

Balwin Properties Limited
(Registration number 2003/028851/06)
Consolidated and Separate Financial Statements
for the year ended 28 February 2026

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Residential property development and sale of sectional title apartments, bond origination, information and communication technology services, rental of commercial property and other annuity based services provided to the residential developments
Directors	SV Brookes JS Bigham H Saven A Shapiro ARK Kukama T Mokgosi-Mwantembe O Amosun J Scher K Moloko
Prescribed officer	RN Gray
Business and registered office address	105 Corlett Drive Melrose Johannesburg Gauteng 2196
Auditor	BDO South Africa Inc. Registered Auditor
Company secretary	FluidRock Co Sec Proprietary Limited
Preparer	The consolidated and separate financial statements have been compiled under the supervision of: JS Bigham CA (SA) (Chief financial officer)
Date of approval of financial statements	11 May 2026

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Index

The reports and statements set out below comprise the consolidated and separate financial statements presented to the shareholders:

	Page
Directors' responsibility statement and approval of the consolidated and separate financial statements	3
Chief executive officer and chief financial officer responsibility statement	4
Company secretary's certification	4
Audit and risk committee report	5 - 10
Directors' report	11 - 13
Independent auditor's report	14 - 18
Statements of financial position	19
Statements of profit or loss and other comprehensive income	20
Statements of changes in equity	21 - 22
Statements of cash flows	23
Accounting policies	24 - 36
Notes to the financial statements	37 - 85

Level of assurance

These consolidated and separate financial statements have been prepared and audited in compliance with the applicable requirements of the Companies Act of South Africa, 2008 ("the Companies Act") and all the requirements of the JSE.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Directors' responsibility statement and approval of the consolidated and separate financial statements

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards ("Accounting Standards"). The external auditor is engaged to express an independent opinion on the consolidated and separate financial statements.

The consolidated and separate financial statements have been consistently prepared in accordance with the Accounting Standards and IFRIC Interpretations adopted by the International Accounting Standards Board, the SA financial reporting requirements and the requirements of the Companies Act and the JSE Listings Requirements.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at preventing, detecting and correcting material error or losses in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The separate and consolidated financial statements for the year ended 28 February 2026 are based on appropriate accounting policies which have been applied consistently and are supported by reasonable and prudent judgements and estimates. The directors also prepared the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the 12 months to May 2027 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing the group's consolidated and separate financial statements. The consolidated and separate financial statements have been audited by the group's external auditor and their report is presented on pages 14 to 18.

The consolidated and separate financial statements set out on pages 11 to 13 and 19 to 85, which have been prepared on the going concern basis, were approved by the board on 11 May 2026 and were signed on their behalf by:



SV Brookes
Chief executive officer



JS Bigham
Chief financial officer

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

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 11 to 13 and 19 to 85, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of the IFRS Accounting Standards;
- 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 annual 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 have remediated the deficiencies; and
- we are not aware of any fraud involving directors.



SV Brookes
Chief executive officer

11 May 2026



JS Bigham
Chief financial officer

11 May 2026

Company secretary's certification

In terms of section 88(2)(e) of the Companies Act, 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 and that all such returns are true, correct and up to date.



Caroline King
On behalf of: FluidRock Co Sec Proprietary Limited

11 May 2026

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

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. The report 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 King V Report on Corporate Governance for South Africa ("King V") was launched during the current year and is effective for financial years commencing on or after 1 January 2026. Accordingly, the group has continued to apply the principles of King IV during the period under review. The board acknowledges the introduction of King V and has commenced the process of aligning governance practices with the requirements of the new code. The group will apply King V from the 2027 financial year, ensuring continued adherence to sound governance practices and supporting long-term, sustainable value creation for shareholders and stakeholders.

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 ("IT").

The members confirm that the committee has performed all the duties required in terms of the Act.

Owing to the size of the company, the functions of an audit committee and 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 and information technology management, the external auditor and the internal auditor attend meetings by invitation. The chairman of the board also attends the meetings by invitation but does not 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 committee 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 for the financial year and to the date of this report:

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	3/3 meetings
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	3/3 meetings
Arnold Shapiro BBus Sci (Finance Hons)	October 2016	Over 30 years of asset management, portfolio management and general management experience	3/3 meetings

There were no changes to the composition of the committee in the reporting period.

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 2026 financial year.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

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 reviews the group's financial reporting to ensure 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	The committee actively engaged with management to identify and monitor the key components of the balance sheet, financial ratios and covenant compliance. The group's risk tolerance thresholds were reviewed and management reported quarterly on its current covenants 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 these reviews and regular feedback is provided to the committee. In accordance with the committee's responsibilities as per section 5.7(h)(iii) 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. The combined assurance model was reviewed by the committee to ensure optimisation of all assurance services and functions.
Continued oversight on IT systems and policies	The committee provided oversights on the group's IT strategy and evaluated the performance of management relevant to its strategic objectives. IT risks and mitigating controls were reviewed, and various IT governance policies were approved. The committee further assessed the adequacy of the insurance for IT related risks as well as emphasised and provided oversight on 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. Management provided an update on the performance of the group in relation to identified key risk indicators which was analysed by the committee to identify any breaches of risk tolerance. The committee further reviewed the quarterly legal risk register and the findings of the whistleblowing hotline while further providing oversight on the insurance coverage of the group.
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.

Planned areas of focus for the 2027 financial year are as follows:

- Monitoring and management of the internal financial controls of the group;
- Oversight of the alignment of the governance practices of the group with the requirements of King V;
- Continued oversight on IT systems, strategy and policies;
- Monitoring of the robustness of the group's balance sheet, liquidity and allocation of capital;
- Compliance with lending covenants;
- Proactive engagement with the external and internal audit functions to ensure audit efficiencies and alignment in the combined assurance model;
- Oversight 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.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

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 assigned 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;
- reviews the annual consolidated financial statements and other related financial information to recommend for approval to the board;
- 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 year ended 28 February 2026, 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:

- recommended to the board to reappoint BDO South Africa Incorporated as the external auditor of the group;
- 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 provide;
- pre-approve and concur with external audit conclusions reached in relation to independence assessments of all non-assurance services to the group, including the application of safeguards and actions implemented, before the commencement of the non-audit service. No non-audit services were undertaken by BDO South Africa Incorporated 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.

BDO South Africa Incorporated has performed the external audit function for six years. The committee is satisfied that BDO South Africa Incorporated is independent of the group after taking the following factors into account:

- representations made by BDO South Africa Incorporated 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.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Audit and risk committee report (continued)

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;
- 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.

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, the committee also reviewed the reporting around the adequacy of the internal controls together with the effectiveness of the combined assurance model, and 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 results and the 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 2025 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 judgements.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Audit and risk committee report (continued)

Significant areas of judgements and sources of estimation uncertainties

In compiling the consolidated and separate annual financial statements, there are many areas where judgement is applied. 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;
- Fair value of investment properties; and
- Classification of investment properties.

Risk management and IT governance

The committee:

- reviewed the group's IT strategy;
- 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, although no complaints were reported for the financial year; and
- considered reports provided by management, internal audit and the external auditor regarding compliance with legal and regulatory requirements.

Expertise and experience of chief financial officer and the financial function

As required by section 5.7(h)(i) of the JSE Limited 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 Companies Act, which requires a public company to elect an audit committee at each annual general meeting ("AGM"), the current committee members will be proposed to shareholders for election at the AGM in August 2026.

Evaluation of the committee

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

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Audit and risk committee report (continued)

Consolidated and separate annual financial statements

Following the review by the committee of the consolidated and separate annual financial statements of Balwin Properties Limited for the year ended 28 February 2026, the committee confirms that in all material aspects they comply with the relevant provisions of the Act and Accounting 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
11 May 2026

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Directors' report

The directors have pleasure in submitting their report on the activities of Balwin Properties Limited (referred to as "the company") and its subsidiaries (altogether referred to as "the group" or "consolidated") for the year ended 28 February 2026.

1. Review of financial results and activities

Balwin is a specialist, national large-scale residential property developer focused on turnkey development and sale of sectional title apartments. Annuity revenue is derived by the group from information and communication technology services, bond origination, rental of commercial property and other annuity based services provided to residential developments.

The group recorded total comprehensive income for the year ended 28 February 2026 of R254.5 million (2025: R234.5 million). Further details of the group's and company's results and activities are commented on in detail in the accompanying financial statements.

2. State of affairs

All matters material to the appreciation of the group's and company's affairs and the results are disclosed in the accompanying financial statements and do not require further comment or explanation.

All profits and losses are attributable to the main activities of the group.

3. Share capital

	2026		2025	
Authorised	Number of shares			
Ordinary shares	1 000 000 000		1 000 000 000	
	2026	2025	2026	2025
Issued	R '000	R '000	Number of shares	Number of shares
Accounting shares	670 206	670 206	471 358 954	470 270 997
BEE shares	171 878	171 878	47 219 260	47 219 260
Treasury shares	(169 466)	(172 601)	833 638	1 921 595
Statutory shares	672 618	669 483	519 411 852	519 411 852

There have been no changes to the authorised share capital during the year under review. Treasury shares were issued in the current year in terms of the existing long-term incentive scheme. Refer to note 21 for details.

4. Major shareholders

Registered shareholders owning more than 5% of issued shares:

	2026		2025	
	Number of shares held	Percentage of issued shares	Number of shares held	Percentage of issued shares
Volker Holdings Proprietary Limited*	171 751 457	33.1 %	171 751 457	33.1 %
Rodna Investments Proprietary Limited**	49 311 153	9.5 %	48 557 350	9.4 %
Tatovect Proprietary Limited***	47 219 260	9.1 %	47 219 260	9.1 %
GRE Africa Limited	39 357 225	7.6 %	39 357 225	7.6 %
Lord Trust	28 929 009	5.6 %	28 929 009	5.6 %
Nedbank Group	28 500 000	5.5 %	28 500 000	5.5 %
Non-public shareholders	269 980 899	52.0 %	270 315 053	52.0 %
Public shareholders	249 430 953	48.0 %	249 096 799	48.0 %

As at 28 February 2026 there were 27 968 (2025: 27 670) public shareholders.

* The entity is controlled by SV Brookes

** The entity is controlled by RN Gray

*** The entity is controlled by ARK Kukama

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Directors' report (continued)

5. Directorate

The directors in office during the year were as follows:

Directors	Designation
SV Brookes	Chief executive officer
JS Bigham	Chief financial officer
ARK Kukama	Non-executive director
H Saven	Independent non-executive director
O Amosun	Independent non-executive director
T Mokgosi-Mwantembe	Independent non-executive director
A Shapiro	Independent non-executive director
J Scher	Independent non-executive director
K Moloko	Independent non-executive director

Prescribed officer

RN Gray	Managing director
---------	-------------------

There have been no changes to the directorate for the year under review.

6. Dividends

No dividend was declared and paid during the 2026 financial year (2025: RNil).

7. Independent auditor

BDO South Africa Incorporated continued in office as the auditor for the group and company for the financial year ended 28 February 2026.

At the annual general meeting, the shareholders will be recommended to reappoint BDO South Africa Incorporated, together with Vianca Pretorius as the designated auditor, as the external audit firm of the company for the 2027 financial year.

8. Company secretary

The company secretary is FluidRock Co Sec Proprietary Limited.

Business address:	One Sturdee Block B, First Floor 1 Sturdee Avenue Rosebank 2196
-------------------	---

The Board gave due consideration to the competence, professional experience, and qualifications of the Company Secretary in the discharge of their duties.

9. Directors interest

There has been no movement in directors interest from year end to date of approval of the financial statements.

10. Going concern

The directors have reviewed the group and company's cash flow forecasts up to the period ending May 2027 and, in light of this review and the current financial position, the directors believe that the group and company has adequate financial resources to continue in operation for the foreseeable future. Accordingly, the consolidated and separate financial statements have been prepared on a going concern basis.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Directors' report (continued)

10. Going concern (continued)

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

As at 28 February 2026, the Group had forward sold 1 278 apartments beyond the current reporting period. Between the reporting date and the date of approval of these financial statements, a further 1 026 apartments were forward sold, bringing the total forward sales to 2 304 apartments. These apartments will be recognised in revenue and the resulting cash realised in future years.

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

11. Events after the reporting period

Subsequent to the reporting date, the group entered into agreements for the disposal of 214 apartments classified as investment property at Greenpark for a total consideration of R171.8 million. The disposal reflects management's strategic decision to exit assets not aligned with the group's core rental strategy, which focuses on the construction of bespoke, purpose-built rental developments. 204 apartments were sold to an institutional investor for R162.3 million at an initial yield of 7.7%. Transfer of these units will occur on a phased basis, with a long-stop date of 28 June 2027. The remaining 10 apartments were disposed of to individual purchasers for R9.5 million.

The financial effect of the transactions has not been recognised in the financial statements as the agreements were concluded after the financial year end. Management only initiated discussions with the institutional investor subsequent to financial year end.

Management are not aware of any other event that occurred subsequent to financial year end that requires adjustment to or disclosure in the financial statements.

12. Date of authorisation for issue of financial statements

The consolidated and separate financial statements have been authorised for issue by the directors on 11 May 2026.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Balwin Properties Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Balwin Properties Limited and its subsidiaries ("the group and company") set out on pages 19 to 85, which comprise the consolidated and separate statements of financial position as at 28 February 2026; and the consolidated and separate statements of profit or loss and other comprehensive income; the consolidated and separate statements of changes in equity; and the consolidated and separate statements of cash flows for the year then ended; and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Balwin Properties Limited and its subsidiaries as at 28 February 2026 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

Group Materiality amounted to R85 million, which represents 1% of Total Assets of the Group.

Company materiality amounted to R 79 million, which represents 1% of Total Assets of the Company.

Total assets have been recognised as an appropriate benchmark for assessing materiality for both the group and the company, as the entities' activities are intrinsically linked to the assets held.

Group Audit Scope

Our group audit was scoped by obtaining an understanding of the group and its environment, including the structure and organisation of the group, and assessing the risks of material misstatement at the group level. Components were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement.

We also considered the organisation, location and business operations of each entity in the group and changes in the business environment when we formed our view as to the grouping of each component which assisted us in assessing the level of work to be performed at each component.

Our process focused on identifying and assessing the risk of material misstatements of the consolidated financial statements as a whole, in order to assist us in forming our approach to the group audit. This process has assisted us in

determining the audit work that needed to be undertaken at each of the components. We identified 19 components and applied the following scoping:

- One full scope component was selected based on the risk in that component, and for which we therefore performed procedures as necessary to address the risk of material misstatement of the consolidated financial statements;
- Six specific scope components, where the extent of our testing was based on our assessment of the risk of material misstatement arising from certain specific financial balances and/or processes at those locations; and
- Analytical review procedures were performed over the remaining components that were considered inconsequential to the group.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key audit matter	How our audit addressed the key audit matter
<p>Recognition of cost of constructed residential apartments sold (Consolidated and separate financial Statements) (Refer note 1.1)</p> <p>The group and company use certain assumptions and key factors in the management and reporting of the recognition of the cost of constructed residential apartments sold. The assumptions are significant and relate to the estimation of the forecasted total project cost of the respective developments. These assessments include a degree of inherent uncertainty when estimating these costs. These costs are allocated to the apartments on a participation quotient methodology when recognising the revenue upon the sale. The estimation of the total project cost is performed by in-house qualified quantity surveyors and are subject to monthly reviews and sign-off by management’s external head independent quantity surveyor. All project forecasts are presented to the executive directors for approval at regular intervals throughout the year.</p> <p>Due to the significance of the balance to the financial statements, combined with the judgements and assumptions associated with determining the forecasted costs, the recognition of cost of constructed residential apartments sold was considered to be a matter of most significance during our current year audit of the consolidated and separate financial statements.</p>	<p>Our audit procedures incorporated a combination of substantive procedures as well as tests of the group and company’s controls relating to the forecasting of the costs necessary to complete the developments.</p> <p>Our procedures included the following, among others:</p> <ul style="list-style-type: none"> • We evaluated the design, implementation, and tested the operating effectiveness of relevant controls relating to the forecasting of the total costs per development; • We obtained and inspected minutes of meetings relating to the property budget meetings which took place throughout the year. We assessed that the forecasts per development are discussed and approved by the directors at the meetings; • We performed an assessment of management’s expert to evaluate his competence, capabilities, objectivity, and ability to forecast costs appropriately. We obtained written confirmation from management’s expert to confirm his independence; • We performed an assessment of the auditor’s external quantity surveyor expert in order to evaluate his competence, capabilities and objectivity, and ability to assess development plans appropriately. We obtained a written confirmation from the auditor’s expert to confirm his independence; • On a sample basis and with the assistance of our quantity surveyor expertise, we assessed the significant assumptions included in the forecasts used to determine the total cost to complete each development under construction. In this regard, we assessed whether the correct quantities were included in the system based on the development plans, and whether they were included at the correct costs based on inspection of external supplier invoices and we did not identify any significant matters for further consideration;

-
- We created an independent expectation of cost of sales per development in the current year based on prior year cost of sales recognised per square meter and compared this to actual cost of sales recognised in the current year;
 - By utilising internal data analytics expertise, we recalculated cost of sales. In addition, we tested the design and configuration of relevant application controls, including the formula used in the recalculation of the cost of sales;
 - We recalculated the cost of sales for the year in total per development by utilising the forecast costs and square metres sold;
 - In addition, we performed a number of substantive analytical procedures in order to assess the reasonability of the forecasted cost, as well as of the cost of sales recognised during the year; and
 - We performed reasonability tests on the forecasted costs based on the percentage of units sold and compared this to the total cost of sales recognised for that development during the year.

Net realisable value of developments under construction (Consolidated and separate financial Statements) (Refer note 1.1)

The group and company conduct regular reviews of the net realisable value of its developments under construction in alignment with IAS 2: Inventories. This approach involves measuring inventories at the lower of cost and net realisable value.

The reviews were conducted on a development-by-development basis, using methodologies that incorporate projected revenues and development costs, and based on management's assessment of market conditions existing at the date of review.

Due to the significance of the balance to the financial statements, combined with the judgements and assumptions associated with determining the projected revenue and forecasted costs, the assessment of net realisable value of developments under construction was considered to be a matter of most significance during our current year audit of the consolidated and separate financial statements.

Our audit procedures incorporated a combination of substantive procedures, as well as tests of the group and company's controls relating to the forecasting of the costs necessary to complete the developments and included the following, among others:

- We assessed the design, implementation and operating effectiveness of relevant controls relating to the forecasting of the total costs per development utilised in the net realisable value calculation;
- We obtained and inspected minutes of meetings relating to the property budget meetings which took place throughout the year. We assessed that the forecasts per development are discussed and approved by the directors at the meetings;
- We performed an assessment of the auditor's expert to evaluate his competence, capabilities, objectivity, and ability to measure net realisable value. A written confirmation was obtained from the auditor's expert to confirm his independence;
- The auditor's property expert was engaged to reassess and evaluate the net realisable value of all developments. Each development was subdivided into its relevant components, which together constitute the estimated net realisable value per development. Each component was evaluated based on relevant evidence, reflecting entity-specific information about the net amount expected to be realised from the sale of inventory in the ordinary course of business; and we did not identify any significant matters for further consideration;
- We performed net realisable value testing on all developments under construction. Items with negative gross profit percentages and/or large fluctuations in gross profit percentages were identified and reasons and corroborative evidence for these discrepancies were obtained; and we did

not identify any significant matters for further consideration; and

- We obtained feasibility reports at year-end for all developments to ascertain the total forecast costs expected for each development. This information was utilised as part of our auditor's expert work for determining the net realisable value of developments under construction.
-

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Balwin Properties Limited Integrated Report 28 February 2026" and in the document titled "Balwin Properties Limited Consolidated and Separate Financial Statements for the year ended 28 February 2026", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and/or company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Balwin Properties Limited for 6 years.

BDO South Africa Inc.

BDO South Africa Incorporated

Registered Auditors

V Pretorius

Director

Registered Auditor

11 May 2026

Wanderers Office Park

52 Corlett Drive

Illovo, 2196

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Statements of financial position as at 28 February 2026

	Note	Group		Company	
		2026 R '000	2025 R '000	2026 R '000	2025 R '000
Assets					
Non-Current Assets					
Property, plant and equipment	3	452 035	421 579	156 518	189 097
Investment property	4	506 921	325 149	-	-
Intangible assets	5	20 680	21 898	18 893	20 306
Investments in subsidiaries	6	-	-	86 283	86 283
Loans to related parties	7	-	-	39 771	-
Loans to external parties	8	13 100	3 131	7 925	3 131
Other financial assets	9	-	1 909	-	1 909
Deferred taxation	10	4 607	6 360	-	-
		997 343	780 026	309 390	300 726
Current Assets					
Developments under construction	11	6 866 971	6 679 202	6 856 558	6 670 933
Loans to related parties	7	-	-	34 817	18 754
Trade and other receivables	12	340 556	366 016	323 360	299 519
Development loans receivable	13	21 810	3 128	21 810	3 128
Current tax receivable		2 319	1 274	1 354	-
Cash and cash equivalents	14	208 590	254 812	176 968	240 774
		7 440 246	7 304 432	7 414 867	7 233 108
Total Assets		8 437 589	8 084 458	7 724 257	7 533 834
Equity and Liabilities					
Equity					
Share capital	15	672 618	669 483	672 618	669 483
Reserves		81 250	86 036	81 250	86 036
Retained income		3 768 445	3 497 697	3 596 736	3 413 363
		4 522 313	4 253 216	4 350 604	4 168 882
Non-controlling interest		54 604	4 641	-	-
		4 576 917	4 257 857	4 350 604	4 168 882
Liabilities					
Non-Current Liabilities					
Development loans and facilities	16	1 038 402	938 331	784 553	677 945
Other financial liabilities	9	4 058	-	4 058	-
Lease liabilities	17	-	204	84 403	138 163
Deferred taxation	10	380 957	356 912	364 593	344 602
		1 423 417	1 295 447	1 237 607	1 160 710
Current Liabilities					
Development loans and facilities	16	2 167 666	2 313 379	1 870 872	2 061 037
Lease liabilities	17	297	1 247	5 121	2 532
Trade and other payables	18	247 289	180 165	230 728	102 213
Loans from related parties	7	-	-	16 166	7 546
Current tax payable		5 060	16 158	-	12 340
Employee benefits	19	16 943	20 205	13 159	18 574
		2 437 255	2 531 154	2 136 046	2 204 242
Total Liabilities		3 860 672	3 826 601	3 373 653	3 364 952
Total Equity and Liabilities		8 437 589	8 084 458	7 724 257	7 533 834

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Statements of profit or loss and other comprehensive income for the year ended 28 February 2026

	Note	Group		Company	
		2026 R '000	2025 R '000	2026 R '000	2025 R '000
Revenue	20	2 693 240	2 220 918	2 508 596	2 042 999
Cost of sales		(1 952 883)	(1 548 753)	(2 004 095)	(1 529 407)
Gross profit		740 357	672 165	504 501	513 592
Other income / (expenses)	22	34 456	25 779	8 359	1 405
Operating expenses		(390 851)	(350 949)	(259 525)	(248 073)
Operating profit	23	383 962	346 995	253 335	266 924
Investment income	24	18 817	17 616	19 381	17 334
Finance costs	25	(53 245)	(50 341)	(14 316)	(14 590)
Profit before taxation		349 534	314 270	258 400	269 668
Taxation	26	(95 027)	(80 246)	(75 027)	(76 369)
Profit for the year		254 507	234 024	183 373	193 299
Other comprehensive income net of income tax:					
Items that will not subsequently be reclassified to profit or loss:					
(Loss) / profit on cash flow hedges		(5 967)	642	(5 967)	642
Taxation relating to items that will not be reclassified		1 610	(173)	1 610	(173)
Other comprehensive (loss) / income for the year net of taxation		(4 357)	469	(4 357)	469
Total comprehensive income for the year		250 150	234 493	179 016	193 768
Total profit attributable to:					
Owners of the parent		245 310	232 678	183 373	193 299
Non-controlling interest		9 197	1 346	-	-
		254 507	234 024	183 373	193 299
Total comprehensive income attributable to:					
Owners of the parent		240 953	233 147	179 016	193 768
Non-controlling interest		9 197	1 346	-	-
		250 150	234 493	179 016	193 768
Basic and diluted earnings per share					
Basic (cents)	33	52.36	49.74		
Diluted (cents)	33	51.13	48.20		

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Statements of changes in equity for the year ended 28 February 2026

	Share capital	Cash flow hedge reserve	Share based payment reserve	Retained income	Total attributable to equity holders of the group	Non-controlling interest	Total equity
	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Group							
Balance at 1 March 2024	657 514	925	82 297	3 265 019	4 005 755	3 295	4 009 050
Profit for the year	-	-	-	232 678	232 678	1 346	234 024
Other comprehensive income	-	469	-	-	469	-	469
Total comprehensive income for the year	-	469	-	232 678	233 147	1 346	234 493
Issue of shares from treasury to settle long-term incentives	11 969	-	(11 969)	-	-	-	-
Share based payment	-	-	14 314	-	14 314	-	14 314
Balance at 1 March 2025	669 483	1 394	84 642	3 497 697	4 253 216	4 641	4 257 857
Profit for the year	-	-	-	245 310	245 310	9 197	254 507
Other comprehensive income	-	(4 357)	-	-	(4 357)	-	(4 357)
Total comprehensive income for the year	-	(4 357)	-	245 310	240 953	9 197	250 150
Issue of shares from treasury to settle long-term incentives	3 135	-	(3 135)	-	-	-	-
Share based payment settled	-	-	(5 015)	-	(5 015)	-	(5 015)
Share based payment	-	-	7 721	-	7 721	-	7 721
Dividend paid	-	-	-	-	-	(7 574)	(7 574)
Change in ownership interest (refer to note 6)	-	-	-	25 438	25 438	48 340	73 778
Balance at 28 February 2026	672 618	(2 963)	84 213	3 768 445	4 522 313	54 604	4 576 917
Note	15		21			6	

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Statements of changes in equity for the year ended 28 February 2026

	Share capital	Cash flow hedge reserve	Share based payment reserve	Retained income	Total equity
	R'000	R'000	R'000	R'000	R'000
Company					
Balance at 1 March 2024	657 514	925	82 297	3 220 064	3 960 800
Profit for the year	-	-	-	193 299	193 299
Other comprehensive loss	-	469	-	-	469
Total comprehensive income for the year	-	469	-	193 299	193 768
Issue of shares from treasury to settle long-term incentives	11 969	-	(11 969)	-	-
Share based payment	-	-	14 314	-	14 314
Balance at 1 March 2025	669 483	1 394	84 642	3 413 363	4 168 882
Profit for the year	-	-	-	183 373	183 373
Other comprehensive income	-	(4 357)	-	-	(4 357)
Total comprehensive income for the year	-	(4 357)	-	183 373	179 016
Issue of shares from treasury to settle long-term incentives	3 135	-	(3 135)	-	-
Share based payment settled	-	-	(5 015)	-	(5 015)
Share based payment	-	-	7 721	-	7 721
Balance at 28 February 2026	672 618	(2 963)	84 213	3 596 736	4 350 604
Note	15		21		

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Statements of cash flows for the year ended 28 February 2026

	Note(s)	Group		Company	
		2026 R '000	2025 R '000	2026 R '000	2025 R '000
Cash flows from operating activities					
Cash generated from operations	27	571 188	116 900	426 346	39 955
Interest received		18 817	17 616	18 200	17 334
Finance costs paid	25	(309 311)	(295 644)	(270 253)	(261 239)
Dividends paid		(2 074)	-	-	-
Taxation paid	29	(79 873)	(50 333)	(67 120)	(46 004)
Net cash generated from / (used in) operating activities		198 747	(211 461)	107 173	(249 954)
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(46 970)	(66 487)	(8 448)	(2 464)
Proceeds from disposal of property, plant and equipment		12	30 258	-	1 508
Additions to investment property	4	(83 214)	(35 351)	-	-
Purchases of intangible assets	5	(5 987)	(7 043)	(5 321)	(6 207)
Proceeds from disposal of intangible assets		389	20	389	20
Loans granted to related parties	7	-	-	-	(18 754)
Loans to related parties repaid	7	-	-	4 205	116 648
Loans granted to external parties	8	(4 794)	(2 121)	(4 794)	(2 121)
Net cash (used in) / generated from investing activities		(140 564)	(80 724)	(13 969)	88 630
Cash flows from financing activities					
Development loans raised and utilised	28	1 208 104	2 392 989	1 139 010	2 392 989
Development loans repaid	28	(1 331 443)	(2 176 697)	(1 322 063)	(2 176 697)
Investment loans and general banking facilities repaid	28	(177 316)	(251 278)	(152 988)	(245 162)
Investment loans and general banking facilities raised and utilised	28	199 425	293 435	199 425	151 339
Payment on lease liabilities	28	(1 337)	(1 038)	(3 556)	(782)
Loans from related parties raised	28	-	-	-	7 546
Loans from related parties repaid	28	-	-	(15 000)	-
Instalment sale agreements	28	(1 838)	-	(1 838)	-
Net cash (used in) / generated from financing activities		(104 405)	257 411	(157 010)	129 233
Total cash and cash equivalents movement for the year		(46 222)	(34 774)	(63 806)	(32 091)
Cash and cash equivalents at the beginning of the year		254 812	289 586	240 774	272 865
Cash and cash equivalents at the end of the year	14	208 590	254 812	176 968	240 774

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Accounting policies

1. Presentation of consolidated and separate financial statements

The consolidated and separate financial statements, comprising Balwin Properties Limited (referred to as “the company”) and its subsidiaries (altogether referred to as “the group” or “consolidated”), incorporate the following material accounting policies, set out below. In these accounting policies “the group” refers to both the group and company.

The material accounting policies, set out below have been applied consistently for all periods presented in the financial statements and have been consistently applied by the group, refer to note 2 for information on new or revised standards or interpretations adopted during the year.

The consolidated and separate financial statements have been consistently prepared in accordance with IFRS Accounting Standards (“Accounting Standards”) and IFRIC Interpretations adopted by the International Accounting Standards Board, the SA financial reporting requirements and the requirements of the Companies Act and the JSE Listings Requirements.

The consolidated and separate financial statements have been prepared on the historic cost convention, except for investment property carried at fair value through profit and loss and derivatives carried at fair value through other comprehensive income, and incorporate the principal accounting policies set out below. They are presented in South African Rands, which is also the functional currency of the company, and are rounded to the nearest R’000.

This report was internally compiled under the supervision of Jonathan Bigham CA(SA), the Chief Financial Officer. These financial statements have been audited in compliance with all applicable requirements of the Companies Act and were authorised for issue on 11 May 2026.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. There is no use of significant judgement in the preparation of the financial statements. Significant sources of estimation uncertainty include:

Assumptions and estimation uncertainties

Recognition of cost of constructed residential apartments sold

The group uses certain assumptions and key factors in the management of, and reporting for, the recognition of the cost of constructed residential apartments sold. The assumptions are material and relate to the estimation of the forecasted total project cost of the respective developments. These assessments include a degree of inherent uncertainty when estimating these costs. These costs are allocated to the apartments on a participation quotient methodology upon recognising the revenue upon the sale. The estimation of the total project cost is performed by an in-house qualified quantity surveyors and are subject to monthly review. All project forecasts are presented to the executive directors for approval at regular intervals throughout the year.

Net realisable value of developments under construction

The group conducts regular reviews of the net realisable value of its developments under construction. The reviews were conducted on a development by development basis, using methodologies that incorporate project revenues and development costs, and based on management’s assessment of market conditions existing at the date of review.

Preparation of cash flow forecasts

The application of judgement is inherent in the preparation of cash flow forecasts which are used by the group in support of the going concern assumption.

The forecasts are based on the expected cash flows arising from the approved development programme of the company which is approved by the executive directors. The apartments included in the cash flow forecasts are included on a stepped inclusionary basis per each phase of each development. The inclusion rates are based on a balance of historic information and current sales trends and are applied specifically to the relevant phase. The construction related costs are forecasted by the inhouse qualified quantity surveyors. Funding is based on existing and forecasted bank terms based on the existing funding principles of the group and according to the construction timelines per the development schedule. All funding and land repayments are forecasted per the terms of the respective agreements.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Accounting policies (continued)

1.1 Significant judgements and sources of estimation uncertainty (continued)

The 12 month cash flows are presented to the board for approval quarterly.

Fair value of investment properties

The group applies judgement in the determination of the fair value of its investment property at each reporting date. The fair value of investment property is determined at the end of each reporting period either through an external valuation performed by an independent accredited property valuer or by the executive directors. An external valuation is performed on each item of investment property once every three years at minimum. Management has assessed the risk associated with the range of possible outcomes and is of the opinion that the risk relating to estimation has been mitigated. The calculation of the market value of the rental portfolio, both residential and commercial has been based on the income capitalisation method. This is the fundamental basis on which income producing properties are traded in the South African market. This is also due to there being strong supporting evidence of open market rental rates and capitalisation rates which are evidenced by sales in the market. Key assumptions used in the valuation include the expected net operating income, the capitalisation rate applied, growth rate in the form of rental escalations and a vacancy and bad debt factor. The hotel was valued on a market comparable sale methodology. The hotel rooms are sectional title units and can therefore be sold individually. Considering the current market appetite in the short term letting space, the best value obtainable is a comparable sale. Refer to note 4 for further details.

Classification of investment properties

Investment properties include land and buildings that are held for long-term rental yields and/or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

In determining the classification of the properties as investment properties, management considered its exposure to the risks of running the hotel business.

Management took the following factors into account:

- Intention to hold land and buildings for rental income and capital appreciation and its role as a passive investor.
- The duration of the right-of-use agreement; and
- Control over the decision-making powers of the relevant hotel operations.

Investment property under construction

Investment property under construction comprises properties being developed for future use as rental properties and is measured at cost less any accumulated impairment losses in accordance with IAS 40 Investment Properties. Cost includes all expenditure directly attributable to the development of the property, including construction costs, professional fees, and borrowing costs capitalised in accordance with IAS 23 Borrowing Costs, where such costs are directly attributable to the construction or development of a qualifying asset.

Upon completion of construction or development, when the property is available for its intended use as a rental property, it is transferred to investment property and subsequently measured at fair value in accordance with the group's accounting policy for investment property. Any gain or loss arising on transfer to fair value at the date of reclassification is recognised in profit or loss. The carrying amount of investment property under construction is reviewed at each reporting date for indicators of impairment, and where such indicators exist, the recoverable amount is estimated and any impairment loss is recognised immediately in profit or loss.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Accounting policies (continued)

1.2 Property, plant and equipment

It is the group's policy to hold property, plant and equipment at cost less accumulated depreciation, subject to the requirement to test assets for impairment. Depreciation on property, plant and equipment is provided using the straight line method to write off the cost less any estimated residual value, over the estimated useful lives on the following basis:

Item	Depreciation method	Average useful life
Land	Not applicable	Indefinite
Buildings	Straight line	Up to 40 years
Plant and machinery	Straight line	4 years
Furniture and fittings	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	3 - 5 years
Leasehold improvements	Straight line	Over the lease term
Solar assets	Straight line	20 years

The useful lives are for the current and comparative period.

The right of use asset is depreciated over the shorter of its useful life or the term of the lease. Accordingly, the lease of the Western Cape office building is depreciated over 5 years. Whilst the lease relating to the new Johannesburg head office is depreciated over 15 years in the books of the company, which represents the useful life of the right of use asset. The useful life takes into account the renewal and purchase option within the lease.

No depreciation is provided on freehold land. All land that is held for the purposes of development is accounted for as developments under construction. Refer to note 1.10 for further detail. The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset. The depreciation charge on items of property, plant and equipment that are directly attributable to the construction of residential apartments are capitalised to developments under construction.

An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Any reversal of a previous impairment is limited so that the increased value does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Any gain or loss arising from the disposal of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

1.3 Investment property

Investment property consists of property fully developed by the group for the generation of rental income purposes.

Investment property is recognised as an asset when it has been determined to be probable that future economic benefits associated with the property will flow to the entity and when the cost of the investment property can be reliably measured.

Investment property is initially measured at its cost of development including any other directly attributable expenditure. Investment property is subsequently measured at fair value and all movements in fair value are recognised in the statement of profit or loss and other comprehensive income. The fair value of investment property is determined at the end of each reporting period either through an external valuation performed by an independent accredited property valuer or by the executive directors. An external valuation is performed on each item of investment property once every three years at minimum.

Subsequent expenditure incurred in relation to the investment property is capitalised to the asset's carrying amount if it is probable that future economic benefits will flow to the group and the cost can be measured reliably. Costs of day-to-day servicing of the property are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.

Investment property under development is measured at the cost during the development period. Upon practical completion of the development, the cost is subsequently measured at fair value. Investment property under development that has been completed in the current period, has been reclassified to investment property held at fair value.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Accounting policies (continued)

1.4 Intangible assets

Intangible assets are initially recognised at cost and are subsequently measured at cost less any accumulated amortisation and any impairment losses. Intangible assets are amortised on a straight line basis over their useful life and subjected to an annual assessment of impairment, or more regularly should an indicator of impairment exist during the year.

The useful life and amortisation method of the intangible assets are reviewed on an annual basis. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Item	Depreciation method	Average useful life
Licences	Straight line	10 years
Solar infrastructure contributions	Straight line	15 years
Computer software	Straight line	3 years

1.5 Leases

Group and company as lessee

The company has leases in place which relate to the Western Cape Office Building and the Gauteng Office building.

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist). There are no non-lease components.

However as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the group is a lessee are presented in note 17 Lease liabilities (group as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives; and
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; and
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statements of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 25).

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Accounting policies (continued)

1.5 Leases (continued)

Right-of-use assets

Right-of-use assets are presented within property, plant and equipment.

Lease payments included in the measurement of the right-of-use asset comprise the following:

- the initial amount of the corresponding lease liability; and
- any lease payments made at or before the commencement date.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives (note 1.2).

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.6 Investments in subsidiaries

In the company's separate financial statements, the investments in subsidiaries are carried at cost less any accumulated impairment losses.

1.7 Financial instruments

Classification of financial assets and financial liabilities

Financial assets

The group classifies its financial assets on the basis of its business model for managing the financial assets and their contractual cash flow characteristics. The group's financial assets are measured at amortised cost.

Financial liabilities

The group classifies their financial liabilities at amortised cost.

Initial recognition and measurement of financial instruments

Financial instruments are recognised when the group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are measured at fair value on initial recognition.

For financial assets and financial liabilities that are not at fair value through profit or loss, transactions costs are included in the initial measurement of the instrument. Transaction costs are amortised using the effective interest method.

Subsequent measurement

Financial assets and financial liabilities are subsequently measured at amortised cost using the effective interest method.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Accounting policies (continued)

1.7 Financial instruments (continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when their contractual obligation is discharged or cancelled, or expire. Financial liabilities are also derecognised when their terms are modified and the cash flows of the modified liabilities are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Impairment of financial assets

The group applies the simplified approach to determine the expected credit losses (ECL) for trade receivables and therefore assesses impairment using a lifetime approach for these assets adjusted for forward looking factors specific to the debtors and the economic environment.

In particular, the following information is taken into account in the determination of the expected credit loss based on a provisional matrix.

- country credit risk - country credit risk was assessed using the Coface Credit risk assessment map and by applying a risk rating based on the country rating;
- customer default risk - each financial asset is assessed by considering the risk of default or liquidation by reference to available financial information including budgets and forecasts where possible or from information obtained either internally or from external sources that provides an indication of liquidity concerns of the customer;
- customer risk - customer risk is assessed on an individual basis by considering payment history and relationships with customers;
- government institution exposure - due to the nature of the operations, the group has to incur costs in terms of contributions made for bulk services on behalf of local municipalities which gives rise to exposure to credit from government institutions. Contributions relating to bulk services is managed very carefully and incorporates the assistance of independent external professionals and thus based on its profile, a separate risk rating has been applied to these financial assets; and
- size of financial asset - The value of each financial asset in relation to the total value of financial assets is considered in terms of a risk rating matrix. The risk rating matrix applies a bigger risk rating to the larger value financial assets.

Based on the nature of the group's operations whereby the apartments are either sold for a cash consideration or where pre-approved bank finance is in place, there is limited judgement applied in determining any expected credit loss with respect to trade receivables.

The group applies the general approach to determine the expected credit loss for loans to related parties, loans to external parties, other receivables and development loans receivable. In applying the general approach, the group takes into account whether there has been a significant increase in credit risk since the initial recognition of the loan. Expected credit losses under the general approach are updated at each reporting date utilising a three-stage model to evaluate for impairment based on changes in credit quality and risk since initial recognition.

In applying stage one of the ECL model, 12-month expected credit losses are recognised on financial assets that have a low credit risk at the reporting date. The 12-month ECL represents the portion of the lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where there has been a significant increase in credit risk since initial recognition, the group recognises lifetime expected credit losses per stage two of the ECL model. In assessing whether the credit risk on loans to related parties, loans to external parties, other receivables and development loans receivable have increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Procedures include, but are not limited to, understanding any previous event of default or amendments made in the period to payment terms, analysing the solvency and liquidity of the credit party based on available financial information and reviewing forecasts where available to identify any increased risk of default.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Accounting policies (continued)

1.7 Financial instruments (continued)

At each reporting date, an assessment is performed to determine whether financial assets subject to impairment are credit-impaired. The groups financial assets are assessed to be credit-impaired in the event that there is observable evidence that that one or more events with a detrimental effect on the estimated future cash flows have occurred. Such events are, but not limited to, significant financial difficulty of the counterparty or the likely occurrence of bankruptcy. Where the counterparty is assessed to be credit-impaired, the related asset is disclosed in stage three.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account. The group recognises a loss allowance for expected credit losses on instruments that are measured at amortised cost. The amount of expected credit losses ("ECL") is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Expected credit losses are based on the difference between the contracted cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate.

Write-off

The gross carrying amount of a financial asset is directly reduced (that is, written off) when the entity has no reasonable expectations of recovering it in its entirety, or a portion thereof. The corresponding impairment allowance is also reduced. This reduction occurs when the asset is a stage three financial asset as per the ECL model. A write-off constitutes a derecognition event for accounting purposes. Depending on the nature of the account, balances are written off when it is no longer economically viable to keep the debt on the statement of financial position. Indicators which suggest that an account is not economically viable to retain on the statement of financial position include (but do not represent an exhaustive list):

- The exposure is unsecured, i.e., there is no tangible security the group can claim against (excluding suretyships);
- The debt has prescribed;
- The exposure would attract reputational risk should the group pursue further legal action due to the valuation/exposure ratio;
- Where the cost to recover is high in relation to the valuation of the asset.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the group's procedures for recovery of amounts due.

Loan to external parties

Loans to external parties are initially recognised at their face value which is deemed to approximate their fair value due to the impact of financing being immaterial. The loans are subsequently measured at amortised cost using the effective interest method.

Loans to related parties

The loans to the related parties are recognised initially at fair value plus direct transactional costs and are subsequently measured at amortised cost using the effective interest method.

Trade and other receivables

Trade and other receivables are initially recognised at the transaction value and are subsequently measured at amortised cost using the effective interest method. The group holds trade receivables with the objective to collect contractual cash flows. The receivables relating to the apartments handed over but not yet registered create an unconditional right to the funds receivable. The amounts receivable relates purely to a timing difference between handover of the apartment and the subsequent registration thereof in the deeds office.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Accounting policies (continued)

1.7 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially at fair value and subsequently measured at amortised cost which approximates fair value.

Development loans and facilities

Development loans and facilities payable and receivable are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of the loans are recognised over the term of the loan.

1.8 Hedge accounting

At the inception of the hedge relationship, the group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the group will adjust the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Cash flow hedges

Other financial liabilities comprises of an interest rate swap. The Group uses a derivative financial instrument to partially hedge its exposure to variable interest rate risks arising from long term financing activities in accordance with its treasury policy. The hedge relationship of the derivative is designated as a hedge for Accounting Standards purposes and is accounted for as fair value through OCI. Derivative financial instruments are recognised initially at fair value at the date the derivative contracts are entered into. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are accounted for through OCI. The fair value of derivatives is the estimated amount that the Group would receive or pay to terminate the derivative at the reporting date.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to developments under construction in the periods when the hedged item incurs a cash flow.

1.9 Tax

Current tax assets and liabilities

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Accounting policies (continued)

1.9 Tax (continued)

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. These reductions are reversed when the probability of future taxable profits improves.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Tax expenses

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

1.10 Developments under construction

Developments under construction comprise the cost of the land, development rights and construction related expenditure which comprises direct materials, labour costs, site overheads, associated professional charges and other attributable overheads. Developments under construction are stated at the lower of cost and net realisable value.

Cost includes all of the expenditure which is directly attributable to the acquisition of the land or construction of residential estates/apartments, including the capitalisation of borrowing costs that are incurred on the development loans. The construction of residential estates/apartments is a qualifying asset in terms of IAS 23, *Borrowing costs*, and accordingly borrowing costs are capitalised to the extent that they are directly attributable to the acquisition and construction of the estate/apartment. Refer to the accounting policy in note 1.17 for further detail on borrowing costs.

Although the operating cycle for developments under construction is considered to be longer than 12 months due to the fact that they are held primarily for the purposes of trading and are expected to be realised in the entity's normal operating cycle, the asset is classified as current in accordance with the presentation requirements of IAS 1, *Presentation of Financial Statements*. The operating cycle is normally between four to ten years.

1.11 Impairment of non-financial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists then the assets recoverable amount is estimated.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss and is recognised immediately in profit or loss.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Accounting policies (continued)

1.11 Impairment of non-financial assets (continued)

The group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated and the expense recorded in profit or loss. Any subsequent reversal of impairments is recorded as a credit in operating expenses in profit or loss.

1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

Treasury shares

Ordinary shares in Balwin Properties Limited which have been acquired by the group in terms of an approved share repurchase programme, are classified as treasury shares. The cost of these shares is deducted from equity and the number of shares is deducted from the weighted average number of shares. When treasury shares are sold or reissued the amount received is recognised as an increase in equity and the resulting surplus or deficit over the cost of these shares on the transaction is transferred to or from distributable reserves.

The group treats shares issued as part of the BEE transaction as treasury shares. This is due to the risk and rewards associated with the ownership of the shares not yet transferred, and thus being treated as the grant of an in-substance option.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected costs of bonus payments and leave pay are recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance. The respective costs are disclosed as employee benefits in the financial statements.

1.14 Revenue

Revenue from contracts with customers

The group recognises revenue from the following major sources:

- Revenue from the sale apartments;
- Revenue from the sale of land;
- Bond commission;
- Supply of electronic communication services;
- Rendering of services to residential developments; and
- Revenue from the provision of solar energy.

Other revenue

The group recognises other revenue from:

- Rental income; and
- Donation income.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Accounting policies (continued)

1.14 Revenue (continued)

Land is sold by the company to related parties under instalment sale agreements. Although legal title to the land is only transferred and registered in the buyer's name upon receipt of the final instalment payment, the company recognises revenue at the inception of the agreement. This is on the basis that control of the land passes to the buyer at that point, as the buyer obtains the significant risks and rewards of ownership, has physical possession and use of the land, and the group actively uses the land for the development of investment property from the commencement of the agreement. The land is accordingly derecognised from inventory by the company at the inception of the instalment sale agreement.

Where the terms of an instalment sale agreement extend beyond 12 months, the company assesses the arrangement for the presence of a significant financing component. In such cases, the transaction price is adjusted to reflect the cash selling price of the land, determined by discounting the total instalment payments using the buyer's incremental borrowing rate, being the rate that the buyer would be required to pay to borrow funds over a similar term and with similar security in order to obtain an asset of a comparable value.

The difference between the total contractual instalment payments receivable and the discounted transaction price is recognised by the company as finance income over the term of the agreement using the effective interest method. Instalment receipts are allocated between the repayment of the receivable principal and the unwinding of the financing component in accordance with the agreed payment schedule.

On consolidation, the group eliminates all intercompany transactions arising from the sale of land to related parties under instalment sale agreements in full. This includes the reversal of any recognised revenue, the related instalment sale receivable, the financing component, and any associated finance income. The land is classified as investment property on the group's consolidated statement of financial position, as it is being actively used for the development of investment property. The land is held at cost in accordance with the cost model under IAS 40 *Investment Property* whilst undergoing development. Upon completion this shall then be measured in line with the fair value model as per the accounting policy applied by the group. These eliminations and reclassifications ensure that the group's consolidated financial statements reflect only transactions with external third parties.

Rental income comprises of rental and other income received, excluding Value Added Tax. Rental income from investment property is recognised as revenue over the rental period. The majority of rental agreements cover a period of less than 12 months and accordingly the impact of straight lining is not material.

Rendering of services to residential developments comprises of commission received from financial service provider for policies sold to clients, membership income and other income generated from the rental of facilities with the Balwin Lifestyle centres, service fee receivable from body corporates where Balwin maintained and services security infrastructure and other income from residents living in the developments.

Donation income is recognised in profit or loss when the group's right to receive payment has been established. This represents the date on which control is transferred. Donations are received by The Balwin Foundation NPC.

Revenue is recognised at a point in time on the following basis:

- Given the nature of the core operations of the company, revenue from the sale of apartments is based on a contract with the customer. The only performance obligation pertains to the successful handover of the apartment to the buyer which will only take place provided that financial guarantees are in place or the registration of the apartment in the deeds office. This represents the date on which control of the apartment transfers to the customer. Payment is due to the company upon the registration of the apartment, or, if earlier, the handover date. The transaction price is defined per the sales agreement.
- From time to time, the company disposes of land on which it does not intend to develop. Revenue on the sale of land is recognised on the transfer of the property. The transaction price is stipulated per the sales agreement. There has been a sale of undeveloped land in the current year.
- The group earns bond commission from contractual commission arrangements with bond granters based on the underlying value of the funding procured. Balwin has an in-house bond origination department that co-ordinates and facilitates mortgages on behalf of financial institutions. The performance obligation is satisfied upon the registration of the bond, which represents the timing of the transfer of control.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Accounting policies (continued)

1.14 Revenue (continued)

- The Group renders a range of services to residential developments, including property-related services, maintenance and repair advisory services, letting collection and administration services, insurance referral services, and lifestyle and recreational services (including padel court bookings, tournament entries, kiosk, pro-shop and related merchandise sales). Each service is provided under a contract with the customer and constitutes a distinct performance obligation. The performance obligation is satisfied at the point in time at which the service is rendered to the customer, being the point at which the customer simultaneously receives and consumes the benefit of the service, and the Group obtains a present right to payment. This represents the date on which control of the service transfers to the customer. The transaction price is defined per the underlying service agreement, tariff or price list, and excludes value-added tax, discounts and rebates.

Revenue is recognised over time on the following basis:

- Revenue derived from the supply of electronic communication is determined on a contractual basis between Balwin ICT Proprietary Limited and the respective internet service provider. The contracts between Balwin ICT Proprietary Limited and the internet service providers are on a month-to-month basis and can be terminated by either party by giving one month's notice. Revenue is recognised over time as the services are provided. A fixed fee is charged to the internet service provider for each fibre line used. The group applies the practical expedient to recognise revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the group's performance completed to date.
- The group generates revenue from the provision of solar energy to customers under long-term energy supply agreements. Revenue is recognised over time as the customer simultaneously receives and consumes the benefits of the electricity as it is generated.
- The group earns revenue from membership fees billed to members for access to and the right to use shared facilities, security, maintenance, estate management and other related services within the residential developments. The group provides a series of services that are substantially the same and have the same pattern of transfer to the customer, which are accounted for as a single performance obligation satisfied over time. Revenue is recognised over time, on a straight-line basis over the levy period, as the customer simultaneously receives and consumes the benefits as the group performs. The transaction price is determined with reference to approved levy rates per the underlying membership agreement and excludes value-added tax and amounts collected on behalf of third parties. Levies invoiced in advance of the service period are recognised as contract liabilities and released to revenue as the related services are rendered.

The group shall present the contract as a contract liability when it receives a pre-payment from a customer subject to all performance obligations being fulfilled. A contract liability is the group's obligation to transfer the apartment to a customer for which the group has received consideration.

Revenue is recognised at the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

The group has determined that its contracts with customers do not contain a significant financing component.

1.15 Other income

Other income includes other items of income not derived from the main activities of the group. Interest income is recognised as interest accrues using the effective interest method.

1.16 Occupational interest

Occupational interest represents money collected from apartments handed over but not yet registered. Refer to note 24.

1.17 Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The construction of residential estates/apartments is a qualifying asset in terms of IAS 23. The amount of borrowing costs eligible for capitalisation is determined based on the actual borrowing costs on development loans specifically borrowed for the purpose of the acquisition and construction of the estate/apartment less any temporary investment of those borrowings.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Accounting policies (continued)

1.17 Borrowing costs (continued)

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when substantially all the activities necessary to prepare the residential estate for its intended use or sale are complete. All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction and translated at the end of the reporting period at the appropriate rate of conversion. Any exchange differences are recognised in profit or loss in the period in which they arise.

1.19 Share based payments

The group issued equity settled options to executives and senior management as part of the long term incentive program. Allowance is made for the offer of rights in the form of bonus shares, performance shares and/or retention shares. Equity settled share based payments are measured at fair value on grant date. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the vesting period and a corresponding share based payment reserve is recognised in the statement of financial position. The options were priced using a 30-day volume weighted average share price.

1.20 Segmental reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the groups other components. An operating segment's operating results are reviewed regularly by the group's executive committee.

The group's executive committee acts as the chief operating decision maker (CODM) and is responsible to make key operating decisions, allocation of resources to the segment and assess performance, and for which distinct financial information is available. Refer to note 36 for further details.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

None of the standards and interpretations available for adoption during the current year were applicable to the group.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2026 or later periods:

IFRS 18 Presentation and Disclosure in Financial Statements

This is a new standard which replaces IAS 1 Presentation of Financial Statements and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new subtotals, namely "operating profit" and "profit before financing and income taxes" also being required. These categories and sub totals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about management-defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhance the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

The effective date of the standard is for years beginning on or after 1 January 2027.

The group expects to adopt the standard for the first time in the 2028 consolidated and separate financial statements.

The impact of the standard is not expected to impact results but will result in a change in presentation of the statements of profit or loss and other comprehensive income.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

3. Property, plant and equipment

Group	2026			2025		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Land and buildings	256 033	(21 406)	234 627	256 033	(18 231)	237 802
Plant and machinery	212 174	(68 543)	143 631	172 147	(54 979)	117 168
Furniture and fixtures	8 296	(6 506)	1 790	8 264	(5 792)	2 472
Motor vehicles	19 960	(17 172)	2 788	18 709	(15 606)	3 103
Office equipment	4 133	(3 528)	605	4 291	(3 445)	846
Computer equipment	23 628	(16 604)	7 024	20 608	(13 660)	6 948
Solar assets	69 887	(8 603)	61 284	57 588	(5 813)	51 775
Right-of-use asset - office buildings	1 144	(858)	286	2 198	(733)	1 465
Total	595 255	(143 220)	452 035	539 838	(118 259)	421 579

Company	2026			2025		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Land and buildings	9 037	(3 690)	5 347	9 037	(3 238)	5 799
Leasehold improvements	65 566	(15 361)	50 205	65 566	(10 987)	54 579
Plant and machinery	16 496	(1 908)	14 588	833	(730)	103
Furniture and fixtures	7 329	(5 941)	1 388	7 306	(5 353)	1 953
Motor vehicles	19 027	(16 435)	2 592	17 581	(14 757)	2 824
Office equipment	4 133	(3 528)	605	4 281	(3 435)	846
Computer equipment	23 083	(16 224)	6 859	20 085	(13 338)	6 747
Right-of-use asset - office buildings	104 322	(29 388)	74 934	139 640	(23 394)	116 246
Total	248 993	(92 475)	156 518	264 329	(75 232)	189 097

Reconciliation of property, plant and equipment

Group	2026						
	Opening balance	Additions	New leases	Disposals	Lease modification#	Depreciation	Closing balance
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Land and buildings	237 802	-	-	-	-	(3 175)	234 627
Plant and machinery	117 168	41 783	-	-	-	(15 320)	143 631
Furniture and fixtures	2 472	63	-	-	-	(745)	1 790
Motor vehicles	3 103	1 445	-	-	-	(1 760)	2 788
Office equipment	846	57	-	-	-	(298)	605
Computer equipment	6 948	3 213	-	(13)	-	(3 124)	7 024
Solar assets	51 775	12 256	-	-	-	(2 747)	61 284
Right-of-use asset - office buildings	1 465	-	1 143	-	(960)	(1 362)	286
	421 579	58 817	1 143	(13)	(960)	(28 531)	452 035

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment (continued)

Group (continued)	2025						
	Opening balance	Additions	Disposals	Transfers [^]	Lease modification#	Depreciation	Closing balance
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Land and buildings	251 061	5 000	(12 629)	-	-	(5 630)	237 802
Plant and machinery	83 861	50 869	-	-	-	(17 562)	117 168
Furniture and fixtures	3 218	29	-	-	-	(775)	2 472
Motor vehicles	5 637	414	(934)	-	-	(2 014)	3 103
Office equipment	986	163	-	-	-	(303)	846
Computer equipment	7 648	2 126	(6)	-	-	(2 820)	6 948
Solar assets	29 282	7 886	-	17 216	-	(2 609)	51 775
Right-of-use asset - office buildings	133	-	-	-	2 066	(734)	1 465
	381 826	66 487	(13 569)	17 216	2 066	(32 447)	421 579

Refer to note 17 for further details on the lease modification.

Company	2026						
	Opening balance	Additions	New leases	Disposals	Lease modification#	Depreciation	Closing balance
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Land and buildings	5 799	-	-	-	-	(452)	5 347
Leasehold improvements	54 579	-	-	-	-	(4 374)	50 205
Plant and machinery	103	15 664	-	-	-	(1 179)	14 588
Furniture and fixtures	1 953	23	-	-	-	(588)	1 388
Motor vehicles	2 824	1 445	-	-	-	(1 677)	2 592
Office equipment	846	57	-	-	-	(298)	605
Computer equipment	6 747	3 176	-	(1)	-	(3 063)	6 859
Right-of-use asset - office buildings	116 246	-	1 143	-	(35 902)	(6 553)	74 934
	189 097	20 365	1 143	(1)	(35 902)	(18 184)	156 518

Company	2025						
	Opening balance	Additions	Disposals	Lease modification#	Transfers [^]	Depreciation	Closing balance
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Land and buildings	6 251	-	-	-	-	(452)	5 799
Leasehold improvements	58 953	-	-	-	-	(4 374)	54 579
Plant and machinery	210	-	-	-	-	(107)	103
Furniture and fixtures	2 579	10	-	-	-	(636)	1 953
Motor vehicles	5 217	414	(934)	-	-	(1 873)	2 824
Office equipment	986	163	-	-	-	(303)	846
Computer equipment	7 511	1 877	(6)	-	-	(2 635)	6 747
Solar assets	19 128	-	-	-	(19 128)	-	-
Right-of-use asset - office buildings	123 338	-	-	2 198	-	(9 290)	116 246
	224 173	2 464	(940)	2 198	(19 128)	(19 670)	189 097

Refer to note 17 for further details on the lease modification.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000

3. Property, plant and equipment (continued)

^ During the year ended 28 February 2025, the company transferred solar assets to the value of R36.3 million to its subsidiary, Green Living Proprietary Limited, as part of an internal restructuring initiative to streamline operations and align asset ownership with business functions.

Solar assets of R19.1 million, which were held as property, plant and equipment in the company, were transferred at carrying value during the 2025 financial year. Additionally, solar assets carried as developments under construction to the value of R17.2 million were reclassified as property, plant and equipment in the company and subsequently transferred to Green Living Proprietary Limited as part of the group restructuring initiative to commercialise the assets. Further refer to note 6.

The depreciation charge on items of property, plant and equipment that are directly attributable to the construction of residential apartments are capitalised to developments under construction. In the current year, R0.9 million was capitalised (2025: R0.1 million).

Details of properties

Property 1

105 Corlett Drive, Erf 108, Birnam, Gauteng

- Purchase price: 24 August 2022

- Additions since purchase

	125 803	125 803	-	-
	121 193	121 193	-	-
	<u>246 996</u>	<u>246 996</u>	<u>-</u>	<u>-</u>

Property 2

Unit 5 and 6 Corporate Park, 11 Senembe

Crescent, La Lucia Ridge

- Purchase price: 13 June 2017

	<u>9 037</u>	<u>9 037</u>	<u>9 037</u>	<u>9 037</u>
--	--------------	--------------	--------------	--------------

For the year ended 28 February 2025, the company sold land situated at Thaba Eco Village to Balwin Lifestyle Propco Proprietary Limited, a wholly owned subsidiary of the company. The land was held as property, plant and equipment. The land was subsequently sold by the subsidiary to an external party for R20 million.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company. A mortgage with a value of R190 million is currently registered over 105 Corlett Drive, Erf 108, Birnam. No other item of property, plant and equipment acts as security.

4. Investment property

The group holds the following investment property:

- 215 apartments in its Greenpark development held by Balwin Rentals Proprietary Limited;
- 61 room hotel at its Blyde development held by Balwin Hotel - The Blyde Proprietary Limited;
- 154 apartments in The Eastlake development held by Balwin Rentals Proprietary Limited; and
- Thaba Lifestyle Centre at Thaba Eco-Village development, a 1 690m² commercial facility through Balwin Lifestyle Operations Proprietary Limited.

Investment property under development is held by Balwin Rentals Proprietary Limited, consisting of:

- The Klulee;
- The Kloof;
- Izinga' and
- The Spruit.

As at year end the investment property under development has not reached a stage of completion whereby fair value can be reliably measured, as such these items have been measured at cost in line with IAS 40 Investment property. The company does not hold any investment property as all apartments are developed for the purpose of sale.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

4. Investment property (continued)

Group	2026			2025		
	Cost / Fair value	Accumulated fair value adjustments	Carrying value	Cost / Fair value	Accumulated fair value adjustments	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Investment property	364 638	65 132	429 770	255 647	9 927	265 574
Investment property under development	77 151	-	77 151	59 575	-	59 575
Total	441 789	65 132	506 921	315 222	9 927	325 149

Reconciliation of investment property and investment property under development

Group	2026					
	Opening balance	Additions	Transfers#	Impairments [^]	Fair value adjustments	Closing balance
	R'000	R'000	R'000	R'000	R'000	R'000
Investment property	265 574	1 196	127 929	-	35 071	429 770
Investment property under development	59 575	151 249	(127 929)	(5 744)	-	77 151
	325 149	152 445	-	(5 744)	35 071	506 921

Group	2025					
	Opening balance	Additions	Transfers [*]	Fair value adjustments	Closing balance	
	R'000	R'000	R'000	R'000	R'000	
Investment property	214 631	-	44 284	6 659	265 574	
Investment property under development	5 744	53 831	-	-	59 575	
	220 375	53 831	44 284	6 659	325 149	

During the year ended 28 February 2026, the Eastlake development was reclassified from investment property under development to investment property. The reclassification was triggered by the completion of the development and its availability for rental, which is consistent with the classification requirements of IAS 40 Investment Properties.

[^] During previous periods, the Group capitalised costs relating to a proposed school development. During the year ended 28 February 2026, following the decision to no longer pursue the project, all costs of R 5.7 million previously capitalised were written off to profit or loss.

* The Thaba Lifestyle Centre was transferred from Balwin Properties Limited (the Company) to Balwin Lifestyle Operations Proprietary Limited, a wholly owned subsidiary of Balwin Properties Limited. Refer to note 6 for further detail.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000

4. Investment property (continued)

Pledged as security

A mortgage bond has been raised to the value of assets pledged as security:

Greenpark - residential	156 200	156 200	-	-
The Eastlake - residential	105 000	105 000	-	-
Mint Resorts The Blyde - hotel	31 000	31 000	-	-
	292 200	292 200	-	-

The investment property has been mortgaged to secure borrowings. Refer to note 16.

Details of property

Greenpark - residential

Sectional title scheme, Greenpark, Boksburg, Johannesburg, Gauteng

- Cost	149 752	149 752	-	-
- Accumulated fair value adjustment	4 538	4 538	-	-
	154 290	154 290	-	-

Mint Resorts The Blyde - hotel

Sectional title scheme, The Blyde, Willow Park Manor, Pretoria, Gauteng

- Cost	61 611	61 611	-	-
- Accumulated fair value adjustment	5 389	5 389	-	-
	67 000	67 000	-	-

Thaba Lifestyle Centre - commercial

Thaba Lifestyle Centre, Erf 488 Aspen Hills Extension 6 Township

- Fair value	45 480	44 284	-	-
--------------	--------	--------	---	---

During the current year additions to the value of R1.2 million were capitalised to investment property.

The Eastlake - residential

Freehold, The Eastlake, Linbro Park, Johannesburg, Gauteng

- Cost	127 929	-	-	-
- Accumulated fair value adjustment	35 071	-	-	-
	163 000	-	-	-
Total investment property	429 770	265 574	-	-

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
4. Investment property (continued)				
Investment property under development				
The Eastlake - residential				
Freehold, The Eastlake, Linbro Park, Johannesburg, Gauteng				
- Cost	127 929	53 831	-	-
- Transfer to investment property	(127 929)	-	-	-
	<u>-</u>	<u>53 831</u>	<u>-</u>	<u>-</u>

During the current year additions to the value of R 74.1 million were capitalised to investment property under development.

The Klulee - residential[^]

Freehold, The Klulee, Linbro Park,
Johannesburg, Gauteng

- Cost	<u>74 580</u>	<u>-</u>	<u>-</u>	<u>-</u>
--------	---------------	----------	----------	----------

The Kloof - residential

Freehold, The Kloof, City of Tshwane

- Cost	<u>1 782</u>	<u>-</u>	<u>-</u>	<u>-</u>
--------	--------------	----------	----------	----------

Izinga - residential

Freehold, Izinga, Umhlanga

- Cost	<u>166</u>	<u>-</u>	<u>-</u>	<u>-</u>
--------	------------	----------	----------	----------

The Spruit - residential

Freehold, The Spruit, Somerset West

- Cost	<u>623</u>	<u>-</u>	<u>-</u>	<u>-</u>
--------	------------	----------	----------	----------

Education development

- Cost	<u>-</u>	<u>5 744</u>	<u>-</u>	<u>-</u>
--------	----------	--------------	----------	----------

Total investment property under development	<u>77 151</u>	<u>59 575</u>	<u>-</u>	<u>-</u>
--	----------------------	----------------------	-----------------	-----------------

[^] The Klulee land was sold by Balwin Properties Limited ("the Company") to Balwin Rentals Proprietary Limited through an instalment sale agreement during the current year, generating revenue of R38.1 million at company level. The commercial viability and strategic value of the land resulted in management's decision to retain ownership of the asset in the long-term. The transfer was executed at fair value in line with the group's policy for investment properties.

Registers with details of the buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

A fair value gain of R35.1 million was recognised in the current year in relation to investment property (2025: R6.7 million).

Details of valuation

The fair value of investment property is determined at the end of each reporting period either through an external valuation performed by an independent accredited property valuer or by the executive directors. An external valuation is performed on each item of investment property once every three years at minimum. The fair value of all investment property measured on this basis was determined by making use of generally acceptable valuation principles and techniques which are compliant with the international valuation standards and IFRS 13 - Fair value measurement.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

4. Investment property (continued)

Greenpark – residential

The rental portfolio was valued by management through an internal valuation (2025: external valuer - Realty Arena). The method used to value the property are unobservable inputs to reflect the rental income, vacancy rates and other assumptions that market participants would make use of when pricing the investment property under current market conditions.

The fair value of the rental portfolio was determined by making use of the income capitalisation approach. This is the fundamental basis on which income producing properties are traded in the South African market. This is also due to there being strong supporting evidence of open market rental rates, vacancy rates and capitalisation rates which are evidenced by market activity. The group's rental rates have been compared to that of comparable rental companies and has been concluded to be charged at market rate.

Capitalisation rate applied – 8.5% (2025: 8.0%)

The capitalisation rate is derived from market comparable sales, adjusting for property related risks together with property specific aspects such as vacancy rate, geographic location, economic climate, stability of tenants, length of lease and cost of placements. Rental rates are charged at market comparable rates.

At year end, there was no evidence that future-looking information would require a change in the valuation assumptions of the portfolio. Occupancies and collections remained strong for the 2026 financial year amidst a difficult economic climate.

Mint Resorts The Blyde – hotel

The hotel is operated by Mint Resorts under an external operating arrangement. The property was valued by an independent external valuer, Realty Arena, as at 28 February 2026 (2025: internal valuation by management).

In line with IFRS 13 – Fair Value Measurement, the fair value of the property has not been determined using the traditional income capitalisation method typically applied to hotel operations. Instead, the fair value has been determined based on the highest and best use of the property, as required by IFRS 13, which states that "a fair value measurement shall consider a market participant's ability to generate economic benefits by using the asset in its highest and best use."

Although the hotel has shown strong initial operational growth and increasing occupancy levels, management has assessed that the current highest and best use of the property is not as a single income-generating asset, but rather as a sectionalised real estate investment. Each hotel room has been legally sectionalised and can be sold individually as a sectional title apartment, with the aggregated value of individual unit sales exceeding that of the property as a whole under an income-based approach. The intention however remains to operate the property as a hotel. However, owing to the ability to convert the hotel to sectionalised apartments, the fair value of the hotel was determined by management using the comparable sales model based on the expected value to be realised on the sale of the apartment less any costs of conversion.

The highest and best use assessment is considered temporary in nature. It is anticipated that future fair value assessments may revert to an income-based method once the hotel achieves a stabilised level of trading and long-term occupancy performance.

Thaba Eco Village Lifestyle Centre - commercial

Management performed an internal valuation of the commercial property situated at Thaba Eco Village (2025: Management Valuation).

The fair value of the lifestyle centre was determined by making use of the discounted cashflow approach. This is the fundamental basis on which income producing properties are traded in the South African market. Thaba Eco Village Lifestyle Centre derives its income from various streams including membership income earned from both external members and residents at Thaba Eco Village development, rental income from commercial tenants and income derived from sporting-activities. The most material revenue stream pertains to the membership income derived from the residents. This income stream grows as apartments are handed over in accordance with the development program. Accordingly, until such time as all apartments have been handed over, the net operating income of the lifestyle centre will not be normalised and the discounted cash flow approach has been deemed the most appropriate valuation technique to determine fair value. This is also due to there being strong supporting evidence of open market rental rates and capitalisation rates which are evidenced by market activity.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

4. Investment property (continued)

The following inputs were used:

- Pre-tax discount rate of 15.11% (2025: 14.66%) (WACC);
- Exit capitalisation rate of 7.5% (2025: 7.0%);
- Growth rate of 14.0% (2025: 15.0%); and
- Long term growth rate of 6.5% (2025: 7.0%).

The capitalisation rate applied is derived from market comparable sales, adjusting for property related risks together with property specific aspects such as geographic location, economic climate and additional amenities and services offered. Commercial rental rates are charged at market comparable rates.

At year end, there was no evidence that future-looking information would require a change in the valuation assumptions of the portfolio.

The Eastlake – residential

The rental portfolio was valued by Realty Arena, an independent external valuer for the 2026 financial year (2025: recognised at cost). The method used to value the property are unobservable inputs to reflect the rental income, vacancy rates and other assumptions that market participants would make use of when pricing the investment property under current market conditions.

The fair value of the rental portfolio was determined by making use of the income capitalisation approach. This is the fundamental basis on which income producing properties are traded in the South African market. This is also due to there being strong supporting evidence of open market rental rates, vacancy rates and capitalisation rates which are evidenced by market activity.

The group's rental rates have been compared to that of comparable rental companies and has been concluded to be charged at market rate.

Capitalisation rate applied – 8.5% .

The capitalisation rate is derived from market comparable sales, adjusting for property related risks together with property specific aspects such as vacancy rate (4.0%), geographic location, economic climate, stability of tenants, length of lease and cost of placements. Rental rates are charged at market comparable rates. At year end, there was no evidence that future-looking information would require a change in the valuation assumptions of the portfolio. Occupancies and collections remained strong for the 2026 financial year amidst a difficult economic climate. A fair value adjustment of R35.1 million has been recognised for the year ended 28 February 2026.

Investment properties - at cost

As the development of the remaining investment properties are still in progress, the development under construction has been measured at cost. To date, no apartments relating to any of the other developments at cost were constructed.

As a result of the fact that the apartments still need to be developed, the fair value of the development cannot be reliably measured. Development is anticipated to be complete in the upcoming financial years and accordingly the rental portfolio will be subsequently measured at fair value on completion.

Fair value hierarchy

The fair value of investment property has been determined by both an external valuer and management using the income capitalisation method, discounted cashflow method and the comparable sales method.

The level in the fair value hierarchy within which the fair value measurement is categorised shall be determined on the basis of the lowest level input that is significant to the fair value measurement. The table below analyses investment property carried at fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical financial assets or liabilities.
- Level 2: 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).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Investment properties at fair value are valued using a level 3 model.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000

4. Investment property (continued)

Amounts recognised in profit and loss for the year

Income from investment property	47 964	26 929	-	-
Direct operating expenses from rental generating property	(32 326)	(20 514)	-	-
	<u>15 638</u>	<u>6 415</u>	<u>-</u>	<u>-</u>

All investment properties held at fair value generated income during the financial year. In addition Thaba Eco Village Lifestyle Centre derived revenue from membership and sporting activities. The Blyde Hotel generated rental income which approximate the net operating income generated by the hotel operator.

Fair value sensitivity analysis

The valuations of investment properties are sensitive to changes in the unobservable inputs used in such valuations. Changes to one of the unobservable inputs, while holding the other inputs constant, would have the following effects on the fair value of the investment property and fair value adjustments in the statement of profit or loss and other comprehensive income. Management has performed a sensitivity analysis on these valuation inputs to illustrate that changes may result in a significantly higher or lower fair value measurement. The effect of changes in those measurements on profit or loss and fair value are as follows:

Assets valued using the capitalisation rate method

<i>Greenpark - residential</i>				
Increase in income + 100bps	1 503	1 543	-	-
Decrease in income - 100bps	(1 578)	(1 543)	-	-
Increase in capitalisation rates + 25bps	(4 439)	(4 675)	-	-
Decrease in capitalisation rates - 25bps	4 631	4 977	-	-

The Eastlake - residential

Increase in income + 100bps	1 650	-	-	-
Decrease in income - 100bps	(1 610)	-	-	-
Increase in capitalisation rates + 25bps	(4 637)	-	-	-
Decrease in capitalisation rates - 25bps	4 960	-	-	-

Assets using the discounted cashflow method

Thaba Eco Village Lifestyle Centre - commercial

Increase in income + 100bps	454	443	-	-
Decrease in income - 100bps	(454)	(443)	-	-
Increase in growth rate + 25bps	1 511	1 471	-	-
Decrease in growth rate -25 bps	(1 407)	(1 385)	-	-
Increase in capitalisation rate + 25bps	(791)	(693)	-	-
Decrease in capitalisation rate - 25bps	854	738	-	-
Increase in discount rate + 25bps	(1 002)	(1 343)	-	-
Decrease in discount rate - 25bps	1 002	1 429	-	-

Assets using the comparable sales method

Mint Resorts The Blyde - hotel

Increase in square meter price + 10%	6 700	6 700	-	-
Decrease in square meter price - 10%	(6 700)	(6 700)	-	-

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

5. Intangible assets

Group	2026			2025		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Licenses	31	(24)	7	31	(21)	10
Computer software	32 983	(23 318)	9 665	27 424	(17 582)	9 842
Solar infrastructure contributions	15 573	(4 565)	11 008	15 573	(3 527)	12 046
Total	48 587	(27 907)	20 680	43 028	(21 130)	21 898

Company	2026			2025		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Licenses	31	(24)	7	31	(21)	10
Computer software	28 358	(20 480)	7 878	23 425	(15 175)	8 250
Solar infrastructure contributions	15 573	(4 565)	11 008	15 573	(3 527)	12 046
Total	43 962	(25 069)	18 893	39 029	(18 723)	20 306

Reconciliation of intangible assets

Group	2026				
	Opening balance	Additions	Disposals	Amortisation	Closing balance
	R'000	R'000	R'000	R'000	R'000
Licenses	10	-	-	(3)	7
Computer software	9 842	5 987	(388)	(5 776)	9 665
Solar infrastructure contributions	12 046	-	-	(1 038)	11 008
	21 898	5 987	(388)	(6 817)	20 680

Group	2025				
	Opening balance	Additions	Disposals	Amortisation	Closing balance
	R'000	R'000	R'000	R'000	R'000
Licenses	13	-	-	(3)	10
Computer software	9 028	7 043	(20)	(6 209)	9 842
Solar infrastructure contributions	13 085	-	-	(1 039)	12 046
	22 126	7 043	(20)	(7 251)	21 898

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

5. Intangible assets (continued)

Company	2026				
	Opening balance R'000	Additions R'000	Disposals R'000	Amortisation R'000	Closing balance R'000
Licenses	10	-	-	(3)	7
Computer software	8 250	5 321	(388)	(5 305)	7 878
Solar infrastructure contributions	12 046	-	-	(1 038)	11 008
	20 306	5 321	(388)	(6 346)	18 893

Company	2025				
	Opening balance R'000	Additions R'000	Disposals R'000	Amortisation R'000	Closing balance R'000
Licenses	13	-	-	(3)	10
Computer software	7 674	6 207	(20)	(5 611)	8 250
Solar infrastructure contributions	13 085	-	-	(1 039)	12 046
	20 772	6 207	(20)	(6 653)	20 306

Balwin Properties Limited holds a licence allowing for the provision of electronic communication services. The licence fee is amortised over the period of the licence. The licence has a useful life of 10 years and can be renewed at the end of the period. The remaining useful life of the licences is 2 years (2025: 3 years) at year end. The licence has been granted to Balwin Properties Limited, however, the terms of the licence allow the subsidiaries of Balwin Properties Limited to provide all or any services together with all or any other rights granted to it under the licence.

The company contributes to the capital solar infrastructure costs for the installation of solar which generates renewable energy. The capital contributions are amortised over the shorter of the useful life of the infrastructure or the term of the contract period being 15 years. Accordingly, the solar infrastructure contributions are amortised over the useful life of the infrastructure. The remaining useful life of the solar infrastructure contributions is 10 years (2025: 11 years) at year end.

The computer software balance consists of software development costs incurred by the group for external and internal software. The average remaining useful life of computer software is 1.1 years (2025: 1.26 years) at year end.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

6. Investments in subsidiaries

Balwin Properties Limited holds the following investments in subsidiaries either directly or indirectly:

<u>Company</u>	% holding 2026	% holding 2025	Carrying amount 2026 R'000	Carrying amount 2025 R'000
Name of company				
Directly				
Balwin Annuity Proprietary Limited	100 %	100 %	86 283	86 283
Balwin International Limited [^]	100 %	100 %	*	*
Indirectly through Balwin Annuity Proprietary Limited				
Balwin Information and Communication Technology Proprietary Limited ("Balwin ICT") (previously Balwin Fibre)**	50 %	90 %	*	*
Balwin Signage and Towers Proprietary Limited	100 %	100 %	*	*
Balwin Hotel - The Blyde Proprietary Limited	100 %	100 %	*	*
Balwin Rentals Proprietary Limited	100 %	100 %	*	*
Balwin Technik Proprietary Limited#	50 %	50 %	*	*
Balwin Customer Services Proprietary Limited (previously Balwin Mortgages)	100 %	100 %	*	*
Balwin Financial Services Proprietary Limited#	100 %	100 %	*	*
Balwin Education Propco (NPC)#	100 %	100 %	*	*
LeaseLogic Proprietary Limited	50 %	100 %	*	*
Balwin Padel Enterprises Proprietary Limited	100 %	100 %	*	*
Balwin Maintenance Proprietary Limited#	100 %	100 %	*	*
Balwin Green Living Proprietary Limited	100 %	100 %	*	*
Padel ECommerce Proprietary Limited	100 %	100 %	*	*
Balwin Realty Proprietary Limited (previously Balwin Approved)	100 %	100 %	*	*
Balwin Connect Proprietary Limited#	100 %	100 %	*	*
Balwin Education Operations Proprietary Limited	100 %	100 %	*	*
Balwin Commercial Proprietary Limited#	100 %	100 %	*	*
Balwin Real Estate Proprietary Limited (previously Balwin Head Office Jhb)	100 %	100 %	*	*
Balwin Lifestyle Proprietary Limited#	100 %	100 %	*	*
Balwin Lifestyle Operations Proprietary Limited	100 %	100 %	*	*
Balwin Lifestyle Propco Proprietary Limited	100 %	100 %	*	*
			86 283	86 283

[^] Balwin International Limited has not traded in the current year, as the group elected not to pursue activities in Mauritius. The group wrote off an intercompany loan of R1.9 million following this decision.

* denotes a value of less than R1 000.

** Although the Company has a 50:50 shareholding structure, Balwin Properties Limited retains control in terms of IFRS 10 Consolidated Financial Statements. Balwin Annuities, a wholly-owned subsidiary of Balwin Properties Limited, holds 50% of the shares in Balwin ICT and has the practical ability to direct the relevant activities of the Company, thereby controlling the decision-making process.

The Company is designed to operate exclusively as the fibre network operator for Balwin Properties developments, and all key operational, strategic and financial decisions are effectively made at the Balwin Properties level. Furthermore, Balwin Properties employs and controls all operational staff and directs the day-to-day activities of the business. The rights held by the other shareholder are protective in nature and do not confer substantive decision-making authority. Accordingly, Balwin Properties meets all three elements of control under IFRS 10. On this basis, Balwin ICT is consolidated as a subsidiary of Balwin Properties Limited.

These subsidiaries became dormant in the current year.

All subsidiaries have a February year-end and are incorporated in South Africa, with the exception of Balwin International, which is domiciled in Mauritius.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

6. Investments in subsidiaries (continued)

Major transaction:

For the year ended 28 February 2026

A) Sale of shares to non-controlling interest

Effective 1 March 2025, the group decreased its interest in Balwin ICT Proprietary Limited from 90% to 50%, while retaining control. Total consideration received for the disposal of the shares was R73.8 million comprising R63.8 million cash (paid in advance and recognised as a liability as at 28 February 2025) and a R10.0 million shareholder loan. As at 28 February 2026, the shareholder loan value amounted to R5.2 million. Refer to note 6.

The transaction resulted in an increase in non-controlling interests of R48.3 million. The excess of consideration received over the carrying amount of non-controlling interests, amounting to R25.4 million, was recognised directly in equity attributable to the owners of the parent.

Major transaction:

For the year ended 28 February 2025

A) Transfer of Thaba lifestyle centre

The group transferred the Thaba Lifestyle centre (held as developments under construction) with a carrying value of R44.2 million from the company to a wholly owned subsidiary. The commercial viability and the strategic value of the centre resulted in management decision to retain ownership of the asset in the long-term. The transfer was executed at fair value in line with the group's policy for investment properties.

In accordance with IAS 40 – Investment Property, the property is classified as an investment property within the consolidated financial statements and remains measured at fair value. As the subsidiary is fully consolidated, the internal transfer had no impact on the group's profit or loss or total assets.

The transaction qualifies as a related party transaction under IAS 24 – Related Party Disclosures, and has been disclosed accordingly. No gain or loss was recognised at group level.

The fair value at the date of transfer was supported by a management valuation performed in accordance with IFRS 13 – Fair Value Measurement, and categorised as a Level 3 input due to the use of unobservable valuation assumptions.

B) Transfer of solar assets

Solar assets of R36.3 million, included in property, plant and equipment were transferred between the Company and Balwin Green Living Proprietary Limited, a wholly owned subsidiary of the group as part of an internal restructuring initiative to streamline operations and align asset ownership with business functions.

The transactions were conducted at carrying amounts. In accordance with IAS 16 – Property, Plant and Equipment, the assets retained their historical carrying values in the group consolidated financial statements, and no gain or loss was recognised.

As the transactions occurred between related entities, they qualify as related party transactions in terms of IAS 24 – Related Party Disclosures. Accordingly, the nature of the relationship and transaction details are disclosed, although there is no impact on the consolidated financial results of the Group.

These transactions were settled through intercompany equity accounts with no cash consideration exchanged. All terms were transferred at carrying value.

There were no outstanding balances or commitments relating to these transactions as at the reporting date.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

6. Investments in subsidiaries (continued)

Nature of business of subsidiaries

Subsidiary / Cluster name	Nature of services
Balwin Annuity	Investment holding company
Balwin International	Exploration of development opportunities in Mauritius
Balwin ICT	Fibre Division: Fibre infrastructure, internet services provision and access control technology. Technik Division: Security and access control supply and services Connect Division: Internet service provider
Balwin Green Living	Supply clean energy and treated water
Balwin Customer Services	Balwin Mortgages Division: Source and facilitate mortgage bonds Financial Services Division: To facilitate the provision of value-adding financial products and services
Balwin Real Estate	Head office Division: Commercial property investment Lifestyle Operations Division: Management of lifestyle amenities within developments Maintenance Division: Provide maintenance services to body corporates
Balwin Rentals	Residential property rental
Balwin Hotel - The Blyde	Leisure short-term property rental
LeaseLogic	Rental administration services
Balwin Signage and Towers	Rental of digital advertising and cell tower infrastructure
Balwin Padel ECommerce	Sport equipment e-commerce
Balwin Padel Enterprises	Sports activities
Balwin Realty	Resale of previously owned Balwin Apartments
Balwin Education Propco	Dormant
Balwin Commercial	Dormant

Included in the consolidated financial statements of the group are the results of The Balwin Foundation NPC, a non-profit company incorporated and domiciled in South Africa. Although not a subsidiary, The Balwin Foundation NPC has been consolidated as it is considered to be controlled by the group as the group has the ability to appoint the directors of Balwin Foundation NPC. The Balwin Foundation NPC supports and empowers the younger generation and previously disadvantaged to gain greater knowledge and skills through technical vocational education and training of industry-related trades.

There are no significant restrictions on the ability to access assets and or settle the liabilities of the subsidiaries.

Subsidiaries with non-controlling interests

2026

Summarised statement of financial position	%	Non current	Current	Non current	Current	Net asset	Carrying
	Holding	assets	assets	liabilities	liabilities	value	amount of non-
		R'000	R'000	R'000	R'000	R'000	controlling
							interest
							R'000
Balwin ICT	50%	90 562	111 121	55	96 556	105 072	54 604

Summarised statement of profit or loss and other comprehensive income	%	Revenue	Profit before	Tax expense	Profit	Profit allocated
	Holding		tax			to non-
		R'000	R'000	R'000	R'000	controlling
						interest
						R'000
Balwin ICT	50%	88 945	25 185	(6 791)	18 394	9 197

Summarised statement of cash flows	Cash flow from	Cash flow from	Cash flow from	Net decrease	Dividend paid
	operating	investing	financing	in cash flow	to non-
	activities	activities	activities		controlling
	R'000	R'000	R'000	R'000	interest
					R'000
Balwin ICT	22 810	(4 086)	(15 000)	3 724	7 435

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

6. Investments in subsidiaries (continued)

2025

Summarised statement of financial position	% Holding	Non current assets	Current assets	Non current liabilities	Current liabilities	Net asset value	Carrying amount of non-controlling interest
		R'000	R'000	R'000	R'000	R'000	R'000
Balwin ICT	90%	184 078	15 544	348	166 874	32 400	3 240
Balwin Technik	50%	484	6 997	1 058	3 622	2 801	1 401
Total		184 562	22 541	1 406	170 496	35 201	4 641

Summarised statement of profit or loss and other comprehensive income

	% Holding	Revenue	Profit before tax	Tax expense	Profit	Profit allocated to non-controlling interest
		R'000	R'000	R'000	R'000	R'000
Balwin ICT	90%	64 188	17 408	(4 700)	12 708	1 271
Balwin Technik	50%	14 814	207	(56)	151	75
Total		79 002	17 615	(4 756)	12 859	1 346

Summarised statement of cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Net decrease in cash flow
	R'000	R'000	R'000	R'000
Balwin ICT	23 367	(116 240)	91 828	(1 045)
Balwin Technik	(84)	(374)	(64)	(522)
Total	23 283	(116 614)	91 764	(1 567)

Balwin ICT paid a dividend of R7.5 million (2025: Rnil) to the non-controlling shareholders. No other company paid a dividend (2025: Rnil). The non-controlling shareholders' share of equity amounted to R54.6 million (2025: R4.6 million) at the reporting date and its share of profit for the year amounted to R9.2 million (2025: R1.3 million).

Group		Company	
2026	2025	2026	2025
R '000	R '000	R '000	R '000

7. Loans to (from) related parties

Balwin Foundation NPC	-	-	14 592	13 630
Balwin International Limited*	-	-	-	5 124
Balwin Annuity Proprietary Limited	-	-	19 974	(7 546)
Balwin Information and Communication Technology Proprietary Limited	-	-	(16 166)	-
Balwin Rentals Proprietary Limited	-	-	39 771	-
Balwin Real Estate Proprietary Limited	-	-	225	-
Padel Enterprises Proprietary Limited	-	-	26	-
			58 422	11 208

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
7. Loans to (from) related parties (continued)				
Split between non-current and current portions				
Non-current assets	-	-	39 771	-
Current assets	-	-	34 817	18 754
Current liabilities	-	-	(16 166)	(7 546)
	<u>-</u>	<u>-</u>	<u>58 422</u>	<u>11 208</u>

* During the current year, additional costs of R1.0 million were added to the loan due to Balwin Properties, bringing the gross balance to R6.1 million. Of this amount, R4.2 million was settled through repayments, and the remaining R1.9 million, due by Balwin International, was written off following the group's strategic decision not to pursue activities in Mauritius.

Balwin Rentals Proprietary Limited

The loan arose from the instalment sale of the Klulee land by Balwin Properties Limited to Balwin Rentals Proprietary Limited during the current year. Legal title to the land remains with Balwin Properties Limited until the conclusion of the instalment sale agreement. During the year, Balwin Properties Limited entered into a Subordination Agreement with FirstRand Bank Limited (trading as First National Bank), subordinating the loan in favour of the Bank. The loan is classified as non current due to the subordination agreement.

Balwin Information and Communication Technology Proprietary Limited

The liability loan is unsecured and bears interest at the prime lending rate less 1.45% per annum. The loan is repaid on a quarterly basis with capital repayments of R5.0 million.

The remaining loans are unsecured, interest-free and have no fixed terms of repayment and the intention is to call on the asset loans within the next 12 months and therefore disclosed as current.

Management reviews the financial results and management accounts of the entities monthly. The entities do not have a history defaulting on its external and internal intercompany loans. Management expects the companies to continue performing, and therefore, no expected credit losses have been recognised. Management have also considered macro-economic forward looking factors relating to these loans which are included in the respective cash flow and operational forecasts of the group entities, however the expected credit loss remains negligible. Forward looking factors are specific to the respective related party company and include cash flow forecasts based on access to donations and potential grant funding in the Foundation relative to its committed cost base.

The loans to related parties are assessed on a regular basis and careful consideration is given to the forecasts of the business. The carrying amount of the loans to related parties approximate their fair value.

8. Loans to external parties

Enterprise development loans	7 925	3 131	7 925	3 131
Archetor Holdings Proprietary Limited	5 175	-	-	-
	<u>13 100</u>	<u>3 131</u>	<u>7 925</u>	<u>3 131</u>

The group has granted enterprise development loans to selected external parties. The loans are repayable five years from the initial advance of the funding and do not bear interest. The directors consider the carrying amounts of the loans to approximate their fair values. Management has quantified the discounting of the loans as well as the expected credit loss allowance and has concluded it to be immaterial.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
9. Other financial assets and (liabilities)				
Hedging derivatives				
Interest rate swap	(4 058)	1 909	(4 058)	1 909
Split between non-current and current portions				
Non-current assets	-	1 909	-	1 909
Non-current liabilities	(4 058)	-	(4 058)	-
	(4 058)	1 909	(4 058)	1 909

The group measured its derivative financial instruments which relate to interest rate swaps at fair value at year end. The fair value is based on a Level 2 fair value measurement hierarchy, measured with reference to models with observable market inputs, such as benchmark interest rates, yield or swap curves rates based on mid-market levels. Interest rate swaps are calculated using the net present value that the group would pay or receive from the swap counterparty based on current interest rates. Interest rate swaps have been entered into in order to mitigate against the effect of changes in interest rates. Refer to note 32 for further details.

10. Deferred taxation

Deferred tax asset

Deferred taxation on deferred revenue	31	142	-	-
Deferred taxation on employee benefits and allowances	6 548	6 863	4 015	6 224
Deferred taxation on lease liabilities	101	392	24 171	37 782
Deferred taxation on available taxation losses	20 722	18 332	-	-
Deferred taxation on interest rate swap	1 096	-	1 096	-
Total deferred tax asset	28 498	25 729	29 282	44 006

Deferred taxation liability

Deferred taxation on deferred revenue	-	(10)	-	-
Deferred taxation on developments under construction allowance	(345 236)	(329 701)	(348 915)	(329 701)
Deferred taxation on capital allowances	(41 865)	(34 216)	(24 549)	(28 091)
Deferred taxation on interest rate swap	-	(516)	-	(516)
Deferred taxation on accrued income	(720)	(6 205)	(179)	-
Deferred taxation on right-of-use assets	(100)	(410)	(20 232)	(30 300)
Deferred taxation on fair value adjustments	(16 927)	(5 223)	-	-
Total deferred taxation liability	(404 848)	(376 281)	(393 875)	(388 608)

As per IAS 12:

Deferred tax asset	4 607	6 360	-	-
Deferred tax liability	(380 957)	(356 912)	(364 593)	(344 602)
Total net deferred tax liability	(376 350)	(350 552)	(364 593)	(344 602)

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
10. Deferred taxation (continued)				
Reconciliation of deferred taxation liability				
Opening balance	(350 552)	(336 666)	(344 602)	(327 412)
Deferred taxation on deferred revenue	(101)	122	-	-
Deferred taxation on employment benefits and allowances	(315)	(1 013)	(2 209)	(1 633)
Deferred taxation on developments under construction allowance	(15 535)	(17 600)	(19 214)	(17 600)
Deferred taxation on capital allowances	(7 649)	9 549	3 542	-
Deferred taxation on interest rate swap	1 612	(173)	1 612	(173)
Deferred taxation on accrued income	5 485	(5 424)	(179)	-
Deferred taxation on right-of-use assets	310	(410)	10 068	2 508
Deferred taxation on lease liabilities	(291)	(56)	(13 611)	(292)
Deferred taxation on available taxation losses	2 390	6 919	-	-
Deferred taxation on fair value adjustments	(11 704)	(5 223)	-	-
Consolidation adjustments to deferred taxation	-	(577)	-	-
Closing balance	(376 350)	(350 552)	(364 593)	(344 602)

Deferred taxation has been calculated at the standard corporate taxation rate as at the reporting date as management expect to recover the carrying value of assets through use. Deferred taxation assets are raised after due consideration of future taxable income.

11. Developments under construction

Developments under construction	<u>6 866 971</u>	<u>6 679 202</u>	<u>6 856 558</u>	<u>6 670 933</u>
Developments under construction include the following:				
Cost of construction	4 058 513	3 803 123	4 048 100	3 799 978
Land and contribution costs	2 431 886	2 416 002	2 431 886	2 410 878
Development rights	376 572	460 077	376 572	460 077
	<u>6 866 971</u>	<u>6 679 202</u>	<u>6 856 558</u>	<u>6 670 933</u>

Development rights pertains to the rights assigned to the group, including all the rights to use the Polofields and Waterfall Fields properties in Johannesburg for the purpose of undertaking the developments located on those land parcels. The group 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 by the company was R1 961.0 million (2025: R1 495.1 million). Costs previously capitalised to developments under construction written off in the current year amount to Rnil (2025: R0.3 million). The carrying amount of land which acts as security for development loans advanced is R1 470.1 million (2025: R1 714.1 million). Cash flows of R0.5 million (2025: R1.6 million) generated by the hedged item during the prior year were reclassified to developments under construction. Refer to note 25 for disclosure on the borrowing costs incurred and capitalised to developments under construction for the year.

A mortgage bond is in place over certain portions of land which acts as security for the development loans advanced (refer to note 16).

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

11. Developments under construction (continued)

At year end, the following mortgage bonds were registered:

Land	Value of mortgage bond	
	2026 R'000	2025 R'000
Remainder of Erf 3440 Umhlanga Rocks	200 000	200 000
Real Right of Extension in relation to Zwartkoppies Extension 45 Township, Real Right of Extension in relation to Zwartkoppies Extension 46 Township and Real Right of Extension in relation to Zwartkoppies Extension 47	65 000	65 000
Remainder of Erf 4484, Ballitoville, Registration Division FU, Kwa-Zulu Natal	500 000	500 000
Portion 1 of Erf 4656 Ballitoville, Kwadukuza	190 579	190 579
Portion 21 of Erf 27, Cornubia, Registration Division FU, Kwa-Zulu Natal	-	300 000
Portion 1 of Holding 20, Holdings 21, 22, 23, 24, 25, 26, 27; Holding 34, Linbro Park Agricultural Holdings	224 385	224 385
Remaining Extent of Portion 241 (a portion of portion 6) of the Farm Zwartkoppies 364	330 000	330 000
Erf 10092 Macassar	220 000	220 000
Retention of a first covering notarial deed of lease over Portion 822 (a portion of portion 62) of the Farm Waterval	400 000	400 000
Erf 1714, 1749, 1750 and 2113 Sitari, City of Cape Town	150 000	150 000
Proposed portion 10, 11, 12, 62, 82 & 117 of the Farm Saxenburg No 419 Stellenbosch	210 000	210 000
Erf 1737 Zwartkoppies Extension 45 in extent 531653 hectares	300 000	300 000
Remaining extent of Portion 6 of the Farm Firland 959, Remaining of Portion 43, Portion 184 (a Portion of Portion 43) and Remaining extent of Portion 185 of the Farm Gustrouw No 918, City of Cape Town. Portion 360 (a Portion of Portion 198) of the Farm Firland 959, City of Cape Town	150 000	150 000
Portions 3, 4 and 6 of Erf 3465, Proposed RE of Erf 3457, Proposed RE of Erf 3434 and Erf 3456 of Umhlanga Rocks	400 000	400 000
Holding 92, 102, 103, 104, 105 and 106 Crowthorne Agricultural Holdings	187 256	187 256
Erf 140, 141, 149 and Linbro Park , Extension 169, City of Johannesburg	100 000	100 000
Remaining Extent of Portion 1077 of the Farm Rietfontein 375	200 000	200 000
The lease area over portion 865 (a portion of portion 1) of Farm Waterval 5, Registration Division I.R., Gauteng	500 000	500 000
Erf 17 40 Zwartkoppies Extension 46, Erf 17 45 Zwartkoppies Extension 47 and Remaining Extent of Portion 241 (a portion of portion 6) of the Farm Zwartkoppies 364	300 000	300 000
Portion 1046 of the Farm Rietfontein 375 J.R. Pretoria	210 000	210 000
Portion 62 (Portion of Portion 1) of the farm Rietfontein 375	218 000	218 000
Holdings 103 to 105 Linbro Park & Portion 250 (Portion of Portion 13) of the farm Modderfontein 35	300 000	300 000
Erf 5123 Strand, corner Gustrouw Road and Sir Lowry's Pass Road, in the City of Cape Town, Province of the Western Cape	180 000	180 000
Portion 133 of the Farm Rietvlei 101, Registration Division IR, Gauteng	250 000	250 000
Erven 583 & 584 Lilian X8 and Erven 585 & 586 Lilianton Ext 9 and Certificate of Real Right of Extension SK3424/2018S	240 000	-
Erf 587 & 588 Lilianton Ext 10 and Erven 589 & 590 Lilianton Ext 11	100 000	100 000
Erf 92 Atlantic Hills	275 000	275 000
Erven 71 and 81 Atlantic Hills	275 000	275 000
Ptn 1140, 1141 & 1142 (a Ptn of Erf 1) Burgundy	120 000	120 000
Erf 1057 Ptn of Erf 1056 Sandown	300 000	300 000
	7 095 220	7 155 220

Refer to note 16 for the development loans and facilities.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
12. Trade and other receivables				
Financial instruments:				
Trade receivables	238 675	275 084	262 121	253 720
Accrued income	7 034	20 438	-	-
Allowance for estimated credit losses	(3 460)	(4 277)	(2 854)	(4 035)
Trade receivables at amortised cost	242 249	291 245	259 267	249 685
Amounts due from transferring attorneys	2 700	5 940	2 700	108
Amounts due from body corporates	37 688	27 049	37 688	27 049
Other receivables	6 712	12 430	-	6 512
Deposits	13 720	13 698	13 522	13 536
Non-financial instruments:				
Value added taxation receivable	11 566	11 765	-	-
Prepayments	25 921	3 889	10 183	2 629
Total trade and other receivables	340 556	366 016	323 360	299 519

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	303 069	350 362	313 177	296 890
Non-financial instruments	37 487	15 654	10 183	2 629
	340 556	366 016	323 360	299 519

Trade receivables in the company relates to sales where registration of the apartment has not yet occurred, however, revenue has been recognised as the apartment has been handed over to the purchaser and the financial guarantees are in place for the full purchase price.

Amounts owing from transferring attorneys relate to the proceeds and releases that become due to the company upon the registration of apartments. These amounts are settled by the transferring attorney on registration and the balance represents the registrations that take place on the final days of the financial year.

Amounts due from body corporates pertains to financial assistance provided by the company to support the liquidity of the body corporate. At year end, R23.8 million related to funds owed by certain body corporates relating to the installation of generators (2025: R26.9 million). The amounts are repayable to the group when the body corporate is able to settle the obligation giving consideration to its own solvency and liquidity position. Balwin continues to provide financial oversight to the body corporate to ensure this position is attained in order for the receivable to be settled. No interest is levied on the amount due, unless the body corporate is deemed to be in a position to settle the debt and does not do so. No interest has been levied to body corporates in the current and prior year.

Trade and other receivables are assessed on a regular basis and provided for based on the expected credit loss categories as identified in note 1.7. Based on the nature of the operations of the group the credit risk associated with trade and other receivables is remote. There has been no significant increase in credit risk since initial recognition, and the resulting expected credit loss is inconsequential.

The directors consider the carrying amount of trade and other receivables to approximate their fair value due to the nature of the financial instrument.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000

13. Development loans receivable

Development loans receivable are presented at amortised cost, which is net of any loss allowance. There was no loss allowance recognised in the current year (2025: Rnil).

Development loans	21 810	3 128	21 810	3 128
-------------------	--------	-------	--------	-------

The development loans represents the oversettlement of the development loan liability to the financial institution by the transferring attorney upon the registration of the apartments which acted as security for the development loan obligation. The development loans bear interest at prime linked rates and are expected to be repaid within a short time period and are therefore classified as current. Refer to note 16 for detail on the development loan obligation.

Due to the nature of the development loans receivable, the cash flows are reported on a net basis in the statement of cash flows. This is due to the fact that oversettlement of the repayment represents an activity of the transferring attorney and considering the short-term maturity of the receipts.

The directors consider the carrying amount of other financial assets to approximate their fair value. Due to the nature of the financial asset, the exposure to estimated credit losses is insignificant.

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	379	-	-
Bank balances	208 590	254 433	176 968	240 774
	<u>208 590</u>	<u>254 812</u>	<u>176 968</u>	<u>240 774</u>

The carrying amount of cash and cash equivalents approximate their fair value.

Guarantees and facilities in place on 28 February 2026:

(a) Letters of guarantee: Rnil

Guarantees and facilities in place on 28 February 2025:

(a) Letters of guarantee: R10 840 284

15. Share capital

Authorised

Ordinary shares ('000)	1 000 000	1 000 000	1 000 000	1 000 000
------------------------	-----------	-----------	-----------	-----------

Reconciliation of number of shares issued:

Opening balance	470 270 997	467 722 067	470 270 997	467 722 067
Adjustment to issued shares	-	(307 570)	-	(307 570)
Treasury shares issued to settle long-term incentive scheme	1 087 957	2 856 500	1 087 957	2 856 500
Total shares issued	<u>471 358 954</u>	<u>470 270 997</u>	<u>471 358 954</u>	<u>470 270 997</u>
Treasury shares	833 638	1 921 595	833 638	1 921 595
BEE shares*	47 219 260	47 219 260	47 219 260	47 219 260
Total shares in issue	<u>519 411 852</u>	<u>519 411 852</u>	<u>519 411 852</u>	<u>519 411 852</u>

* On 6 September 2021, the shareholders approved the BEE transaction in which the group issued 10% of its shares to a BEE SPV. The BEE SPV subscribed for 47,219,260 ordinary shares in the issued share capital of the company. The subscription price payable for the subscription shares was the volume weighted average price ("VWAP") of the company's ordinary shares on the exchange operated by the JSE less 20%, for the 30 trading days immediately preceding the date on which the last of the conditions precedent was fulfilled (6 September 2021).

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000

15. Share capital (continued)

The issue of shares to the BEE SPV was treated as an in-substance option which is within the scope of IFRS 2: Share-based payment. The fair value of the option at grant date was R57.9 million. The Black-Scholes model was used to determine the fair value of the option, based on appropriate assumptions which included:

- Term of the options
- Current/ spot price
- Exercise/ strike price
- Risk-free rate
- Volatility; and
- Dividend yield

The subscription price paid by the BEE SPV of R20 million was a premium paid by the BEE SPV to acquire the in-substance option. The premium reduced the IFRS 2 expense recognised. These shares have been treated as treasury shares. Further details of the transaction can be found on the circular issued on 26 July 2021.

Issued

Ordinary shares	670 206	670 206	670 206	670 206
BEE shares	171 878	171 878	171 878	171 878
Treasury shares	(169 466)	(172 601)	(169 466)	(172 601)
	672 618	669 483	672 618	669 483

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

16. Development loans and facilities

Development loans	2 200 953	2 286 557	2 113 403	2 172 805
General banking facility	617 504	566 177	531 930	566 177
Investment loan facility	377 519	398 976	-	-
Instalment sale obligations	10 092	-	10 092	-
	3 206 068	3 251 710	2 655 425	2 738 982

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

16. Development loans and facilities (continued)

2026

Development loans	Average nominal interest rate %	Maturity date	Group R'000	Company R'000
Non-current				
International Finance Corporation	JIBAR 3 MTH plus 2.7%	February 2034	777 995	777 995
ABSA Bank Limited	Prime less 1.0%	March 2027	79 017	-
			857 012	777 995
Current				
ABSA Bank Limited	Prime less 1.0%	December 2026	8 533	-
ABSA Bank Limited	Prime less 0.25%	Between March 2026 and February 2027	464 328	464 328
ABSA Bank Limited	Prime less 0.25%	Between March 2026 and February 2027	74 366	74 366
First National Bank Limited	Prime less 0.25%	Between March 2026 and February 2027	9 037	9 037
Investec Bank Limited	Prime less 0.25%	Between March 2026 and February 2027	274 563	274 563
Nedbank Limited	JIBAR 3MTH plus 2.2826%	Between March 2026 and February 2027	15 031	15 031
Nedbank Limited	JIBAR 3MTH plus 3.344%	December 2026	14 322	14 322
Nedbank Limited	JIBAR 3MTH plus 3.285%	December 2026	57 288	57 288
Nedbank Limited	JIBAR 3MTH plus 3.291%	December 2026	71 368	71 368
National Housing Finance Corporation Limited	Prime	Between March 2026 and February 2027	3 907	3 907
Futuregrowth Asset Management Proprietary Limited	JIBAR 1MTH plus 2.90%	Between March 2026 and February 2027	35 880	35 880
Futuregrowth Asset Management Proprietary Limited	JIBAR 1MTH plus 3.35%	February 2027	252 147	252 147
Futuregrowth Asset Management Proprietary Limited	JIBAR 1MTH plus 3.1%	February 2027	63 171	63 171
			1 343 941	1 335 408
Total development loans			2 200 953	2 113 403
Investment loans and general banking facilities				
Investment loans and general banking facilities	Average nominal interest rate %	Maturity date	Group R'000	Company R'000
Non-current loans				
Investec Bank Limited	Prime less 1.0%	June 2028	145 361	-
Investec Bank Limited	Prime less 0.35%	February 2028	29 471	-
			174 832	-
Current loans				
Ninety One SA Proprietary Limited	JIBAR 3MTH plus 4.75%	October 2026	531 930	531 930
Nedbank Limited	JIBAR 3MTH plus 2.476%	May 2026	102 792	-
First National Bank Limited	Prime less 0.25%	December 2026	87 504	-
ABSA Bank Limited	Prime less 1.45%	No fixed terms of repayment	85 574	-
Investec Bank Limited	Prime less 1.0%	Between March 2026 and February 2027	11 015	-
Investec Bank Limited	Prime less 0.35%	Between March 2026 and February 2027	1 376	-
			820 191	531 930
Total investment loans and general banking facilities			995 023	531 930

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

16. Development loans and facilities (continued)

Instalment sales obligations	Average nominal interest rate %	Maturity date	Group R'000	Company R'000
Non-current loans				
Instalment sale agreements	Prime less 1.25% to Prime less 7%	January 2029	6 558	6 558
Current loans				
Instalment sale agreements	Prime less 1.25% to Prime less 7%	February 2027	3 534	3 534
Total instalment sale obligations			10 092	10 092
Total development loans, facilities and instalment sale obligations			3 206 068	2 655 425

2025

Development loans

Non-current

International Finance Corporation	JIBAR 3MTH plus 2.7%	January 2032	677 945	677 945
First National Bank Limited	Prime less 0.25%	December 2026	33 752	-
ABSA Bank Limited	Prime less 1.0%	March 2027	71 200	-
			782 897	677 945

Current loans

ABSA Bank Limited	Prime less 0.25%	Between March 2025 and February 2026	558 221	558 221
ABSA Bank Limited	Prime less 1.00%	Between March 2025 and February 2026	8 800	-
First National Bank Limited	Prime	Between March 2025 and February 2026	25 700	25 700
First National Bank Limited	Prime plus 0.25%	Between March 2025 and February 2026	42 886	42 886
Investec Bank Limited	Prime	Between March 2025 and February 2026	155 511	155 511
Investec Bank Limited	Prime less 0.25%	Between March 2025 and February 2026	80 316	80 316
Nedbank Limited	JIBAR 3MTH plus 3.076%	Between March 2025 and February 2026	32 348	32 348
Nedbank Limited	JIBAR 3MTH plus 3.291%	Between March 2025 and February 2026	71 372	71 372
Nedbank Limited	JIBAR 3MTH plus 3.3544%	Between March 2025 and February 2026	14 322	14 322
Nedbank Limited	JIBAR 3MTH plus 3.51%	June 2025	37 863	37 863
Nedbank Limited	JIBAR 3MTH plus 3.344%	Between March 2025 and February 2026	57 288	57 288
National Housing Finance Corporation Limited	Prime	Between March 2025 and February 2026	1 129	1 129
Futuregrowth Asset Management Proprietary Limited	JIBAR 3MTH plus 3.75%	Between March 2025 and February 2026	54 027	54 027
Futuregrowth Asset Management Proprietary Limited	JIBAR 1MTH plus 3.35%	Between March 2025 and February 2026	300 390	300 390
Futuregrowth Asset Management Proprietary Limited	JIBAR 1MTH plus 3.10%	Between March 2025 and February 2026	63 487	63 487
			1 503 660	1 494 860
Total development loans			2 286 557	2 172 805

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

16. Development loans and facilities (continued)

Investment loans and general banking facilities	Average nominal interest rate %	Maturity date	Group R'000	Company R'000
Non-current				
Investec Bank Limited	Prime less 1.0%	June 2028	155 434	-
Current loans				
Ninety One SA Proprietary Limited	JIBAR 3MTH plus 4.50%	April 2025	182 979	182 979
Stanlib Asset Management Proprietary Limited	JIBAR 3MTH plus 4.75%	April 2025	299 658	299 658
Nedbank Limited	Prime	March 2025	50 000	50 000
Sanlam Investment Management Proprietary Limited	JIBAR 3MTH plus 4%	April 2025	33 540	33 540
ABSA Bank Limited	Prime less 1.45%	No fixed terms of repayment	100 733	-
Nedbank Limited	JIBAR 3MTH plus 2.476%	December 2025	101 942	-
Investec Bank Limited	Prime less 0.25%	December 2025	30 598	-
Investec Bank Limited	Prime less 1.0%	February 2026	10 269	-
			809 719	566 177
Total investment loans and general banking facilities			965 153	566 177
Total development loans and facilities			3 251 710	2 738 982

Please refer to note 32 for the maturity groupings of the financial liabilities of the group.

Group		Company	
2026 R '000	2025 R '000	2026 R '000	2025 R '000

Split between non-current and current portions

Non-current liabilities	1 038 402	938 331	784 553	677 945
Current liabilities	2 167 666	2 313 379	1 870 872	2 061 037
	3 206 068	3 251 710	2 655 425	2 738 982

Development loans and facilities:

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

The development loans payable to International Finance Corporation ("IFC") have long-term repayment term, maturing in February 2034. The loan features an interest-only period until April 2028, after which fixed contractual repayments are made.

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

The carrying amount of development loans and facilities approximate their fair value. Refer to note 11 for disclosure of the mortgage bonds registered over the land acting as security for the loans. No breaches or funding or default on payments were incurred during the year.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000

16. Development loans and facilities (continued)

The Group will transition from JIBAR-linked instruments to ZARONIA. Any new contracts are now referenced to ZARONIA. Legacy contracts are being actively transitioned in line with market conventions and counterparties' readiness.

As at the reporting date, the following instruments remain unmodified and continue to reference JIBAR:

Non-derivative financial liabilities: R1 918.1 million

Derivative financial instruments: R 4.1 million

These balances are expected to transition progressively as contracts mature or are renegotiated, but in any event will be transitioned before 31 December 2026. The Group does not expect the IBOR reform to have a material impact on its financial position or performance, and continues to monitor developments to ensure an orderly transition.

Installment sale obligations:

Facilities are secured in terms of instalment sale agreements over certain plant and equipment. The liabilities bear interest at between 1.25% and 7% below prime lending rates and are repayable in instalments of between R33 226 and R94 025 per month over periods up to 36 months. The carrying amount of the plant and equipment is R10 056 891 (2025: RNil).

17. Lease liabilities

The Johannesburg head office lease is eliminated at a group level as the building is considered to be owner occupied. The lease agreement for the Western Cape office was extended in the current year by a further 12-months resulting in a modification to the lease (refer to note 3 - property, plant and equipment for details on the right-of-use assets).

Management uses the incremental borrowing rate in calculating the right-of-use asset and lease liability at initial recognition. The lease term for each lease takes into account any renewal option to the extent that management believes the option will be exercised.

The maturity analysis of lease liabilities is as follows:

Within one year	303	1 247	12 569	14 429
Two to five years	-	316	49 066	64 467
More than five years	-	-	78 710	161 232
	<u>303</u>	<u>1 563</u>	<u>140 345</u>	<u>240 128</u>
Less finance charges component	(6)	(112)	(50 821)	(99 433)
	<u>297</u>	<u>1 451</u>	<u>89 524</u>	<u>140 695</u>
Non-current liabilities	-	204	84 403	138 163
Current liabilities	297	1 247	5 121	2 532
	<u>297</u>	<u>1 451</u>	<u>89 524</u>	<u>140 695</u>
Reconciliation of lease liabilities				
Opening balance	1 451	192	140 695	139 180
New leases	1 143	-	1 143	-
Interest accrued	734	158	8 681	12 031
Lease modification	(960)	2 297	(48 758)	2 297
Payment of capital portion	(1 337)	(1 038)	(3 556)	(782)
Payment of interest	(734)	(158)	(8 681)	(12 031)
Closing balance	<u>297</u>	<u>1 451</u>	<u>89 524</u>	<u>140 695</u>

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026	2025	2026	2025
	R '000	R '000	R '000	R '000

17. Lease liabilities (continued)

Amount recognised in profit or loss

Interest on lease liabilities	734	158	8 681	12 031
Depreciation on right-of-use asset - office building	1 362	733	6 553	9 290
Short term leases	(1 620)	935	(1 746)	915
	476	1 826	13 488	22 236

18. Trade and other payables

Financial instruments:

Trade payables	131 175	87 901	127 782	74 889
Development related accruals	2 027	3 594	2 027	3 594
Commission and incentive accruals	9 587	7 743	9 587	7 743
Deposits received	23 116	2 757	20 033	-
Other accruals	9 277	125	-	-

Non-financial instruments:

Funds received in advance	8 561	61 096	7 827	-
Payroll accruals	14 069	7 770	14 803	7 607
Value added taxation payable	49 477	9 179	48 669	8 380
	247 289	180 165	230 728	102 213

In the prior year, the group had received R61.1 million from a minority shareholder of Balwin Information and Communication Technology Proprietary Limited relating to a planned issuance of ordinary shares scheduled to occur in the subsequent financial year. Refer to note 6.

The directors consider the carrying amounts of the trade and other payables to approximate their fair values due to the nature of the financial instrument.

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	175 182	102 120	159 429	86 226
Non-financial instruments	72 107	78 045	71 299	15 987
	247 289	180 165	230 728	102 213

19. Employee benefits

Reconciliation of employee benefits

Group	2026			
	Opening balance	Additions	Utilised / reversed during the year	Closing balance
	R'000	R'000	R'000	R'000
Leave pay	7 505	23 013	(26 688)	3 830
Bonus	12 700	21 647	(21 234)	13 113
	20 205	44 660	(47 922)	16 943

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

19. Employee benefits (continued)

		2025			
		Opening balance	Additions	Utilised / reversed during the year	Closing balance
		R'000	R'000	R'000	R'000
Leave pay		10 063	15 546	(18 104)	7 505
Bonus		14 218	12 067	(13 585)	12 700
		24 281	27 613	(31 689)	20 205

		2026			
		Opening balance	Additions	Utilised / reversed during the year	Closing balance
		R'000	R'000	R'000	R'000
Leave pay		6 507	21 419	(25 209)	2 717
Bonus		12 067	17 300	(18 925)	10 442
		18 574	38 719	(44 134)	13 159

		2025			
		Opening balance	Additions	Utilised / reversed during the year	Closing balance
		R'000	R'000	R'000	R'000
Leave pay		9 266	15 345	(18 104)	6 507
Bonus		13 033	12 067	(13 033)	12 067
		22 299	27 412	(31 137)	18 574

The leave pay accrual is based on the number of leave days due calculated at the employees basic salaried earnings.

The bonus accrual relates to a bonus payable to employees based on the approved short-term incentive scheme of the group.

		Group		Company	
		2026	2025	2026	2025
		R '000	R '000	R '000	R '000

20. Revenue

Revenue from contracts with customers

Revenue from sale of apartments	2 436 250	1 997 196	2 433 731	1 997 196
Revenue from sale of land#	36 768	45 803	74 865	45 803
Supply of electronic communication services	88 078	76 536	-	-
Bond commission	16 735	12 372	-	-
Revenue from the provision of solar energy*	21 944	23 449	-	-
Rendering of services to residential developments	40 685	28 472	-	-
	2 640 460	2 183 828	2 508 596	2 042 999

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000

20. Revenue (continued)

Revenue other than from contracts with customers

Rental income	51 542	34 973	-	-
Donation income	1 238	2 117	-	-
	52 780	37 090	-	-
	2 693 240	2 220 918	2 508 596	2 042 999

The sale of the Klulee land by Balwin Properties Limited ("the company") to Balwin Rentals Proprietary Limited generated revenue of R38.1 million at company level. As this represents an intercompany transaction between group entities, it has been eliminated on consolidation.

* Revenue from the provision of solar energy has been disaggregated in the current period to enhance disclosure.

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.

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

Disclosure of disaggregated revenue from sale of apartments by region

Gauteng	959 714	945 129	958 534	945 129
Western Cape	1 304 740	889 851	1 304 740	889 851
KwaZulu-Natal	171 796	162 216	170 457	162 216
	2 436 250	1 997 196	2 433 731	1 997 196

Disclosure of disaggregated revenue from sale of apartments by collection

Classic Collection	1 900 347	1 362 920	1 897 828	1 362 920
Green Collection	403 747	432 576	403 747	432 576
Signature Collection	132 156	201 700	132 156	201 700
	2 436 250	1 997 196	2 433 731	1 997 196

Disclosure of timing of revenue recognition

At a point in time

Revenue from sale of apartments	2 436 250	1 997 196	2 433 731	1 997 196
Revenue from sale of land	36 768	45 803	74 865	45 803
Bond commission	16 735	12 372	-	-
Rendering of services to residential developments	18 090	6 100	-	-
	2 507 843	2 061 471	2 508 596	2 042 999

Over time

Supply of electronic communication services	88 078	76 536	-	-
Revenue from the provision of solar energy	21 944	23 449	-	-
Rendering of services to residential developments	22 595	22 372	-	-
	132 617	122 357	-	-
Total revenue from contracts with customers	2 640 460	2 183 828	2 508 596	2 042 999

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026	2025	2026	2025
	R '000	R '000	R '000	R '000

21. Share based payments

In terms of the rules of Balwin's conditional share plan ("the share plan"), as approved by the shareholders at the annual general meeting, allowance is made for the offer of rights in the form of bonus shares, performance shares and/or retention shares under the following allocation conditions:

Bonus shares - Bonus shares are awarded annually, to the extent that a short-term incentive ("STI") was payable, at a ratio of a 1:1 match to the actual STI paid in terms of the immediately preceding financial year. The bonus shares are linked to short-term incentive performance and, as such, no prospective performance conditions are applicable. These awards are subject to continued employment over the three year vesting period only.

Performance shares - Performance shares are awarded subject to the discretion of the remuneration committee and specific performance conditions will be attached to the award. Any performance condition attached to performance shares shall be objective and representative of a fair measure of performance.

Retention shares - 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 remuneration and nomination committee. These shares are subject to continued employment only.

Total expenses of R7.7 million (2025: R14.3 million) related to share based payments transactions that were recognised in the year. The following equity-settled share based payment arrangements relating to the bonus share scheme, which is the only active scheme in existence during the current year. No performance or retention shares were in issue in the current or prior year.

Share option (Bonus shares)	Number of shares*	Award Date	Vesting Date	Fair value at award date
Bonus shares - 2022	5 289 111	1 July 2022	30 June 2025	R2.88
Bonus shares - 2023	9 431 826	1 July 2023	30 June 2026	R2.73
Bonus shares - 2025	1 803 995	1 July 2025	30 June 2028	R2.32
	16 524 932			

* reflects the gross shares not yet vested at 28 February 2026.

No bonus shares were issued in 2024 on the basis of no STI being awarded.

Reconciliation of number of share options outstanding:

Opening balance	15 111 124	21 959 617	15 111 124	21 959 617
Shares awarded during the year	1 803 995	-	1 803 995	-
Shares forfeited during the year	(390 241)	(3 991 993)	(390 241)	(3 991 993)
Shares exercised during the year*	(3 257 110)	(2 856 500)	(3 257 110)	(2 856 500)
Closing balance	13 267 768	15 111 124	13 267 768	15 111 124

Reconciliation of share based payment reserve: R'000

Opening balance	84 642	82 297	84 642	82 297
Share based payment charge	7 721	14 314	7 721	14 314
Shares settled during the year	(5 015)	-	(5 015)	-
Shares exercised during the year	(3 135)	(11 969)	(3 135)	(11 969)
Closing balance	84 213	84 642	84 213	84 642

* The weighted average share price at the exercise date for the 2022 vested scheme amounted to R2.31 (2025: R1.80 for the 2021 share scheme).

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

		Group		Company	
		2026 R '000	2025 R '000	2026 R '000	2025 R '000
22. Other income / (expenses)	Notes				
Solar and management fee income		448	1 156	448	777
Municipal recoveries		30	60	30	60
Profit on sale of property, plant and equipment		-	16 689	-	568
Fair value gain on investment property	4	35 071	6 659	-	-
Other income		4 651	1 215	-	-
Gain on lease modification		-	-	9 788	-
Loss on write-off of investment property	4	(5 744)	-	-	-
Loss on write-off of loans	7	-	-	(1 907)	-
		34 456	25 779	8 359	1 405

23. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Expenses by nature

Employee costs	81 386	88 840	72 057	71 500
Depreciation and amortisation	35 338	39 698	24 530	26 323
Consulting fees	20 663	17 637	19 398	16 582
Share based payment expense	7 721	14 314	7 721	14 314
Sales and internal commission	33 883	25 973	33 675	25 973
	178 991	186 462	157 381	154 692
Auditor's remuneration - external	3 307	2 914	1 705	1 722
Auditor's remuneration - internal	1 769	1 656	1 769	1 656

Included in operating profit is the profit/(loss) on the sale of land. As land is classified as developments under construction, the sale of land is recorded as revenue with a corresponding cost of sale recognised. The group holds land primarily for development purposes but, from time to time, does sell land parcels for strategic purposes.

During the year, the group disposed of a land holding in Cornubia, KwaZulu-Natal, which had originally been acquired for development purposes. At the time of acquisition, certain infrastructure had been installed, with guarantees in place for the completion of the remaining infrastructure, for which the seller was responsible. However, to date, the outstanding infrastructure has not been completed, despite the group's extensive efforts to resolve the matter, and no viable solution is currently in place. Critically, access to the development remains severely constrained, adversely affecting the development potential of the land. Accordingly, the group made the strategic decision to exit the investment. This matter is isolated, and no other land within the group's development pipeline is impacted in a similar manner.

The financial impact of the sale of land in operating profit is detailed below:

Revenue	36 768	-	-	-
Cost of sales	(92 737)	-	-	-
Gross profit / (loss)	(55 969)	-	-	-

24. Investment income

Bank	11 417	10 266	10 894	10 107
Occupational interest	7 291	5 546	7 291	5 546
Other investment income	109	1 804	1 196	1 681
Total interest income	18 817	17 616	19 381	17 334

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
25. Finance costs				
Development loans	263 370	246 509	255 421	246 509
Lease liability interest	734	158	8 681	12 031
Investment and general banking facilities	49 987	49 882	5 334	2 258
Other	301	301	301	301
Capitalised interest on developments under construction	(255 421)	(246 509)	(255 421)	(246 509)
Capitalised interest on investment property under development	(5 726)	-	-	-
Total finance costs	53 245	50 341	14 316	14 590

Finance cost paid includes interest on development loans of R258.6 million (2025: R257.2 million) which was paid during the year in both the group and the company.

Finance costs paid per the consolidated statements of cash flows

Finance costs charge per the statement of profit or loss and other comprehensive income	(53 245)	(50 341)	(14 316)	(14 590)
Interest paid on development loans	(258 638)	(257 161)	(258 638)	(257 161)
Interest paid on investment property under development	(5 726)	-	-	-
Interest accrued on development loans and investment and general banking facilities but not yet paid	8 298	11 858	5 769	10 512
Additional interest paid on lease liabilities	-	-	(3 068)	-
Finance costs paid	(309 311)	(295 644)	(270 253)	(261 239)

26. Taxation

Major components of the tax expense

Current

Current taxation - current year	67 730	66 533	53 426	59 352
---------------------------------	--------	--------	--------	--------

Deferred

Deferred taxation - current year	25 645	13 713	21 601	17 017
Deferred taxation - prior year	1 652	-	-	-
	27 297	13 713	21 601	17 017
	95 027	80 246	75 027	76 369

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
26. Taxation (continued)				
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate.				
Applicable tax rate	27.00 %	27.00 %	27.00 %	27.00 %
Solar asset allowance	(0.87)%	(0.23)%	- %	- %
Disallowable charges - Share based payment	0.60 %	1.32 %	0.81 %	1.32 %
Income taxable but not recognised in accounting profit	1.23 %	- %	1.23 %	- %
Non-taxable portion of capital gain	- %	(0.04)%	- %	- %
Non-taxable income - Fair value gain on investment property	(2.01)%	(0.34)%	- %	- %
Deferred taxation not recognised or reversed	0.76 %	(2.18)%	- %	- %
Prior year under provisions	0.48 %	- %	- %	- %
	27.19 %	25.53 %	29.04 %	28.32 %
27. Cash generated from operations Notes				
Profit before taxation	349 534	314 270	258 400	269 668
Adjustments for non-cash items:				
Depreciation and amortisation	35 338	39 698	24 530	26 323
Profit on disposal of property, plant and equipment, intangible assets	-	(16 689)	-	(568)
Fair value gain on investment property	(35 071)	(6 659)	-	-
Movements in employee benefits	(3 261)	(4 076)	(5 415)	(3 725)
Lease modification	-	231	(10 465)	99
Impairment of investment property	22 5 744	-	-	-
Write off of related party loan	22 -	-	1 907	-
Enterprise development loans converted to grants	-	7 654	-	7 654
Instalment sale agreement - non cash revenue	-	-	(38 097)	-
Share based payment	2 707	14 314	2 707	14 314
Adjust for items which are presented separately:				
Investment income	(18 817)	(17 616)	(19 381)	(17 334)
Finance costs	53 245	50 341	14 316	14 590
Changes in working capital:				
Decrease / (increase) in developments under construction	108 078	(251 290)	110 221	(215 692)
Decrease / (increase) in trade and other receivables	25 460	(16 307)	(23 841)	(10 357)
Increase / (decrease) in trade and other payables	66 913	4 317	130 146	(43 729)
Increase in development loans receivable	(18 682)	(1 288)	(18 682)	(1 288)
	571 188	116 900	426 346	39 955

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

28. Reconciliation of changes in liabilities arising from financing activities

2026	Group		Company		
	Development loans, facilities and instalment sale obligations R'000	Lease liabilities R'000	Development loans, facilities and instalment sale obligations R'000	Lease liabilities R'000	Related party loans R'000
Balance at 1 March 2025	3 251 710	1 451	2 738 982	140 695	7 546
Development loans raised and utilised	1 208 104	-	1 139 010	-	-
Development loans repaid	(1 331 443)	-	(1 322 063)	-	-
Investment loans and general facilities raised and utilised	199 425	-	199 425	-	-
Investment loans and general facilities repaid	(177 316)	-	(152 988)	-	-
Instalment sale obligations raised and utilised	11 919	-	11 919	-	-
Instalment sale obligations repaid	(1 839)	-	(1 839)	-	-
Interest accrued	354 253	734	301 652	8 681	-
Payment of interest	(308 745)	(734)	(258 673)	(8 681)	-
Payment of lease liabilities	-	(1 337)	-	(3 556)	-
New leases	-	1 143	-	1 143	-
Lease modification	-	(960)	-	(48 758)	-
Loans from related parties raised	-	-	-	-	23 620
Loans from related parties repaid	-	-	-	-	(15 000)
Balance at 28 February 2026	3 206 068	297	2 655 425	89 524	16 166

2025	Group		Company	
	Development loans and facilities R'000	Lease liabilities R'000	Development loans and facilities R'000	Lease liabilities R'000
Balance at 1 March 2024	3 072 897	192	2 696 151	139 180
Development loans raised and utilised	2 392 989	-	2 392 989	-
Development loans repaid	(2 176 697)	-	(2 176 697)	-
Investment loans and general facilities raised and utilised	293 435	-	151 339	-
Investment loans and general banking facilities repaid	(251 278)	-	(245 161)	-
Loan reduction on early settlement	(79 638)	-	(79 638)	-
Interest accrued	295 187	158	248 906	12 031
Payment of interest	(295 185)	(158)	(248 907)	(12 031)
Payment of lease liabilities	-	(1 038)	-	(782)
Lease modification	-	2 297	-	2 297
Balance at 28 February 2025	3 251 710	1 451	2 738 982	140 695

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
29. Taxation paid				
Balance at beginning of the year	(14 884)	1 316	(12 340)	1 008
Current tax recognised in profit or loss	(67 730)	(66 533)	(53 426)	(59 352)
Balance at end of the year	2 741	14 884	(1 354)	12 340
	(79 873)	(50 333)	(67 120)	(46 004)

30. Related parties

Relationships	
Subsidiaries	Refer to note 6
Members of key management	Refer to director's report for a list of directors and prescribed officers

Balwin Properties Limited, in the ordinary course of business, entered into various sales transactions with its key management personnel. The effect of these transactions is included in the financial performance and results of the group. Terms and conditions of these transactions are determined on an arm's length basis.

Related party balances

Loan accounts - Owing (to) by related parties (note 7)

Subsidiary and other related parties

Balwin Annuity Proprietary Limited	-	-	19 974	(7 546)
Balwin International Proprietary Limited	-	-	-	5 124
The Balwin Foundation NPC	-	-	14 592	13 630
Balwin Information and Communication Technology Proprietary Limited	-	-	(16 166)	-
Balwin Rentals Proprietary Limited	-	-	39 771	-
Balwin Real Estate Proprietary Limited	-	-	225	-
Padel Enterprises Proprietary Limited	-	-	26	-

Amounts included in trade payables regarding related parties

Subsidiary

Balwin Connect Proprietary Limited	-	-	(66)	-
Balwin Foundation NPC	-	-	(83)	-
Padel Enterprises Proprietary Limited	-	-	-	(110)
Balwin Lifestyle Operations Proprietary Limited	-	-	-	(144)
Balwin Green Living Proprietary Limited	-	-	(1 236)	(333)
Balwin ICT Proprietary Limited	-	-	(1 189)	(1 500)

Amounts included in trade receivable from related party

Subsidiary

Balwin Annuity Proprietary Limited	-	-	39 553	5 645
Balwin Hotel - The Blyde Proprietary Limited	-	-	54	-
Balwin Customer Services Proprietary Limited	-	-	7	-
Balwin Realty Proprietary Limited	-	-	50	27
Balwin Technik Proprietary Limited	-	-	12	12
Balwin Real Estate Proprietary Limited	-	-	19 158	14
Balwin Lifestyle PropCo Proprietary Limited	-	-	89	89
Balwin Lifestyle Operations Proprietary Limited	-	-	-	1 490
Balwin Padel Enterprises Proprietary Limited	-	-	66	-
The Balwin Foundation NPC	-	-	4	-
Balwin Rentals Proprietary Limited	-	-	3 293	242

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
30. Related parties (continued)				
Related party transactions				
<u>Sale of apartments to related parties</u>				
Directors				
ZN Brookes	-	1 122	-	1 122
<u>Sale of land to related parties</u>				
Subsidiary				
Balwin Rentals Proprietary Limited	-	-	38 097	15 652
The value of land sold by the company to Balwin Rentals Proprietary Limited under the instalment sale obligation amounted to R63.0 million.				
<u>Property rental management fee received</u>				
Directors and prescribed officers				
Volker Properties Proprietary Limited*	369	250	-	250
Essence Real Estate Proprietary Limited**	28	6	-	6
Shelby Prop Investments Proprietary Limited***	176	78	-	78
A property rental management fee is paid by key management of Balwin for the management of their property investment portfolio. The fee charged is on an arms length basis and the underlying agreement is approved by the board annually.				
<u>Right-of-use asset rental</u>				
Subsidiary				
Balwin Real Estate Proprietary Limited	-	-	9 258	8 878
<u>Rentals paid to related parties</u>				
Directors, prescribed officers and companies				
Volker Properties Proprietary Limited *	34	304	34	304
Shelby Prop Investments Proprietary Limited **	57	155	57	155
Rental is paid to related parties for the use of apartments owned by them. The apartments are mostly used by the group for marketing purposes for use as show apartments.				
<u>Donations paid to related party</u>				
Subsidiary				
The Balwin Foundation NPC	-	-	4 815	3 477
<u>Other expenses paid to related parties</u>				
Subsidiaries				
The Balwin Foundation NPC	-	-	-	13 630
Balwin Real Estate Proprietary Limited	-	-	12 151	6 426
Balwin ICT Proprietary Limited	-	-	667	485
Balwin Padel Enterprises Proprietary Limited	-	-	2 145	-

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000

30. Related parties (continued)

Other income received from related parties

Subsidiaries

Balwin Rentals Proprietary Limited	-	-	-	388
Balwin Lifestyle Operations Proprietary Limited	-	-	-	15 088
Balwin Green Living Proprietary Limited	-	-	60	-
Balwin Mortgages Proprietary Limited	-	-	-	125
Balwin Real Estate Proprietary Limited	-	-	13 689	89
Balwin Technik Proprietary Limited	-	-	-	12

Management fees received from related parties

Subsidiaries

Balwin Annuity Proprietary Limited	-	-	32 398	29 683
------------------------------------	---	---	--------	--------

Compensation to directors and other key management

Short-term employee benefits	22 072	24 237	22 072	24 237
Post-employment benefits	1 095	1 194	1 095	1 194
Share based payment	6 560	10 391	6 560	10 391
	29 727	35 822	29 727	35 822

* The entity is controlled by SV Brookes

** The entity is controlled by RN Gray

31. Directors' and prescribed officer's emoluments

Executive

2026

	Basic salary R'000	Benefits R'000	Long and short-term incentive expense* R'000	Total R'000
SV Brookes	7 235	849	4 248	12 332
JS Bigham	4 070	679	1 967	6 716
	11 305	1 528	6 215	19 048

2025

	Basic salary R'000	Benefits R'000	Long and short-term incentive expense* R'000	Total R'000
SV Brookes	6 890	800	5 782	13 472
JS Bigham	3 616	607	2 196	6 419
	10 506	1 407	7 978	19 891

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

31. Directors' and prescribed officer's emoluments (continued)

* The long and short-term incentive expense reflects the cost that has been expensed by the company in the period and not the value of options settled.

Non-executive

All emoluments disclosed below relates to their remuneration derived for services performed in their capacity as non-executive directors. No bonuses or any contributions were paid to non-executive directors.

	2026 R'000	2025 R'000
H Saven	1 377	1 330
A Shapiro	811	786
O Amosun	817	791
T Mokosi-Mwantembe	622	602
J Scher	412	396
ARK Kukama	578	558
K Moloko	622	602
	5 239	5 065

Prescribed officers

2026

	Basic salary R'000	Benefits R'000	Long and short-term incentive expense* R'000	Total R'000
RN Gray	6 300	814	3 565	10 679

2025

	Basic salary R'000	Benefits R'000	Long and short-term incentive expense* R'000	Total R'000
U Gschnaidtner#	2 699	301	1 434	4 434
RN Gray	6 000	774	4 809	11 583
	8 699	1 075	6 243	16 017

Resigned 1 February 2024, however was serving a six-month notice period.

* The long and short-term incentive expense reflects the cost that has been expensed by the group in the period and not the value of options settled.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

31. Directors' and prescribed officer's emoluments (continued)

Directors' interest

	2026		2025	
	Number of shares	% holding	Number of shares	% holding
SV Brookes	171 751 457	33.1 %	171 751 457	33.1 %
RN Gray	49 716 011	9.6 %	48 962 208	9.4 %
ARK Kukama	47 219 260	9.1 %	47 219 260	9.1 %
JS Bigham	247 143	- %	247 143	- %
A Shapiro	204 000	- %	204 000	- %
O Amosun	9 390	- %	9 390	- %
	269 147 261	51.8 %	268 393 458	51.6 %

All shares held by the directors are for direct beneficial interest. All of the shares of SV Brookes are pledged as security for financing purposes.

Directors' share options

Bonus shares were awarded to the directors and prescribed officer in terms of the group's Conditional Share Plan in the prior year, refer to Note 21. These awards are linked to short term incentive performance and have no prospective performance conditions or strike prices attached. These awards are subject to continued employment only.

The following share options were awarded to directors but not yet vested at year end:

2026	Opening balance	Granted during the year	Settled during the year	Lapsed during the year	Closing balance
SV Brookes	4 118 770	410 010	- *	-	4 528 780
RN Gray	3 381 332	357 943	(1 408 999)	-	2 330 276
JS Bigham	1 368 511	225 883	- *	-	1 594 394
	8 868 613	993 836	(1 408 999)	-	8 453 450

* The directors elected to defer the settlement of the shares that vested in terms of the share plan.

2025	Opening balance	Granted during the year	Settled during the year	Lapsed during the year	Closing balance
SV Brookes	4 892 018	-	(773 248)	-	4 118 770
RN Gray	3 971 670	-	(590 338)	-	3 381 332
U Gschnaidtner (resigned 31 August 2024)	3 072 369	-	(462 236)	(2 610 133)	-
JS Bigham	1 502 312	-	(133 801)	-	1 368 511
	13 438 369	-	(1 959 623)	(2 610 133)	8 868 613

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
32. Financial instruments and risk management				
Categories of financial instruments				
Categories of financial assets				
Financial assets at amortised cost				
Development loans receivable	21 810	3 128	21 810	3 128
Loans to related parties	-	-	74 588	18 754
Loans to external parties	13 100	3 131	7 925	3 131
Trade and other receivables	303 069	350 362	313 177	296 890
Cash and cash equivalents	208 590	254 812	176 968	240 774
	546 569	611 433	594 468	562 677
Financial assets at fair value through other comprehensive income				
Other financial assets	-	1 909	-	1 909
Categories of financial liabilities				
Financial liabilities at amortised cost				
Development loans and facilities	(3 206 068)	(3 251 710)	(2 655 425)	(2 738 982)
Loans from related parties	-	-	(16 166)	(7 546)
Trade and other payables	(175 182)	(102 120)	(159 429)	(86 226)
	(3 381 250)	(3 353 830)	(2 831 020)	(2 832 754)
Financial liabilities at fair value through other comprehensive income				
Other financial liabilities	(4 058)	-	(4 058)	-

The directors consider the carrying value of the financial assets and liabilities listed above to approximate its fair value.

Capital risk management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Developments under construction is financed on a phase-by-phase basis. Development finance is obtained through secured pre-sales and is repaid on registration of the phase being financed.

The capital structure of the group consists of debt, which includes the development finance disclosed in Note 16, cash and cash equivalents disclosed in note 14, and equity as disclosed in the statement of financial position. Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

Financial risk management

Overview

The group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

32. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Given the nature of the operations of the group, credit risk on the sale of apartments not yet registered is mitigated through the fact that the financial guarantees are in place in full prior to the handover of the apartment. As such, credit risk arises principally from the group's receivables from loans, amounts due from body corporates and transferring attorneys, municipal debtors, development loans due from financial institutions and cash and cash equivalents.

Credit risk is managed on a group basis.

Development loans receivables

Development loans represents over settlement of the development loan facility by the transferring attorney to the financial institution. The loans are expected to be recovered from the respective financial institution within 12 months after year end and have been classified as current. The group considers the development loans receivable to be subject to a minimal exposure to credit risk due to funding on the development loans facilities being acquired from major banks and financial institutions which are rated AA+ based on the Fitch ratings.

Loans to related parties

Loans to related parties are actively reviewed and managed on a monthly basis through the review of forecasts and cash flow, to assess the credit risk of loans to related parties.

Furthermore, the group monitors changes in credit risk by tracking the financial statements of the related party and assessing liquidity and solvency of the respective entity. There is no increase in credit risk.

Loans to external parties

Loans to external parties comprise of enterprise development loans made to external parties. The group monitors changes in credit risk by inspecting the financial results of the external parties after each six-month period. Where results indicate that the liquidity and solvency position of the external party has deteriorated since the previous six-month period, the group considers credit risk to have increased from the prior year in terms of the default and recognises lifetime expected credit losses.

Trade and other receivables

Trade and other receivables relates to sales where registration has not yet transferred, however, revenue has been recognised as the apartment has been handed over to the purchaser and financial guarantees are in place for the full purchase price. Amounts owing by the transfer attorneys relates to cash received from registrations which has not yet been transferred to the group. Due to the nature of the trade and other receivables the credit risk is limited.

The group uses the simplified approach and recognises lifetime expected credit losses on its trade receivables and the general approach for their other receivables.

Cash and cash equivalents

Cash and cash equivalents are held with major banks and financial institutions which are rated AA+ based on the Fitch ratings. The group considers cash and cash equivalents to be subject to a limited exposure to credit risk.

There has been no write-off of any financial assets in the current year (2025: Rnil) other than the expected credit loss allowance raised.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

32. Financial instruments and risk management (continued)

The maximum exposure to credit risk is presented in the table below:

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Financial instruments				
Development loans receivable	21 810	3 128	21 810	3 128
Loans to related parties	-	-	74 588	18 754
Loans to external parties	13 100	3 131	7 925	3 131
Trade and other receivables	303 069	350 362	313 177	296 890
Cash and cash equivalents	208 590	254 812	176 968	240 774
	546 569	611 433	594 468	562 677

The movement in the expected credit loss allowance relating to trade and other receivables:

Balance at the beginning of the year	(4 277)	(9 247)	(4 035)	(8 637)
Lifetime loss allowance recognised in the current year (trade and other receivables) - refer to note 12	-	(3 052)	-	(3 052)
Lifetime loss allowance reversed in the current year	817	8 022	1 181	7 654
Balance at the end of the year	(3 460)	(4 277)	(2 854)	(4 035)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Development finance is obtained from major financial institutions based on secured pre-sales of residential apartment on a phase-by-phase basis. Development finance is repaid upon registration of a specific phase being financed. The phase-by-phase approach to funding reduces the risk of accumulating excessive debt which impacts liquidity. The business operates within pre-defined risk tolerance levels set by funders covenants and board thresholds. Quarterly, the board reviews the group's compliance with the covenants.

The following covenants listed below are applicable to the group:

Covenant	Covenant requirement	Measurement at 28 February 2026
Interest Coverage Ratio	$\geq 2.0x$	2.2x
Loan to Value	$< 45\%$	38.1%
Net Asset Value	$\geq R3.5$ billion	R4.6 billion
Minimum Cash	R200 million post dividend	R208.6 million (no dividend declared)
Current Ratio	$\geq 2.0x$	3.1x
CAD Ratio	$\geq 2.0x$	2.3x
Debt to EBITDA Ratio	$< 5.0x$	$< 4.5x$
Assets of the company as % of consolidated assets of the group	$\geq 80\%$	$\geq 91.5\%$

All covenants have been fully complied with and the board is satisfied that appropriate headroom exists with respect to covenant compliance.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

32. Financial instruments and risk management (continued)

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group - 2026

	Less than 1 year R'000	1 to 2 years R'000	2 to 5 years R'000	Over 5 years R'000	Total R'000	Carrying amount R'000
Trade and other payables	175 182	-	-	-	175 182	175 182
Development loans	1 552 335	153 899	408 325	570 479	2 685 038	2 200 953
Facilities	449 210	181 796	460 666	141 538	1 233 210	995 023
Instalment sale obligations	3 959	3 519	3 232	-	10 710	10 092
	2 180 686	339 214	872 223	712 017	4 104 140	3 381 250

Group - 2025

Trade and other payables	102 120	-	-	-	102 120	102 120
Development loans	1 844 371	150 599	472 442	450 131	2 917 543	2 286 557
Facilities	752 185	26 429	188 743	-	967 357	965 153
	2 698 676	177 028	661 185	450 131	3 987 020	3 353 830

Company - 2026

	Less than 1 year R'000	1 to 2 years R'000	2 to 5 years R'000	Over 5 years R'000	Total R'000	Carrying amount R'000
Trade and other payables	159 429	-	-	-	159 429	159 429
Loans from related parties	16 166	-	-	-	16 166	16 166
Development loans	1 534 448	75 209	408 325	570 479	2 588 461	2 113 403
Facilities	135 203	126 097	322 594	141 538	725 432	531 930
Instalment sale obligations	3 959	3 519	3 232	-	10 710	10 092
	1 849 205	204 825	734 151	712 017	3 500 198	2 831 020

Company - 2025

Trade and other payables	86 226	-	-	-	86 226	86 226
Loans from related parties	7 546	-	-	-	7 546	7 546
Development loans	1 724 338	72 279	472 442	450 131	2 719 190	2 172 805
Facilities	582 614	-	-	-	582 614	566 177
	2 400 724	72 279	472 442	450 131	3 395 576	2 832 754

Interest rate risk

The group's interest rate risk arises from long and short-term borrowings, cash and cash equivalents and development loans receivable. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. The Group uses an interest rate swap to partially hedge its exposure to variable interest rate risks arising from long term financing activities in accordance with its treasury policy.

The group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the group calculates the impact on profit or loss of a defined interest rate movement. Interest rate risk is higher for land debt than development finance. Development finance is short term funding in nature and therefore there is no significant exposure to variations in interest rates.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

32. Financial instruments and risk management (continued)

The scenarios are run only for financial instruments that represent the major interest-bearing positions. Based on the simulations performed, the impact on post-tax profit of a 1% movement would be a maximum increase and opposite decrease of R29.8 million (2025: R29.9 million) for the group and R24.6 million (2025: R25.0 million) for the company. The sensitivity analysis is prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Interest rate swaps

Certain interest rate swaps have been entered into in order to mitigate against the effect of changes in interest rates. The below interest rate swap was entered into in the prior years. No interest rate swaps or other similar instruments were entered into in the current year.

	Swap maturity	Nominal amount R'000	Average swap rate %	Fair value R'000
Interest rate swap	June 2027	350 000	7.25	(4 058)

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate of 100bps which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000
Interest-bearing instruments comprise:				
Development loans receivable	21 810	3 128	21 810	3 128
Cash and cash equivalents	208 590	254 812	176 968	240 774
Development loans payable	(3 206 068)	(3 251 710)	(2 655 425)	(2 738 982)
	(2 975 668)	(2 993 770)	(2 456 647)	(2 495 080)
Impact on profit and loss:				
Development loans receivable	218	31	218	31
Cash and cash equivalents	2 086	2 548	1 770	2 408
Development loans payable	(32 061)	(32 517)	(26 554)	(27 390)
	(29 757)	(29 938)	(24 566)	(24 951)

33. Basic, headline and diluted earnings per share

	Group		Company	
	2026	2025	2026	2025
Basic (cents)	52.36	49.74		
Headline (cents)	47.72	45.95		
Diluted earnings (cents)	51.13	48.20		
Diluted headline earnings (cents)	46.60	44.54		
Tangible net asset value per share (cents) *	972.48	905.52	924.56	886.84
Net asset value per share (cents) **	976.89	910.20	928.59	891.18
Weighted average shares in issue	468 517 816	467 793 505	468 517 816	467 793 505
Net asset value (R'000)	4 576 917	4 257 857	4 350 604	4 168 882
Tangible net asset value (R'000)	4 556 237	4 235 959	4 331 711	4 148 576

* 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.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

33. Basic, headline and diluted earnings per share (continued)

	Group			
	Gross	Net	Gross	Net
	2026 R '000	2026 R '000	2025 R '000	2025 R '000
Reconciliation of profit for the year to headline earnings (R'000)				
Basic earnings	245 310	245 310	232 678	232 678
Net profit on disposal of property, plant and equipment and intangible assets	-	-	(16 689)	(12 183)
Impairment of investment property	5 744	5 744	-	-
Fair value gain on investment property	(35 071)	(27 496)	(6 659)	(5 521)
Headline earnings	215 983	223 558	209 330	214 974
			Group	
			2026	2025
Weighted average number of shares				
Weighted average number of shares in issue			468 517 816	467 793 505
Potential dilutive impact of share options			11 235 821	14 910 844
Weighted average diluted shares in issue			479 753 637	482 704 349

34. Contingent liabilities

The group had no contingent liabilities at 28 February 2026 (2025: RNil).

35. Commitments

	Group		Company	
	2026 R '000	2025 R '000	2026 R '000	2025 R '000

Authorised capital expenditure

Already contracted for but not provided for

• Land (Conditional)	511 000	301 000	511 000	301 000
• Infrastructure (Unconditional)	56 621	4 726	56 621	4 726

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.

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

36. Segmental reporting

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

Nature of operations

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

	Sale of apartments and land	Provision of services to residential estates	Bond commission	Property rentals	Balwin Foundation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Segmental reporting for statement of financial position for the year ended 28 February 2026						
Non-current assets	112 211	185 573	143	699 380	36	997 343
Current assets	7 314 910	64 628	4 265	51 325	5 118	7 440 246
Total assets	7 427 121	250 201	4 408	750 705	5 154	8 437 589
Non-current liabilities	1 149 509	79 008	84	194 816	-	1 423 417
Current liabilities	1 972 713	30 439	2 613	431 490	-	2 437 255
Total liabilities	3 122 222	109 447	2 697	626 306	-	3 860 672

Segmental reporting for statement of financial position for the year ended 28 February 2025

Non-current assets	99 663	172 659	153	507 489	62	780 026
Current assets	7 226 539	29 288	2 706	42 045	3 854	7 304 432
Total assets	7 326 202	201 947	2 859	549 534	3 916	8 084 458
Non-current liabilities	1 016 359	70 039	-	208 786	263	1 295 447
Current liabilities	2 198 002	182 112	1 165	135 782	14 093	2 531 154
Total liabilities	3 214 361	252 151	1 165	344 568	14 356	3 826 601

Segmental reporting for statement of profit or loss and other comprehensive income for the year ended 28 February 2026

Revenue	2 473 020	150 705	16 735	51 542	1 238	2 693 240
Cost of sales	(1 943 761)	(4 099)	(47)	-	(4 976)	(1 952 883)
Gross profit	529 259	146 606	16 688	51 542	(3 738)	740 357
Other (expenses) / income	(4 645)	(1 261)	-	40 362	-	34 456
Investment income	18 200	90	-	329	198	18 817
Operating expenses	(246 829)	(85 854)	(7 760)	(49 984)	(424)	(390 851)
Depreciation	(17 683)	(16 053)	(10)	(1 548)	(44)	(35 338)
Staff cost and management fees	(74 946)	(18 235)	(7 686)	(20 988)	(6)	(121 861)
Other	(154 200)	(51 566)	(64)	(27 448)	(374)	(233 652)
Finance costs	(6 368)	(16 357)	-	(30 520)	-	(53 245)
Taxation	(75 275)	(6 387)	(2 430)	(10 935)	-	(95 027)
Profit for the year	214 342	36 837	6 498	794	(3 964)	254 507

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

36. Segmental reporting (continued)

Segmental reporting for statement of profit or loss and other comprehensive income for the year ended 28 February 2025

	Sale of apartments	Provision of services to residential estates	Bond commission	Property rentals	Balwin Foundation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	2 042 999	107 006	12 372	56 424	2 117	2 220 918
Cost of sales	(1 529 407)	(3 999)	(10)	-	(15 337)	(1 548 753)
Gross profit	513 592	103 007	12 362	56 424	(13 220)	672 165
Operating expenses	(236 894)	(67 367)	(7 167)	(36 353)	(3 167)	(350 948)
Depreciation	(18 565)	(19 486)	(122)	(1 456)	(68)	(39 697)
Staff cost and management fees	(71 500)	(29 740)	(5 879)	(10 328)	(2 253)	(119 700)
Other	(146 829)	(18 141)	(1 166)	(24 569)	(846)	(191 551)
Finance costs	(2 717)	(15 174)	-	(32 450)	-	(50 341)
Taxation	(81 655)	3 787	(1 447)	(931)	-	(80 246)
Profit / (loss) for the year	211 533	24 332	3 912	10 550	(16 303)	234 024

All figures are presented net of consolidation adjustments.

37. 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. Please refer to note 9.

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 and discounted cash flow approach of the investment property. This information is based on unobservable market data, and adjusted for based on management's experience and knowledge of the investment. Please refer to note 4.

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

Balwin Properties Limited

(Registration number 2003/028851/06)

Consolidated and Separate Financial Statements for the year ended 28 February 2026

Notes to the financial statements

38. Events after the reporting period

Subsequent to the reporting date, the group entered into agreements for the disposal of 214 apartments classified as investment property at Greenpark for a total consideration of R171.8 million. The disposal reflects management's strategic decision to exit assets not aligned with the group's core rental strategy, which focuses on the construction of bespoke, purpose-built rental developments. 204 apartments were sold to an institutional investor for R162.3 million at an initial yield of 7.7%. Transfer of these units will occur on a phased basis, with a long-stop date of 28 June 2027. The remaining 10 apartments were disposed of to individual purchasers for R9.5 million.

The financial effect of the transactions has not been recognised in the financial statements as the agreements were concluded after the financial year end. Management only initiated discussions with the institutional investor subsequent to financial year end.

Management are not aware of any other event that occurred subsequent to financial year end that requires adjustment to or disclosure in the financial statements.

39. Going concern

The directors have reviewed the group and company's cash flow forecasts up to the period ending May 2027 and, in light of this review and the current financial position, the directors believe that the group and company has adequate financial resources to continue in operation for the foreseeable future. Accordingly, the consolidated and separate financial statements have been prepared on a going concern basis.

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

As at 28 February 2026, the Group had forward sold 1 278 apartments beyond the current reporting period. Between the reporting date and the date of approval of these financial statements, a further 1 026 apartments were forward sold, bringing the total forward sales to 2 304 apartments. These apartments will be recognised in revenue and the resulting cash realised in future years.

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