

UNAUDITED INTERIM FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED
31 AUGUST 2024

IT'S
ABOUT
THE

Lifestyle



Balwin
PROPERTIES®

AGENDA



OPERATIONAL OVERVIEW

FINANCIAL OVERVIEW

ANNUITIES



SUSTAINABILITY

LOOKING FORWARD

ANNEXURES





OPERATIONAL OVERVIEW

Steve Brookes
Chief Executive Officer

THABA-ECO VILLAGE LIFESTYLE CENTRE

OPERATIONAL HIGHLIGHTS

640

Apartments sold and recognised in revenue for the period

7.7%

Revenue contribution to the group from Balwin Annuities

26 404

Apartments with International EDGE certification



49%

Revenue contribution from sale of apartments in Gauteng

42 316

Apartments in development pipeline

53

International awards achieved to date at the Africa and Arabia Property Awards

OPERATIONAL REVIEW

- Revenue reduced 28% to R852.7 million compared to the prior comparative period, reflecting the challenging conditions in the residential housing market
- Total number of apartments handed over amounted to 640 during the period (August 2023: 834 apartments)
- 49% of revenue recorded from the Gauteng region, the largest contributor to group revenue
- Maintained focus on core operations by executing on existing pipeline of developments
- Continued strong demand for one- and two-bedroom apartments (73% of apartments) (August 2023: 73%)
- 743 apartments pre-sold for future financial periods and thus not recorded in revenue for the current period (August 2023: 688 apartments)
- Annuities businesses revenue increased by 17% to R65.8 million (August 2023: R56.3 million)



OPERATIONAL REVIEW

Apartments recognised in revenue in the period

Development	Region	Collection	Apartments recognised in revenue
The Huntsman	Western Cape	Classic	82
Fynbos	Western Cape	Classic	72
De Aan-Zicht	Western Cape	Classic	56
Munyaka	Gauteng	Classic	45
Greenbay	Western Cape	Green	45
Greenkloof	Gauteng	Green	44
Greenlee	Gauteng	Green	42
De Kuile	Western Cape	Classic	40
Greenpark	Gauteng	Green	31
Thaba Eco Village	Gauteng	Classic	29
The Reid	Gauteng	Classic	28
The Blyde	Gauteng	Classic	27
The Whisken	Gauteng	Classic	18
The Polofields	Gauteng	Signature	17
Munyaka Lifestyle Centre	Gauteng	Signature	16
Mooikloof Eco-Estate	Gauteng	Classic	16
Greencreek	Gauteng	Green	13
Ballito Hills	KwaZulu-Natal	Classic	11
Izinga Eco Estate	KwaZulu-Natal	Signature	8
			640



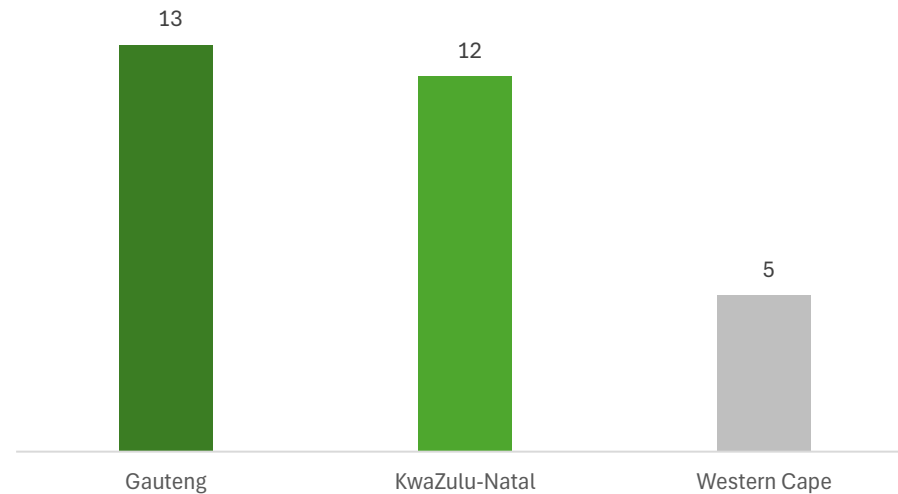
THE BLYDE

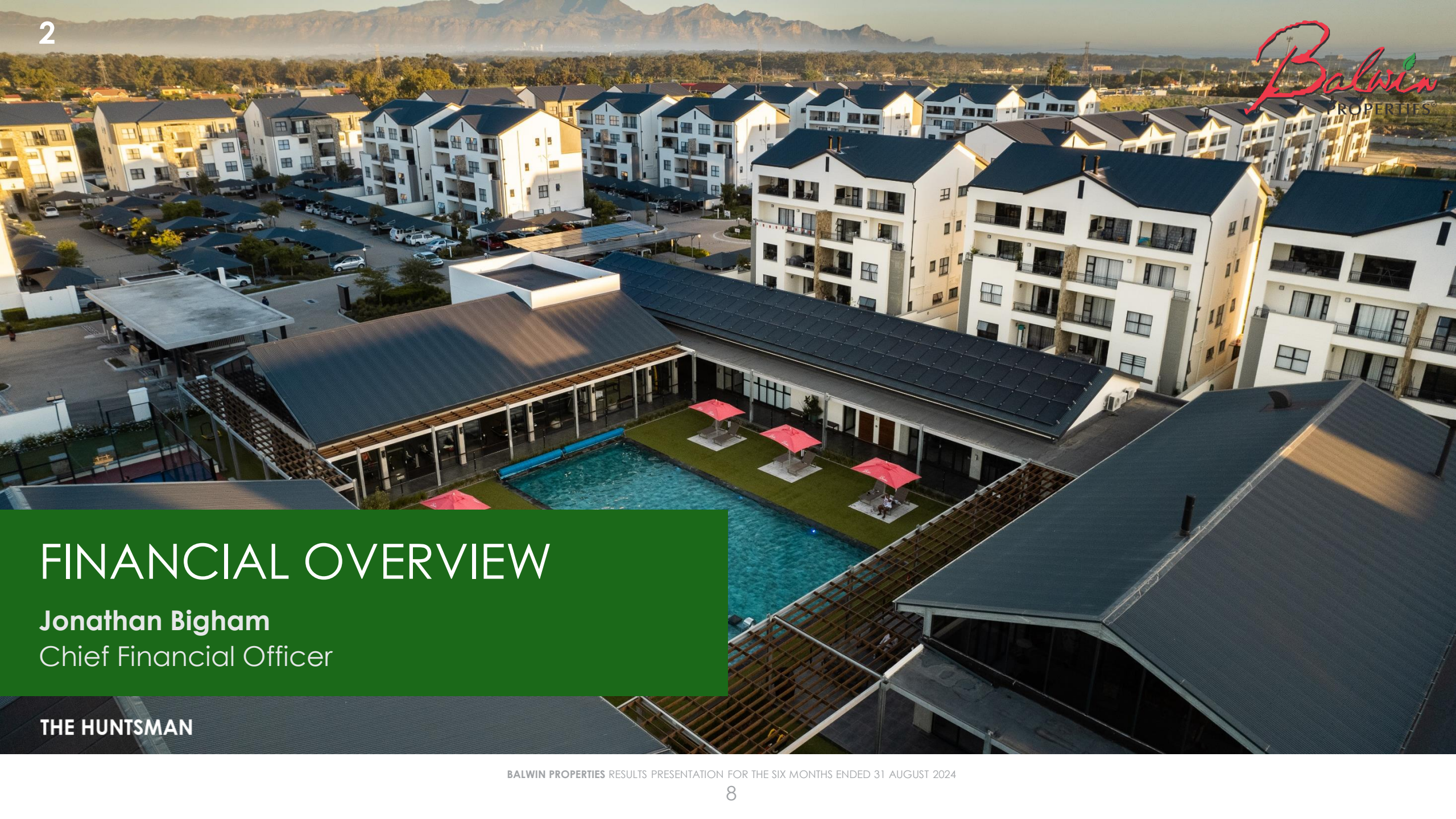
DEVELOPMENT PIPELINE



Development	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
Gauteng	37 762	8 256	8 049	8 068	188	29 506	29 694
KwaZulu-Natal	8 461	1 338	1 258	1 266	72	7 123	7 195
Western Cape	9 155	4 211	3 724	3 728	483	4 944	5 427
Total	55 378	13 805	13 031	13 062	743	41 573	42 316

DEVELOPMENT PIPELINE IN YEARS





FINANCIAL OVERVIEW

Jonathan Bigham
Chief Financial Officer

THE HUNTSMAN

FINANCIAL OVERVIEW

FOR THE SIX MONTHS ENDED 31 AUGUST 2024



R852.7 million	▼ 28%	32%	▼ 1%	R155.1 million	▼ 7%	R76.9 million	▼ 57%
Revenue		Gross profit margin		Operating costs		Profit for the period	



16.26 cents	▼ 57%	R242.8 million	Loan-to-value	40.2%	875.05 cents	▲ 3%
Headline earnings per share		Cash position at period end		Consistent with prior year		Net asset value per share

INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 AUGUST 2024



	Unaudited six months ended 31 August 2024 R'000	Unaudited six months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Revenue	852 706	1 185 606	2 356 284
Cost of sales	(581 344)	(789 199)	(1 690 629)
Gross profit	271 362	396 407	665 655
Other income	114	10 638	16 336
Operating expenses	(155 079)	(167 126)	(351 177)
Operating profit	116 397	239 919	330 814
Investment income	11 450	22 903	30 061
Finance costs	(24 051)	(19 406)	(50 619)
Profit before taxation	103 796	243 416	310 256
Taxation	(26 886)	(66 054)	(92 884)
Profit for the period/year	76 910	177 362	217 372
Items that will not subsequently be reclassified to profit or loss			
Items that will not subsequently be reclassified to profit or loss			
(Loss)/profit on cash flow hedges	(1 228)	1 567	1 951
Taxation relating to items that will not be reclassified	332	(430)	(534)
Other comprehensive income (loss) for the year net of taxation	(896)	1 137	1 417
Total comprehensive income for the period/year	76 014	178 499	218 789
Basic and diluted earnings per share			
Basic (cents)	16.34	37.93	46.18
Diluted (cents)	16.34	37.93	46.18

FINANCIAL PERFORMANCE

FOR THE SIX MONTHS ENDED 31 AUGUST 2024



Revenue

- Revenue decreased by 28% to R852.7 million (August 2023: R1.2 billion)
- Revenue earned from the following sources:

	August 2024 (R'000)	August 2023 (R'000)
Disaggregation of revenue by source:		
Revenue from the sale of apartments	741 071	1 059 343
Revenue from the sale of land	45 803	–
Revenue from sale of development rights	–	70 000
Revenue from annuity businesses	65 832	56 263
	852 706	1 185 606



Revenue from sale of apartments

- Apartments handed over decreased by 23% to 640 apartments (August 2023: 834 apartments)
- Moderate sales price pressure due to challenging economic market and continuation of sales incentives to drive demand
- Sale of land in Tshwane East for development of a ~15,000m² shopping centre – part of strategic intend to identify small land parcels for sale for complimentary offerings to uplift demand and value for residential homes
- Continued strong demand for one- and two-bedroom apartments at 73%

APARTMENTS RECOGNISED IN REVENUE

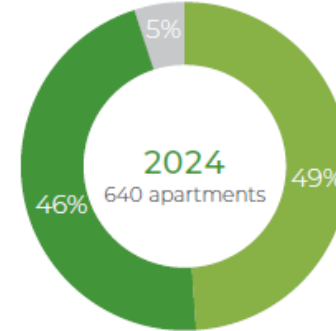
FOR THE SIX MONTHS ENDED 31 AUGUST 2024



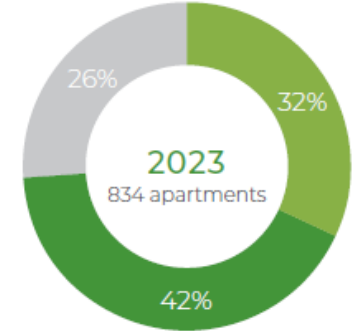
Revenue from sale of apartments by region

Region	August 2024 (R'000)	August 2023 (R'000)
Gauteng	367 240	337 993
Western Cape	339 428	443 916
KwaZulu-Natal	34 403	277 434
Total	741 071	1 059 343

REVENUE BY REGION (%)



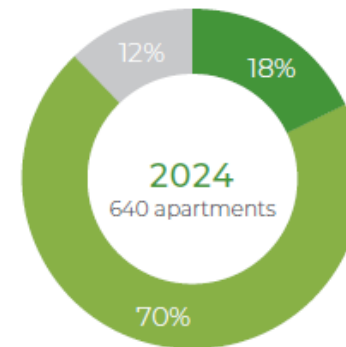
Legend: ■ Gauteng ■ Western Cape ■ KwaZulu-Natal



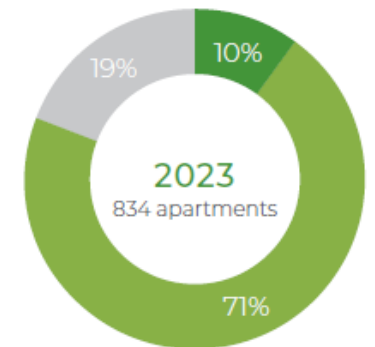
Revenue from sale of apartments by Collection

Collection	August 2024 (R'000)	August 2023 (R'000)
Classic	520 487	749 702
Green	133 775	108 917
Signature	86 809	200 724
Total	741 071	1 059 343

REVENUE BY COLLECTION (%)



Legend: ■ Green ■ Classic ■ Signature



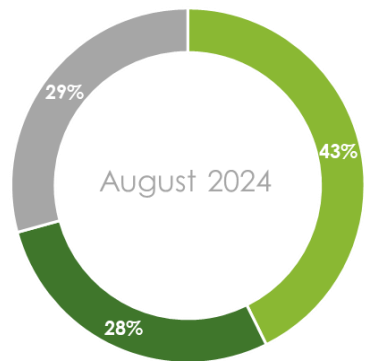
AVERAGE SELLING PRICE ANALYSIS

FOR THE SIX MONTHS ENDED 31 AUGUST 2024

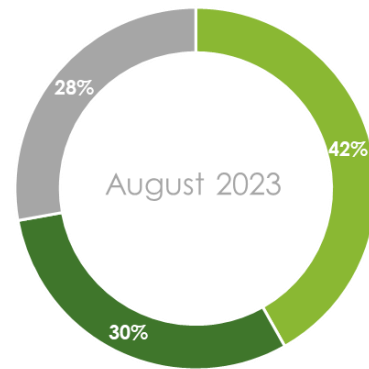
THE CLASSIC COLLECTION

	Average selling price (Rands incl. VAT) August 2024	Selling price growth/ (decrease)
1-bedroom	1 006 714	1%
2-bedroom	1 488 655	(5%)
3-bedroom	1 985 254	(5%)

APARTMENT CONTRIBUTION BY APARTMENT TYPE



■ 1-bedroom ■ 2-bedroom ■ 3-bedroom



■ 1-bedroom ■ 2-bedroom ■ 3-bedroom



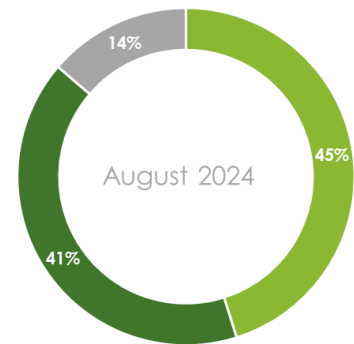
AVERAGE SELLING PRICE ANALYSIS

FOR THE SIX MONTHS ENDED 31 AUGUST 2024

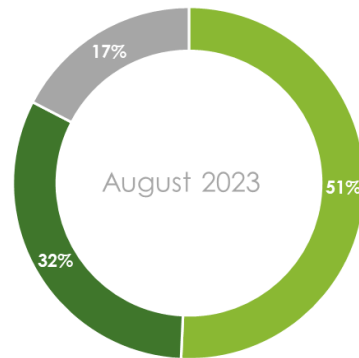
THE GREEN COLLECTION

	Average selling price (Rands incl. VAT) August 2024	Selling price growth/ (decrease)
1-bedroom	696 445	(4%)
2-bedroom	1 001 604	(2%)
3-bedroom	1 263 395	(2%)

APARTMENT CONTRIBUTION BY APARTMENT TYPE



■ 1-bedroom ■ 2-bedroom ■ 3-bedroom



■ 1-bedroom ■ 2-bedroom ■ 3-bedroom



FINANCIAL PERFORMANCE

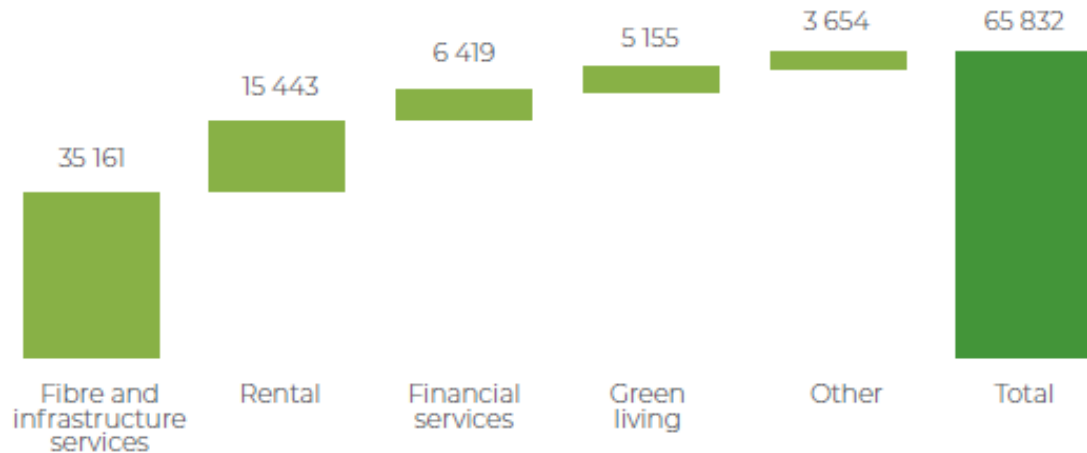
FOR THE SIX MONTHS ENDED 31 AUGUST 2024



Revenue from annuity businesses

- Revenue increased by 17% to R65.8 million (August 2023: R56.3 million)
- Annuity revenue grew to 7.7% of group revenue (August 2023: 4.7%)

Annuity revenue per business
R'000



FINANCIAL PERFORMANCE

FOR THE SIX MONTHS ENDED 31 AUGUST 2024



Gross profit

- Gross profit margin shows a marginal reduction to 32% (August 2023: 33%)
- Gross profit margin on sale of apartments decreased to 23% (August 2023: 28%) owing to the challenging trading environment

	August 2024 R'000	August 2023 R'000
Gross profit*		
Gross profit from sale of apartments	171 289	295 248
Gross profit from Balwin Annuities	64 368	56 263
Gross profit margin	32%	33%
Gross profit margin from sale of apartments	23%	28%
Gross profit from Balwin Annuities	98%	100%

* Excludes the non-recurring items of sale of land and the sale of the development rights for the hotel.

- Gross profit margin growth remains a key focus
- Medium-term objective to return gross margin from apartment sales to 30%



FINANCIAL PERFORMANCE

FOR THE SIX MONTHS ENDED 31 AUGUST 2024



Operating expenses

	August 2024 R'000	August 2023 R'000	Movement
Balwin Properties (the company)	116 206	124 699	(7%)
Fixed expenditure	80 798	77 488	4%
Depreciation and amortisation	13 239	14 193	(7%)
Performance linked expenditure	-	-	-
Variable expenditure*	22 169	33 018	(33%)
Balwin Annuities	38 873	42 427	(8%)
Total operating expenditure	155 079	167 126	(7%)
Operating expenditure to revenue ratio	18.2%	14.1%	

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

- 🌱 Total operating costs decreased by 7% to R155.1 million (August 2023: R167.1 million)
- 🌱 Balwin Properties (company) decreased operating expenses by 7%
- 🌱 Balwin Annuities operating expenditure decreased by 8% despite an increase in operational activity reflected by the 17% growth in revenue



FINANCIAL PERFORMANCE

FOR THE SIX MONTHS ENDED 31 AUGUST 2024



Earnings

- 🌿 Profit after tax decreased by 57% to R76.9 million
- 🌿 57% decrease in earnings per share to 16.34 cents
- 🌿 57% decrease in headline earnings per share to 16.26 cents

Dividend

- 🌿 The board resolved not to declare a dividend for the period
- 🌿 The board will reconsider the declaration of a dividend when reviewing the results for the full financial year



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2024



	Unaudited as at 31 August 2024 R'000	Unaudited as at 31 August 2023 R'000	Audited as at 29 February 2024 R'000
Assets			
Non-current assets			
Property, plant and equipment	390 092	377 190	381 826
Investment property	220 375	232 273	220 375
Intangible assets	20 671	26 610	22 126
Loans to external parties	8 664	8 664	8 664
Other financial assets	39	883	1 267
Deferred taxation	2 490	5 225	11 413
	642 331	650 845	645 671
Current assets			
Developments under construction	6 535 654	6 275 007	6 342 225
Trade and other receivables	236 203	231 202	349 709
Development loans receivable	167	17 307	1 840
Current tax receivable	-	-	1 316
Cash and cash equivalents	242 778	442 633	289 586
Restricted cash	-	1 086	-
	7 014 802	6 967 235	6 984 676
Non-current assets held for sale	-	26 061	-
Total assets	7 657 133	7 644 141	7 630 347
Equity and liabilities			
Equity			
Share capital	669 406	657 515	657 514
Reserves	78 774	72 319	83 222
Retained income	3 341 433	3 225 980	3 265 019
Non-controlling interest	3 791	2 156	3 295
Total equity	4 093 404	3 957 970	4 009 050
Non-current liabilities			
Development loans and facilities	1 146 054	1 326 777	1 113 695
Deferred taxation	350 624	271 720	348 079
	1 496 678	1 598 497	1 461 774
Current liabilities			
Development loans and facilities	1 924 184	1 865 231	1 959 202
Lease liabilities	1 866	1 386	192
Trade and other payables	126 634	104 146	175 848
Current tax payable	4 786	80 314	-
Employee benefits	9 581	36 597	24 281
	2 067 051	2 087 674	2 159 523
Total liabilities	3 563 729	3 686 171	3 621 297
Total equity and liabilities	7 657 133	7 644 141	7 630 347

FINANCIAL POSITION

AS AT 31 AUGUST 2024



Non-current assets

- 🌿 Drivers of investment through annuity businesses, namely:
 - Solar assets
 - Fibre infrastructure

Developments under construction

- 🌿 Includes the cost of land, infrastructure, development rights and construction costs
- 🌿 Increased by R193.4 million to R6.5 billion



FINANCIAL POSITION

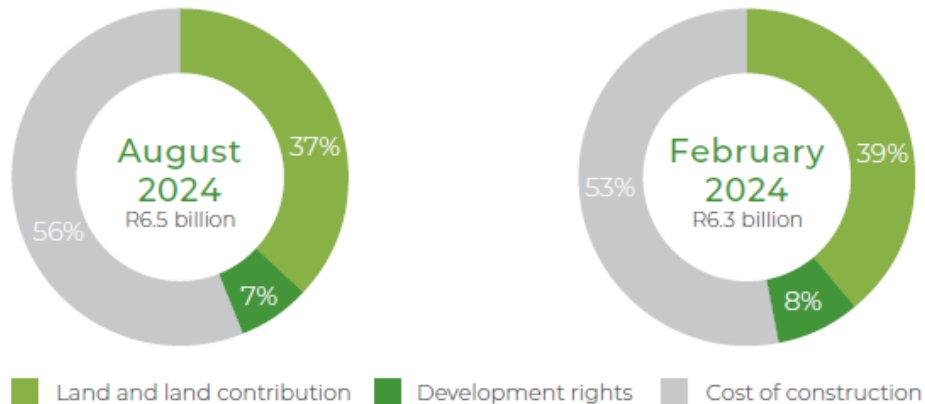
AS AT 31 AUGUST 2024



Developments under construction (continued)

	Unaudited as at 31 August 2024 R'000	Unaudited as at 31 August 2023 R'000	Audited as at 29 February 2024 R'000
DEVELOPMENTS UNDER CONSTRUCTION			
Developments under construction	6 535 654	6 275 007	6 342 225
Developments under construction include the following:			
Cost of construction	3 669 379	3 385 054	3 388 468
Land and land contribution costs	2 387 837	2 403 596	2 466 736
Development rights	478 438	486 357	487 021
	6 535 654	6 275 007	6 342 225

Contribution from total developments under construction



FINANCIAL POSITION

AS AT 31 AUGUST 2024



Developments under construction (continued)

- 🌿 Increase driven by top-structure development costs reflecting the focus of developing the existing pipeline
- 🌿 Costs incurred in preparation for busier handovers in the second half of the year supported by pre-sales and forward sales forecasts
- 🌿 No material costs capitalised for land or external infrastructure in the period.
- 🌿 Two parcels of land contracted in Western Cape but not yet registered, namely:
 - › Suikerbos (Milnerton)
 - Replacement for Fynbos
 - 1 046 apartments at completion
 - First handovers scheduled for FY2025
 - › De Buurt (Milnerton)
 - Replacement for De Aan-Zicht
 - 1 050 apartments at completion

FINANCIAL POSITION

AS AT 31 AUGUST 2024



Trade receivables

- Mostly apartments handed over but not registered at period end

Cash and cash equivalents

	August 2024 R'000	February 2024 R'000
Cash and cash equivalents	242 778	289 586

- Cash position at period end of R242.8 million (February 2024: R289.6 million)
- Cash on hand exceeds funding covenants and board thresholds
- Continued active oversight of Treasury Committee
- Active management of rate of sales to construction to manage liquidity



FINANCIAL POSITION

AS AT 31 AUGUST 2024



Funding

- Development loans and facilities amounted to R3.1 billion (February 2024: R3.1 billion)
- Marginal reduction in loan-to-value to 40.2% (February 2024: 40.5%) – covenant at 50%
- Loan-to-value ratio is materially measured at cost and free from fair value adjustments
- Full compliance with financial covenants

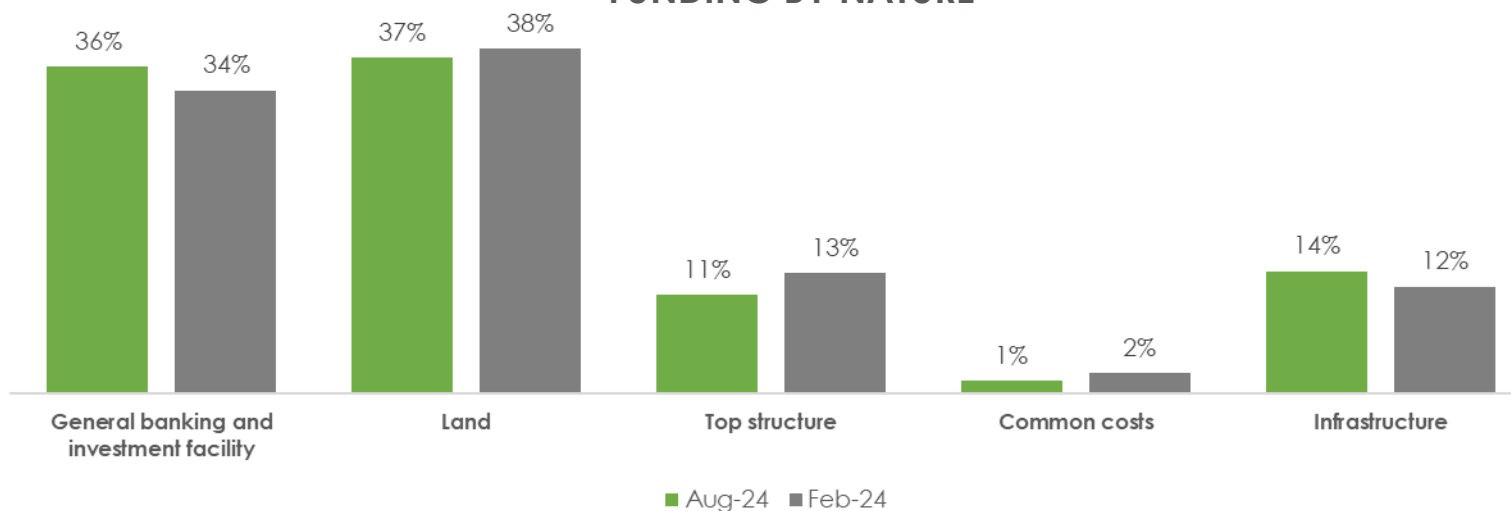


FUNDING OVERVIEW



	Unaudited as at 31 August 2024 R '000	Audited as at 29 February 2024 R '000
General banking and investment facility	1 117 967	1 038 603
Land	1 148 836	1 183 061
Top structure	339 361	412 452
Common costs	45 147	71 279
Infrastructure	418 927	367 503
Total	3 070 238	3 072 897
Loan-to-value	40.2%	40.5%

FUNDING BY NATURE



INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 AUGUST 2024



	Unaudited six months ended 31 August 2024 R'000	Unaudited six months ended 31 August 2023 R'000	Audited year ended 29 February 2024 R'000
Cash flows from operating activities			
Cash generated from/(used in) operations	132 665	(311 205)	5 078
Interest received	11 450	22 903	30 061
Finance costs paid	(155 359)	(132 304)	(296 316)
Taxation paid	(9 316)	(7 639)	(46 738)
Net cash used in operating activities	(20 560)	(428 245)	(307 915)
Cash flows from investing activities			
Purchase of property, plant and equipment	(22 370)	(49 145)	(48 427)
Proceeds from disposal of property, plant and equipment	818	17	-
Purchases of investment property	-	-	(67 355)
Proceeds from disposal of non-current assets held for sale	-	-	19 000
Purchases of intangible assets	(2 037)	(10 656)	(12 507)
Proceeds from disposal of intangible assets	-	4 172	6 682
Decrease/(increase) in restricted cash	-	163 290	164 376
Net cash (used in)/generated from investing activities	(23 589)	107 678	61 769
Cash flows from financing activities			
Development loans raised and utilised	469 599	1 422 584	1 965 438
Developments loans repaid	(511 611)	(827 957)	(1 424 661)
Investment loans and general banking facilities repaid	(90 679)	(489 067)	(679 269)
Investment loans and general banking facilities raised and utilised	130 032	114 006	131 496
Dividend paid	-	(73 237)	(73 237)
Dividend received from treasury	-	9 522	9 690
Net cash (used in)/generated from financing activities	(2 659)	155 851	(71 617)
Total cash and cash equivalents movement for the year	(46 808)	(164 716)	(317 763)
Cash and cash equivalents at the beginning of the year	289 586	607 349	607 349
Total cash and cash equivalents at the end of the year	242 778	442 623	289 586



ANNUITIES

Raaziq Ismail

Head of Legal and Annuity

THE REID

ANNUITIES OVERVIEW



R26.9 million*

Operating profit

R45.6 million

Savings to our clients through Balwin Mortgages

9 599

Active clients on Balwin Fibre network



BALLITO HILLS

1 446

Tons of carbon dioxide emissions prevented through Balwin Energy

931

Balwin Connect Clients (Internet Service Provider)

R1.06 billion

Assets under management as at year end

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2024



Unaudited (R'000) *	Fibre and Connect ¹	Rentals ²	Mortgages	Green Living ³	Other Businesses ⁴	31 August 24 Annuity	31 August 23 Annuity
Revenue	32 814	8 801	5 141	7 212	20 570	74 538	67 191
Cost of sales	(2 576)	-	(1)	-	(1 458)	(4 035)	-
Gross profit	30 238	8 801	5 140	7 212	19 112	70 503	67 191
Other income	193	1 940	75	3	248	2 459	9 877
Operating expenses	(21 607)	(4 836)	(3 076)	(2 772)	(13 777)	(46 068)	(52 742)
Operating profit	8 824	5 905	2 139	4 443	5 583	26 894	24 325
Finance costs	(3 635)	(5 476)	-	(2 060)	(11 025)	(22 196)	(20 486)
Net profit before tax	5 189	429	2 139	2 383	(5 442)	4 698	3 840
Taxation	(1 401)	(116)	(578)	380	749	(966)	(1 166)
Net profit after tax	3 788	313	1 561	2 763	(4 693)	3 732	2 674

* All figures prior to group consolidation

1. Fibre and Connect consist of Balwin Fibre and Balwin Connect.

2. Rentals consist of Balwin Rentals.

3. Green Living consists of Balwin Energy (solar assets and water treatment plants).

4. Other businesses include Balwin Approved, Balwin Head Office, Balwin Blyde Hotel, Balwin Financial Services, Balwin Lifestyle Operations, Balwin Maintenance, Balwin Signage and Towers and Balwin Technik.

BALWIN FIBRE (PTY) LTD – STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2024

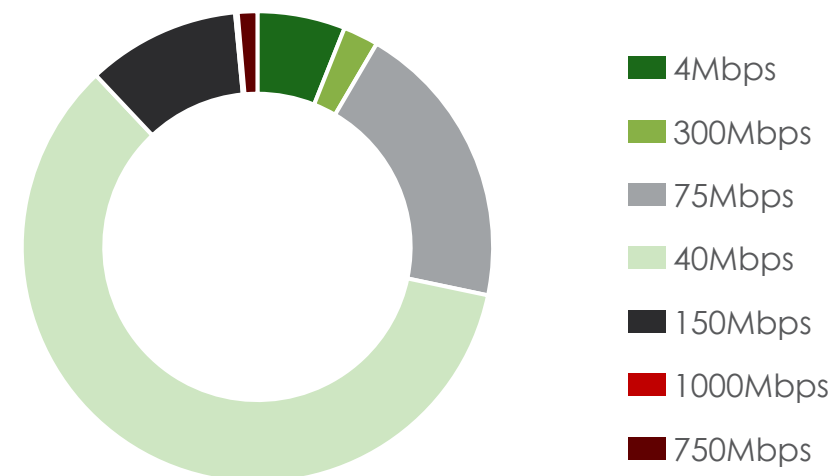


Financial update	31 August 24 Unaudited R'000	31 August 23 Unaudited R'000
Revenue	31 300	26 031
Cost of sales	-	-
Gross profit	31 300	26 031
Other income	193	1 660
Operating expenses	(20 934)	(18 418)
Operating profit	10 559	9 273
Finance costs	(3 635)	(3 523)
Net profit before tax	6 924	5 749
Taxation	(1 853)	(1 552)
Net profit after tax	5 071	4 197

OPERATIONAL UPDATE

- 🌿 Homes passed 13 304
- 🌿 Active clients 9 599
- 🌿 Uptake @ occupied 76.4%
- 🌿 Average rate per unit R535

FIBRE LINE SPEEDS



BALWIN MORTGAGES (PTY) LTD – STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2024



Financial update	31 August 24 Unaudited R'000	31 August 23 Unaudited R'000
Revenue	5 141	6 271
Cost of sales	(1)	-
Gross profit	5 140	6 271
Other income	75	-
Operating expenses	(3 076)	(3 716)
Operating profit	2 139	2 555
Finance costs	-	-
Net profit before tax	2 139	2 555
Taxation	(605)	(690)
Net profit after tax	1 534	1 865

OPERATIONAL UPDATE

- 699 bonds secured for the period 1 March 2024 – 31 August 2024
- Green bond concession range from 0.25% - 0.75% (Conditions apply)
 - Savings for clients of ~R45 632 673 million over a 20-year mortgage period based on bonds approved for 6-month period ended 31 August 2024

Bank Portfolio (Rm)



BALWIN GREEN LIVING (PTY) LTD – STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2024

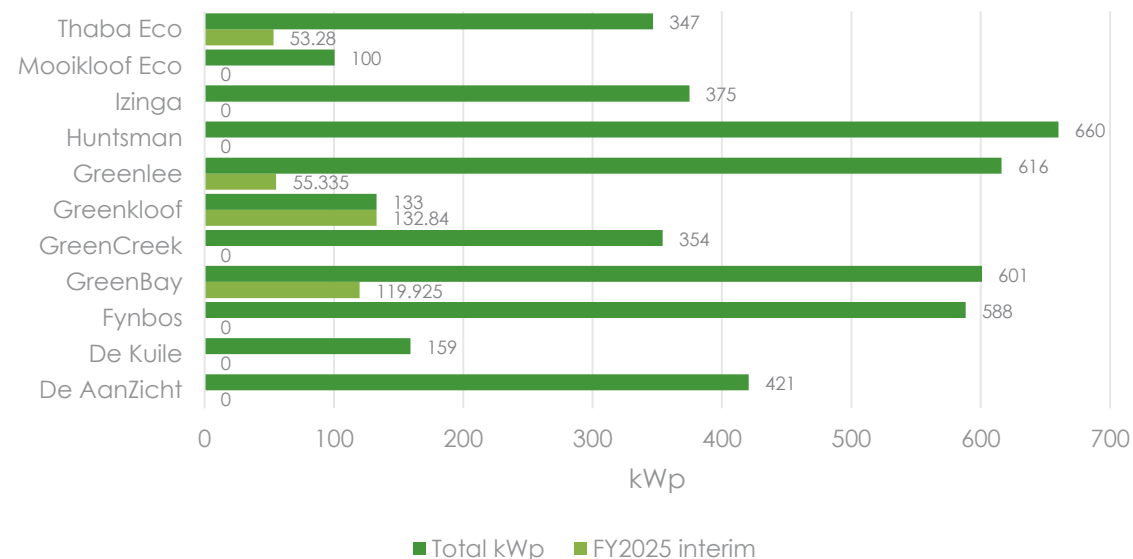


Financial update	31 August 24 Unaudited R'000	31 August 23 Unaudited R'000
Revenue	7 212	2 305
Cost of sales	-	-
Gross profit	7 212	2 305
Other income	3	1 045
Operating expenses	(2 772)	(1 980)
Operating profit	4 443	1 370
Finance costs	(2 060)	(1 372)
Net profit before tax	2 383	(2)
Taxation	380	-
Net profit after tax	2 763	(2)

OPERATIONAL UPDATE

- Operating on 11 sites
- A 10% discount on electricity tariff to clients
- Reduced emissions in Balwin Group by 1446.57tCO2e
- 2 Active waste-water treatment plants (WWTPs) in the process of being sold.

KILOWATT/PEAK INSTALLED



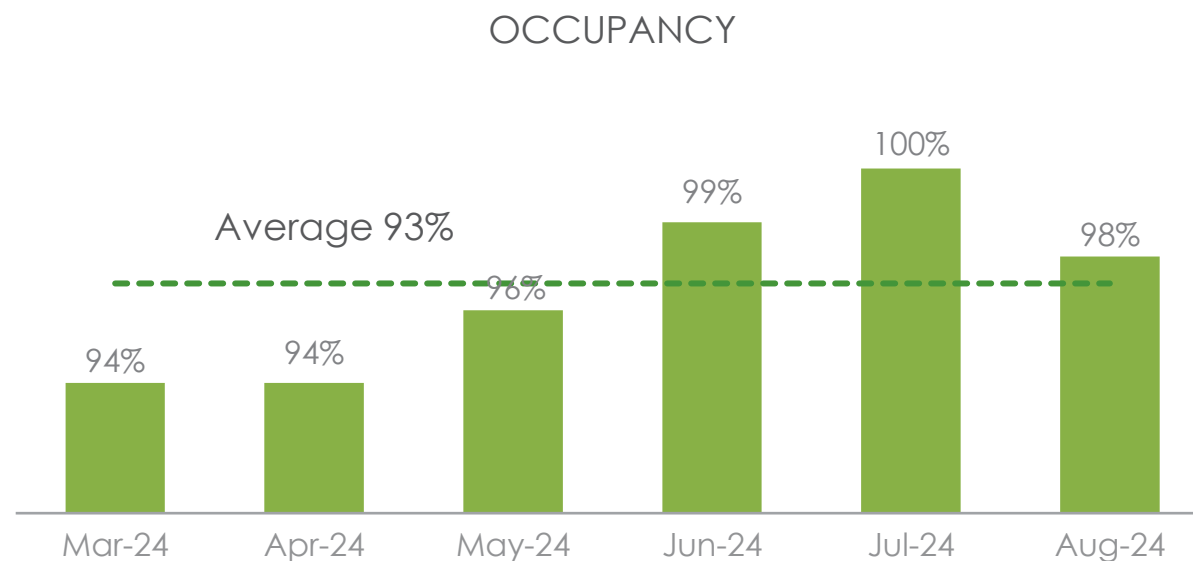
BALWIN RENTALS (PTY) LTD – STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2024



Financial update	31 August 24 Unaudited R'000	31 August 23 Unaudited R'000
Revenue	8 801	8 365
Cost of sales	-	-
Gross profit	8 801	8 365
Other income	1 940	1 830
Operating expenses	(4 836)	(4 498)
Operating profit	5 905	5 697
Finance costs	(5 476)	(5 581)
Net profit before tax	429	116
Taxation	(116)	(34)
Net profit after tax	313	82

OPERATIONAL UPDATE

- Achieved an average occupancy of 97% for the period with a low of 94% and a high of 100%









OTHER ANNUITY BUSINESSES STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2024








Financial update	31 August 24 Unaudited R'000	31 August 23 Unaudited R'000
Revenue	20 570	24 218
Cost of sales	(1 458)	-
Gross profit	19 112	24 218
Other income	248	5 341
Operating expenses	(13 777)	(24 130)
Operating profit	5 583	5 429
Finance costs	(11 025)	(10 009)
Net profit before tax	(5 442)	(4 580)
Taxation	749	1 111
Net profit after tax	(4 693)	(3 469)

OPERATIONAL UPDATE

Other businesses comprises of

-  Approved
-  Connect
-  Maintenance
-  Signage and towers
-  Lifestyle
-  Padel

Highlights

-  931 active clients on Balwin Connect
-  148 active Balwin insurance policies
-  Head Office -100% tenanted
-  19 sites active on Balwin Technik
-  12 sites signed up for Balwin Maintenance



SUSTAINABILITY

Steve Brookes
Chief Executive Officer

GREENCREEK

SUSTAINABLE BUSINESS PRACTICES



- 🌱 Continued commitment to reducing our environmental impact through innovation in design and building techniques
- 🌱 The first South African company to have both a science-based target and Net Zero commitment approved by the International Science Based Target Initiative
- 🌱 All new developments to target EDGE Advanced ratings (Excellence in Design for Greater Efficiency)
- 🌱 A total of 26 404 apartments registered as EDGE with the International Finance Corporation's Excellence in Design for Greater Efficiency (EDGE)
- 🌱 A total of over 16 848 apartments registered as EDGE Advanced (40% + energy savings and 20% + water savings)
- 🌱 10 lifestyle centres awarded six-star green star rating from Green Building Council of SA (GBSA), including our new head office
- 🌱 12 lifestyle centres with Net Zero Carbon rating from GBSA
- 🌱 903 green bonds secured for clients during the period, provided a total savings of R44.5 million over 20 years





LOOKING FORWARD

Steve Brookes
Chief Executive Officer

THE BLYDE MINT RESORT

THE FUTURE

- 🌱 Maintain focus on core operations by leveraging existing land bank and existing pipeline of developments
- 🌱 Opportunities for growth in strategic areas on terms that do not put liquidity and debt pressure on the group
- 🌱 Healthy position of forward sold apartments of 743
- 🌱 Key focus on cost reduction (both operational and construction)
- 🌱 Balwin Annuities to continue to leverage the Balwin brand, enhance client experience and generate savings for clients
- 🌱 Ongoing emphasis on responsible environmental management





ANNEXURES

THABA-ECO VILLAGE

OPERATING MODEL



- Development of large-scale residential estates in key target nodes
- Targeting an average profit margin of low to mid **30% range over the lifecycle** of each project
- Drive efficiencies through **turnkey approach** to development
- Maintaining costs and cash preservation**
- Development pipeline** of 42 316 apartments across 34 developments representing a development horizon of approximately 15 years
- Focus on **sustainable building practices**
- 53 international property awards** recognising innovation and excellence in business

TURNKEY DEVELOPMENT MODEL

OUR OPERATING MODEL >

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

Focus exclusively on residential property

- 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
- Expand into new and growing residential nodes in major metropolitan areas and reduce risk of regional exposure
- Aim to sell approximately 25 apartments per development per month

Drive efficiencies through a turnkey approach to development

OUTPUTS >

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



CORPORATE OVERVIEW

- Specialist, national **residential property developer** of large-scale sectional title estates
- Focus on high **quality, environmentally efficient, affordable** apartments with an innovative and all inclusive **lifestyle** offering for clients
- Currently developing approximately **2 000 apartments** per year – capacity to increase to **5 000**
- Estates typically consist of between **1 000** and **3 000 apartments** – larger estates developed where market demand and infrastructure allow
- Focus on high-density, high-growth nodes across key metropolitan areas in **Johannesburg, Tshwane, Western Cape and KwaZulu-Natal**
- Approximate 15-year development pipeline of 42 316 apartments
- Lifestyle centres** typically include free Wi-Fi, a wellness spa, restaurant, gym, squash court, padel court, running track, action sports field, games room, cinema room, swimming pools, playgrounds, laundromat, concierge and an additional offering to the lifestyle centres being padel courts at certain developments



GOVERNANCE PROCESS DEVELOPMENT OPPORTUNITIES

- Development opportunities identified
- Internal due diligence process followed:
 - › Costs
 - › Infrastructure
 - › Zoning
 - › Independent review of nodal residential demand
- Presented for approval to:
 - › Executive Committee
 - › Transactions Committee
 - › Board for final approval and implementation



INVESTMENT CASE



- Well positioned to address the undersupply of quality, affordable housing in the low to middle market income market
- Long-term development pipeline in key strategic locations
- Proven and flexible business model for large-scale developments
- Strong management with approximately 30-years individual experience, management are the founding directors and the majority shareholders, therefore management is aligned to the interests of shareholders
- Sustainable margins supported by high level of pre-sales
- High barriers to entry into the market
- Quality and design of international standards



DEVELOPMENT BRANDS

THE CLASSIC COLLECTION



- ✔ Core development model
- ✔ One-, two-, and three-bedroom four storey walk up apartments
- ✔ Prices range from R719 910 to R2 899 900
- ✔ Developments located in high density, high growth nodes across key metropolitan areas
- ✔ Benefits from economies of scale, in-house construction and management
- ✔ Developed on phase-by-phase basis
- ✔ Dynamic product allows for block configuration change to respond to market
- ✔ Exclusive lifestyle offering to clients as an all-inclusive value-added service



DEVELOPMENT BRANDS

THE GREEN COLLECTION



- ✔ Model targets a slightly lower income consumer than the Classic Collection
- ✔ Prices range from R599 900 to R1 519 900
- ✔ Developed on a phase-by-phase approach
- ✔ Distinctive architecture and high-quality standards
- ✔ Residents have access to traditional lifestyle offerings associated with Balwin brand



DEVELOPMENT BRANDS

THE *Signature* COLLECTION



- Three elite model developments, The Polofields and Munyaka Lifestyle Centre apartments (Johannesburg, Waterfall) and Izinga Eco Estate (KwaZulu-Natal, Umhlanga)
- Apartments built to higher specifications with luxurious finishes
- Prices range from R899 900 to R10 999 900
- Developments built on existing land in selected nodes and follow the same phase-by-phase approach

