury Signature brand. It offers fibre-ready apartments that boast state-of-the-art SMEG appliances, modern practical finishes, prepaid gas, electricity and water meters, plus more. The Polofields includes a signature Lifestyle Centre, as well as stunning north-east views over the sought-after Waterfall City.



NUMBER OF APARTMENTS

1 512 units



GEOGRAPHIC LOCATION

JOHANNESBURG WATERFALL



WATER SAVED

79 455 KI



ELECTRICITY SAVED

2 135 081 kWh



CO₂E AVOIDED

2 263 tCO₂e





BUILDING A SUSTAINABLE FUTURE

Balwin is committed to sustainable property development and focused on reducing its environmental impact through innovative design and building techniques to ensure developments meet exacting global sustainability standards.

This commitment to environmentally sustainable building also ensures significant savings for customers through lower utility costs and even reduced interest rates when customers utilise green mortgage bonds.

All new Balwin developments target Excellence in Design for Greater Efficiency (EDGE) Advanced certification for all apartments and Six-Star Green rating and Net Zero Carbon ratings from the Green Building Council of South Africa (GBCSA) for its lifestyle centres.

EDGE Advanced, Six-Star Green rating and Net Zero Carbon ratings all represent global best practice in sustainable design and construction.

Balwin actively participates in the green building sector through its GBCSA membership and the CEO, Steve Brookes, serves on the board of the council. As part of Balwin's drive to encourage other companies to embrace sustainable building practices, the company has sponsored the development of the new Green Star rating tool by the GBCSA.

Balwin became the first South African company to make both a near term 1.5°C commitment as well as a 2 050 Net-Zero commitment with the international Science Based Target initiative (SBTi), using the science based tool to set targets for carbon emissions reductions each year. Through the SBTi Balwin is committed to reducing its carbon footprint in line with science based models to limit global warming by 1.5°C in the near term and net zero by 2050. It is pleasing to report that the group has reduced scope 1 and scope 2 emissions in line with the newly adopted science based target.

SUSTAINABILITY REPORTING AND GOVERNANCE

Management recognises that sustainable development is an essential element of the value creation process and is committed to responsible environmental, social and governance (ESG) practices. Confirming this commitment, ESG metrics have been incorporated into the company's performance scorecard.

Sustainability reporting has been aligned with the strategic framework contained in the group's ESG policy which was developed and approved in the 2022 financial year. The framework is centred around three primary goals that are aligned with six of the 17 United Nations Sustainable Development Goals (SDGs).

Responsibility for the oversight of sustainability-related issues is delegated by the board to the social, ethics and transformation committee. The committee aims to ensure that the group's activities support its role as a responsible corporate citizen and assist the board in creating an appropriate environment for an ethical organisational culture.

The committee's primary responsibilities are social, environmental and economic development and sustainability, promoting transformation, supporting good corporate citizenship, overseeing the contribution to community development and maintaining health and safety, and governance of stakeholder relationships.

STRATEGIC SUSTAINABILITY FRAMEWORK

The sustainability strategy is aimed at enhancing the group's positive impact by striving to achieve three primary goals which are purpose-led, differentiated and development oriented.



Aligned with selected Sustainable Development Goals



Protecting enterprise value through foundations which address key ESG risk factors across the lifecycle

Good governance

- Responsibility
- Stakeholder responsiveness
- Ethics

Digital capability

- Privacy and data security
- Effective communications
- Scalable solutions

Innovative people

- Health and safety
- Diversity
- Learning

BUILDING A SUSTAINABLE FUTURE continued

1	BUILDING WEALTH	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	for first-time home owners		
<p>SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>SDG 12: Ensure sustainable consumption and production patterns</p>			

Green bonds

Balwin’s customers benefit from green mortgages developed with Absa, First National Bank, Nedbank and Standard Bank. These innovative financial products recognise the benefits of certified properties with green infrastructure and services and offer value to homeowners through improved affordability.

Green bonds offer Balwin customers a reduction in the mortgage interest rate of 0.25% to 0.75%. A homeowner can therefore save an average of R141 600 in interest charges over 20 years. In the reporting period 1 444 green mortgages were approved, providing a saving to clients of approximately R98.0 million over a 20-year mortgage period.

Sustainability linked loan

The group secured a three-year R375 million loan from Ninety One SA which reduces the cost of funding based on the achievement of three sustainability key performance indicators (KPIs), with potential financial benefits for the company and customers alike.

The KPIs are linked to the EDGE certification awarded on Balwin apartments and focus on reducing carbon emissions, saving water and reducing the cost of living for clients. All the KPIs align with Balwin’s ESG framework.

The loan has a ratchet based on achieving the KPI’s over the three-year term. Each year the interest rate can increase, decrease or remain the same depending on the performance relative to the KPIs, with a total possible reduction of 75bps over the term of the loan.

Green Star ratings

Nine Balwin buildings have been awarded Six-Star Green ratings from the GBCSA, including the group’s head office in Melrose, Johannesburg.

Six-Star Green rated buildings demonstrate innovation, social responsibility and environmental stewardship as well as world leadership in sustainable building and design.

Eight lifestyle centres have been Net Zero Carbon rated by the GBCSA, including The Reid development in Linbro Park, Johannesburg, which was certified in the reporting period. The head office based in Melrose, Gauteng also achieved Net Zero Carbon rating.

Lifestyle centres are an integral part of Balwin’s developments which inspire a more sustainable, healthier lifestyle in addition to providing opportunities for green building excellence. The centres generally include a wellness spa, restaurant, gym, squash court, running track, action sports field, games room, cinema room, swimming pools, playgrounds.



BUILDING A SUSTAINABLE FUTURE continued

2

BUILDING INCLUSION
for local development

4
QUALITY
EDUCATION

8
DECENT WORK AND
ECONOMIC GROWTH

SDG 4: Ensure inclusive and equitable quality education and promote lifelong opportunities for all

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Transformation

Transformation is fundamental to sustainability and building inclusion in the South African context. The group's transformation and broad-based black economic empowerment (B-BBEE) programme is ultimately aimed at 'building a better Balwin'.

GLP BBBEE, an independent South African National Accreditation System (SANAS) accredited verification agent, conducted a review of the group's B-BBEE credentials in accordance with the property sector charter on black economic empowerment. The scorecard is for the financial year ended February 2022 which is valid until August 2023.

The group improved its B-BBEE rating from level 6 to level 4, with a score of 81.42 points (2021: 67.77 points), and is confident of maintaining the level 4 rating for the 2023 financial year. Equity ownership accounted for 19.21 points (maximum score 30.00), with the group's black equity ownership at 14.12% of the issued shares and black female ownership at 4.31%.

Elements	Maximum score	2021 score	2022 score
Equity ownership	30.00	12.74	19.21
Management control	9.00	2.02	3.56
Employment equity	13.00	3.11	2.93
Skills development	19.00	13.34	14.74
Enterprise and supplier development	39.00	34.55	38.98
Socio-economic development	2.00	2.00	2.00
Total points	112.00	67.76	81.42
B-BBEE level		6	4

PROCUREMENT, ENTERPRISE AND SUPPLIER DEVELOPMENT

The positive economic impact on B-BBEE suppliers and SMEs is reflected in the group's score of 38.98 out of a maximum score of 39.00 for the procurement, enterprise and supplier development component of the scorecard.

Balwin has made great strides in improving its overall procurement chain by helping its largest suppliers transform their businesses and become B-BBEE compliant. Many of Balwin's largest suppliers have concluded ownership transactions and appointed their own consultants to assist with their transformation process. This highlights the impact that Balwin has had in ensuring true transformation along its supply chain.

Balwin conducts enterprise and supplier development initiatives annually and accelerated the initiative by providing supplier and enterprise development loans to the value of R11.6 million. At the time, 10 B-BBEE level 1 companies in the construction industry were granted loans to fund business growth. The funding was used to expand teams, purchase equipment and make the businesses more competitive in bidding for contracts.

Four of these businesses are now suppliers to Balwin. One of the businesses, a more established brick company, was engaged for more meaningful development. The Balwin loan partially funded a second clay brick kiln that increased the company's brick manufacturing capacity as well as employment creation in the business. It also assisted Balwin to procure bricks at a more competitive rate.

Certain loans were converted to grants. The rationale for providing loans instead of grants is to teach small businesses how to manage their cash flows and budget accurately. However, Balwin understands the barriers to entry which new businesses face and are lenient with the repayment terms to assist these businesses to succeed.

Social impact through The Balwin Foundation

As an invested corporate citizen, the group's commitment to creating a sustainable, equitable and prosperous society for all is embodied in the role played by The Balwin Foundation NPC in supporting and empowering the younger generation and previously disadvantaged individuals to gain greater knowledge and skills through technical vocational education and training.

Students, employees, contractors and unemployed community members are trained in building industry-related trades which include tiling, painting, plastering and bricklaying as well as managing construction resources, all skills which are key to the success of the business.

Through funds donated by Balwin from the registration of each apartment, over 1 000 people including youth, elderly, employees of small businesses, unemployed and Balwin employees and family members, have benefited from The Foundation's training and skills development programmes in the past year. The upliftment of women, girls and the disabled is a key area of focus.

The Foundation has funded bursaries for 15 scholars and 18 tertiary students which includes tuition, mentorship, development, life skills and practical work experience. In addition, the Foundation provides their students with a monthly allowance and also covers the cost of accommodation which has dramatically changed the lives of these students and their families. The Foundation supports various organisations in feeding the poor and homeless and works with environmental organisations on the education of youth and the unemployed in agriculture and environmental sectors, including establishing vegetable gardens and organic waste management systems along with funding community food kitchens. The Foundation provided 300 blankets in support of victims of the KwaZulu-Natal floods, distributed 1 700 food parcels and 500 Christmas hampers, supplied 270 school stationery packs, facilitated the installation of 30 solar panels and the planting of 17 vegetable gardens and 38 trees.

BUILDING A SUSTAINABLE FUTURE continued



The annual Balwin Charity Hat Walks in Johannesburg, Cape Town and KwaZulu-Natal raised R2.4 million in 2022, enabling funds to be donated to 42 charities and institutions across South Africa which focus on education, youth development, animal welfare, environmental management and health and wellbeing.

Community projects

Balwin's corporate social investment (CSI) projects are aligned with five SDGs.



Swimming and water safety programmes

Balwin's water safety programmes have enabled over 3 000 children to become water wise and reduce their fear of water and increase awareness of water safety, while at the same time boosting confidence and self-esteem. Nutritious meals are provided after the lessons in Cape Town which have not only benefited the health and wellbeing of these children, but also impacted positively on their academic performance and overall quality of life.

The Siyasindisa programme in KwaZulu-Natal trained over 2 700 scholars in water safety, while in Gauteng 75 children from the Klipfontein and Alexandra areas participated in the programme. Over 240 children from schools for disabled children underwent water safety training, including Kwafulindlebe School for the Deaf and Ningizimu Special School. The Foxy Swimming Programme enabled 100 children in the Kraaifontein area in the Western Cape the opportunity to learn vital water safety skills. Seven Balwin staff members also underwent swimming training.

Enduduzweni Community Centre

As part of its commitment to promote education and skills development among young South Africans, the Foundation collaborated with the Enduduzweni Community Care Centre in Stanger, KwaZulu-Natal to sponsor 25 grade 11 and 12 students for extra mathematics, science and English studies and exam preparation. The grade 12 pass rate in this district was 83.9%. Through this programme the Foundation sponsored two female students who excelled academically to study at tertiary institutions.



Committed to fighting period poverty

Balwin and the Cuplings Foundation, which focuses on menstrual health awareness and education, launched a programme to fight against period poverty. The Foundation has committed to provide teachers and students with menstrual cup kits to avoid them having to miss school for a week every month. The programme was launched at the Letlabile Secondary School and Maphutu Secondary school in Mayibuye.

Kids Haven career day

Balwin participated in a career day at Kids Haven in Benoni, Gauteng, which was attended by over 300 students. The event was focused on enlightening the students of Kids Haven and other local schools about career opportunities, advice on subject choices to pursue tertiary studies and guidance on accessing funding.



BUILDING A SUSTAINABLE FUTURE continued



3

BUILDING SMART

for low carbon future

7
AFFORDABLE AND
CLEAN ENERGY

13
CLIMATE
ACTION

SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all

SDG 13: Take urgent action to combat climate change and its impacts

Sustainable building practices contribute to direct cost savings for customers through energy and water efficiency, and the increasing use of renewable energy. Balwin has now quantified how the resource reduction translates into monetary savings.

Resource reduction

Reduction in GHG emissions due to energy efficient and renewable energy measures	5 908.05 tCO ₂ e
Reduction in water usage due to sustainable water systems	103 496.477 kL

Savings

Savings to clients from sustainable building in the year*	R11 703 929
---	-------------

* Calculated based on the reduction in utility and bond costs linked to ESG measures.



EDGE certification

Balwin demonstrated its continued commitment to sustainable building through developing all apartments in the period to the International Finance Corporation (IFC) EDGE Advanced certification.

EDGE Advanced certification requires that Balwin apartments are designed and built to be at least 40% more energy efficient, generate 20% more savings in water and be 20% more efficient concerning materials and their embodied energy.

Balwin received an additional 5 112 EDGE Advanced certificates, bringing total certifications to 21 768, with 14 328 being EDGE Advanced.

The group has also commenced post-construction EDGE certification on several developments within the portfolio.

Sustainable building awards

The Greenbay development in Gordon's Bay in the Western Cape received the award for the Best International Social Housing at the International Property Awards in 2022.

At the Africa and Arabia Property Awards, Greenbay was the winner in the categories for Best Social Housing in South Africa and the Best Sustainable Residential Development in South Africa.



CORPORATE GOVERNANCE REPORT

Balwin is committed to applying high standards of corporate governance and ethical principles and practice to ensure the effective performance, success and sustainability of the business and in order to contribute to long-term value creation for stakeholders. In this way, Balwin is committed to following the principles of fairness, accountability and transparency as espoused by the King IV Report on Corporate Governance (King IV).

COMMITMENT TO CORPORATE GOVERNANCE

The board is the custodian of corporate governance and is accountable to shareholders in conducting the business in accordance with best practice corporate governance standards. Management aims to promote ethical business practices across its operations while the board's social, ethics and transformation committee has oversight for monitoring ethics practices.

APPLICATION OF KING IV

The directors confirm that the group has in all material respects applied the philosophy of ethical and effective leadership and the principles of King IV throughout the 2023 financial year. The group's application of the King IV principles is detailed on the website www.balwin.co.za.

ROLE OF THE BOARD

The board is elected by shareholders and the directors are accountable to shareholders for the governance of the group. As outlined in the board charter, the board exercises leadership by steering the company and setting its strategic direction, approving policy and planning to deliver the strategy, overseeing and monitoring implementation and execution by management, and ensuring accountability and responsibility for company performance.

In addition, the board charter outlines the scope of authority, responsibility, composition and functioning of the board and confirms the main role of the board including the following:

- 🌿 Ensure effective risk management and internal controls.
- 🌿 Monitor legislative, regulatory and governance compliance.
- 🌿 Approve significant accounting policies and the annual financial statements.
- 🌿 Manage director selection and appointment.
- 🌿 Ensure effective remuneration policies and practices.
- 🌿 Oversee transformation, diversity, empowerment and a culture of inclusivity.
- 🌿 Ensure timeous and transparent communication with stakeholders.
- 🌿 Promote values and ethical standards.

The board charter is reviewed at least annually to ensure that all regulatory updates and best practices are incorporated and implemented in accordance with the board work plan.

The board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

The roles of the board chairman, Hilton Saven, and the CEO, Stephen Brookes, are separate and clearly defined. This division of responsibilities ensures a balance of authority and power, with no individual having unrestricted decision-making powers.

Authority has been delegated by the board to the CEO and executive management for the implementation of the strategy and the ongoing management and performance of the business, with reporting to the board at least quarterly.

Directors are entitled to seek independent professional advice at the company's expense after consultation with the chairman of the board. No directors exercised this right during the year. Directors have unrestricted access to all company information.



BOARD FOCUS AREAS

The board continued to operate within its mandate and conducted its oversight responsibilities in terms of the board charter. Specific matters addressed by the board in the reporting period included:

- Approving the group's strategy and annual budget including setting of and monitoring progress against detailed key performance indicators in accordance with the development of the corporate scorecard followed by the group balanced scorecard for the business and management, which is aligned to the strategy.
- Focus on the establishment of and increasing contributions from the annuity income businesses in accordance with the group strategy.
- Supporting the diversified funding strategy and consideration of feasible funding models and broadened funding base of the company to sustain the current business model and pursue growth opportunities.
- Continued oversight of cash flow, capital allocation, debt management and risk thresholds through the execution of the treasury policy and implementation of the treasury function, with the additional oversight of the treasury committee and audit and risk committee.
- Ongoing enhancements of corporate governance processes and practices by updating and improving policies and ensuring alignment with recommended practices of King IV, and changes in the JSE Listings Requirements and legislation.
- Overseeing the continuous improvements in the implementation of information and communications technology, particularly through digital transformation in respect of quality management systems, business continuity, upgraded technology infrastructure, cybersecurity and customer-facing platforms to improve client service.
- Appointing a new director to the board and new members on the audit and risk committee and social, ethics and transformation committee.

FOCUS AREAS FOR 2024 FINANCIAL YEAR

- Ensure the continued commitment to environmental through responsible development of green, open space living.
- Continued focus on Green initiatives through the implementation of the existing business model and annuity income businesses.
- Ensure that employee wellbeing remains a priority.
- Ongoing focus on effective stakeholder engagement and ensuring that stakeholders are adequately informed of the initiatives and achievements of the company.
- Continued oversight of financial targets and margins, cash management, capital allocation, risk thresholds and going concern principles, through the implementation of the treasury function, to support the sustainability of the business and in order to optimise returns for the group and stakeholders, through challenging macro-economic contexts.
- Drive improved transformation throughout the group, with a specific focus on improving the overall Broad-Based Black Economic Empowerment (B-BBEE) rating and progress against B-BBEE pillars in accordance with the B-BBEE strategy and initiatives.
- Keeping abreast of advancements and developments relevant to governance, legislation and the business through continuous training and briefings to ensure the board continues to fulfil its governance responsibilities and mandate.
- Development of group governance framework for the Balwin group following the establishment of annuity income businesses.

BOARD COMPOSITION

The board comprises ten directors, with seven independent non-executive directors, one non-executive director and two salaried executive directors who are all independently minded individuals.

During the reporting period, Jonathan Weltman resigned as chief financial officer and executive director, effective from 31 March 2022, due to health reasons, and the board appointed

Jonathan Bigham as chief financial officer and executive director, in line with the company's succession planning, with effect from 1 April 2022. Jonathan was also appointed as a member of the social, ethics and transformation committee with effect from 1 April 2022 and continued as a member of the treasury committee in the capacity as chief financial officer.

Kholeka Mzondeki, an independent non-executive director and chairperson of the audit and risk committee and member of the social, ethics and transformation committee, retired from office at the 2022 annual general meeting (AGM) held on 19 August 2022.

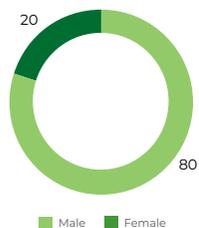
Pursuant to the nomination process followed by the remuneration and nominations committee, in accordance with the provisions of the memorandum of incorporation of the company and appointment of directors policy, the board appointed Keneilwe Moloko as an independent non-executive director, with effect from 19 August 2022. Keneilwe was also appointed a member of the audit and risk committee and as a member of the social, ethics and transformation committee with effect from 19 August 2022. Keneilwe has extensive qualifications, skills and technical expertise in the construction industry as well as accounting and financial management.

Following the retirement of Kholeka, Tomi Amosun was appointed as chairman of the audit and risk committee, with effect from 30 September 2022. Tomi has been a member of the audit and risk committee since 2017 and is a chartered accountant with wide-ranging finance and accounting skills and experience.

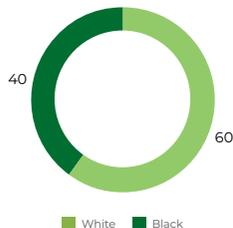
Balwin remains committed to increasing board diversity, particularly relating to gender and race representation of the board over time, in alignment with its board diversity policy. The board is satisfied that its composition reflects an appropriate mix of knowledge, skills, experience and independence, ensuring a balance of power and authority as reflected in the board charter and delegation of authority framework.

CORPORATE GOVERNANCE REPORT continued

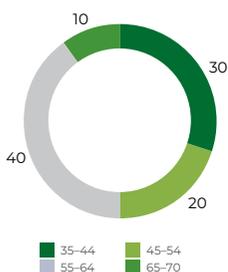
Gender



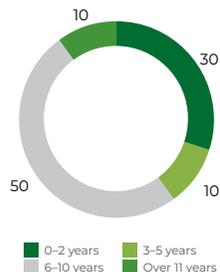
Race



Age



Tenure



BOARD INDEPENDENCE

Seven of the non-executive directors, including the chairman, are classified as independent in terms of King IV.

The remaining non-executive director, Reggie Kukama, is not categorised as independent given his participation in the BEE SPV, Tatovect (RF) Proprietary Limited, which has a significant shareholding in the group following the conclusion of the BEE transaction.

The classification of all non-executive directors is reviewed on an ongoing basis by the remuneration and nominations committee. Factors which could impact on the independence of directors are considered, including those contained in King IV and the JSE Listings Requirements.

BOARD APPOINTMENT

The appointment of directors is undertaken in a formal and transparent manner by the board, assisted by the remuneration and nominations committee. The company also follows a formal induction process for new directors.

The appointments of new directors are subject to election by shareholders at the following AGM, with the election of Keneilwe Moloko as an independent non-executive director to be proposed at the forthcoming AGM in August 2023.

All directors are subject to retirement by rotation and re-election by shareholders at least once every three years. In terms of the memorandum of incorporation, one-third of the non-executive directors are required to retire, and if available and eligible, stand for re-election at the company's AGM. Those directors who have been in office for the longest, based on the last re-election or appointment date, are required to stand for re-election.

At the 2023 AGM, Hilton Saven, Julian Scher and Tomi Amosun will retire from office and being eligible for re-election have confirmed their willingness to continue to serve as directors.

Brief professional profiles of these directors appear on pages 22 and 23.

The executive directors are subject to a notice period of six months.

BOARD DIVERSITY

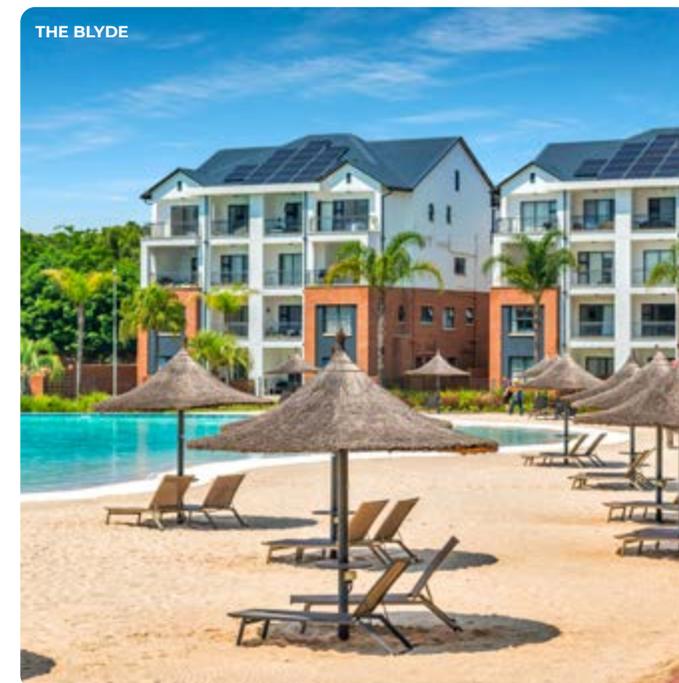
The diversity of the directors in terms of gender, race and experience encourages robust debate and ensures that the board considers the interests of its diverse stakeholders.

In accordance with the amended JSE Listings Requirements, the board has approved a board diversity policy to promote broader diversity at board level comprising gender, race, culture, age, field of knowledge, skills and experience. The board has set a voluntary target of at least 20% of directors to be female and 30% black. The board intends to analyse the current board diversity based on the foregoing criteria and voluntary targets in order to guide any future appointments.

BOARD EVALUATION

In accordance with the board charter, a formal evaluation of the board and its committees is conducted every second year. Accordingly, the board conducted an evaluation of its performance and effectiveness and that of its committees during the reporting period, which reflected positive ratings with respect to the level of performance of the board and each of the board committees in accordance with defined themes, comprising: composition and structure, role, strategy, stakeholder engagement, risk management, relationship with management, culture and board/committee processes.

Areas for improvement and recommendations were identified relating to continuous training, briefings on matters and information flow relevant to the business and legislation (also between formal meetings), as well as strengthening aspects of stakeholder engagement.



BOARD AND COMMITTEE MEETING ATTENDANCE

	Board	Audit and risk	Remuneration and nominations	Social, ethics and transformation	Transaction	Treasury
Number of meetings during reporting period	5	5	4	4	2	7
Hilton Saven	5/5*		4/4	4/4	2/2*	7/7*
Tomi Amosun	4/5	5/5*			2/2	
Jonathan Bigham#				3/3		7/7
Stephen Brookes	5/5			4/4	2/2	
Reggie Kukama	5/5		4/4		-	
Thoko Mokgosi-Mwantembe	5/5		4/4	4/4*		
Keneilwe Moloko^^	1/1	2/2		1/1		
Kholeka Mzondeki^	3/4	3/3*		3/3		
Julian Scher	5/5				2/2	
Arnold Shapiro	5/5	5/5	4/4*		2/2	
Jonathan Weltman**	1/1			1/1		1/1
Ronen Zekry	3/5		3/4		1/2	6/7

* Chairperson
 ** Resigned 31 March 2022
 # Appointed 1 April 2022
 ^ Retired 19 August 2022
 ^^ Appointed 19 August 2022

BOARD OVERSIGHT

The directors have delegated governance responsibilities to board committees to assist the board in meeting its oversight requirements. The composition of board committees conforms to the recommendations of King IV and all committees are chaired by independent non-executive directors.

Each of the board committees have adopted terms of reference which outline the membership requirements and key responsibilities of each committee and which are also reviewed at least annually.

To ensure the committee structure is efficient and effective, both the audit committee and risk committee, and the remuneration and nominations committee function as single committees. The meeting agendas for these committees are divided into separate sections to ensure each discipline is adequately covered.

All of the committees confirm that they have functioned in accordance with their terms of reference for the reporting period. The composition for each committee is reflected in accordance with the reporting period.



AUDIT AND RISK COMMITTEE

Composition

Chairman:

Kholeka Mzondeki (retired 19 August 2022)
Tomi Amosun (previously member and appointed as Chairman 30 September 2022)

Members:

Keneilwe Moloko (appointed 19 August 2022)
Arnold Shapiro

The external auditor, internal auditor, CEO, CFO, executive management and finance management attend meetings by invitation.

Role and responsibilities

Audit

- Provide the board with additional assurance regarding the efficiency and reliability of the financial information used by the directors in the discharge of their duties. This would include the consideration of all the entities in the group in the consolidated group annual financial statements.
- Ensure adequate systems of accounting records, effective financial reporting and internal control systems are in place.
- Review interim and annual financial statements and the integrated annual report.
- Recommend appointment of external auditors to the board and shareholders.
- Review the findings and recommendations of the internal and external auditors.
- Evaluate the expertise and experience of the CFO and the finance function.

- Monitor the non-audit services that may be rendered by the external auditor.
- Make necessary statements as required by the JSE in respect of annual financial statements when made available.

Risk

- Ensure that significant business, financial, legal and other risks are identified and managed.
- Overview of the development of the enterprise-wide risk management process, including enhancement of policies and procedures.
- Ensure the group assets are safeguarded.
- Ensure appropriate information and technology governance, and controls are designed and implemented.
- Consideration of reports of internal and external audit with reference to business risk management.
- Maintain satisfactory standards of governance, reporting and conformance with King IV and JSE Listing Requirements.
- The audit and risk committee is appointed by the board annually and elected by shareholders at the AGM. All members satisfied the requirements of section 94(4) of the Companies Act and have the appropriate financial and related qualification, skills, financial expertise and experience required to discharge their responsibilities.

The committee considered the experience and expertise of the CFO, and the finance function, and concluded that these were satisfactory.

Refer to the audit and risk committee report in the annual financial statements for more information.

REMUNERATION AND NOMINATIONS COMMITTEE

Composition

Chairman:

Arnold Shapiro

Members:

Reggie Kukama
Thoko Mokgosi-Mwantembe
Hilton Saven
Ronen Zekry

The CEO, CFO and executive management attend meetings by invitation.

Role and responsibilities

Remuneration

- Ensure the group has a fair and competitive remuneration policy which attracts and retains high calibre employees.
- Ensure the remuneration policy and implementation report are proposed to shareholders for a non-binding advisory vote at each AGM.
- Determine the remuneration packages of executive directors.
- Review and approve incentive schemes and related payments.
- Propose fees for non-executive directors for shareholder approval.
- Oversee talent management and retention.
- Ensure provisions of policies related to malus and clawback and minimum shareholding requirements are adhered to.

Nomination

- Review the structure, size and composition of the board and committees.
- Identify and nominate candidates for appointment as directors.
- Oversee induction and training of directors, as well as the biennial performance review of the board and committees.
- Consider independence and classification of directors.
- Ensure that there is formal succession planning for the board, committees and executive management.

Refer to the remuneration report on pages 91 to 101 for more information.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

Composition

Chairman:

Thoko Mokgosi-Mwantembe

Members:

Kholeka Mzondeki (retired 19 August 2022)
 Keneilwe Moloko (appointed 19 August 2022)
 Hilton Saven
 Stephen Brookes (CEO)
 Jonathan Weltman (CFO) (resigned 31 March 2022)
 Jonathan Bigham (CFO) (appointed 1 April 2022)

Other members of management attend meetings by invitation.

Role and responsibilities

- Monitor the group's activities relating to social and economic development, environmental sustainability, stakeholder and consumer relationships, labour and employment matters, and health and safety in accordance with applicable legislation and standards.
- Monitor adherence to corporate citizenship principles and ethical standards.
- Ensure the group's interactions with stakeholders are guided by legislation and regulation.
- Monitor transformation initiatives and B-BBEE progress in accordance with set targets.

Refer to the social, ethics and transformation committee report on pages 102 to 103 for more information.

TRANSACTION COMMITTEE

Composition

Chairman:

Hilton Saven

Members:

Tomi Amosun
 Stephen Brookes (CEO)
 Reggie Kukama
 Julian Scher
 Arnold Shapiro
 Ronen Zekry

The MD, CFO and executive management attend meetings by invitation.

Role and responsibilities

- Consider and approve proposed major transactions.
- Evaluate land acquisitions relative to the group's financial and working capital position, risk thresholds and strategic objectives.

TREASURY COMMITTEE

(Reporting to audit and risk committee and board)

Composition

Chairman:

Hilton Saven

Members:

Ronen Zekry
 Jonathan Bigham (CFO)

Additional members from executive management:

Rodney Gray (MD)

Jevin Cassel (Group Financial Manager) (appointed 1 March 2023)

The CEO, chairman of audit and risk committee, treasury management and specialist advisors (if required) attend meetings by invitation.

Role and responsibilities

- Oversight of management of treasury risks in accordance with treasury policy.
- Review matters relevant to treasury activities and directs treasury management regarding required reporting and information flow requirements.
- Evaluate and provide guidance on sources of funding, capital allocation, and the group's funding strategy.

COMPANY SECRETARY

The directors are satisfied that the company secretary, FluidRock Co Sec Proprietary Limited, is suitably qualified, competent and experienced to perform the role. There is an arm's-length relationship between the company secretary and the board, and the individual directors.

ACCOUNTABILITY AND COMPLIANCE

Detail on the internal audit function, systems of internal control, the external audit function and risk management are covered in the audit and risk committee report in the annual financial statements. During the year, the group complied with its memorandum of incorporation.

LEGISLATIVE COMPLIANCE

Legislative and regulatory compliance is monitored by the head of legal. There were no cases of material legislative or regulatory non-compliance and no penalties or sanctions were imposed on the group or any of its directors or officers during the year.



REMUNERATION REPORT



PART I: STATEMENT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

Balwin operates in a highly competitive market environment and recognises the critical role that remuneration plays in attracting, retaining and motivating talented people through rewarding individual and business contributions, and encouraging superior performance.

The remuneration report for the 2023 financial year sets out our remuneration policy in Part II on pages 93 to 97 as well as detailed disclosure on the implementation of the remuneration policy in part III on pages 97 to 101.

We constantly aim to enhance our remuneration policy and framework in line with the King IV Report on Corporate Governance in South Africa (King IV) to give effect to the principles of fair, responsible and transparent remuneration. This report focuses mainly on the remuneration of executive directors, prescribed officers and non-executive directors.

REMUNERATION GOVERNANCE

The board has delegated the governance and oversight of remuneration-related issues to the remuneration and nominations committee (the committee). There were no changes in the committee composition during the year.

The directors confirm that the committee discharged its duties in terms of its mandate in the reporting period and addressed specific issues to align remuneration policy with best practice standards. The following key issues were addressed during the year:

Remuneration

- Commissioned a benchmarking survey on executive remuneration by PricewaterhouseCoopers;
- Oversight of the approval of the conditional share plan by the JSE to cater for the inclusion of malus and clawback clauses;
- Reviewed the implementation of the remuneration policy for the 2023 financial year;
- Reviewed and updated the remuneration policy in line with best practice and governance standards;
- Approved the allocation of the short-term incentives as well as the long-term bonus share allocations for the 2023 financial year; and
- Recommended increases in non-executive director fees aligned to external benchmarking.

Nominations

- Reviewed the board diversity policy;
- Reviewed the policy on the appointment of directors;
- Oversaw the annual board and committee evaluation;
- Reviewed the director induction and training policy;
- Reviewed the classification of the independence of all non-executive directors;
- Oversaw the resignation of Jonathan Weltman as chief financial officer and an executive director for medical reasons;
- Nominated Jonathan Bigham as an executive director and chief financial officer;
- Oversaw the retirement of Kholeka Mzondeki as an independent non-executive director;
- Nominated Keneilwe Moloko as an independent non-executive director.

REMUNERATION REPORT continued

FUTURE AREAS OF FOCUS

In the 2024 financial year the committee plans to address the following:

- Continue to review the company's remuneration policy to ensure adherence to best practice and governance standards;
- Monitor the implementation of the remuneration policy;
- Continue to ensure fair and responsible remuneration that attracts, retains and motivates talented employees and encourages superior performance;
- Review and approve the financial and non-financial measures included in the balanced scorecards;
- Recommend the non-executive director fees for approval by shareholders aligned to external benchmarking; and
- Review and approve the short-term incentives payable and long-term incentives to be awarded for the 2024 financial year.

EXTERNAL REMUNERATION ADVISORS

The committee seeks independent advice from external remuneration advisors to ensure that our remuneration policy and the implementation thereof are informed by market-related data, current industry and general best practice remuneration trends. During the year, the company engaged with independent remuneration advisers, PricewaterhouseCoopers, as well as enlisting the services of an independent external human capital consultant, Farol Consulting, to advise and assist with various remuneration matters. The committee is satisfied that the services rendered by these external advisors were at all times independent and objective.

VOTING AND SHAREHOLDER ENGAGEMENT

Balwin encourages engagement with shareholders on remuneration-related matters to actively promote fair, responsible and transparent remuneration policies, implementation and remuneration reporting.

The remuneration policy and the remuneration implementation report are proposed for separate non-binding advisory votes by shareholders at the AGM each year.

In line with the requirements of King IV, the group undertakes to engage with dissenting shareholders should 25% or more of the shareholders vote against either or both the remuneration policy and the implementation report. This process is aimed at determining shareholder concerns and the group will take reasonable measures to address these concerns.

At the AGM in August 2022, 79.02% (2021: 94.17%) of shareholders who voted supported the remuneration policy and 79.07% (2021: 94.25%) supported the implementation report in non-binding advisory votes.

While both non-binding advisory resolutions received lower levels of support relative to previous years, no concerns were raised by shareholders and no engagement process was required.

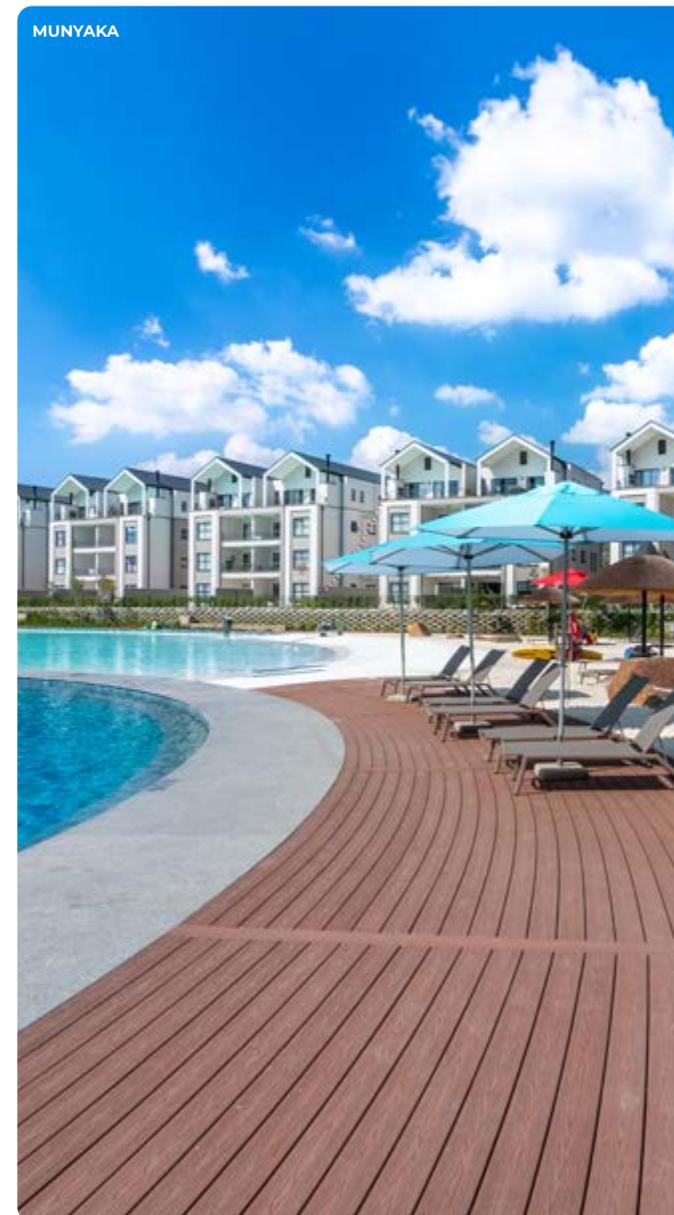
The committee continues to review and refine both the remuneration policy and disclosure of remuneration practices. Management proactively meets with investors on an ongoing basis and creates a positive engagement environment where shareholders can address issues in an open and transparent manner.



Arnold Shapiro

Chairman

Remuneration and nominations committee



REMUNERATION REPORT continued

PART II: REMUNERATION POLICY

The group's remuneration philosophy is based on the following principles:

- Remuneration supports the group's strategies and is consistent with the organisation's culture of fairness and equality;
- Remuneration directly correlates with the growth objectives and financial performance targets, and actual achievements of the business;
- Remuneration is regularly reviewed and independently benchmarked to ensure the group remains competitive in the diverse markets in which it operates; and
- Remuneration allows for differentiation to reward higher performers and attain excellence in their output and conduct.

In applying this philosophy to remuneration practices, the group aims to:

- Achieve market competitiveness within specific property development markets;
- Ensure that performance management plays an integral part in remuneration to influence the level of base pay and incentives;
- Ensure that good governance is observed in relation to all remuneration practices;
- Promote positive outcomes across the economic, social and environmental context in which Balwin operates; and
- Promote an ethical culture and responsible corporate citizenship

FAIR AND RESPONSIBLE REMUNERATION

As a responsible corporate citizen the group recognises the societal issues relating to minimum wages and the wage gap, and is committed to adopting fair and responsible remuneration practices.

It is the committee's responsibility to ensure that executive remuneration is justifiable in the context of overall employee remuneration. Accordingly, the committee must recommend appropriate actions to the board. The group continuously

considers initiatives to nurture the principle of fair and equitable remuneration to improve the employment conditions of all employees.

MALUS AND CLAWBACK PROVISIONS

In line with best governance practice,

malus and clawback clauses are included in all variable pay awards for executive directors and prescribed officers.

The committee has the discretion to apply malus to unvested awards under the long-term incentive schemes to cancel or reduce the quantum of an award if, in the judgement of the committee, a trigger event has occurred during the vesting or financial period.

In the case of early termination of employment during the vesting period of an award, the committee will consider whether a trigger event arose between the award date and the date of termination of employment.

A clawback provision may be applied to recover vested awards under the short-term and long-term incentive schemes on a pre-tax basis following the occurrence of a trigger event. The clawback period will run for three years following the vesting of awards.

Malus and clawback provisions will be applied in cases which include:

- Misbehaviour, dishonesty, fraud or gross misconduct;
- A material misstatement of the financial results for the performance or employment period of the award, resulting in an adjustment on the audited consolidated financial statements of the group;
- The assessment of any performance metric or condition (where applicable) in respect of an award which was based on error, or inaccurate or misleading information;
- Any information used to determine the quantum of a short-term incentive or long-term incentive award was based on error, or inaccurate or misleading information; and
- Events or behaviour of the employee that had a significant detrimental impact on the reputation of the group.

MINIMUM SHAREHOLDING REQUIREMENT

The group implemented a minimum shareholding requirement (MSR) policy in the 2023 financial year to align the interests of executives with shareholders in order to drive sustained, long-term growth in shareholder value.

The MSR applies to executive directors and members of the executive committee.

The executive directors and prescribed officers are required to hold shares to at least the equivalent value of their total annual guaranteed pay. The shares can be accumulated over five years from the introduction of the policy in the 2023 financial year or from the date of appointment to the board or executive committee. The shares are required to be held directly by the executive and unvested conditional share plan (CSP) awards are not included. Executives may satisfy the MSR by purchasing shares using after-tax bonuses or by retaining shares that have vested in terms of the CSP.

REMUNERATION STRUCTURE

The remuneration mix varies according to employee position and seniority. As a guideline, senior employees should have a higher proportion of variable, incentive-based remuneration as part of their remuneration mix as they usually have the ability to influence the financial performance and strategic outcomes of the group. At lower salary levels, the pay mix is weighted in favour of guaranteed remuneration, in line with market practice.

Balwin's executive remuneration structure comprises both guaranteed (including benefits) and variable remuneration. Variable remuneration includes short- and long-term incentives.

REMUNERATION REPORT continued

Remuneration component	Strategic intent and drivers	Detail
Cash salary	Primarily to remunerate, attract and retain required skills.	Guaranteed remuneration is set in relation to the scope and nature of an individual's role, experience and performance, to ensure market competitiveness and sustainable performance.
Benefits and/or allowances	Benefits for all employees form part of guaranteed remuneration. Incorporates employee wellness into Balwin's remuneration strategy.	Benefits include membership of a provident fund and a medical aid. All employees, with the exception of the executives, may receive a discretionary 13th cheque in December. The 13th cheque is not subject to the achievement of defined financial results nor is a formal individual performance evaluation conducted, however, the payment of the 13th cheque is at the discretion of executive management subject to the overall satisfactory performance of the employee. Benefits are reviewed regularly to ensure they remain relevant, appropriate and market competitive.
Short-term incentives (STIs)	An annual performance bonus scheme which drives overall performance and rewards the achievement of predetermined financial, strategic and individual performance objectives.	Executives: The cash bonus payment is based on the group level of achievement of a balance of financial and non-financial performance measures that are aligned with the group's strategy (collectively referred to as the "group STI scorecard"). Senior management: A cash payment of up to a two-month bonus may be made, based on the achievement of the group's financial target as well as specific non-financial performance metrics which relate directly to the individual's areas of responsibility. The STI is separate from the discretionary 13th cheque that is not subject to financial performance of the company (refer to the Benefits and/or allowances remuneration component above). Employees: A cash payment of up to a two-month bonus may be made based on the achievement of pre-defined financial targets of the group and individual performance. The STI is separate from the discretionary 13th cheque that is not subject to financial performance of the company (refer to the Benefits and/or allowances remuneration component above).
Long-term incentives (LTIs)	Drives long-term performance and is essential for retention, ownership and wealth creation.	Balwin operates a conditional share plan (CSP) consisting of a combination of performance, retention and/or bonus shares. Awards under the CSP may be made to employees of senior management level and above. Participants are required to remain in the employ of the company throughout the performance and employment period. The committee retains absolute discretion regarding awards and the applicable conditions to be attached to an LTI award.



REMUNERATION REPORT continued

GUARANTEED REMUNERATION

Executive directors, along with all employees, receive guaranteed remuneration which includes a cash salary and benefits. Salaries are set in relation to the scope and nature of an individual's role,

Weighing of performance experience and performance, to ensure market competitiveness and sustainable performance.

Salaries are reviewed annually in June. Increases in guaranteed remuneration are determined taking into account the company's performance and liquidity, an employee's remuneration relative to the market and individual performance as well as the level of increases applied across the business.

VARIABLE REMUNERATION: STIS

All employees participate in an annual performance bonus scheme to reward the achievement of agreed financial, strategic and personal performance objectives. The STI is linked to the achievement of strategically important performance conditions. The bonus methodology varies for executives and other employees:

STI participant	Annual bonus opportunity
Executives	A bonus payment is based on the level of achievement of a net profit before tax target, index performance measures, pre-defined cash management measures as well as certain non-financial performance conditions that are aligned with the group's strategy (collectively referred to as the group's STI scorecard). At least 75% of the group STI scorecard for the financial year must be achieved for an executive to receive a bonus payment. A cap of 125% of the profit target is applied.
Other employees	A one- or two-month bonus may be earned as a STI, based on company results and personal performance or as approved on a case-by-case basis at the discretion of the committee. The bonus scheme is capped at a maximum of a 15th cheque or 25% of the annual basic salary (this includes the value of the 13th cheque payable to employees that is not subject to the achievement of defined financial results, but is subject to an informal individual performance assessment).

The following company scorecard was adopted for determining company performance for the 2023 and 2024 financial years:

Performance conditions	Weighting of performance conditions
Financial performance	
Net profit before tax (40%)	70%
Cash management (20%)	
Index profitability (10%)	
Non-financial performance	30%
Safety, health, environmental and quality targets (10%)	
Employment equity targets (10%)	
Environmental, social and governance targets (10%)	



REMUNERATION REPORT continued

The earnings potential for executives in terms of the STI is set out below (as a % of guaranteed remuneration):

Position	Threshold earning potential at 75% of target achieved	On-target earning potential at 100% of target achieved	Stretch earning potential at 125% of target achieved
Chief executive officer (CEO)	38% of package	75% of package	113% of package
Chief financial officer (CFO)	30% of package	60% of package	90% of package
Managing director (MD)*	35% of package	70% of package	105% of package
Chief projects officer (CPO)*	30% of package	60% of package	90% of package

* The MD and CPO are prescribed officers and members of the executive committee.

Discretionary bonuses may be awarded to employees who perform above and beyond their responsibilities, regardless of company performance, as nominated by management and approved by the committee and board.

VARIABLE REMUNERATION: LTIs

Selected employees participate in the LTI scheme. The LTI scheme rules are approved and adapted from time to time at the discretion of the board:

Instruments	Allocation frequency and quantum	Performance conditions	Performance and employment period	Vesting profile
Under the CSP, rights are offered in the form of performance shares, bonus shares and/or retention shares.	<p>Performance shares are awarded in specific circumstances subject to the discretion of the committee.</p> <p>Bonus shares are awarded annually, to the extent that an STI was payable, at a ratio of a 1:1 match to the actual STI paid in terms of the preceding financial year.</p> <p>Retention shares are only awarded in special circumstances with the aim to attract and retain specific and sought after talent, subject to the discretion of the committee.</p>	<p>Any performance condition attached to performance shares shall be objective and representative of a fair measure of performance.</p> <p>These awards are linked to STI performance and therefore no further performance conditions are applicable. These awards are subject to continued employment only.</p> <p>These shares are subject to continued employment only.</p>	Three years and no resetting or retesting of performance targets are allowed.	Shares vest in full on the expiry of the prescribed vesting period (and subject to performance conditions where applicable).

REMUNERATION REPORT continued

EARLY TERMINATION OF EMPLOYMENT

Upon termination of employment during the vesting period, participants may be classified as either bad or good leavers:

- Bad leavers forfeit all unvested awards. Vested awards will remain unaffected.
- Good leavers may receive a pro-rated portion of unvested awards based on the completed number of months served, adjusted for the achievement of the performance conditions in the case of performance shares.

EXECUTIVE SERVICE CONDITIONS

Executive directors are subject to a notice period of six months and a restraint of trade of two years. There are no fixed-term service contracts. The retirement age for executive directors is 65. There is no provision for settlement payments on termination.

PRESCRIBED OFFICERS

The prescribed officers of Balwin in terms of the Companies Act are the two executive directors, the managing director and the chief projects officer. The remuneration of the prescribed officers is disclosed in the remuneration implementation report as well as the annual financial statements. An annual guaranteed bonus, in addition to the STI, is contractually payable to the chief projects officer in terms of his employment contract, calculated at 1.75% of the company's profit after tax.

NON-EXECUTIVE DIRECTOR FEES

Non-executive directors receive annual retainer fees for serving on the board and board committees. None of the non-executive directors have service contracts with the group and no consultancy fees were paid to directors during the year.

In line with best governance practice, non-executive directors do not participate in incentive schemes.

Non-executive director fees are reviewed annually, taking into account the responsibilities of the directors as well as relevant external benchmarking data. Increases to non-executive director fees are considered each year against the average increase levels/percentages approved across the organisation.

The proposed fees for the 2024 financial year, which reflect an increase of 5% on the prior year, are subject to approval by shareholders at the AGM in August 2023.

	Proposed fees for the year ending 29 February 2024	Fees paid for the year ended 28 February 2023
Chairperson of the board	R564 700	R537 800
Member of the board	R237 800	R226 500
Chairperson of the audit and risk committee	R237 800	R226 500
Member of the audit and risk committee	R190 400	R181 300
Chairperson of the social, ethics and transformation committee	R190 400	R181 300
Member of the social, ethics and transformation committee	R158 700	R151 100
Chairperson of the remuneration and nominations committee	R190 400	R181 300
Member of the remuneration and nominations committee	R158 700	R151 100
Chairperson of the transaction committee	R207 600	R197 700
Member of the transaction committee	R148 200	R141 100
Chairperson of the treasury committee	R207 600	–
Member of the treasury committee	R148 200	–

PART III: REMUNERATION IMPLEMENTATION REPORT 2023

The committee confirms that the remuneration policy has been consistently applied in the 2023 financial year, achieved its objectives and that there have been no deviations from the policy.

GUARANTEED REMUNERATION: ANNUAL SALARY INCREASE

The committee approved an average performance-linked salary increase of 10.0% (2022: 6.0%) for all employees, excluding executive directors, effective 1 July 2022. Executive directors and prescribed officers received a 6% increase (2022: 6%).

VARIABLE REMUNERATION: STI

An annual performance bonus totaling R17.9 million will be paid to executives and prescribed officers (2022: R10.8 million) based on the achievement of 108% of the approved company scorecard used to determine company performance.

REMUNERATION REPORT continued

VARIABLE REMUNERATION: LTI

CSP – Bonus shares

Executive management and prescribed officers will be awarded bonus shares to the value of R17.9 million (2022: R10.8 million). This was based on the STI achievement and the STI company performance targets as set out on page 95 to 96.

Unvested LTIs

The table below discloses the value of each executive director and prescribed officers' LTIs, whether granted, settled, or lapsed, as well as the indicative value of awards not yet settled.

Executives

Position	LTI instrument	Date awarded	Vesting date	Opening number	Granted during the year	Settled during the year	Lapsed during the year	Closing number
CEO	Bonus shares	29 August 2019	30 June 2022	615 355	-	(615 355)	-	-
	Bonus shares	31 July 2020	30 June 2023	762 071	-	-	-	762 071
	Bonus shares	1 July 2021	30 June 2024	773 248	-	-	-	773 248
	Bonus shares	1 July 2022	30 June 2025	-	1 716 640	-	-	1 716 640
CFO*	Bonus shares	29 August 2019	30 June 2022	275 037	-	(252 117)	(22 920)	-
	Bonus shares	31 July 2020	30 June 2023	346 924	-	(202 372)	(144 552)	-
	Bonus shares	1 July 2021	30 June 2024	343 067	-	(85 767)	(257 300)	-
CFO**	Bonus shares	29 August 2019	30 June 2022	46 667	-	(46 667)	-	-
								58 989
	Bonus shares	31 July 2020	30 June 2023	58 989	-	-	-	133 801
	Bonus shares	1 July 2021	30 June 2024	133 801	-	-	-	315 273
	Bonus shares	1 July 2022	30 June 2025	-	315 273	-	-	315 273
Total				2 739 804	2 031 913	(1 202 278)	(424 772)	3 760 022

* Relates to CFO who resigned 31 March 2022

** Relates to CFO appointed 1 April 2022

REMUNERATION REPORT continued

Prescribed officers

Position	LTI instrument	Date awarded	Vesting date	Opening number	Granted during the year	Settled during the year	Lapsed during the year	Closing number
MD	Bonus shares	29 August 2019	30 June 2022	468 396	-	(468 396)	-	-
	Bonus shares	31 July 2020	30 June 2023	584 520	-	-	-	584 520
	Bonus shares	1 July 2021	30 June 2024	590 338	-	-	-	590 338
	Bonus shares	1 July 2022	30 June 2025	-	1 408 976	-	-	1 408 976
CPO	Bonus shares	9 August 2019	30 June 2022	383 289	-	(383 289)	-	-
	Bonus shares	31 July 2020	30 June 2023	459 809	-	-	-	459 809
	Bonus shares	1 July 2021	30 June 2024	462 236	-	-	-	462 236
	Bonus shares	1 July 2022	30 June 2025	-	1 087 824	-	-	1 087 824
Total				2 480 192	2 496 800	(851 685)	-	4 593 703



REMUNERATION REPORT continued

DIRECTORS' REMUNERATION

EXECUTIVE DIRECTORS

The tables below set out the single figure remuneration received by executive directors and prescribed officers for the financial years ended February 2022 and 2023 respectively:

Executive director/prescribed officer	Cash salary R'000	Benefits R'000	STI R'000	Other* R'000	LTI R'000	Total R'000
2023						
SV Brookes (CEO)	6 223	684	6 181	–	3 059	16 147
J Bigham (CFO – appointed 1 April 2022)	2 995	490	2 712	–	458	6 655
J Weltman (CFO – resigned 31 March 2022)	326	93	326	–	57	802
RN Gray (MD)	5 417	669	5 079	–	2 401	13 566
U Gschnaidtner (CPO)	4 954	529	3 920	7 253	1 877	18 533
Total	19 915	2 465	18 219	7 253	7 852	55 704
2022						
SV Brookes (CEO)	5 864	659	4 576	–	1 976	13 075
J Weltman (CFO)	3 838	543	–	–	887	5 268
RN Gray (MD)	5 104	633	3 477	–	1 510	10 724
U Gschnaidtner (CPO)	4 667	501	2 742	6 764	1 200	15 874
Total	19 473	2 336	10 795	6 764	5 573	44 941

* Relates to an annual guaranteed bonus which is contractually payable in terms of the employment contract of the chief projects officer.

TOTAL DIRECTORS' REMUNERATION

	2023 R'000	2022 R'000
Executive directors and prescribed officers	55 703	44 941
Non-executive directors	4 912	4 362
Total	60 616	49 303

DIRECTORS' AND PRESCRIBED OFFICER'S SHAREHOLDING

Director	Number of shares	Nature of interest shareholding	Shareholding %
SV Brookes	170 374 031	Indirect	32.80%
RN Gray	48 333 658	Indirect	9.31%
ARK Kukama	47 219 260	Indirect	9.09%
U Gschnaidtner	10 150 788	Direct	1.95%
R Zekry	3 633 269	Direct	0.70%
A Shapiro	150 000	Indirect	0.03%
J Bigham	54 353	Direct	0.01%
O Amosun	9 390	Direct	0.00%

REMUNERATION REPORT continued

DILUTION LIMITS

Share options awarded in the form of bonus shares to executive directors and prescribed officers during the year amounts to 4.5 million shares (2022: 2.2 million shares). The total number of bonus shares awarded amounts to 12.4 million shares. The total number of ordinary shares in issue is 465 209 430 and accordingly the potential dilutive impact of the share options amounts to 2.7% on the total issued share capital.

Excluded in the total number of ordinary shares in issue is 47 219 260 shares which have been awarded to Tatovect Proprietary Limited (BEE SPV) in accordance with the BEE transaction approved by the shareholders on 6 September 2021. These shares have been accounted for as treasury shares for accounting purposes as they will only be issued once the lock-in period of 10 years has expired and full risks and rewards of ownership transfer to the BEE SPV. The potential dilutive impact of these shares amounts to 10.2% on the total issued share capital.

NON-EXECUTIVE DIRECTORS

The committee approved a fee increase of 5% (2023: 6%) for non-executive directors' annual retainers for the 2024 financial year. The table below sets out the fees paid to non-executive directors for the financial years ended February 2022 and 2023:

Directors	2023 R'000	2022 R'000
H Saven	1 107	951
T Mokgosi-Mwantembe	543	512
K Mzondeki [^]	266	554
A Shapiro	710	669
O Amosun	552	503
R Zekry	575	475
J Scher	357	337
D Westcott*	–	181
A Kukama**	504	180
K Moloko ^{^^}	298	–
Total	4 912	4 362

* Passed away 19 August 2021

** Appointed 19 October 2021

[^] Retired 19 August 2022

^{^^} Appointed 19 August 2022





SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

Balwin's social, ethics and transformation committee (the committee) assists the board in monitoring the group's activities in terms of legislation, regulation and codes of best practice relating to the social, ethics, transformation, employment, health and safety, and environmental activities of the group.

The committee has an independent role and is governed by formal terms of reference which details its duties in terms of the Companies Act, the JSE Listings Requirements and King IV, as well as responsibilities allocated by the board.

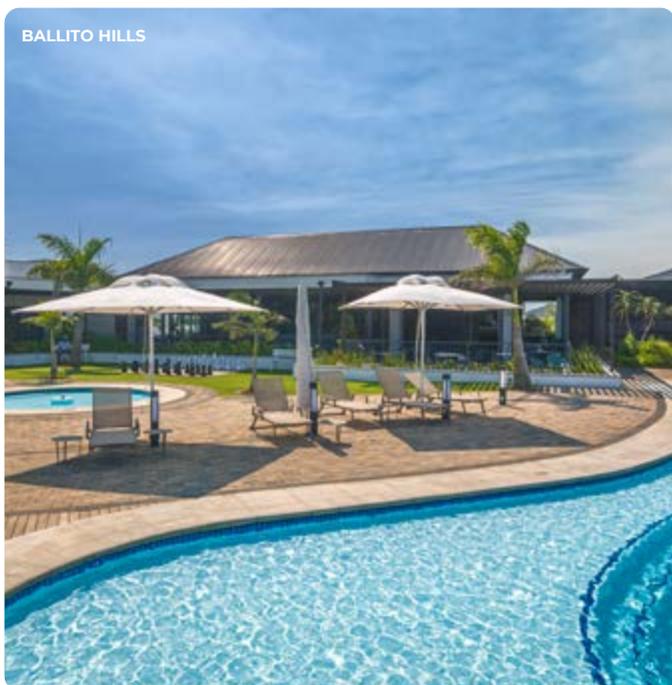
Please refer to pages 80 to 84 for the Building a Sustainable Future Report.

RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the committee are as follows:

- Social, environmental and economic development and sustainability, including the group's standing relative to the UN Global Compact Principles, the Organisation for Economic Co-operation and Development recommendations regarding corruption, relevant Sustainable Development Goals (SDGs) and the Employment Equity Act and Broad-Based Black Economic Empowerment (B-BBEE) Act.
- Promoting and overseeing progress in respect of transformation especially through B-BBEE objectives.
- Supporting good corporate citizenship, including the group's positioning and efforts in promoting equality, preventing unfair discrimination and combating corruption.
- Endorsing the company's code of ethics.

- Overseeing the contribution to community development and the sponsorship, donation and charitable giving programme.
- Monitoring health and public safety, including the impacts of the group's activities and products on the environment and society.
- Upholding consumer relationships, including advertising, public relations and compliance with consumer protection laws.
- Monitoring overall labour and employment, including the group's standing relative to the International Labour Organisation protocol and the Basic Conditions of Employment Act on decent work and working conditions, employment relationships and the group's contribution to the educational development of employees.
- Compliance with the Labour Relations Act aimed at promoting economic development, social justice, labour peace and democracy in the workplace.
- The governance and oversight of stakeholder relationship management and engagement.



SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT continued

FUNCTIONING OF THE COMMITTEE

The committee comprised the following members during the financial year and to the date of this report:

Thoko Mokgosi-Mwantembe (Chairperson)	Independent non-executive director
Kholeka Mzondeki	Independent non-executive director (resigned 19 August 2022)
Keneilwe Moloko	Independent non-executive director (appointed 19 August 2022)
Hilton Saven	Independent non-executive director
Stephen Brookes	Executive director
Jonathan Weltman	Executive director (resigned 31 March 2022)
Jonathan Bigham	Executive director (appointed 1 April 2022)

Members of senior management attend meetings by invitation. The committee is required to meet at least twice yearly.

Biographical details of the committee members appear on pages 89 and 90.

The committee was assessed to have adequately discharged its mandate. Attendance at committee meetings is detailed on page 88 of the integrated report and fees paid to committee members for 2023 and proposed for 2024 are included on page 97.

FUNCTIONING OF THE COMMITTEE

The key areas of focus in the year under review were as follows:

- Continued monitoring of the B-BBEE scorecard to monitor as well as to foster improvement in the employment equity, skills development, black ownership and supplier development pillars, acknowledging the significant progress made by management during the year reflected in the improvement of the overall B-BBEE rating of the company.

- Continuous enhancement of reporting and oversight of employment equity (inclusive of the formal reporting by the diversity and employment equity committee) in addition to monitoring human capital imperatives, retention strategies, succession planning and skills development initiatives.
- Monitored safety, health, environment and quality (SHEQ) standards and performance, including compliance reporting, ISO certification and incident rates.
- Reviewed the corporate social investment and ongoing contributions through the Balwin Foundation across a wide range of beneficiaries inclusive of small businesses, the youth, the elderly and the unemployed.
- Enhanced reporting of stakeholder engagement matters and ongoing communication of Balwin social, ethics and transformation initiatives.
- Management of ethical and reputational risks.
- Ongoing monitoring of the company's performance in respect of environment, social and governance (ESG), health and safety and B-BBEE targets.
- Oversight of whistleblower line reports and management responses thereto.

Planned areas of focus for the 2024 financial year are as follows:

- Oversight and monitoring of social responsibility, economic development and transformation processes and targets in accordance with the company strategy.
- Monitor the group's good corporate citizenship activities towards sustainable upliftment and ensure that all company initiatives are appropriately communicated.
- Ongoing oversight of stakeholder relationship management and fostering ongoing engagement.
- Continued focus on the improvement in the B-BBEE scorecard rating and progress against B-BBEE pillars relating to employment equity and skills development, and ensuring that there is full integration and alignment of all transformation processes.
- Focus on overall employee wellbeing and support of employee wellbeing initiatives.

- Ongoing focus on the achievement of transformation imperatives and improvement in workforce representation and skills development opportunities for employers and learners.
- Oversight of the implementation of the ESG framework and policy.
- Continued monitoring and improvement of SHEQ measures, enhanced quality and environmental sustainability practices.

CONCLUSION

The committee believes the group is substantively addressing the matters required to be monitored in terms of the Companies Act and King IV.

Appropriate policies and programmes have been adopted to maintain high standards of corporate citizenship among internal and external stakeholders.

This report is prepared in accordance with the Companies Act and will be presented to shareholders at the forthcoming annual general meeting.



Thoko Mokgosi-Mwantembe

Chairperson of social, ethics and transformation committee
22 May 2023

05

FINANCIAL HIGHLIGHTS

6% 
Revenue

9% 
Net asset
value

20% 
Profit for
the year

21% 
Earnings
per share

21% 
Headline
earnings
per share



THABA-ECO VILLAGE

Your
lifestyle
our focus



MUNYAKA LIFESTYLE CENTRE



FYNBOS

05

COMPLIANCE STATEMENTS

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 112 to 127, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- 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;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with the primary responsibility for implementation and execution of controls;
- 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 any fraud that involves directors, and have remediated the deficiencies; and
- we are not aware of any fraud involving directors.



SV Brookes
Chief executive officer
22 May 2023



JS Bigham
Chief financial officer
22 May 2023

COMPANY SECRETARY'S CERTIFICATION

In terms of section 88(2)(e) of the Companies Act, 71 of 2008 as amended, we certify that to the best of our knowledge and belief, the Balwin group has in respect of the financial year reported upon, lodged with the Companies and Intellectual Property Commission all returns required of a public group in terms of the Companies Act, 71 of 2008 and that all such returns are true, correct and up to date.



Caroline King
22 May 2023

On behalf of: FluidRock Co Sec Proprietary Limited



AUDIT AND RISK COMMITTEE REPORT

The audit and risk committee (“the committee”) has pleasure in submitting this report, which has been approved by the board and has been prepared in accordance with section 94(7)(f) of the Companies Act No 71 of 2008 of South Africa (“the Act”) and incorporates the recommendations of the Report on Corporate Governance for South Africa, 2016 (“King IV”).

The committee assists the board in meeting its responsibilities relating to the following:

- internal and external audit process for the group taking into account all significant risks;
- adequacy and functioning of the group’s internal controls;
- integrity of financial reporting;
- risk management; and
- information technology.

The members confirm that the committee has performed all the duties required in terms of section 94(7)(f) of the Act.

Owing to the size of the company, the functions of an audit committee and a risk committee have been combined to be directed by a single audit and risk committee and the internal audit function is outsourced to KPMG.

COMMITTEE COMPOSITION

The committee comprises three non-executive directors and all members act independently as described in the Act.

The chief executive officer, chief financial officer, key finance management, the external auditor and the internal auditor attend meetings by invitation. The chairman of the board also attends the meetings by invitation but has no vote. The board is satisfied that the independence, experience and qualifications of each member enables them to fulfil the committee’s mandate. In addition to the quarterly meetings, the committee meets at least once a year with the company’s internal and external auditors, without management being present.

The committee comprised the following members at year end:

Director	Appointed	Experience	Meeting attendance
Tomi Amosun BBus Sci (Finance Hons), CA(SA)	May 2017	Chartered accountant with over 15 years of real estate, listed equity and private equity experience	5/5
Keneilwe Moloko NDip (Building Survey), BSc (QS), BCom, PGDA, CA(SA)	August 2022	Over 20 years experience in the construction industry, with both financial and quantity surveying qualifications	2/2
Arnold Shapiro BBus Sci (Finance Hons)	October 2016	Over 30 years of asset management, portfolio management and general management experience	5/5

Kholeka Mzondeki, who served as the chairman of the committee since shortly before the group’s listing in 2015, retired as a non-executive director at the annual general meeting in August 2022. Tomi Amosun, who has been a member of the committee since 2017, was appointed as chairman of the committee with effect from 30 September 2022. Keneilwe Moloko was appointed as a member of the committee with effect from 19 August 2022.

The committee collectively has the necessary financial knowledge, skills and experience to execute their duties effectively. The committee is pleased to report to shareholders on the progress against its key focus areas for the 2023 financial year.



AUDIT AND RISK COMMITTEE REPORT continued

FOCUS AREAS OF THE COMMITTEE

The key areas of focus in the year under review were as follows:

Focus area	Progress
Monitoring and management of financial reporting and governance	The committee continues to review the financial reporting of the group to ensure the disclosures are in line with reporting frameworks. Furthermore, the committee reviews relevant governance policies on an annual basis in accordance with the committee work plan and ensures that the committee keeps abreast of legislative and regulatory changes. The committee continues to ensure that the recommendations provided by the internal auditors are implemented timeously.
Balance sheet management and financial sustainability in a challenging macroeconomic environment	The committee actively engaged with management to identify and monitor the key components of the balance sheet and certain key financial ratios. The group's risk tolerance thresholds were reviewed and prudently aligned with bank covenants. Management reported quarterly on its current covenant levels as well as provided covenant and cash forecasts which were thoroughly interrogated by the committee.
Embedding the combined assurance model and continued proactive engagement with the internal and external audit functions	The committee oversees the internal and external audit reviews. The committee tasks management with acting on the findings of such reviews and regular feedback is provided to the committee. In accordance with the committee's responsibilities as per section 22.15(h) of the JSE Listings Requirements, the committee reviews and considers the information reported by the external auditor in respect of all aspects impacting the quality of audit performed.
Continued overview of IT systems and policies	The committee reviewed and approved various IT governance policies in the current financial year. The committee further assessed the adequacy of the insurance for IT-related risks as well as emphasised and provided oversight of the enhancement in the disaster recovery measures of the group.
Oversight of risk management	The committee oversees risk management. The committee reviewed the group's risk identification, mitigation plans and residual risk ratings with a particular focus on strategic and operational risks.
Monitoring of treasury risks	The committee monitored the treasury risks as reported by the treasury committee. Oversight was provided with respect to cash flow forecasting, debt utilisation and gearing levels as well as covenant compliance. The committee further requested internal audit to review and report back on the treasury function.

Planned areas of focus for the 2024 financial year are as follows:

- Monitoring and management of the internal financial controls of the group;
- Continued oversight on IT systems and policies;
- Monitoring of the robustness of the group's balance sheet, liquidity and allocation of capital in the expected challenging market conditions;
- Proactive engagement with the external and internal audit functions to ensure audit efficiencies and alignment in the combined assurance model;
- Development of the group governance framework and alignment with the delegation of authority framework; and
- Oversight of group risk identification and enhancement to the risk ratings.

AUDIT AND RISK COMMITTEE REPORT continued

ROLES OF THE AUDIT COMMITTEE

The terms of reference of the committee have been updated and approved by the board, setting out its duties and responsibilities as prescribed in the Act and King IV and incorporating additional duties delegated by the board.

The committee's duties include the following:

- fulfils the duties that are assigned to it by the Act and other legislation, including the statutory audit committee functions required for subsidiary companies;
- assists the board in overseeing the quality and integrity of the group's integrated reporting process, including the financial statements and announcements in respect of the financial results;
- ensures that an effective control environment is maintained in the group;
- reviewed and adopted a combined assurance model;
- provides the chief financial officer, external auditor and the internal auditor with unrestricted access to the committee and its chairman as is required in relation to any matter falling within the ambit of the committee;
- meets with the external auditor, senior management and executive directors as the committee may elect;
- meets separately with the internal and external auditors without other executive board members and the company's chief financial officer being present;
- reviews and recommends to the board the interim financial results and annual financial statements;
- oversees the activities of, and ensures coordination between, the activities of the internal and external auditors;
- receives and deals with any complaints concerning accounting practices, internal audit or the content and audit of its financial statements or related matters;
- oversees and ensures the appropriateness of the delegation of authority of the business;
- conducts annual reviews of the committee's work plan and terms of reference;
- assesses the performance and effectiveness of the audit and risk committee and its members;

- monitors the results of the calls made to the fraud hotline, which is managed independently from management; and
- assesses the effectiveness of the finance department and skills and experience of the chief financial officer.

EXECUTION OF FUNCTIONS DURING THE YEAR

The committee is satisfied that, for the 2023 financial year, it has performed all the functions required to be performed by an audit and risk committee as set out in the Act and the committee's terms of reference.

EXTERNAL AUDIT

The committee among other matters:

- reappointed BDO as the external auditor and the independent auditor of each material subsidiary company;
- interviewed the newly appointed engagement partner to assess her experience and communicate the expectations of the committee in fulfilling her responsibilities;
- reviewed the audit effectiveness and evaluated the external auditor's internal quality control procedures and engaged on any adverse findings;
- obtained an annual confirmation from the auditor that their independence was not impaired;
- satisfied themselves with the quality of the external auditor;
- maintained a policy setting out the categories of non-audit services that the external auditor may and may not provide;
- approved the non-audit services performed by BDO in the current year;
- approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor;
- considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act, No. 26 of 2005; and
- considered any reported control weaknesses, management's response for their improvement and assessed their impact on the general control environment.

This is the third year which BDO has performed the external audit function. The committee is satisfied that BDO is independent of the group after taking the following factors into account:

- representations made by BDO to the committee;
- the auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the company;
- the auditors' independence was not impaired by any consultancy, advisory or other work undertaken by the auditor; and
- the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

INTERNAL AUDIT

The committee:

- reviewed and approved the internal audit charter and annual audit plan and evaluated the independence, effectiveness and performance of the internal audit department and compliance with its charter;
- satisfied themselves that the quality, experience and expertise of the internal audit function and the chief audit executive is appropriate;
- interviewed the newly appointed chief audit executive to assess his experience and communicate the expectations of the committee in fulfilling his responsibilities;
- considered the reports of the internal auditor on the group's system of internal control including financial controls, business risk management and maintenance of effective internal control systems; and
- reviewed significant issues raised by the internal audit processes and the adequacy of corrective action in response to significant internal audit findings.

AUDIT AND RISK COMMITTEE REPORT continued

ADEQUACY AND FUNCTIONING OF THE GROUP'S INTERNAL CONTROLS

The committee reviewed the effectiveness of the design and implementation of controls with respect to the plans and work outputs of the external and internal auditors and concluded that these were adequate to address all significant financial risks facing the business.

As noted above, it also reviewed the reporting around the adequacy of the internal controls together with the effectiveness of the combined assurance provided and based on this concluded that there had been no material breakdowns in internal control, including financial controls, business risk management and the maintenance of effective material control systems.

FINANCIAL REPORTING

The committee ensures that the financial reporting to stakeholders fairly presents the state of affairs of the group. This covers the consolidated and separate annual financial statements, integrated report, interim and preliminary reporting.

The committee among other matters:

- confirmed the going concern as the basis of preparation of the interim and consolidated and separate annual financial statements;
- reviewed compliance with the financial conditions of loan covenants and determined that the capital of the company was adequate;
- examined and reviewed the interim and consolidated and separate annual financial statements, as well as all financial information disclosed prior to the submission to the board for their approval and then for disclosure to stakeholders;
- ensured that the consolidated and separate annual financial statements fairly present the financial position of the group and of the company as at the end of the financial year and the results of operations and cash flows for the financial year and considered the basis on which the company and the group was determined to be a going concern;

- reviewed the cash flow forecasting of the group and considered the consistency and appropriateness of the assumptions applied;
- considered the appropriateness of the disclosure included in the consolidated and separate annual financial statements;
- considered the impact of the JSE Proactive Monitoring report released in November 2022 on the disclosures of group and company financial statements to ensure they are adequate;
- considered the appropriateness of the accounting policies adopted;
- reviewed the external auditor's audit report and key audit matters included;
- reviewed the representation letter relating to the consolidated and separate annual financial statements which was signed by management;
- considered any concerns identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
- considered accounting treatments, significant unusual transactions and accounting judgments.

SIGNIFICANT AREAS OF JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTIES

In arriving at the figures disclosed in the consolidated and separate annual financial statements there are many areas where judgement is needed. These are outlined in note 1.2 to the consolidated and separate annual financial statements. The committee has considered the quantum of the assets and liabilities on the statements of financial position and other items that require significant judgement and decided to note the following:

Assumptions and estimation uncertainties

- Recognition of cost of constructed residential apartments sold;
- Net realisable value of developments under construction;
- Preparation of cash flow forecasts;
- Valuation of the IFRS 2 BEE share option;
- Fair value of investment properties; and
- Fair value of business combination transactions.

RISK MANAGEMENT AND INFORMATION TECHNOLOGY (IT) GOVERNANCE

The committee:

- ensured that intellectual property contained in information systems is protected;
- ensured that adequate business arrangements are in place for disaster recovery;
- assessed and increased the insurance coverage for cyber liability risks;
- ensured that all personal information is treated by the company as an important business asset and is safeguarded as per the Protection of Personal Information Act;
- approved the IT governance framework; and
- reviewed the group's policies on risk assessment and risk management, including fraud risks and IT risks pertaining to financial reporting and the going concern assessment, and found them to be sound.

LEGAL AND REGULATORY REQUIREMENTS

To the extent that these may have an impact on the consolidated and separate annual financial statements, the committee:

- reviewed legal matters that could have a material impact on the group and considered whether any provisions or disclosures are required under the International Accounting Standard 37: *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37");
- reviewed the adequacy and effectiveness of the group's procedures, including its risk management framework, to ensure compliance with legal and regulatory responsibilities;
- monitored complaints received via the group's whistleblowing service. No complaints were reported; and
- considered reports provided by management, internal audit and the external auditor regarding compliance with legal and regulatory requirements.

AUDIT AND RISK COMMITTEE REPORT continued

EXPERTISE AND EXPERIENCE OF CHIEF FINANCIAL OFFICER AND THE FINANCIAL FUNCTION

As required by section 3.84(g) of the JSE Listings Requirements, the committee has satisfied itself that the chief financial officer, Jonathan Bigham, has the appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skills set of the finance function met the group's requirements.

ELECTION OF COMMITTEE MEMBERS

Pursuant to the provisions of section 94(2) of the Act, which requires a public company to elect an audit committee at each annual general meeting, it is proposed in the notice of annual general meeting that the current committee members are available for re-appointment until the next annual general meeting in 2024.

Kholeka Mzondeki resigned as the chairperson of the committee effective 19 August 2022 following her retirement as a non-executive director. The committee is appreciative of the extensive business insight and guidance that she provided and thank her for the valuable role that she has played as chairman of the committee. On the same date as Kholeka's retirement, the board appointed Keneilwe Moloko as a member to the committee and looks forward to benefiting from her experience and skills in achieving its goals.

Tomi Amosun, a committee member since 2017, was appointed as chairperson of the committee effective from 30 September 2022.

EVALUATION OF THE COMMITTEE

In accordance with the board charter, a formal evaluation of the board and its committees is conducted every second year. Accordingly, the board evaluation was undertaken in the current financial year. The review concluded that the committee operated effectively and had successfully discharged its duties and responsibilities.

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

Following the review by the committee of the consolidated annual financial statements of Balwin Properties Limited for the year ended 28 February 2023, the committee is of the view that in all material respects they comply with the relevant provisions of the Act and International Financial Reporting Standards and fairly present the consolidated and separate financial positions at that date and the results of operations and cash flows for the year then ended.



Tomi Amosun
Chairperson
Audit and risk committee

22 May 2023



INDEPENDENT AUDITOR'S REPORT ON ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

OPINION

The abridged consolidated financial statements of Balwin Properties Limited and its subsidiaries, contained in the accompanying provisional report, which comprise the abridged consolidated statement of financial position as at 28 February 2023, the abridged consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Balwin Properties Limited and its subsidiaries for the year ended 28 February 2023.

In our opinion, the accompanying abridged consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note 1 to the abridged financial statements and the requirements of the Companies Act of South Africa as applicable to abridged financial statements.

ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

The abridged consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the abridged consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 22 May 2023. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the abridged consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note 1 to the abridged financial statements, and the requirements of the Companies Act of South Africa as applicable to abridged financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the abridged consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Abridged Financial Statements*.

BDO South Africa Inc.

BDO South Africa Incorporated

Registered Auditors

Vianca Pretorius

Director

Registered Auditor

22 May 2023

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

ABRIDGED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



For the year ended 28 February 2023

	Audited 12 months ended 28 February 2023 R'000	Audited 12 months ended 28 February 2022 R'000
Revenue	3 326 908	3 125 269
Cost of sales	(2 366 758)	(2 292 713)
Gross profit	960 150	832 556
Other income	15 416	16 236
Other operating gains	9 952	–
BEE share-based payment expense	–	(34 115)
Operating expenses	(392 768)	(301 631)
Operating profit	592 750	513 046
Investment income	36 762	33 371
Finance costs	(32 383)	(31 077)
Share of profit of associate	332	3 505
Profit before taxation	597 461	518 845
Taxation	(160 107)	(155 721)
Profit for the year	437 354	363 124
Items that will not be reclassified to profit or loss		
Loss on cash flow hedges	(684)	–
Taxation relating to items that will not be reclassified to profit or loss	192	–
Other comprehensive loss for the year net of taxation	(492)	–
Total comprehensive income for the year	436 862	363 124
Profit attributable to:		
Owners of the parent	436 267	362 579
Non-controlling interest	1 087	545
	437 354	363 124
Total comprehensive income attributable to:		
Owners of the parent	435 775	362 579
Non-controlling interest	1 087	545
	436 862	363 124
Basic and diluted earnings per share		
Basic	(cents) 93.74	77.24
Diluted	(cents) 93.68	77.01

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION



As at 28 February 2023

	Audited as at 28 February 2023 R'000	Audited as at 28 February 2022 R'000
Assets		
Non-current assets		
Property, plant and equipment	328 413	259 397
Investment property	153 020	–
Intangible assets	23 281	16 702
Investment in associates	–	5 572
Loans to external parties	8 664	10 264
Deferred taxation	6 778	–
	520 156	291 935
Current assets		
Developments under construction	5 734 382	4 819 472
Loans to related parties	–	14 112
Trade and other receivables	218 902	757 277
Developments loans receivable	27 021	20 402
Cash and cash equivalents	607 349	665 636
Restricted cash	164 376	1 086
	6 752 030	6 277 985
Non-current assets held for sale	26 061	26 061
Total assets	7 298 247	6 595 981
Equity and liabilities		
Equity		
Share capital	650 973	664 225
Reserves	71 056	67 448
Retained income	3 112 898	2 783 746
Non-controlling interest	1 591	504
Total equity	3 836 518	3 515 923
Non-current liabilities		
Development loans and facilities	1 267 742	721 512
Other financial liabilities	684	
Lease liabilities	191	123 418
Deferred taxation	273 364	238 540
	1 541 981	1 083 470
Current liabilities		
Development loans and facilities	1 688 777	1 819 098
Lease liabilities	1 075	2 741
Trade and other payables	146 472	123 290
Current tax payable	21 899	15 236
Employee benefits	61 525	36 223
	1 919 748	1 996 588
Total liabilities	3 461 729	3 080 058
Total equity and liabilities	7 298 247	6 595 981

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 28 February 2023



	Audited year ended 28 February 2023 R'000	Audited year ended 28 February 2022 R'000
Cash flows from operating activities		
Cash generated from/(used in) operations	558 868	(10 243)
Interest received	36 762	33 371
Finance costs paid	(217 373)	(108 498)
Taxation paid	(133 094)	(55 739)
Net cash generated from/(used in) operating activities	245 163	(141 109)
Cash flows from investing activities		
Purchase of property, plant and equipment	(86 452)	(79 659)
Proceeds on disposal of property, plant and equipment	2 422	312
Purchase of intangible assets	(11 541)	(14 253)
Proceeds from sale of intangible assets	–	18 219
Net cash paid on business combinations	(14 134)	–
Increase in restricted cash	(163 290)	–
Dividends received from associate	250	–
Net cash used in investing activities	(272 745)	(75 381)
Cash flows from financing activities		
IFRS 2 BEE share option premium received	–	20 000
Treasury shares acquired	(20 112)	–
Development loans raised and utilised	2 200 433	2 040 641
Development loans repaid	(2 327 757)	(1 919 746)
Investment loan and general banking facilities repaid	(618 679)	(544 006)
Investment loan and general banking facilities raised and utilised	844 271	1 062 232
Payment on lease liabilities	(1 746)	(1 891)
Dividends paid	(121 542)	(114 932)
Dividends received from treasury shares	14 427	3 295
Net cash (used in)/generated from financing activities	(30 705)	545 593
Total cash and cash equivalents movement for the year	(58 287)	329 103
Cash and cash equivalents at the beginning of the year	665 636	336 533
Total cash and cash equivalents at the end of the year	607 349	665 636

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 28 February 2023



	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 01 March 2021	663 079	–	6 778	2 532 804	3 202 661	(41)	3 202 620
Profit for the year	–	–	–	362 579	362 579	545	363 124
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	362 579	362 579	545	363 124
Issue of shares from treasury	1 146	–	(1 146)	–	–	–	–
Share-based payment	–	–	41 816	–	41 816	–	41 816
BEE share option premium received	–	–	20 000	–	20 000	–	20 000
Dividends paid	–	–	–	(114 932)	(114 932)	–	(114 932)
Dividends received from treasury shares	–	–	–	3 295	3 295	–	3 295
Balance at 28 February 2022	664 225	–	67 448	2 783 746	3 515 419	504	3 515 923
Profit for the year	–	–	–	436 267	436 267	1 087	437 354
Other comprehensive income	–	(492)	–	–	(492)	–	(492)
Total comprehensive income for the year	–	(492)	–	436 267	435 775	1 087	436 862
Issue of shares from treasury	6 860	–	(6 860)	–	–	–	–
Treasury shares repurchased	(20 112)	–	–	–	(20 112)	–	(20 112)
Share-based payment	–	–	10 960	–	10 960	–	10 960
Dividends paid	–	–	–	(121 542)	(121 542)	–	(121 542)
Dividends received from treasury shares	–	–	–	14 427	14 427	–	14 427
Balance at 28 February 2023	650 973	(492)	71 548	3 112 898	3 834 927	1 591	3 836 518

RECONCILIATION OF HEADLINE EARNINGS

For the year ended 28 February 2023



		Audited year ended 28 February 2023	Audited year ended 28 February 2022
Basic and headline earnings per share			
Basic	(cents)	93.74	77.24
Headline	(cents)	91.49	75.88
Diluted earnings	(cents)	93.68	77.01
Diluted headline earnings	(cents)	91.42	75.65
Tangible net asset value per share*	(cents)	819.38	745.45
Net asset value per share**	(cents)	824.38	749.01
Weighted average number of shares in issue	('000)	465 382	469 412
Net asset value	(R'000)	3 836 518	3 515 923
Reconciliation of profit for the period to basic and headline earnings:			
Profit for the year attributable to equity holders	(R'000)	436 267	362 579
Basic earnings	(R'000)	436 267	362 579
Adjusted for:			
– Profit on disposal of property, plant and equipment and intangible assets	(R'000)	(1 615)	(8 300)
– Gain on bargain purchase	(R'000)	(4 222)	–
– Fair value gain on investment property	(R'000)	(3 268)	–
– Fair value gain on deemed disposal of associate	(R'000)	(2 462)	–
– Tax effect on the above items	(R'000)	1 068	1 910
Headline earnings	(R'000)	425 768	356 189
Weighted average number of shares			
Weighted average number of shares in issue	('000)	465 382	469 412
Potential dilutive impact of share options	('000)	328	1 405
Weighted average number of diluted shares in issue	('000)	465 710	470 817

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

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

NOTES TO THE ABRIDGED CONSOLIDATED STATEMENTS



For the year ended 28 February 2023

1. BASIS OF PREPARATION

The abridged consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") 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 Financial Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listing 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 liability which is measured at fair value through other comprehensive income. The abridged 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 abridged consolidated financial statements were derived are available on our website at no charge. The accounting policies are in terms of IFRS. The accounting policies and methods of computation are consistent to those of the prior year annual consolidated financial statements. The abridged audited 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 22 May 2023. The abridged 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.

2. REVENUE

Revenue from contracts with customers

	Audited year ended 28 February 2023 R'000	Audited year ended 28 February 2022 R'000
Revenue from the sale of apartments	3 243 815	3 073 506
Rental of electronic communication	43 124	31 883
Bond commission	16 999	15 804
Rendering of services to residential developments	6 988	–
	3 310 926	3 121 193

Revenue other than revenue from contracts with customers

Rental income	10 888	–
Donation income	5 094	4 076
	15 982	4 076
	3 326 908	3 125 269

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.

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 28 February 2023

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 2023 R'000	Audited year ended 28 February 2022 R'000
Disclosure of disaggregated revenue from the sale of apartments by region:		
Gauteng	1 542 544	1 851 581
Western Cape	1 135 322	896 259
KwaZulu-Natal	565 949	325 666
	3 243 815	3 073 506
Disclosure of disaggregated revenue from the sale of apartments by development brands:		
Classic Collection	1 987 145	1 992 279
Green Collection	548 332	583 239
Signature Collection	708 338	497 988
	3 243 815	3 073 506
Disclosure of timing of revenue recognition		
At a point in time		
Revenue from sale of apartments	3 243 815	3 073 506
Bond commission	16 999	15 804
Rendering of services to residential developments	4 370	-
	3 265 184	3 089 310
Over time		
Rental of electronic communication	43 124	31 883
Rendering of services to residential developments	2 618	-
	45 742	31 883
Total revenue from contracts with customers	3 310 926	3 121 193

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 28 February 2023

	Audited as at 28 February 2023 R'000	Audited as at 28 February 2022 R'000
3. DEVELOPMENTS UNDER CONSTRUCTION		
Developments under construction	5 734 382	4 819 472
Developments under construction include the following:		
Cost of construction	2 906 124	2 093 496
Land and land contribution costs	2 338 327	2 203 439
Development rights	489 931	522 537
	5 734 382	4 819 472

Development rights pertains to the rights assigned to Balwin, including all the rights to use the Waterfall Fields properties in Johannesburg 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 R2 359.5 million (2022: R2 286.5 million). No cost previously capitalised to developments under construction were written off in the current year (2022: R3.1 million). The carrying amount of land which acts as security for development loans advanced is R1 448.4 million (2022: R1 520.7 million).

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

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 28 February 2023

		Audited as at 28 February 2023 R'000	Audited as at 28 February 2022 R'000
4. SHARE CAPITAL			
Authorised			
Ordinary shares	('000)	1 000 000	1 000 000
Issued and fully paid up			
Ordinary shares	(R'000)	670 206	670 206
BEE shares	(R'000)	171 878	171 878
Treasury shares	(R'000)	(191 111)	(177 859)
		650 973	664 225
The unissued shares are under the control of the directors until the next annual general meeting.			
Reconciliation of shares in issue			
Opening balance		469 822	469 255
Treasury shares issued to settle long-term incentive scheme		2 500	567
Shares repurchased back and held in treasury		(7 112)	–
Closing balance		465 209	469 822
5. DEVELOPMENT LOANS AND FACILITIES			
Held at amortised cost			
Development loans		1 469 175	1 588 404
General banking facility		858 930	675 180
Investment loan facility		628 414	277 026
		2 956 519	2 540 610

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 28 February 2023

5. DEVELOPMENT LOANS AND FACILITIES (continued)

Development loans	Average nominal interest rate %	Maturity date	Audited as at 28 February 2023 R'000
Non-current loans			
Deutsche Investitions-Und Entwicklungsgesellschaft MBH	3 Month Jibar plus 6.9%	December 2026	75 000
Century Property Developments Proprietary Limited	Prime	November 2027	157 496
			232 496
Current loans			
Absa Bank Limited	Prime	Between March 2023 and February 2024	412 613
Absa Bank Limited	Prime less 0.25%	Between March 2023 and February 2024	291 309
First National Bank Limited	Prime	Between March 2023 and February 2024	72 859
Investec Bank Limited	Prime	Between March 2023 and February 2024	70 856
Investec Bank Limited	Prime less 0.25%	Between March 2023 and February 2024	83 827
Nedbank Limited	3 Month Jibar plus 2.847%	Between March 2023 and February 2024	26 326
Nedbank Limited	3 Month Jibar plus 2.89%	Between March 2023 and February 2024	10
Nedbank Limited	3 Month Jibar plus 2.94%	Between March 2023 and February 2024	30 449
Nedbank Limited	3 Month Jibar plus 3.053%	Between March 2023 and February 2024	49 022
Nedbank Limited	3 Month Jibar plus 3.069%	Between March 2023 and February 2024	5 540
Nedbank Limited	3 Month Jibar plus 3.076%	Between March 2023 and February 2024	3 602
Nedbank Limited	3 Month Jibar plus 3.35%	Between March 2023 and February 2024	9 899
Nedbank Limited	Prime	Between March 2023 and February 2024	57 920
National Housing Finance Corporation Limited	Prime	Between March 2023 and February 2024	29 772
Futuregrowth Asset Management Proprietary Limited	3 Month Jibar plus 3.75%	Between March 2023 and February 2024	85 864
Century Property Developments Proprietary Limited	Prime	February 2024	6 811
			1 236 679
Total development loans			1 469 175
Investment loan and general banking facilities			
Non-current loans			
Ninety One SA Proprietary Limited	3 Month Jibar plus 4.75%	July 2026	298 644
Stanlib Asset Management Proprietary Limited	3 Month Jibar plus 4.75%	July 2026	499 783
Sanlam Investment Management Proprietary Limited	3 Month Jibar plus 4%	July 2026	60 503
Investec Bank Limited	Prime less 0.25%	June 2028	176 316
			1 035 246
Current loans			
Absa Bank Limited	Prime	March 2023	257 305
Absa Bank Limited	Prime less 1.45%	No fixed terms of repayment	70 000
Investec Bank Limited	Prime	August 2023	19 446
Nedbank Limited	Prime less 0.6%	June 2023	39 243
Nedbank Limited	Prime less 0.6%	December 2023	61 540
Investec Bank Limited	Prime less 0.25%	February 2024	4 564
			452 098
Total investment loans and general banking facilities			1 487 344
Total development loans and facilities			2 956 519

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 28 February 2023

5. DEVELOPMENT LOANS AND FACILITIES (continued)

Development loans	Average nominal interest rate %	Maturity date	Audited as at 28 February 2022 R'000
Non-current loans			
Century Property Developments Proprietary Limited	Prime	November 2027	147 594
Portimix Proprietary Limited	8%	Between June 2023 and June 2025	15 934
			163 528
Current loans			
ABSA Bank Limited	Prime less 0.25%	Between March 2022 and February 2023	166 414
ABSA Bank Limited	Prime	Between March 2022 and February 2023	316 744
Century Property Developments Proprietary Limited	Prime	February 2023	9 782
First National Bank Limited	Prime less 0.5%	Between March 2022 and February 2023	142 213
First National Bank Limited	Prime	Between March 2022 and February 2023	86 094
Investec Bank Limited	Prime less 0.25%	Between March 2022 and February 2023	24 440
Investec Bank Limited	Prime	Between March 2022 and February 2023	165 746
National Housing Finance Corporation Limited	Prime	Between March 2022 and February 2023	69 124
Nedbank Limited	Prime	Between March 2022 and February 2023	266 754
Nedbank Limited	3 Month Jibar plus 2.89%	Between March 2022 and February 2023	126 622
Nedbank Limited	3 Month Jibar plus 2.94%	Between March 2022 and February 2023	41 252
Nedbank Limited	3 Month Jibar plus 2.97%	Between March 2022 and February 2023	9 691
			1 424 876
			1 588 404
Investment loan and general banking facilities			
Non-current loans			
Stanlib Asset Management Proprietary Limited	3 Month Jibar plus 4.75%	July 2024	497 763
Sanlam Investment Management Proprietary Limited	3 Month Jibar plus 4%	January 2025	60 222
			557 985
Current loans			
Nedbank Limited	Prime	March 2022	117 195
ABSA Bank Limited	Prime	March 2022	173 755
ABSA Bank Limited	Prime less 1.7%	No fixed terms of repayment	65 000
Investec Bank Limited	Prime	Between March 2022 and February 2023	38 271
			394 221
Total investment loans and general banking facilities			952 206
Total development loans and facilities			2 540 610

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 loan payable to Century Property Developments Proprietary Limited have a long-term repayment term with a fixed maturity date. The loan reflect the discounted contractual cash flows and have been discounted at the average lending rate of the Group at inception of the transactions.

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.

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 28 February 2023

6. BUSINESS COMBINATIONS

Balwin Rentals Proprietary Limited

As part of Balwin's strategic initiative to expand on its rental portfolio, Balwin Rentals bought back 75% of the issued shares from their shareholder at a purchase price of R18 million settled by way of a loan from the group to Balwin Rentals. Following the transaction, the group's previous 25% shareholding represents 100% of the issued shares in Balwin Rentals resulting in the group obtaining control. Balwin Rentals is principally involved in the holding of investment property and rental property industry.

A bargain purchase gain of R4.2 million was recognised on acquisition. The gain resulted from the consideration transferred being lower than the fair value of net assets acquired which is primarily attributable to the fair value of the investment property remeasured at acquisition.

	Audited as at 28 February 2023 R'000	Audited as at 28 February 2022 R'000
Fair value of assets acquired and liabilities assumed		
Investment property	149 752	–
Loans to related parties	(13 780)	–
Cash and cash equivalents	3 866	–
Development loans and facilities	(100 783)	–
Deferred taxation	(8 166)	–
Trade and other payables	(329)	–
Current tax payable	(222)	–
Total identifiable net assets	30 338	–
Fair value of equity interest held before the business combination	(8 116)	–
Gain on a bargain purchase in a business combination	(4 222)	–
Cash consideration paid for acquisition	18 000	–
Acquisition date fair value of consideration paid		
Cash paid as part of acquisition	(18 000)	–
Cash received as part of acquisition	3 866	–
Total cash outflow on acquisition date	(14 134)	–

Revenue and profit or loss of Balwin Rentals Proprietary Limited

Revenue of R9.1 million and net profit of R3.1 million have been included in the group's results since the date of acquisition. Revenue and profit for the year, as if the acquisition took place at the beginning of the year, was R13.5 million and R4.5 million respectively.

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 28 February 2023

	Audited as at 28 February 2023 R'000	Audited as at 28 February 2022 R'000
7. RELATED PARTIES		
Related party balances		
Loan accounts and trade receivables owing by related parties:		
Balwin Rentals Proprietary Limited	–	14 112
Legaro Property Development Proprietary Limited***	–	19 012
Related party transactions		
Sale of apartments to related parties:		
Directors and prescribed officers:		
Lucille Properties Proprietary Limited*	69 068	45 537
Shelby Prop Investments Proprietary Limited**	19 018	3 304
Rental guarantee payments:		
Balwin Rentals Proprietary Limited	325	1 379
Right-of-use asset:		
The Corlett Drive Trust	–	8 525
Property rental management fee received:		
Directors and prescribed officers:		
RN Gray	153	143
J Weltman#	–	5
U Gschnaidtner	15	15
SV Brookes	572	467
Rental paid to related parties:		
Directors, prescribed officers and companies:		
Balwin Rentals Proprietary Limited	–	662
Volker Properties Proprietary Limited*	532	1 208
Lucille Properties Proprietary Limited*	869	386
Shelby Prop Investments Proprietary Limited**	712	912
J Weltman#	–	2
M Brookes†	–	29
Key West Trust^	6	–
Compensation to directors and other key management:		
Directors emoluments	55 703	44 941

* The entity is controlled by SV Brookes

** The entity is controlled by RN Gray

*** Spouse of SV Brookes has significant influence over the entity and is a member of the key management personnel

† Spouse of SV Brookes

^ Trust controlled by spouse of RN Gray

Resigned with effect from 31 March 2022

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 28 February 2023

	Audited as at 28 February 2023 R'000	Audited as at 28 February 2022 R'000
8. FINANCIAL INSTRUMENTS		
Financial assets at amortised cost		
Development loans receivable	27 021	20 402
Loans to related parties	–	14 112
Loans to external parties	8 664	10 264
Trade and other receivables	217 073	755 687
Restricted cash	164 376	1 086
Cash and cash equivalents	607 349	665 636
	1 024 483	1 467 187
Financial liabilities at amortised cost		
Development loans and facilities	(2 956 519)	(2 540 610)
Trade and other payables	(87 293)	(93 959)
	(3 043 812)	(2 634 569)
Financial liabilities at fair value through other comprehensive income		
Other financial liabilities	(684)	–

9. 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 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 of the investment property as well as the net asset value approach of the investment that is being valued. This information is based on unobservable market data, and adjusted for based on management's experience and knowledge of the investment.

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

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 28 February 2023

10. SEGMENTAL REPORTING

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

Nature of operations

- Sale of apartments
- Provision of services to residential estates
- Bond commission
- Residential and commercial property rentals
- Balwin Foundation

	Sale of apartments R'000	Provision of services to residential estates R'000	Bond commission R'000	Residential and commercial property rentals R'000	Balwin Foundation R'000	Total R'000
Segmental reporting for statement of financial position for the year ended 28 February 2023						
Non-current assets	119 429	73 304	538	326 611	274	520 156
Current assets	6 726 666	23 636	9 342	14 100	4 347	6 778 091
Total assets	6 846 095	96 940	9 880	340 711	4 621	7 298 247
Non-current liabilities	1 361 101	–	–	180 880	–	1 541 981
Current liabilities	1 691 818	82 140	6 724	138 797	269	1 919 748
Total liabilities	3 052 919	82 140	6 724	319 677	269	3 461 729
Segmental reporting for statement of financial position for the year ended 28 February 2022						
Non-current assets	228 691	62 980	–	–	264	291 935
Current assets	6 286 975	12 317	–	–	4 754	6 304 046
Total assets	6 515 666	75 297	–	–	5 018	6 595 981
Non-current liabilities	1 083 470	–	–	–	–	1 083 470
Current liabilities	1 924 017	72 339	–	–	232	1 996 588
Total liabilities	3 007 487	72 339	–	–	232	3 080 058
Segmental reporting for statement of profit or loss and other comprehensive income for the year ended 28 February 2023						
Revenue	3 243 815	50 112	16 999	10 888	5 094	3 326 908
Gross profit	884 349	50 112	16 999	10 888	(2 198)	960 150
Operating expenses	(323 150)	(47 818)	(9 560)	(9 632)	(2 608)	(392 768)
Profit for the year	420 208	1 564	5 238	9 434	910	437 354
Segmental reporting for statement of profit or loss and other comprehensive income for the year ended 28 February 2022						
Revenue	3 089 310	33 276	–	–	2 683	3 125 269
Gross profit	802 786	33 276	–	–	(3 506)	832 556
Operating expenses	(315 087)	(23 949)	–	–	3 290	(335 746)
Profit for the year	357 693	5 573	–	–	(142)	363 124

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.

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 28 February 2023

	Audited as at 28 February 2023 R'000	Audited as at 28 February 2022 R'000
11. COMMITMENTS		
Authorised capital expenditure		
Already contracted for but not provided for		
Land (Unconditional)	50 000	146 532
Land (Conditional)	338 000	317 625
Infrastructure (Unconditional)	189 847	12 810

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.

12. EVENTS AFTER THE REPORTING PERIOD

The board declared a final gross dividend of 14.1 cents per share payable to the ordinary shareholders out of the income reserves of the group. Other than the declaration of dividend, the directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.



IZINGA ECO ESTATE

SHAREHOLDER ANALYSIS



NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS continued

For the year ended 28 February 2023

SHAREHOLDER SPREAD	No of Share Holders	%	No of Shares	%
1 – 1 000 shares	24 081	92.58	1 711 767	0.33
1 001 – 10 000 shares	1 428	5.49	5 031 522	0.97
10 001 – 100 000 shares	405	1.56	12 905 815	2.48
100 001 – 1 000 000 shares	69	0.27	19 609 359	3.78
1 000 001 – 10 000 000 shares	19	0.07	75 694 276	14.57
10 000 001 shares and over	9	0.03	404 459 113	77.87
Totals	26 011	100.00	519 411 852	

DISTRIBUTION OF SHAREHOLDERS	No of Share Holders	%	No of Shares	%
Individuals	25 698	98.80	34 209 333	6.59
Private Companies	99	0.38	305 453 681	58.81
Trusts	69	0.27	10 733 353	2.07
Other Corporations	46	0.18	46 745	0.01
Banks/Brokers	29	0.11	17 197 372	3.31
Retirement Funds	21	0.08	2 567 461	0.49
Close Corporations	19	0.07	480 053	0.09
Mutual Funds	17	0.07	70 158 491	13.51
Insurance Companies	6	0.02	23 951 212	4.61
Endowment Funds	3	0.01	80 021	0.02
Treasury Stock	2	0.01	7 186 635	1.38
Empowerment	1	0.00	47 219 260	9.09
Medical Schemes	1	0.00	128 235	0.02
Totals	26 011	100.00	519 411 852	

PUBLIC / NON-PUBLIC SHAREHOLDERS	No of Shareholdings	%	No of Shares	%
Public Shareholders	25 996	99.94	232 300 468	44.72
Non - Public Shareholders	15	0.06	287 111 384	55.28
Directors of the company	6	0.02	174 221 043	33.54
Prescribed Officers	6	0.02	58 484 446	11.26
Treasury Stock	2	0.01	7 186 635	1.38
Empowerment	1	0.00	47 219 260	9.09
Totals	26 011	100.00	519 411 852	

Beneficial Shareholders holding 5% or more	No of Shares	%
Brookes, SV	170 374 031	32.80
Gray, RN	48 333 658	9.31
Tatovect (Pty) Ltd	47 219 260	9.09
GRE Africa Ltd	39 357 225	7.58
Nedbank Group	28 500 000	5.49
Totals	333 379 316	

SHAREHOLDER ANALYSIS continued

BREAKDOWN OF NON-PUBLIC HOLDINGS

Directors	Associates/Family	No. of Shares	%
Brookes, SV		170 374 031	32.80
Volker Holdings (Pty) Ltd*		170 374 031	32.80
Zekry, R		3 633 269	0.70
Zekry, R		3 633 269	0.70
Bigham, JS		54 353	0.01
Bigham, JS		54 353	0.01
Shapiro, A		150 000	0.03
Salvete Trust		150 000	0.03
Amosun, O		9 390	0.00
Amosun, O		9 390	0.00
Totals		174 221 043	33.54
Prescribed officer		No. of Shares	%
Gschnaidtner, U		10 150 788	1.95
Gschnaidtner, U		10 150 788	1.95
Gray, RN		48 333 658	9.31
Rodna Investments (Pty) Ltd		47 928 800	9.23
Gray, C		202 429	0.04
Gray, E		202 429	0.04
Totals		58 484 446	11.26
Treasury Stock		No. of Shares	%
Balwin Properties Ltd		7 186 635	1.38
Balwin Properties Ltd		7 112 000	1.37
Balwin Properties Ltd		74 635	0.01
Totals		7 186 635	1.38
Empowerment		No. of Shares	%
Tatovect (Pty) Ltd		47 219 260	9.09
Tatovect (Pty) Ltd		47 219 260	9.09
Totals		47 219 260	9.09

BREAKDOWN OF BENEFICIAL SHAREHOLDERS HOLDING 5% OR MORE

Beneficial Shareholders Holding 5% or more	No. of Shares	%
Brookes, SV	170 374 031	32.80
Volker Holdings (Pty) Ltd*	170 374 031	32.80
Gray, RN	47 928 800	9.23
Rodna Investments (Pty) Ltd	47 928 800	9.23
Tatovect (Pty) Ltd	47 219 260	9.09
Tatovect (Pty) Ltd	47 219 260	9.09
GRE Africa Ltd	39 357 225	7.58
GRE Africa Ltd	39 357 225	7.58
Nedbank Group	28 500 000	5.49
Nedgroup Investments Opportunity Fund	22 000 000	4.24
Nedgroup Investments Entrepreneur Fund	6 500 000	1.25
Totals	333 379 316	64.19

*All shares are pledged as security.

NOTICE OF ANNUAL GENERAL MEETING



BALWIN PROPERTIES LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2003/028851/06)

JSE share code: BWN

ISIN: ZAE000209532

("Balwin" or "the company")

Notice is hereby given that the annual general meeting of the company's shareholders will be held through electronic participation on Friday, 18 August 2023 at 09:00 ("the AGM").

The AGM is permitted to be held through electronic communication in accordance with the Johannesburg Stock Exchange Limited ("JSE") and the provisions of the Companies Act 71 of 2008, as amended (the "Companies Act") and the company's memorandum of incorporation.

To this end, the company has engaged the services of The Meeting Specialist Proprietary Limited ("TMS") to host the AGM on an interactive electronic platform, in order to facilitate electronic participation and voting by shareholders. TMS will also act as scrutineer.

PURPOSE

The purpose of the meeting is to receive, consider and adopt the annual financial statements of the company and the group for the year ended 28 February 2023; to transact the business set out in this notice of annual general meeting ("AGM notice") by considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions hereunder; and to transact such other business as may be transacted at the AGM.

Record date, attendance and voting

2023

Record date in order to be eligible to receive the AGM notice	Friday, 14 July
AGM notice posted to shareholders	Thursday, 20 July
Last date to trade in order to be eligible to vote at the AGM	Monday, 7 August
Record date in order to be eligible to vote at the AGM	Friday, 11 August
Last day to lodge forms of proxy for administration purposes for the AGM (by 09:00)	Thursday, 17 August
AGM (at 09:00)	Friday, 18 August
Results of the AGM released on Stock Exchange News Service ("SENS")	Friday, 18 August

1. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote on their behalf. A proxy need not be a member of the company. A form of proxy, which sets out the relevant instructions for completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM. Shareholders are strongly encouraged to submit votes by proxy before the AGM for administrative purposes.
2. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such shareholders and the CSDP or broker. These instructions should preferably be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.

3. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and the CSDP or broker in the manner and time stipulated therein.
4. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held. TMS will assist shareholders with the requirements for electronic participation in, and/or voting at, the AGM. TMS is further obliged to validate (in correspondence with the company and, in particular, the transfer secretary, Computershare Limited ("Computershare"), and your CSDP) each such Shareholder's entitlement to participate in and/or vote at the AGM, before providing it with the necessary means to access the annual general meeting and/or the associated voting platform.
5. Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of the JSE, the company and/or TMS. The JSE, the company, and/or TMS cannot be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder from participating in and/or voting at the annual general meeting.

AGENDA

Presentation and consideration of the consolidated and separate annual financial statements of Balwin, including the reports of the directors, the audit and risk committee and the social, ethics and transformation committee for the year ended 28 February 2023. The complete annual financial statements for the year ended 28 February 2023, together with these reports are available for inspection at the registered office of the company, 105 Corlett Drive, Melrose, Johannesburg and on the website www.balwin.co.za; and

NOTICE OF ANNUAL GENERAL MEETING continued

To consider and, if deemed fit, approve, with or without modification, the following ordinary and special resolutions:

Note:

In order for any of the ordinary resolutions numbers 1 to 10 to be adopted, the support of more than 50% of the voting rights exercised by shareholders, present in person or by proxy must be exercised in favour thereof.

In order for ordinary resolution numbers 11 and special resolutions 1 to 3 to be adopted, the support of at least 75% of the voting rights exercised by shareholders, present in person or by proxy must be exercised in favour thereof.

ORDINARY BUSINESS

1. Ordinary resolution number 1: Re-election of Hilton Saven as an independent non-executive director

“Resolved that Hilton Saven, who retires by rotation in terms of the memorandum of incorporation of the company and who, being eligible, offers himself for re-election, be and is hereby re-elected as an independent non-executive director of the company.”

An abbreviated curriculum vitae of Hilton Saven appears on page 23 of the integrated annual report.

The remuneration and nominations committee has considered Hilton Saven’s past performance and contribution to the company and, in accordance with article 38.3 of the memorandum of incorporation of the company, recommends that Hilton Saven be re-elected as an independent non-executive director of the company.

2. Ordinary resolution number 2: Re-election of Julian Scher as an independent non-executive director

“Resolved that Julian Scher, who retires by rotation in terms of the memorandum of incorporation of the company and who, being eligible, offers himself for re-election, be and is hereby re-elected as an independent non-executive director of the company.”

An abbreviated curriculum vitae of Julian Scher appears on page 23 of the integrated annual report.

The remuneration and nominations committee has considered Julian Scher’s past performance and contribution to the company and, in accordance with article 38.3 of the memorandum of incorporation of the company, recommends that Julian Scher be re-elected as an independent non-executive director of the company.

3. Ordinary resolution number 3: Re-election of Tomi Amosun as an independent non-executive director

“Resolved that Tomi Amosun, who retires by rotation in terms of the memorandum of incorporation of the company and who, being eligible, offers himself for re-election, be and is hereby re-elected as an independent non-executive director of the company.”

An abbreviated curriculum vitae of Tomi Amosun appears on page 22 of the integrated annual report.

The remuneration and nominations committee has considered Tomi Amosun’s past performance and contribution to the company and, in accordance with article 38.3 of the memorandum of incorporation of the company, recommends that Tomi Amosun be re-elected as an independent non-executive director of the company.

Reason for ordinary resolution numbers 1, 2 and 3

The reason for ordinary resolution numbers 1 to 3 is that article 38.3 of the memorandum of incorporation of the company requires that one third of the non-executive

directors shall retire at the AGM and, if eligible, may offer themselves for re-election as directors.

Hilton Saven, Julian Scher and Tomi Amosun will retire from office and are eligible for re-election.

Hilton Saven, Julian Scher and Tomi Amosun have confirmed their willingness to continue to serve as directors of the board.

4. Ordinary resolution number 4: Election of Keneilwe Moloko as an independent non-executive director

“Resolved that Keneilwe Moloko, who was appointed to the board subsequent to the 2022 annual general meeting and retires in terms of the memorandum of incorporation of the company and who, being eligible, offers herself for election, be and is hereby elected as an independent non-executive director of the company, with effect from 19 August 2022.”

An abbreviated curriculum vitae of Keneilwe Moloko who was appointed as an independent non-executive director appears on page 22 of the integrated annual report.

The remuneration and nominations committee has considered Keneilwe Moloko’s past performance and contribution to the company and in, accordance with article 38.3.3 of the memorandum of incorporation of the company, recommends that Keneilwe Moloko be elected as an independent non-executive director of the company.

Reason for ordinary resolution number 4

Any non-executive director appointed by the Board in terms of article 38.9 of the memorandum of incorporation after the conclusion of the company’s AGM shall retire from office at the conclusion of the AGM held immediately after his/her appointment unless the appointment is confirmed by the shareholders at such AGM.

Furthermore, in terms of article 38.2 of the memorandum of incorporation, all of the directors will be elected by ordinary resolution at any shareholders meeting or at the AGM, as the case may be.

NOTICE OF ANNUAL GENERAL MEETING continued

5. Ordinary resolution number 5: Appointment of the auditors

“Resolved that BDO South Africa Incorporated, together with Vianca Pretorius as the designated auditor, be and are hereby appointed as the independent auditors of the company from the conclusion of this AGM until the conclusion of the next AGM of the company.”

Reason for ordinary resolution number 5

In accordance with section 94(7) of the Companies Act, the audit and risk committee has nominated for appointment as auditors of the company under section 90 of the Companies Act, BDO South Africa Incorporated.

The reason for ordinary resolution number 5 is that the company, being a public listed company, must have its financial results audited and, in accordance with section 90 of the Companies Act, its auditor must be appointed or re-appointed each year at the AGM of the company.

6. Ordinary resolution number 6: Re-appointment of Tomi Amosun as a member of the audit and risk committee

“Resolved that, subject to the successful passing of ordinary resolution number 3 and in terms of section 94(2) of the Companies Act, Tomi Amosun, an independent non-executive director, be and is hereby elected a member of the company’s audit and risk committee, with effect from the conclusion of this AGM.”

An abbreviated curriculum vitae of Tomi Amosun appears on page 22 of this integrated annual report.

7. Ordinary resolution number 7: Re-appointment of Arnold Shapiro as a member of the audit and risk committee

“Resolved that, in terms of section 94(2) of the Companies Act, Arnold Shapiro, an independent non-executive director, be and is hereby elected a member of the company’s audit and risk committee, with effect from the conclusion of this AGM.”

An abbreviated curriculum vitae of Arnold Shapiro appears on page 23 of this integrated annual report.

8. Ordinary resolution number 8: Appointment of Keneilwe Moloko as a member of the audit and risk committee

“Resolved that, subject to the successful passing of ordinary resolution number 4 and in terms of section 94(2) of the Companies Act, Keneilwe Moloko, an independent non-executive director, be and is hereby elected a member of the company’s audit and risk committee, with effect from the conclusion of this AGM.”

An abbreviated curriculum vitae of Keneilwe Moloko appears on page 22 of this integrated annual report.

Reason for ordinary resolution numbers 6, 7 and 8

The reason for ordinary resolution numbers 6, 7 and 8 is that the company, being a public listed company, must appoint an audit committee as prescribed by section 94(2) of the Companies Act, which requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each AGM of the company.

9. Ordinary resolution number 9: Endorsement of remuneration policy and implementation report, by way of separate resolutions

Ordinary resolution 9.1

“Resolved that the company’s remuneration policy, as set out in the remuneration report on page 91, be and is hereby approved by way of a non-binding advisory vote of shareholders of the company in terms of the King IV Report on Corporate Governance (“King IV”) and the JSE Listings Requirements.”

Ordinary resolution 9.2

“Resolved that, the group’s implementation report, as set out on page 97 of the remuneration report, be and is hereby endorsed as a non-binding advisory vote of shareholders of

the company in terms of the King IV and the JSE Listings Requirements.”

Reason for ordinary resolution number 9

The reason for ordinary resolution number 9 is that King IV recommends that the remuneration policy and the implementation report be endorsed through a non-binding advisory vote by shareholders at the AGM of a company.

In accordance with the requirements of King IV, the group undertakes to engage with dissenting shareholders should 25% or more of the shareholders vote against either or both the remuneration policy and the implementation report. This process is aimed at determining shareholder concerns and the group will take reasonable measures to address these concerns.

10. Ordinary resolution 10: Authority to directors to implement resolutions

“Resolved that the executive directors of the company be and are hereby authorised to do all such tasks and sign all such documents deemed necessary to implement the resolutions set out in the notice convening the AGM at which these resolutions will be considered.”

Reason for ordinary resolution 10

The reason for ordinary resolution number 10 is to authorise the executive directors to implement the resolutions passed at the AGM.

11. Ordinary resolution number 11: General authority to issue shares for cash

“Resolved that, subject to the restrictions set out below, the directors be and are hereby authorised, pursuant, *inter alia*, to the company’s memorandum of incorporation and subject to the provisions of the Companies Act and the JSE Listings Requirements, until this authority lapses which shall be at the next AGM or 15 months from the date hereof, whichever is the earliest, to allot and issue shares of the company for cash on the following basis:

NOTICE OF ANNUAL GENERAL MEETING continued

1. the allotment and issue of shares must be made to persons qualifying as public shareholders and not to related parties, as defined in the JSE Listings Requirements subject to paragraph 7;
2. the shares which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
3. the total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 51 941 185, being 10% (ten percent) of the company's issued shares as at the date of notice of this AGM. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 51 941 185 shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
4. In the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
5. the maximum discount at which the shares may be issued is 10% (ten percent) of the weighted average traded price of such shares measured over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares;
6. after the company has issued shares for cash which represent, on a cumulative basis, within the period that this authority is valid, 10% (ten percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average trade price of the shares over the 30 days prior to the date that the issue is agreed in writing and the effect of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share, and if applicable, diluted earnings per share and diluted headline earnings per share;

7. related parties may participate in a general issue for cash through a bookbuild process provided:
 - i. Related parties may 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 the book" and not be allocated shares; and
 - ii. Equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild.

Reason for ordinary resolution number 11

For public listed entities wishing to issue shares, it is necessary for the board of directors not only to obtain the prior authority of the shareholders in accordance with the company's memorandum of incorporation but it is also necessary to obtain the prior authority of shareholders in accordance with the JSE Listings Requirements. The reason for this resolution is accordingly to obtain a general authority from shareholders to issue shares in compliance with the JSE Listings Requirements.

Note: In order for this ordinary resolution number 11 to be adopted, the support of at least 75% of the voting rights exercised by shareholders, present in person or by proxy must be exercised in favour thereof.

SPECIAL BUSINESS

12. Special resolution number 1: Remuneration of non-executive directors

"Resolved that the remuneration payable to the non-executive directors be approved on the following basis in quarterly payments with effect from this AGM until the next AGM:

Position	Recommended remuneration (6% increase)
Board of directors	
Chairman	R570 100
Member	R240 100
Audit and risk committee	
Chairman	R240 100
Member	R192 200
Remuneration and nominations committee	
Chairman	R192 200
Member	R160 200
Social, ethics and transformation committee	
Chairman	R192 200
Member	R160 200
Transaction committee	
Chairman	R209 600
Member	R149 600
Treasury committee	
Chairman	R209 600
Member	R149 600

Reasons for and effect of special resolution number 1

The reason for the proposed special resolution, is to comply with section 66(9) of the Companies Act, which requires the approval of directors fees prior to the payment of such fees.

The effect of special resolution number 1 is that the company will be able to pay its non-executive directors for the services they render to the company as directors without requiring further shareholder approval until the next AGM.

13. Special resolution number 2: Financial assistance to related and inter-related companies

“Resolved that to the extent required by the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company’s memorandum of incorporation and the Companies Act, authorise the company to provide direct or indirect financial assistance, as contemplated in section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure for a period of not more than 2 years, and further provided that in as much as the company’s provision of financial assistance to its subsidiaries will at any and all times be in excess of one-tenth of 1% of the company’s net worth, the company hereby provides notice to its shareholders of that fact.”

NOTICE IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT IN RESPECT OF SPECIAL RESOLUTION NUMBER 2

Notice is hereby given to shareholders of the company in terms of section 45(5) of the Companies Act of a resolution adopted by the board of directors authorising the company to provide such direct or indirect financial assistance as specified in the special resolution above –

- a) by the time that this notice of AGM is delivered to shareholders of the company, the board of directors will have adopted a resolution (“section 45 board resolution”) authorising the company to provide, at any time and from time to time during the period of 2 years commencing on the date on which the special resolution is adopted, any direct or indirect financial assistance as contemplated in section 45 of the

Companies Act to any one or more related or inter-related companies or corporations of the company and/or to any one or more members of any such related or inter-related company or corporation and/or to any one or more persons related to any such company or corporation;

- b) the section 45 board resolution will be effective only if and to the extent that the special resolution under the heading “special resolution number 2” is adopted by the shareholders of the company, and the provision of any such direct or indirect financial assistance by the company, pursuant to such resolution, will always be subject to the board of directors being satisfied that (i) immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the company as referred to in section 45(3)(b)(ii) of the Companies Act; and
- c) in as much as the section 45 board resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of one percent of the company’s net worth at the date of adoption of such resolution, the company hereby provides notice of the section 45 board resolution to shareholders of the company.

Reason for and effect of special resolution number 2

The reason for and the effect of special resolution number 2 is to provide a general authority to the board of directors of the company to grant direct or indirect financial assistance to any company forming part of the group, including in the form of loans or the guaranteeing of their debts.

14. Special resolution number 3: Authority to repurchase shares by the company

“Resolved that as a special resolution that the company and its subsidiaries be and is hereby authorised, as a general approval, to repurchase any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of section 46 and 48 of the Companies Act, the memorandum of incorporation of the company and the Listings Requirements of the JSE namely that:

1. the general repurchase of the shares may only be implemented through the order book of the JSE and done without any prior understanding or arrangement between the company and the counterparty;
2. this general authority shall only be valid until the next AGM of the company, provided that it shall not extend beyond 15 months from the date of this resolution;
3. an announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
4. the general authority to repurchase is limited to a maximum of 10% (being 51 941 185) in the aggregate in any one financial year of the company’s issued share capital at the time the authority is granted;
5. a resolution has been passed by the board of directors approving the repurchase, that the company has satisfied the solvency and liquidity test as defined in the Companies Act and that since the solvency and liquidity test was applied there have been no material changes to the financial position or required shareholder spread of the company;

NOTICE OF ANNUAL GENERAL MEETING continued

6. the general repurchase is authorised by the company's memorandum of incorporation;
7. repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is affected. The JSE should be consulted for a ruling if the applicant's securities have not traded in such five business day period;
8. the company may at any point in time only appoint one agent to effect any repurchase(s) on the company's behalf;
9. the company and its subsidiaries may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed and have been submitted to the JSE in writing, as contemplated in terms of 5.72(h) of the Listings Requirements of the JSE;
10. the company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice of the annual general meeting;
11. assets of the company and the group will be in excess of the liabilities for a period of 12 months after the date of the notice of general meeting;
12. share capital and reserves of the company and group will be adequate for the ordinary business purposes for a period of 12 months after the date of the notice of annual general meeting;
13. working capital of the company and group will be adequate for the ordinary business purposes for a period of 12 months after the date of notice of annual general meeting."

Reason and effect of special resolution number 3

The reason for and effect of special resolution number 3 is to grant the directors a general authority in terms of its memorandum of incorporation and the JSE Listings Requirements for the acquisition by the company and/or its subsidiaries of shares issued by it on the basis reflected in the special resolution.

At the time that this notice of AGM is delivered to shareholders of the company, the directors have no specific intention with regard to the utilisation of this authority, which will only be utilised if the circumstances are determined to be appropriate by the board of directors.

The following additional information, which appears elsewhere in the integrated report, is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of special resolution number 3:

Major shareholders

Refer to page 128 of this integrated annual report.

Share Capital structure of the company

Refer to page 129 of this integrated annual report.

Directors' responsibility statement

The directors whose names appear on pages 22 and 23 of the integrated annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution 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 the Companies Act and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the integrated annual report of which this notice forms part, there have been no material changes in the affairs or financial position of the company since the date of signature of the audit report for the financial year ended 28 February 2023 and up to the date of this notice.

OTHER BUSINESS

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to the company.

Quorum

A quorum at the AGM shall be at least three shareholders, present in person or represented by proxy, entitled to attend and vote thereat and 25% of all voting rights that are entitled to be exercised as set out in article 31 of the memorandum of incorporation.

Electronic Participation

Shareholders who wish to participate electronically in and/or vote at the AGM are required to contact TMS on proxy@tmsmeetings.co.za or alternatively contact their office on +27 11 520 7950/1/2 as soon as possible, but in any event, for administrative purposes only, by no later than 09:00 on Thursday, 17 August 2023.

However, this will not in any way affect the rights of shareholders to register for the AGM after this date, provided, however, that only those shareholders who are fully verified (as required in terms of section 63(1) of the Companies Act) and subsequently registered at the commencement of the AGM, will be allowed to participate in and/or vote by electronic means.

By order of the board



Company Secretary

22 May 2023

FORM OF PROXY



BALWIN PROPERTIES LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number: 2003/028851/06)
 JSE share code: BWN ISIN: ZAE000209532
 ("Balwin" or "the company")

For use by shareholders of the company holding certificated shares and/or dematerialised shareholders who have elected "own-name" registration, nominee companies of Central Securities Depository Participant's ("CSDP") and brokers' nominee companies, registered as such at the close of business on Friday, 11 August 2023 (the "voting record date"), at the annual general meeting to be held through electronic participation on Friday, 18 August 2023 at 09:00 ("the annual general meeting") or any postponement or adjournment thereof.

If you are a dematerialised shareholder, other than with "own name" registration, do not use this form. Dematerialised shareholders, other than with "own name" registration, should provide instructions to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (please print name in full)

of (address)

being a shareholder/s of Balwin, holding
 shares in the company hereby appoint:

1.
 or, failing him/her/them,

2.
 or, failing him/her/ them,

3.
 or failing him/ them,

4. the chairman of the annual general meeting,

as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting and at any adjournment thereof and to speak and act for me/us and, on a poll, vote on my/our behalf.

My/our proxy shall vote as follows:

	Number of shares		
	In favour of	Against	Abstain
To consider the presentation of the annual financial statements for the year ended 28 February 2023			
Ordinary resolution number 1: Re-election of Hilton Saven as an independent non-executive director			
Ordinary resolution number 2: Re-election of Julian Scher as an independent non-executive director			
Ordinary resolution number 3: Re-election of Tomi Amosun as an independent non-executive director			
Ordinary Resolution 4: Election of Keneilwe Moloko as an independent non-executive director			
Ordinary resolution number 5: Appointment of the auditors (BDO South Africa Incorporated and designated audit partner, Vianca Pretorius)			
Ordinary resolution number 6: Re-appointment of Tomi Amosun as a member of the audit and risk committee			
Ordinary resolution number 7: Re-appointment of Arnold Shapiro as a member of the audit and risk committee			
Ordinary resolution number 8: Appointment of Keneilwe Moloko as a member of the audit and risk committee			
Ordinary resolution number 9: Endorsement of remuneration policy and implementation report by way of separate resolutions			
9.1 Endorsement of remuneration policy			
9.2 Endorsement of the implementation report			
Ordinary resolution number 10: Authority to directors to implement resolutions			
Ordinary resolution number 11: General authority to issue shares for cash			
Special resolution number 1: Remuneration of non-executive directors			
Special Resolution number 2: Financial assistance to related and inter-related companies			
Special Resolution number 3: Authority to repurchase shares by the company			

(indicate instruction to proxy by way of a cross in the space provided above)

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this _____ day of _____ 2023

Signature _____

Assisted by me (where applicable) _____

(State capacity and full name) _____

In the interest of efficiency, shareholders are kindly requested to submit completed forms of proxy at the office of the transfer secretaries of the company, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, posted to PO Box 61051, Marshalltown, 2107 or via email at proxy@computershare.co.za so as to arrive by 09:00 on Thursday, 17 August 2023. Any forms of proxy not lodged by this time must be handed to the company secretary or chairman of the annual general meeting immediately prior to the proxy exercising a shareholder's right at the annual general meeting.

Kindly ensure that TMS is copied when submitting all completed forms of proxy and/or letters of representation to the company's transfer secretaries.

Please forward all relevant information to the below mentioned:

The Meeting Specialist Proprietary Limited
 JSE Building
 One Exchange Square 2 Owen Lane Sandown
 South Africa 2196
 Attention: Michael Wenner
 Tel: +27 11 520-7950/1/2
 Email: proxy@tmsmeetings.co.za

Please read the notes on the reverse side hereof.

Notes to the proxy form

1. This form of proxy should only be used by shareholders holding certificated shares and/or dematerialised shareholders who have elected "own-name" registration, nominee companies of CSDP's and brokers' nominee companies.
2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the meeting", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to those whose names follow.
3. A shareholder's instructions to the proxy must be indicated by means of a tick or a cross or by the insertion of the relevant number of votes exercised by that shareholder in the appropriate box provided. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of shares in respect of which you desire to vote. If: (i) a shareholder fails to comply with the above; or (ii) gives contrary instructions in relation to any matter; or any additional resolution(s) which are properly put before the meeting; or (iii) the resolution listed in the proxy form is modified or amended, the shareholder will be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit, in respect of all the shareholder's votes exercised thereat. If, however, the shareholder has provided further written instructions which accompany this form of proxy and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in (i) to (iii) above, then the proxy shall comply with those instructions.
4. Dematerialised shareholders who wish to attend the meeting or to vote by way of proxy, must contact their CSDP or broker who will furnish them with the necessary letter of representation to attend the meeting or to be represented thereat by proxy. This must be done in terms of the custody agreement between the member and his/her CSDP or broker. These instructions must be preferably provided to the CSDP or broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.
5. Forms of proxy must be lodged at the company's transfer secretaries and TMS as set out above.
6. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
7. Documentary evidence establishing the authority of the person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chairman of the meeting.
8. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
9. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes provided that, in respect of acceptances, he is satisfied as to the manner in which the shareholder(s) concerned wish(es) to vote.
10. Where there are joint holders of shares:
 - (i) any one holder may sign the form of proxy; and
 - (ii) the vote of the senior (for that purpose seniority will be determined by the order in which the names of shareholders appear in the register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint holder(s) of shares.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company's transfer secretaries.
12. On a show of hands, every shareholder present in person or represented by proxy shall have only one vote, irrespective of the number of shares he/she holds or represents.
13. On a poll, every shareholder present in person or represented by proxy shall have one vote for every share held by such shareholder.
14. This form of proxy may be used at any adjournment or postponement of the annual general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.

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
Thoko Mokgosi-Mwantembe
Keneilwe Moloko
Julian Scher
Arnold Shapiro
Ronen Zekry

Non-executive

Reginald Kukama

Executive

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

Contact details

Telephone: +27 (0)11 450 2818
E-mail: investorrelations@balwin.co.za
Website: www.balwin.co.za
Postal address: Private Bag X4, Gardenview, 2047

Registered address

105 Corlett Drive, Melrose, 2196

Company secretary

FluidRock Co Sec Proprietary Limited
Telephone: +27 (0)86 111 1010
E-mail: caroline@fluidrockgovernance.com

Corporate advisors

YW Capital
Telephone: +27 (0)10 822 7663
E-mail: info@ywcap.co.za

External auditor

BDO South Africa Inc

Sponsor

Investec Bank Limited

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196
Private Bag X9000, Saxonwold, 2132
Telephone: +27 (0)11 370 5000

SHAREHOLDERS' DIARY

2023 annual general meeting 18 August 2023

2024 financial year:

Interim results to August 2023 on or about 23 October 2023
Annual results to February 2024 on or about 20 May 2024

