

Your
lifestyle
our focus



INTEGRATED REPORT
2021



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Introducing our Integrated Report

The outbreak of the Covid-19 pandemic and the resultant lockdown restrictions have had an immeasurable impact on our economy, our business, our stakeholders and on the lives of millions of South Africans.

Against the background of this pandemic, Balwin presents its 2021 Integrated Report to provide shareholders with a balanced perspective of how the group has managed the process of value creation and preservation in the Covid-19 dominated financial year.

REPORTING SCOPE AND BOUNDARY

The Integrated Annual Report covers information on the group's business model, strategy, material issues and related risks and mitigation plans, governance, sustainability as well as financial and non-financial performance for the period 1 March 2020 to 28 February 2021. There have been no changes in the reporting scope and boundary over the past year.

Summarised financial statements have again been published in the Integrated Report, with the audited consolidated and separate annual financial statements available at www.balwin.co.za

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

GOVERNANCE AND REPORTING COMPLIANCE

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

Our reporting complies with International Financial Reporting Standards, the Companies Act of South Africa and the JSE Listings Requirements. The King IV Report on Corporate Governance (King IV) has been applied throughout the 2021 financial year and the directors confirm that the group has in all material respects applied the principles of the code. A schedule outlining the group's application of King IV is available on our website.

The guiding principles of the Integrated Reporting Framework of the International Integrated Reporting Council have been applied in the preparation of this report.

ASSURANCE

The content of the Integrated Annual Report has been reviewed by the directors and management and has not been independently assured. The group's independent external auditor, BDO South Africa Inc., has provided assurance on the annual financial statements and expressed an unmodified audit opinion. The auditor has also reviewed the accuracy of the financial information extracted from the annual financial statements that appears in the Integrated Report.

The non-financial and sustainability-related information disclosed in the report has been approved by the board's Social, Ethics and Transformation Committee.

DIRECTORS' APPROVAL

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

The audit and risk committee has oversight for integrated reporting and recommended the report for approval by the Board of Directors. The 2021 Integrated Annual Report was unanimously approved by the board for release to shareholders on 17 May 2021.



Hilton Saven
Independent non-executive chairman



Stephen Brookes
Chief Executive Officer

2021 in Review

2 546

APARTMENTS SOLD AND
RECOGNISED IN REVENUE
FOR THE YEAR

SUCCESSFUL LAUNCH OF
ONLINE PLATFORM TO
SUPPORT SALES DURING
LOCKDOWN

PRE-SALES OF
2 499
APARTMENTS FOR
FUTURE YEARS



REVENUE 7% LOWER AT
R2.7 billion
IMPACTED BY RESTRICTED
TRADING CONDITIONS
DURING LOCKDOWN



DEVELOPMENT PIPELINE
INCREASED TO
62 288
APARTMENTS OVER
15 YEARS

CONSTRUCTION
ADVERSELY IMPACTED
FOR
3 MONTHS
DUE TO COVID-19



8
NEW DEVELOPMENTS
LAUNCHED NATIONALLY
DURING THE YEAR

ACQUIRED LAND FOR
4
NEW DEVELOPMENTS

6-STAR

GREEN RATINGS FOR LIFESTYLE CENTRES AT THREE DEVELOPMENTS

INTERNATIONAL EDGE CERTIFICATION

RECEIVED FOR 20 269 APARTMENTS

>18 700

PEOPLE ASSISTED BY THE BALWIN FOUNDATION DURING THE PANDEMIC



R1.1 million

DONATED TO 16 ORGANISATIONS FROM COVID-19 CHARITY DRIVE

38%

REDUCTION IN SAFETY AND HEALTH INCIDENT RATE

7

INTERNATIONAL AWARDS ACHIEVED AT THE AFRICA AND ARABIA PROPERTY AWARDS

MOOIKLOOF MEGA CITY AND GREENCREEK DESIGNATED AS

STRATEGIC INTEGRATED PROJECTS



HEADLINE EARNINGS PER SHARE DOWN 19% TO

71.47 CENTS

Group Profile

Balwin is a specialist, national residential property developer of large-scale, sectional title estates for South Africa's growing low-to-middle income population.



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

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

ICONIC RESIDENTIAL ESTATES

Balwin's residential estates are located in high-density, high-growth areas in Johannesburg, Tshwane, the Western Cape and KwaZulu-Natal. Estates typically range between 1 000 and 2 000 apartments in each development, however, larger estates are developed where market demand and infrastructure requirements allow. An increasing number of larger scale developments are being introduced into the portfolio, particularly in the Green Collection brand where the economies of scale allow for the desired affordability of the apartments.

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

Balwin operates a build-to-sell model, currently developing and selling approximately 2 500 sectional-title residential apartments each year. The group has the ability to expand this capacity to approximately 5 000 apartments per year and plans to incrementally increase its roll-out of apartments in the forthcoming years.

Balwin has a secured pipeline of 62 288 apartments across 28 developments over an estimated 15-year development horizon.

Development pipeline on pages 32 to 33.

QUALITY, AFFORDABLE APARTMENTS

Balwin is synonymous with secure, affordable, high quality and environmentally-friendly developments. Apartments are designed to appeal to a wide range of home buyers, catering for first-time, young professional, young family, older family, retirees as well as buy-to-let investors.

Apartments include modern fitted kitchens, prepaid water and solar-assisted electricity, eco-friendly fittings and appliances, and are all fibre enabled.

The group also generates annuity income through the management and ownership of infrastructure within its developments, including providing high-speed fibre connectivity and solar installations which generate renewable energy.

DEVELOPMENT BRANDS

THE COLLECTION

Targeting the lower income market, Green-branded developments have distinctive architecture and high quality standards which are synonymous with Balwin, also offering residents access to lifestyle facilities. Apartments are priced from R499 900 to R999 900.

THE **CLASSIC** COLLECTION

The Classic Collection is Balwin's core development model. Developments are located in high-density, high-growth nodes across key metropolitan areas. The apartments are targeted at the country's growing middle income market. Prices range from R699 900 to R1 999 900.

THE *Signature* COLLECTION

The Polofields (Waterfall), Paardevlei Lifestyle Estate (Somerset West) and Izinga Eco Estate (Umhlanga) are the three elite developments housed in the Signature Collection, with apartments being built to higher specifications than the Classic Collection. These apartments are priced from R1 999 900 to R2 999 900.

Development portfolio on pages 30 to 31 and Development showcase on pages 38 to 56.

LIFESTYLE, LEISURE AND LAGOONS

Lifestyle centres are an integral part of the larger estate developments and are a distinct competitive advantage. The lifestyle centres offer all-inclusive value-added services including a wellness spa, restaurant, gym, squash court, action sports field, games room, cinema room, heated swimming pools, playgrounds, laundromat and concierge services.

The Blyde (Tshwane) was the first development in South Africa to incorporate an innovative clearwater lagoon built in a beach setting. The second lagoon is being developed at Munyaka (Waterfall) and is expected to be completed early in 2022. Balwin has an exclusivity agreement with Crystal Lagoons to develop these freshwater lagoons in strategic nodes in future.

Lifestyle showcase on pages 36 to 37.

GLOBAL ENVIRONMENTAL STANDARDS

The group has adopted an innovative approach to minimising its environmental impact. All new developments are built according to global environmental standards aimed at obtaining Excellence in Design for Greater Efficiency (EDGE) certification for all apartments and Six-Star green ratings from the Green Building Council of South Africa for its lifestyle centres. All apartments developed in the past year were registered for the EDGE certification and the group continues to strive to achieve environmental excellence and sustainable development.

Building a sustainable future on pages 57 to 65.

INTERNATIONAL AWARDS

The quality of Balwin's developments was again recognised at the Africa and Arabia Property Awards 2020–2021 where Balwin received seven awards, adding to the 16 international awards previously won by the group.

The Munyaka development (Waterfall) received awards for winning the Leisure Development, Development Marketing and Leisure Architecture categories, and a five-star rating in the Best Apartment/Condominium category. The Greenlee development (Linbro Park, Sandton) was the winner in the Sustainable Residential Development category and received a five-star award in the Best Social Housing category.

International awards on page 35.

COMMITMENT TO COMMUNITY INVESTMENT

Balwin is a committed corporate citizen and through The Balwin Foundation supports and empowers the younger generation and previously disadvantaged people to gain greater knowledge and skills through technical education and training. Students, employees, contractors and job seekers are trained in building-related trades as well as computer operations, finance and time management.

Balwin donates funds from the sale of each apartment to The Foundation which has trained over 980 previously disadvantaged individuals and funded 25 tertiary students and 10 scholars through its bursary programme.

Building a sustainable future on pages 63 to 65.

Business Model

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

CONSISTENT DEVELOPMENT FORMULA

Apply proven processes for acquiring land for residential development

- Acquire land located close to shopping centres, medical facilities, schools, entertainment and leisure facilities
- Aim to acquire zoned land which reduces risk and minimises delays in construction



THE POLOFIELDS



MUNYAKA



MUNYAKA



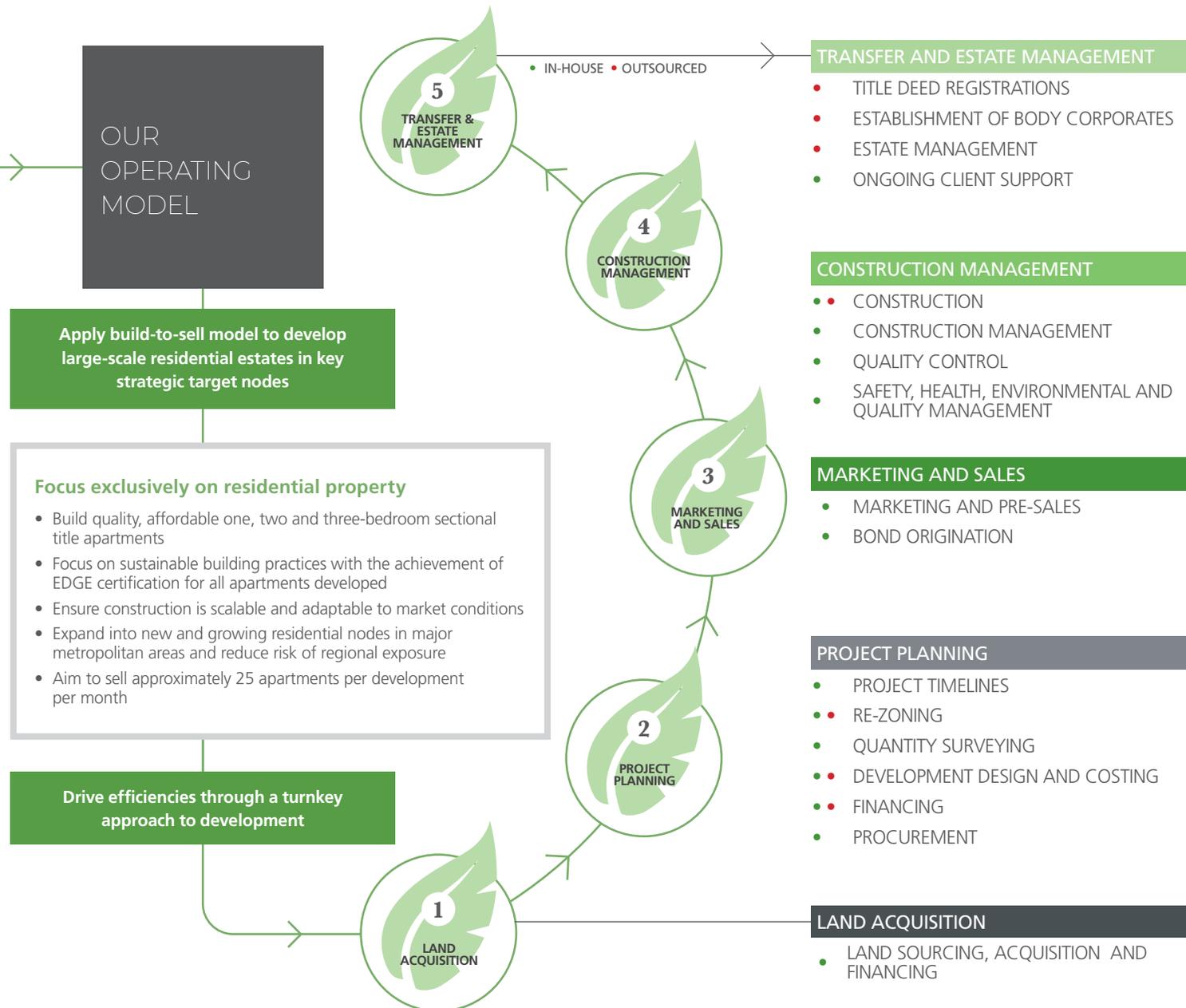
BALLITO HILLS

Utilise local suppliers and mainly locally produced construction material

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

Limit gearing through phased approach to development and financing

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



Strategic Objectives

QUALITY AND AFFORDABILITY

Prioritisation of the construction quality of the apartment through consistency and excellence in the building process. Focused and creative cost engineering to ensure the affordability of the apartments and the lifestyle offerings.

PROGRESS IN 2021:

- Obtained certification to three International Organisation for Standardisation (ISO) standards, being ISO 45001 – Health and Safety, ISO 14001 – Environmental and ISO 9001 – Quality.
- Affordability complemented by the high concentration on one- and two-bedroom apartments in the current block configuration as well as the expansion of the Green Collection apartments.
- Continued engagement with financial institutions on the Green bond home loans to enhance the affordability of apartments. First National Bank joined Absa Bank in offering discounted lending rates to qualifying clients due to the environmental sustainability of the Balwin apartments.



PLANS FOR 2022:

- Further enhance the building quality of apartments, with increased focus on construction processes.
- Further invest in the development programme to ensure timeous and consistent construction.
- ISO certification will ensure consistency in the construction process to internationally recognised levels of excellence.
- Continuously review and refine costings by experienced management team and leading external professionals to ensure cost-efficient development.
- Continue to engage with body corporates and managing agents to ensure the costs of living in a Balwin development remains affordable.
- Continue to engage with funding institutions to extend the Green bond concept.

ENHANCEMENT OF THE PRODUCT AND CUSTOMER EXPERIENCE

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

PROGRESS IN 2021:

- Awarded a further seven international awards at the Africa and Arabia Property Awards, recognising the creative design and excellence of the Balwin product.
- Completion of construction of the Ballito Hills Lifestyle Centre and the Greenbarn at Greenlee.
- Commenced construction of the Crystal Lagoon at Munyaka, Waterfall, being Balwin's first Crystal Lagoon in Johannesburg.
- Continued engagement and active involvement with body corporates to ensure excellence in the operations of the developments and prioritisation of safety of residents.



PLANS FOR 2022:

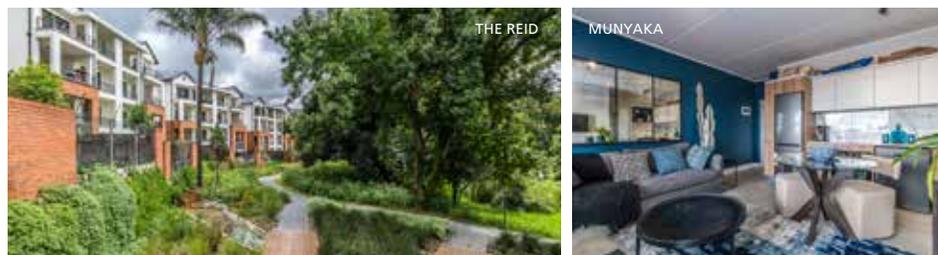
- Completion of construction of Montessori schools at Kikuyu, The Polofields, Fynbos and The Huntsman to expand the beneficial offering to residents.
- Lifestyle Centres are planned for Fynbos and The Huntsman in the Western Cape as well as the construction of the Greenbarn at Greencreek.

CASH MANAGEMENT AND CAPITAL ALLOCATION

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

PROGRESS IN 2021:

- Healthy cash resources despite lower cash-on-hand at year-end, mainly due to the challenging Covid-19 trading environment.
- Focused operational cash management enabled Balwin to increase its investment in its development pipeline in the financial year.
- Complied with all debt covenants during the Covid-19-related lockdown.
- Paid dividends during the year in accordance with the dividend policy to distribute 30% of profits. This included the final dividend for the 2020 financial year which was previously deferred.
- Broadened the providers of funding by establishing a relationship with the National Housing Finance Corporation and renewing the relationship with First National Bank, while enhancing the relationship with existing banks.



PLANS FOR 2022:

- Increased contribution of cash management and cash utilisation in the company scorecard.
- Continued pro-active engagement with funding partners.
- Evaluate alternative funding sources and models with respect to capital to continue to grow the business and more effectively fund the working capital requirements.

COMPLEMENTARY BRANDS IN TARGETED HIGH GROWTH NODES

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

PROGRESS IN 2021:

- Handover of the first phases at Greencreek, a new development within the Green Collection brand in Tshwane to complement the existing Classic Collection development in the region.
- Increased the delivery of the Green Collection apartments within the Johannesburg node, growing this contribution to 35% of the apartments developed in the area.



PLANS FOR 2022:

- Roll-out developments to ensure a balanced offering across the Green, Classic and Signature Collection brands.
- Introduce Greenbay in the Western Cape in the 2022 financial year, the first Green Collection development within this node.
- Hand over the first phases of Izinga Eco Estate in the upcoming financial year, being the first Signature Collection model in KwaZulu-Natal.

SUSTAINABLE BUSINESS PRACTICES

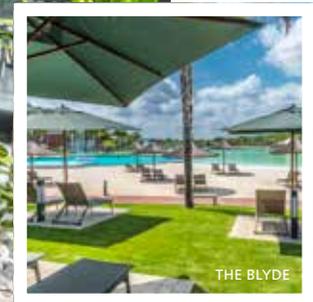
Reducing the environmental impact through innovation in design and building techniques is key to the development process. Sustainability further incorporates investing in our local communities and staff, maintaining excellent health and safety standards on site and supporting all key stakeholders of the business.

PROGRESS IN 2021

- Award for the “Sustainable residential development – South Africa” at the Africa and Arabia Property Awards for the Greenlee development.
- EDGE certification of all apartments developed during the year.
- Six-Star Green rating awarded to three new Lifestyle Centres.
- 38% reduction in the safety and health incident rate.
- Continued positive engagement with and employment of members of local communities.
- Continued support of The Balwin Foundation to enhance Balwin’s community social responsibility activities.
- Financial assistance granted to certain suppliers through the current economic hardships arising from Covid-19.
- Positive progress towards achieving B-BBEE compliance.



- Commitment to achieve EDGE certification for all apartments developed and Six-Star Green rating for all Lifestyle Centres.
- Enhanced measurement and disclosure of sustainability reporting.
- Inclusion of Environmental, Social and Governance (ESG) policy as a measure in the company scorecard.
- Establishment of a formal ESG policy and work plan.
- Emphasis on health and safety standards and a continued reduction in the safety and health overall incident rate.
- Continued support of The Balwin Foundation.
- Achieve verified level 7 B-BBEE rating.
- Evaluate options for B-BBEE ownership.



Investment Case

“Balwin is well positioned to offer long-term growth to investors seeking exposure to residential property development targeting South Africa’s growing low-to-middle income population. While property development is under pressure owing to weak macro-economic conditions which have been compounded by Covid-19, the group’s investment case remains unchanged.”

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



1 WELL POSITIONED TO ADDRESS THE UNDERSUPPLY OF HOUSING

- Growing demand for quality, affordable and conveniently located housing in secure environments close to amenities.
- Sustained growth in South Africa’s low-to-middle income population and continuing trend to urbanisation supporting housing demand.
- Balwin is an established, recognised and trusted brand among homeowners, investors and financial institutions.



2 LONG-TERM DEVELOPMENT PIPELINE IN KEY LOCATIONS

- Pipeline of 62 288 residential apartments to be constructed over the next 15 years in well located developments in major metropolitan areas.
- Land secured in key nodes for future development.



3 EXPERIENCED MANAGEMENT TEAM WITH EXTENSIVE MARKET KNOWLEDGE

- Executive management team has an average of over 25 years’ experience in the large-scale residential market.
- Founder/CEO and other executives are significant shareholders which aligns their interests with those of other investors.



4 PROVEN BUSINESS MODEL FOR LARGE-SCALE DEVELOPMENTS

- Benefit from economies of scale and geographic diversification across major growth nodes.
- Phased development model ensures the rate of construction is matched to the rate of sales.
- Scalability of developments allow for investment in extensive lifestyle facilities for residents and focused management of levies, factors which differentiate Balwin in the market.
- Long-term relationships with suppliers and sub-contractors nationally results in cost savings and high quality apartments.
- Dynamic product with an ability to change the block design configuration in response to changes in market conditions and demands.



5 SUSTAINABLE MARGINS SUPPORTED BY HIGH LEVEL OF PRE-SALES

- Balwin has a high margin for a listed residential property developer due to construction management and sales being handled in-house.
- Healthy profit margins allow the flexibility to increase marketing campaigns to drive sales when necessary, dependent on market conditions.
- Pre-sales enable development finance to be secured which is undertaken on a phase-by-phase basis, providing protection against negative economic factors.
- Sales of 2 499 apartments forward-sold for future financial years.



6 HIGH BARRIERS TO ENTRY

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



7 CREATIVITY AND INNOVATION

- Seamless and swift response to transition to an online sales platform.
- Proven track-record of excellence in creativity, design and delivery of product as evidenced through the achievement 23 international awards.
- Development of the first lagoon by Crystal Lagoons in sub-Saharan Africa at The Blyde.
- Expansion of the portfolio of apartments through the incorporation of the Green Collection.

Material Risks and Mitigation Plans

1. CHALLENGING MACRO ENVIRONMENT

WHY MATERIAL?

The group's profitability is linked to the prevailing economic conditions as sales are sensitive primarily to interest rates and inflation, but can also be materially impacted by other external non-economic factors as highlighted by the Covid-19 pandemic experienced in the current year.

RISKS

- A downturn in macroeconomic conditions could impact negatively on the consumer's ability to secure funding and on buying decisions.
- Decline in residential property prices and development value.
- Shifting global and local growth prospects and general market uncertainty deters investment and may result in loss in market opportunities.
- The Covid-19 pandemic has highlighted the vulnerability of the economy to non-economic factors impacting the ability of the group to realise financial and operational targets.
- Balwin's ability to secure funding is more challenging as banks adopt an increasingly conservative approach to lending.

MITIGATION PLANS

- Adapt construction schedules in response to market demand, with the ability to delay or slow the rate of construction.
- The configuration of apartment blocks is dynamic and can be adapted in response to market conditions to provide for a lower entry price point for customers when the property market is depressed.
- An independent external sales demand analysis is prepared for all new developments to determine the demand for the product and the configuration of the build.
- Responsive and continuous feasibility and budgeting processes to manage sales and profitability.
- Development costs are funded through pre-sales of apartments to manage cash resources.
- Established relationships with multiple funding partners complemented by recently established relationships with providers of capital has provided a diverse and dependable funding structure.

2. CASH AND CAPITAL MANAGEMENT AND THE ABILITY TO SOURCE AND FUND FUTURE LAND ACQUISITIONS

WHY MATERIAL?

The group's capacity to develop residential estates is dependent on its ability to source and fund suitable land. Property development is by its nature capital intensive and requires extensive upfront capital for the acquisition of land, associated bulk services and external upgrades.

RISKS

- Insufficient cash to meet working capital requirements.
- Inability to pursue future developments due to lack of capital.
- Land not meeting Balwin's requirements in terms of size, location, environmental factors and zoning potential.

MITIGATION PLANS

- Balwin has secured land for approximately 15 years of development.
- The board Transaction Committee comprising experienced and independently minded directors overseeing development opportunities and the associated funding thereof.
- Balwin's established market position and network assists in gaining access to proprietary land opportunities from both public and private sector landowners.
- Partnering with strategic funding partners to assist in financing infrastructure requirements.
- Development funding is obtained on a phase-by-phase basis and is secured against pre-sold apartments. The funding is only repayable once the cash is realised upon the registration of the secured apartments.
- Land and infrastructure funding is structured to allow for repayment from the realised profits of the early phases of the development.
- Adapt construction schedules to delay or slow down construction to align development to the rate of sales and funding resources.
- Prudent cash management and accumulating cash reserves within limits set by the board.
- Comprehensive and regular cash flow reporting to the Executive Committee.
- Transaction Committee of the board oversees the land acquisition and resulting development opportunities' function for recommendation to the board.

3. DELAYS IN TOWN PLANNING AND LOCAL AUTHORITY APPROVALS

WHY MATERIAL?

Delays in obtaining town planning and regulatory approvals for the commencement of construction of developments can have a significant impact on the cash flows, sales and profitability.

RISKS

- Delays in construction result in the registration of apartments being delayed which impacts on financial performance.
- Inefficiencies in obtaining local authority approvals delay the registration of apartments which negatively impacts on cash flows.
- Increased borrowing costs result from the delays in settling funding which adversely impacts profitability.
- Postponement of handover of apartments due to delays in the construction results in reputational damage from affected customers.

MITIGATION PLANS

- Professionals employed to ensure compliance with all local government processes.
- Significant and increased focus on the planning processes for the existing development pipeline to reduce delays in zoning projects.
- Management aims to acquire zoned land as part of its land acquisition strategy where appropriate.

4. REGULATORY COMPLIANCE AND CHANGES IN GOVERNMENT POLICIES

WHY MATERIAL?

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

RISKS

- Non-compliance with complex legislative frameworks could restrict the group's ability to trade and could possibly result in monetary sanctions in the longer term.
- Uncertainty on government's medium- to long-term position on issues including land expropriation or inclusionary housing and possible changes to other existing government policies.
- Unforeseen and unexpected changes in government legislation, political activity with a detrimental effect on the Company's business model or minimising development opportunities.
- Non-compliance with B-BBEE legislation and codes could impact on development approvals being granted by government departments or local authorities.
- Non-compliance results in distrust from stakeholders and reputational damage to the group.

MITIGATION PLANS

- In-house legal department monitors legislative changes together with external professional advisors.
- Closely monitoring government communication on legislation and land-related matters and proactively engaging with relevant stakeholders.
- Strong and co-operative professional relationships with key government leaders to facilitate positive and open communication.
- Accelerate transformation across all areas of B-BBEE and plans in place to achieve a formal rating.

5. INFORMATION SECURITY AND BUSINESS CONTINUITY

WHY MATERIAL?

Increasingly complex information technology (IT) landscapes set new demands on security for protecting personal and business-critical information and disaster recovery processes to ensure business continuity.

RISKS

- Ineffective IT governance and security controls may lead to breaches in the information security system which will result in losses and liability due to the integrity of the internal data being compromised.
- Reputational damage and loss of stakeholder trust arising from breaches in information security.
- Inappropriate or ineffective strategies and processes to manage business continuity may result in delays or inability to conduct business.

MITIGATION PLANS

- Established IT policies and robust firewalls.
- Security arrangements that aim to predict, prevent, respond to and detect external attempts at penetration of IT systems.
- Close and continuous monitoring of internal processes and IT-related solutions and governed by the audit and risk committee.
- Engagement with external professional business continuity experts to assist in the assessment and improvement of business continuity processes and plans.

6. RELIANCE ON KEY STAFF, SUPPLIERS AND CONTRACTORS

WHY MATERIAL?

The sustained performance of the group is dependent on several key stakeholders, including sourcing suppliers and contractors to provide the appropriate quality and timely delivery of goods and services as well as its ability to attract and retain scarce and experienced construction industry talent to develop an organisational structure and culture that complements the strategic vision of the group.

RISKS

- Inability of current suppliers and contractors to deliver on the company's growth and supply requirements.
- Organisational structure and culture of stakeholders not aligned with or appropriately not responding to the requirements of the group.
- Failure to manage working capital effectively which could result in inefficiencies.
- Inability to recruit people with the required level of skills in the residential construction industry.
- Insufficient management and staff capacity to support the growth trajectory of the group.
- Performance may be negatively affected by the loss of the knowledge and skills of key management and staff.
- Reduced ability to react to market opportunities.

MITIGATION PLANS

- National procurement department ensures appropriate suppliers and contractors and continuously identifies alternative vendors.
- Reliance on particular suppliers or contractors is limited through existing relationships with different entities across the regions and developments.
- Constructive and often long-standing relationships with suppliers and contractors facilitates positive and constant interaction to ensure they work with Balwin.
- Identify and train skilled and experienced managers as succession candidates for senior positions.
- Experienced executive team that has managed the group through different business cycles bolstered by recent executive and management appointments provide an environment to share experiences and ideas.
- Recently expanded Executive Committee and the establishment of a Management Committee has enhanced the structure and improved the governance and control processes.
- Offer short- and long-term executive incentive schemes to remain competitive in the job market and to motivate and retain top talent.

7. INJURIES AND FATALITIES ON CONSTRUCTION SITES

WHY MATERIAL?

Owing to the nature of building construction the business is vulnerable to potential injuries or even fatalities at developments.

RISKS

- Serious injury or death could result in criminal prosecution, financial penalties and reputational damage.

MITIGATION PLANS

- Balwin uses outsourced subcontractors. All construction contractors are required to have a formal health and safety policy before commencing projects for Balwin. In addition, Balwin has a health and safety policy which all staff and subcontractors are required to adhere to.
- Onsite employees undergo periodic health and safety training.
- External audits are conducted on all sites on a monthly basis and subcontractor audits are carried out weekly to ensure compliance with Balwin’s strict SHEQ policies.
- A dedicated, accredited Balwin safety officer is allocated to each development.
- Safety is a board agenda item.



Chairman's Letter to Stakeholders



Hilton Saven

Dear Stakeholders

As we reflect on what has been the most challenging year many of us will ever experience in the business environment, the board commends management for their exceptional response to the pandemic.

The introduction of the Covid-19 lockdown resulted in cash flows being constrained when no property sales could be registered during the period from the start of the lockdown on 26 March until 1 June 2020. No physical sales took place during this time either, however the launch of an online sales platform secured the sale of 350 apartments during the lockdown period. Through disciplined cash management the group navigated the storm.

Operationally it was encouraging that strict compliance with health and safety protocols at all developments ensured that there were no site disruptions due to Covid-19 outside of the national lockdown period.

Despite our construction activities being adversely impacted by restrictions for approximately 25% of the year, the group limited the decline in revenue over the previous year to 7%. Shareholders will be reassured that the group was able to continue to pay dividends in line with its payout policy. After deferring the payment of the 2020 final dividend to preserve cash in the midst of the Covid-19 crisis, this dividend was paid to shareholders together with the interim dividend for the 2021 financial year.

As part of government's commitment to boost the economy post Covid-19 and to create employment through infrastructure

development, Balwin's planned Mooikloof Mega City development was designated as a Strategic Integration Project (SIP). The Department of Public Works and Infrastructure has committed to fund the external bulk services installations for this project which will involve an initial 16 000 apartments. A second Balwin development, Greencreek in Tshwane East, which comprises approximately 3 800 apartments, has also been confirmed as an SIP by government. We are hopeful that developments in other nodes across the country will be recognised as SIP in the future.

While operating in a virtual environment for the majority of the year, the board continued to focus on maintaining an effective balance between meeting its governance oversight responsibilities and nurturing the entrepreneurial spirit on which the company was founded. The directors are always conscious of ensuring that governance practices are relevant for the profile and size of the business.

Balwin has an independent, engaged and stable board. The diversity of the directors ensures that the board considers the interests of all stakeholder groups and our diversity policy is aimed at promoting broader diversity at board level, including gender, race, culture, age, skills and experience. Our policy includes a voluntary target for 20% female and 40% black representation on the board. Currently three of our non-executive directors are black and two are female.

While there were no changes to the board during the year, we strengthened the

experience and expertise of two of our committees. Independent non-executive director Thoko Mokgosi-Mwantembe was appointed to the remuneration and nominations committee while executive directors Steve Brookes and Jonathan Weltman were appointed to the social, ethics and transformation committee.

We undertook a formal tender process for the appointment of an independent external auditor. This followed the resignation of Deloitte & Touche as the group's auditor for commercial reasons and we thank them for their service over the past five years. BDO South Africa Inc. was nominated and subsequently approved by shareholders as the group's external auditor at the annual general meeting in August 2020.

Looking to the new financial year, we believe that trading conditions are likely to remain largely unchanged in the months ahead as the country continues to combat any further escalation in Covid-19 infection rates which could result in restrictions being reinstated. This would be devastating for the economy. The pace of the national Covid-19 vaccination roll-out has been disappointing, and we urge government to accelerate the programme to protect the population and ensure the safety of all South Africans.

In closing, we thank our executive team under the leadership of Steve Brookes for ensuring that the group maintained its position as the leading sectional title developer despite operating under the extreme constraints of the pandemic.

On behalf of the board, we extend our gratitude to Balwin management and employees across the country for their commitment, fortitude and hard work. Thank you also to my fellow non-executive directors for their oversight, guidance and insightful contribution to board and committee affairs.

We thank our shareholders for their continued investment and we welcome those who invested for the first time during the year.

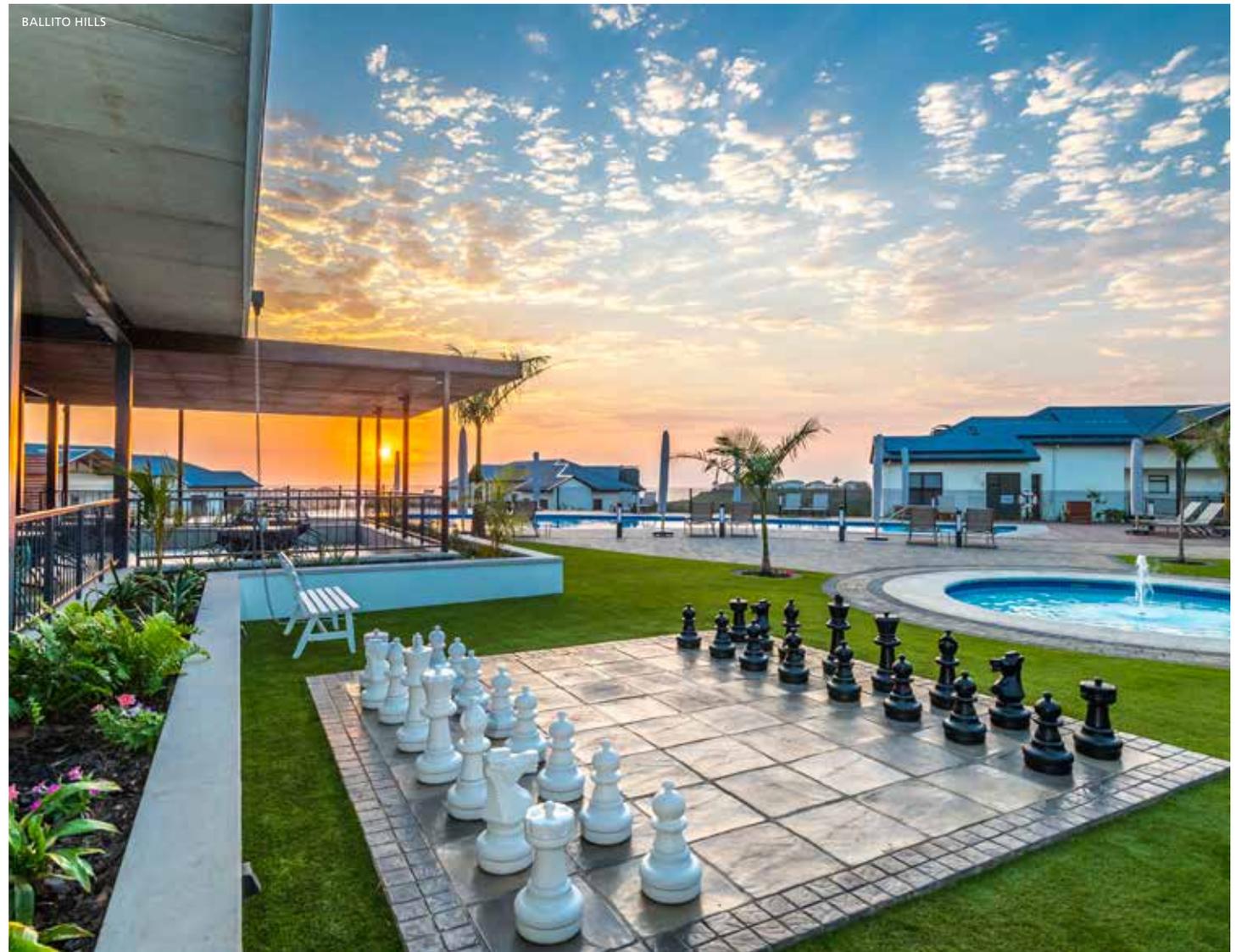
The support and engagement of our stakeholders over the past year has enabled Balwin to emerge stronger and more resilient from the pandemic.

Sincerely



Hilton Saven

Independent non-executive chairman



Board of Directors



ARNOLD SHAPIRO (58)

BBus Sci (Finance Honours)

Independent Non-executive Director

Appointed in 2016

Arnold has been the chief executive officer of Trematon for the past 15 years. Prior to this he held senior positions in the asset management industry. He has served on the boards of many listed companies in both an executive and non-executive capacity.



DUNCAN WESTCOTT (70)

BSc Economics, CA(SA)

Independent Non-executive Director

Appointed in 2019

Duncan served as a partner of PricewaterhouseCoopers for over 20 years where his roles included national staff partner, national head of small business practice and lead partner of transaction services in the Western Cape. He also has extensive financial and commercial experience. Duncan is chairman of Standard Bank Mauritius as well as an independent non-executive director and chairman of the audit committee at Lewis Group Limited.



HILTON SAVEN (68)

BCom, CA(SA)

Independent Non-executive Chairman

Appointed in 2015

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



JONATHAN WELTMAN (41)

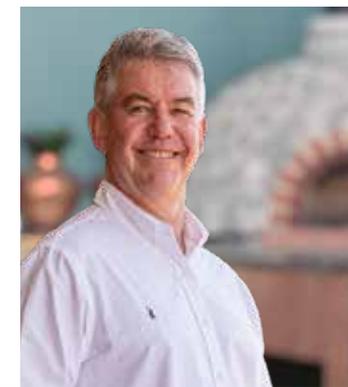
BCom (Hons), CA(SA)

Executive director and chief financial officer

Appointed in 2012

After qualifying as a chartered accountant Jonathan gained experience at investment banks Morgan Stanley and Bear Sterns in London. He was appointed as financial manager of Balwin in 2012, having been proposed for the position by major institutional shareholder, Buffet Investments, who had recently acquired a 30% stake in the group. He was tasked with formalising Balwin's financial function and implementing systems and controls to support the growth and expansion of the business.

Jonathan was appointed as an executive director in 2014 and was responsible for managing and preparing the group for listing on the JSE in 2015. In his current role Jonathan is responsible for the finance, information technology and administration functions of the group, including cash and capital management, funding and capital raising, risk management, regulatory and governance affairs, and investor relations.



JULIAN SCHER (58)

BCom, LLB

Independent Non-executive Director

Appointed in 2019

Julian was articled and an associate at Webber Wentzel. Subsequently, Julian expanded his experience, spending a few years at UAL Merchant Bank. Julian's focus is predominantly on the commercial aspects of property development, sectional title, property litigation, town planning work and conveyancing. In 1994, he and Johan Strauss founded Strauss Scher Attorneys and he is still practicing law as the senior director at Strauss Scher.



**KHOLEKA
MZONDEKI (53)**

BCom, FCCA (UK), Diploma in Investment Management

Independent Non-executive Director

Appointed in 2015

Kholeka has over 20 years' experience in governance and senior financial management, during which time she has also served as financial director and chief financial officer in various organisations including Fortune 500 company 3M. She has served on the boards of Reunert, Nampak, Aveng and Telkom SA. She was previously the chairperson of Trudon, a subsidiary of Telkom. She was a finalist in the Nedbank/ BWA Business Woman of the Year Awards and has served as an audit member at the UN World Food Programme on a pro-bono basis.



**RONEN
ZEKRY (41)**

BCom, BAcc CA(SA)

Non-executive Director

Appointed in 2015

Ronen is an equity investor at Buffet Investments with over 15 years' experience in property and related private equity transactions and serves as a director on a number of private company boards.

Ronen has been involved in Balwin since 2011.



**STEPHEN ("STEVE")
BROOKES (56)**

National Higher Diploma Civil Engineering

Chief Executive Officer

Appointed in 2003

Steve is the founder of Balwin, with approximately 25 years' experience in the position as chief executive officer at the company. Steve has been instrumental in growing the company from a start up to a successful listed company today. Prior to founding Balwin in 1996, Steve completed an apprenticeship at Group Five, which gave him the insight into being able to go forth on his own. Steve also spent four years as a civil engineer at Eskom and three years as a project manager at Matrix projects.



**THOKO MOKGOSI-
MWANTEMBE (58)**

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

Independent Non-executive Director

Appointed in 2017

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



**TOMI
AMOSUN (39)**

BBus Sci (Finance Hons), CA(SA)

Independent Non-executive Director

Appointed in 2017

Tomi is the managing partner and a founding member of Summit Africa, a black-owned and -managed alternative investment manager focusing on unlisted real estate and unlisted equity investments in education, healthcare, financial services and ICT investments in South Africa. Tomi also has extensive experience and a proven track record in real estate, listed equity and private equity as an adviser to many large listed and unlisted companies in South Africa and Africa.

Executive Management



**RODNEY
GRAY (52)**

National Higher Diploma Mechanical Engineering

Managing Director

Rodney is the managing director of Balwin with 23 years' experience in the position. Prior to joining Balwin, Rodney was the director of a project management company Nostrum, which managed one of Balwin's developments at the time and was appointed in 1997 as a partner to Steve Brookes.



**ULRICH
GSCHNAIDTNER (54)**

T4 Architecture

Chief Projects Officer

Ulrich is the chief projects officer of Balwin after joining the group in 1997. Ulrich held management positions at Spie Batignolles and Bovis Southern Africa Proprietary Limited before his employment at Balwin as a partner to Steve Brookes and Rodney Gray. Ulrich manages all construction related activities at Balwin.



**ANTHONY
DIEPENBROEK (64)**

BSc (Civil Eng), MBA, Pr Eng

General Manager | Western Cape

Anthony was appointed as a non-executive director of Balwin in 2016, which position he vacated on appointment to an executive management position in the group to spearhead Balwin's expansion into Kwa-Zulu Natal. In 2019, Anthony transferred to the Western Cape to lead the region.

Prior to joining Balwin, Anthony was the managing director of Heartland and an AECI executive committee member. He has 30 years of experience in property investment and development including construction, project management, sales and marketing and property management.

Anthony has previously served as managing director of listed property entities iProp (formerly Rand Mines Properties), iFour Properties and Pangbourne Properties. He is a past president of SAPOA and serves as a trustee on the Endangered Wildlife Trust and The Balwin Foundation.



**JACO
STRYDOM (43)**

BSc QS, PrQS, PMAQS, MBA

General Manager | Gauteng

Jaco has more than 20 years' experience in the construction and property development fields. He has been intensively involved in the planning and rollout of several mixed-use development parcels on a national level.

Prior to joining Balwin in 2019, Jaco served in various technical and senior management roles and his experience is informed by a focus on mixed use land development which has led to his role in the planning, implementation, and management of high-density residential development.



**KYLE
GALLAGHER (32)**

BSc Construction Management

General Manager | KwaZulu-Natal

Kyle started with Balwin in 2013 as a foreman and has subsequently held various positions within the group. Kyle held the position of a contracts manager for a few years before being promoted to his current role of General Manager in KwaZulu-Natal.

Kyle holds a BSc Construction Management degree from the University of Pretoria. Prior to being an Executive Committee Member, Kyle was a member of the Management Committee.



**RAAZIQ
ISMAL (30)**

BCom Law cum laude; LLB cum laude

Head of Legal

Raaziq joined the group in 2017 and is a qualified Attorney and Notary Public. Raaziq holds a Bcom Law Degree cum laude, (majoring in economics and taxation) where he ranked first in his year as well as an LLB degree cum laude where he ranked in the top 10 at the University of Pretoria. He was shortlisted as one of the candidates for the position of "President of the Convocation" at the University of Pretoria in 2019 as well as "Young Achiever of the Year" at the Legal Era Africa Conclave in 2019.

Raaziq was recently appointed as a member of the Sectional Title Regulation Board by the Minister of Agriculture, Land Reform and Rural Development and also currently serves on the SAPOA Legal Committee where various property related matters affecting the property industry are discussed. Prior to joining Balwin, Raaziq worked as an Associate at Cliffe Dekker Hofmeyr Inc. where he specialised in financial services and markets regulation, derivative regulation, property law, consumer law as well as development and project finance transactions.



**JONATHAN
BIGHAM (36)**

BCom (Hons), CA(SA)

Group Finance Manager

Jonathan joined the group in 2018 as the group Finance Manager. Prior to joining Balwin, he completed his articles at Deloitte. He subsequently worked for Capital Property Fund in the capacity of Financial Manager and Company Secretary before re-joining Deloitte as a senior manager until his appointment at Balwin. Jonathan works closely with the CFO in overseeing the financial department while playing an active role in the treasury and funding function of the group.

Jonathan was a member of the management committee prior to his appointment to the executive committee in May 2020.



**AMBER
HEYWOOD (49)**

Conveyancing Secretarial Dip

**National Manager Sales and
Mortgage Divisions**

Amber joined Balwin in 2001 to head up the sales and mortgage divisions. Amber has over 25 years experience in the property and mortgages industry. Prior to joining Balwin, Amber was employed at Murray & Robers Housing division and Seeff Projects where she was the Sales, Marketing and Conveyancing Manager as well as heading up sectional title management. Amber was a member of the Management Committee before her appointment to the Executive Committee.

Chief Executive Officer's Report

Q
&
A

with
Steve
Brookes



The past year has been dominated by the Covid-19 pandemic and related lockdown restrictions which have had a devastating impact on the country, the economy and many South Africans. How did this impact the group and how did you respond?

The group's response to the lockdown was decisive and we believe the best possible solutions were implemented to mitigate the impact on our operational and financial performance.

We launched an online sales platform and concluded 350 sales during the hard lockdown period. We introduced marketing campaigns with price incentives to drive sales, with the healthy margins generated by the business compensating for the reduced selling prices.

We also used the lockdown period to engage in a lateral thinking initiative to refine and entrench a culture of continuous improvement within the group aimed at being the best sectional title developer with respect to construction quality, customer experience and affordability.

When you consider that construction was adversely impacted for approximately three months or 25% of the year, before restrictions were lifted on the construction sector, we believe that Balwin has posted a resilient performance, containing the decline in revenue to only 7%.

On reflection, Balwin has continued to make great strides and during the year launched eight new developments across the country, acquired land for four developments, received a further seven international property awards, entrenched our green building credentials and expanded our lifestyle offering.

How did the weak macro-economic environment, which was compounded by the Covid-19 pandemic, impact demand for Balwin's apartments?

Despite Covid-19 and the growing economic headwinds, we handed over 2 546 apartments in the past year, which is only 169 less than what was recorded in revenue in the previous year. This is particularly gratifying considering the impact of lockdown, social distancing, construction delays and the myriad of implications of the pandemic. This confirms customer demand for our high quality, affordable apartments and innovative lifestyle product offering.

The Covid-19 pandemic also had a devastating impact on the lives and livelihoods of many South Africans. What role did Balwin play in supporting individuals and communities financially impacted during lockdown?

The community spirit shown by the greater Balwin family during the pandemic was truly overwhelming. As the country went into

lockdown we were able to redirect our planned expenditure from the Foundation to support communities in their hour of need and assisted an estimated 18 700 people during this time. This included providing funding, personal protective equipment and food vouchers, and distributing food parcels to local communities.

Through our Covid-19 Charity Drive, which temporarily replaced the annual Balwin Charity Walk, we donated R1.1 million to assist 16 charities across the country. Staff and directors also donated a portion of their salaries and fees towards the group's Covid-19 support programme.

Sustainable, environmentally-friendly building is fundamental to the Balwin product. What progress has been made over the past year in achieving global green building standards?

Our team is passionate about sustainable, green building and we have made outstanding progress in entrenching environmentally-friendly practices across all areas of our developments.

In the past year 20 269 of our apartments were registered for the Excellence in Design for Greater Efficiency (EDGE) certification and 3 554 apartments received these certificates. EDGE is an international green building rating standard for residential homes which is operated in conjunction with the International Finance Corporation, a member of the World Bank, and facilitated by the Green Building Council of South Africa (GBCSA).



Lifestyle centres at three Balwin developments achieved the 6 Stars Green rating from the GBCSA during the year and we are aiming to achieve 6 Stars ratings at a further five lifestyle centres in the next year.

The Greenlee development in Linbro Park, Sandton, won the Sustainable Residential Development category and received a five-star award in the Best Social Housing category in the Africa and Arabia Property Awards.

Last year we partnered with Absa Bank to offer South Africa's first green home loans to Balwin customers who could benefit from reduced lending rates. This year First National Bank introduced a similar offering for our customers and the other two major commercial banks, Standard Bank and Nedbank, are planning to launch green loans for Balwin customers in the first half of our 2022 financial year.

In my personal capacity, I am extremely proud and honoured to have been elected to the board of the GBCSA to represent the residential development sector and am determined to contribute to a sustainable benefit to the environment.

The Balwin brand is synonymous with lifestyle. What are you doing to entrench the lifestyle offering in your developments?

There is no doubt that our lifestyle offering continues to be a major drawcard for buyers.

Lifestyle centres are an integral feature of our larger developments, with the latest being completed at Ballito Hills. We have also developed the "Greenbarn" lifestyle centre concept for our Green Collection developments, with the first completed at Greenlee. Lifestyle centres are planned for two of our Western Cape developments and a Greenbarn will be constructed at Greencreek in the upcoming year.

Expanding the lifestyle concept, we are planning to complete the construction of Montessori schools at the Kikuyu, The Polofields, Fynbos and The Huntsman developments in the new financial year to offer an additional lifestyle value-add to our residents.

The ultimate in our lifestyle offering is the development of Crystal Lagoons. Shareholders will recall that The Blyde in Tshwane was the first development to incorporate a man-made freshwater lagoon in a beach setting where residents can enjoy a range of leisure and water activities.

Munyaka in Waterfall will feature Balwin's second Crystal Lagoon, and the first of its kind in Johannesburg, and we are expecting to complete this early in 2022.

The Green Collection is the most recent addition to the Balwin portfolio. How is this collection performing and how is it positioned relative to your other developments?

While the expansion of the roll-out of our Green Collection developments has been a strategic focus, the current economic environment has assisted in driving strong growth in sales of these developments. The vision of the group is to ensure that all three brands, namely the Green, Classic and Signature Collection are represented in all major nodes where Balwin operates, with a higher concentration of Green and Classic Collection developments.

The Green model targets a lower income market to the core model, with the apartments priced from R499 900 to R899 900 and this is providing us with access to a growing customer base. In 2020 the Green Collection accounted for 6% of our total revenue and this has grown to 15% in 2021.

In response to this customer demand, we have increased the delivery of the Green Collection apartments within the Johannesburg node, growing this contribution to 35% of the apartments currently being developed in the area.

We have completed the first phases at Greencreek, a new development in Tshwane and plan to introduce Greenbay in the Western Cape in the 2022 financial year, our first Green Collection development within this node.

Balwin's planned Wedgewood development in Sandton was launched to unprecedented demand from prospective buyers so why did the group withdraw from the project?

Wedgewood was set to be a ground breaking development offering affordable, upmarket accommodation in one of South Africa's most sought-after locations. The development was launched in November 2020 as the first in our new Lifestyle Collection and we generated record sales. However, over the subsequent months the conversion of the sale offers to secured sales was slower than expectation and significantly below the conversion rates of our other brands. While being disappointing in the context of Wedgewood, it was also a reminder on the efficiency of the core business model of Balwin within the Green, Classic and Signature Collections.

The development therefore did not meet the required level of secured pre-sales which was a condition precedent for the transaction. In the context of the secured sales, the board believed that the risks associated with a single-phase development was not in the best interests of shareholders or home-buyers and took a decision not to proceed with the development or the continuation of the new Lifestyle Collection.

We will therefore be focusing exclusively on our core business of the Classic, Green and Signature Collection brands in future.

Transformation is fundamental to sustainability in the South African context. Could you outline Balwin's progress and plans.

Our transformation and broad-based black economic empowerment programme is multi-dimensional and ultimately aimed at "building a better Balwin". We believe the group has made encouraging progress across all elements of the B-BBEE scorecard in the past year, aimed at achieving a verified level 7 B-BBEE rating in the new financial year.

One of the priorities on the board agenda is B-BBEE ownership and we are evaluating potential structures to introduce equity partners into the business.

Through our employment equity programme we are improving the representation and diversity of our workforce which includes a particular focus on empowering women in the workplace.

Another area to highlight is the group's commitment to empowering the communities close to our developments. This includes supporting small business contractors in our construction activities, employing members of local communities in the developments and funding the upgrading of facilities to enhance the lives of these neighbouring communities.

Construction is a capital intensive business requiring astute management of cash. How does Balwin approach this issue?

Cash management and capital allocation are corporate imperatives in our business and not just the responsibility of the finance team, and this has been our approach since listing the business six years ago. As the CEO, I assume overall accountability for this function.

Through prudent cash management and cash preservation we were able to reduce the impact of the Covid-19 lockdown on our business as well as increase the investment in our development pipeline during the year, ending the year in a healthy cash position.

While the country's economic outlook is likely to remain constrained in the short to medium term, what factors give you confidence in Balwin's prospects?

We believe there are several positive factors which will continue to drive our performance, despite the economic challenges. First and foremost is the strength and resilience of the Balwin brand. Secondly, the sustained demand for the Balwin product which has been confirmed even during the pandemic. And thirdly, our pre-sales and long-term development pipeline.

Balwin has 2 499 apartments which have been pre-sold for future financial years and a pipeline of 62 288 apartments with a development timeline of approximately 15 years.

In the macro environment, the current low interest rate environment will also support the group's medium-term prospects.

In closing, what message would you like to give to your stakeholders?

Balwin's success is based on the exceptional people we employ, the partnerships we create with our advisers, professional teams, contractors, sub-contractors and suppliers, and the high-quality product we deliver to our customers at affordable prices. We are also incredibly proud of the recent ISO certification awarded to Balwin and believe this will contribute to the ultimate objective of delivering value and quality for our customers.

Thank you to my fellow directors, my executive colleagues, our people at head office and in the regional offices for your commitment and support in the most challenging environment that most of us have experienced in our working careers.



Stephen Brookes
Chief Executive Officer



THE BLYDE

Chief Financial Officer's Report

Jonathan Weltman



INTRODUCTION

Balwin posted a resilient financial performance in the Covid-19 impacted 2021 financial year as prudent cash management enabled the group to overcome the temporary closure of the economy when no property registrations could be completed during the hard lockdown period.

Cash preservation was the group's initial priority during this time of uncertainty and constrained cash flow, however, disciplined cash management, bolstered by sustained demand for the Balwin product during the lockdown, enabled the group to remain comfortably within all debt covenants.

Trading conditions have been extremely challenging throughout the year. We should not lose sight of the fact that South Africa entered the pandemic in a fragile economic position after a protracted period of low growth, with a weak labour market and consumers under severe pressure. This situation was compounded by the devastating human and financial impact of the pandemic.

The reduction in the SA Reserve Bank's prime lending rate of 275 basis points provided welcome relief to cash-strapped consumers and has supported sales and the affordability of Balwin apartments.

Cash management and utilisation thereof have continued to be priorities for the board.

The group paid dividends totalling R92.6 million during the year in accordance with the dividend policy of distributing 30% of profit, including the payment of the final dividend for the 2020 financial year which had been previously deferred.

The board declared a final gross dividend of 16.20 cents per ordinary share payable out of income reserves for the period ended 28 February 2021.

FINANCIAL REVIEW

The following review of the financial performance for the year ended 28 February 2021 should be read together with the group's annual financial statements which are available on our website <https://balwin.co.za/investor-relations/results-reports-webcasts/financial-reports/integrated-annual-reports/>.

This review covers the key line items of the statements of comprehensive income, financial position and cash flows, which management consider material to the group's performance.

REVENUE

REVENUE (R'000)



APARTMENTS INCLUDED IN REVENUE



Despite the construction delays of approximately three months due to the Covid-19 lockdown, the group contained the decline in revenue to 7% from the prior year to record revenue of R2.7 billion (2020: R2.9 billion). Demand for the Balwin product remained robust throughout the year and 2 546 apartments were handed over to clients and recognised in revenue (2020: 2 715 apartments).

The group has pre-sold 2 499 apartments which will be recognised in revenue in subsequent years. This is an increase in forward sales of 1 855 apartments compared to the prior year. The pre-sales position the business strongly for the upcoming financial year.

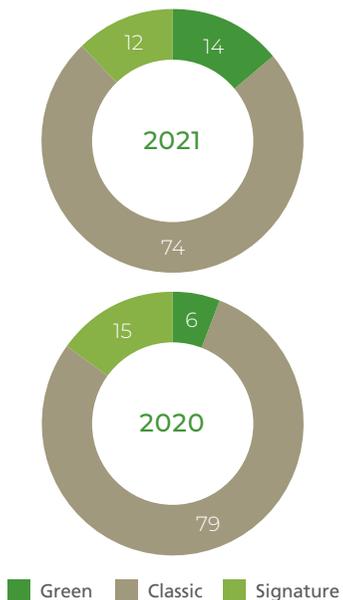
Demand for one- and two-bedroom apartments remained strong and comprised approximately 77% (2020: 74%) of the total apartments recognised in revenue.

The average selling price per apartment of R1 044 103 (2020: R1 047 092) was consistent with the prior year. Marginal increases in selling prices of apartments were offset by the change in the mix of

apartments sold, together with a continued increased contribution from the Green Collection apartments. The Green Collection apartments return a lower selling price than the Classic Collection apartments, although both have similar gross profit margins.

The Classic Collection continued to account for the majority of the group’s revenue at 74% (2020: 79%), while the Green Collection contributed 15% (2020: 6%) of the total revenue from the sale of apartments. The contribution from the Green Collection developments is expected to continue to increase in the forthcoming financial year in line with the increased roll-out of these developments.

BRANDS CONTRIBUTION TO REVENUE (%)



Johannesburg accounted for 50% (2020: 49%) of revenue recognised from apartments handed over, the Western Cape 28% (2020: 31%), Tshwane 11% (2020: 11%) and KwaZulu-Natal 11% (2020: 9%).

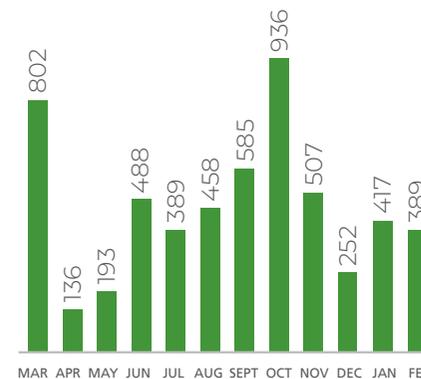
REGIONS CONTRIBUTION TO REVENUE (%)



Balwin generates annuity income through subsidiary company Balwin Fibre which provides high-speed fibre connectivity to homeowners within Balwin’s estates. While the group’s annuity income initiatives currently constitute a small portion of total revenue, Balwin Fibre experienced pleasing growth during the current year, largely as a result of the increase in the apartments connected during lockdown as consumers were more reliant on access to high-speed and reliable fibre services. Balwin Fibre increased its user base by 60% during the current year to reflect 4 777 active clients at year-end.

For further information on the Classic, Green and Signature Collections, refer to the Group Profile on page 4 and the Development Showcase from pages 38 to 56.

MONTHLY SALES RATE FOR 2021 (MARCH 2020 - FEBRUARY 2021)



GROSS PROFIT

The group’s gross profit margin for the year of 27% was consistent with the margin reported in the prior year and an increase on the 25% margin reported for the interim period.

The group continues to experience margin pressure in its Signature Collection developments, most notably at Paardevlei Lifestyle Estate. Excluding the Signature Collection developments, the business recorded a margin of 29% for the year.

The current margin is below the targeted gross margin of the group, reflecting the ongoing depressed market conditions. While the marketing initiatives launched in response to the slower economic environment continue to be margin dilutive, they have proven successful in driving sales volumes, with the price discounts being absorbed by the healthy margins generated by the business.

The gross profit margin of the individual developments improves as they mature due to the phase-by-phase increase in the selling price which exceeds the incremental development costs for each new phase. Accordingly, the gross margin is impacted by the stage of the life cycle of the developments included in revenue. The group is confident that the gross margin will increase in the short-to-medium term through focused cost engineering measures and through the gradual recovery in the economy.

OPERATING EXPENSES AND OTHER INCOME

Operating expenses increased by 12.6% to R265.2 million (2020: R235.6 million) owing mainly to the increased activity in Balwin Fibre which grew its customer base significantly during lockdown over the past year.

Other income declined by R13.2 million to R6.7 million as a result of the strategic decision to amend the sales strategy of the Green developments. Shareholders are reminded that these developments were previously purpose built to be sold to Balwin Rentals Proprietary Limited (or another institutional investor). However, management amended the sales strategy in the prior year whereby the apartments were built-for-sale in line with the core business operations of Balwin. Accordingly, the rental earned in the corresponding year during the lease-up period prior to the sale of the apartments to Balwin Rentals was no longer received.

GROUP PROFIT AND EARNINGS

Operating profit was 19% lower at R462.5 million (2020: R574.0 million) as the operating margin contracted to 17.1% (2020: 19.7%).

Taxation was R33.3 million lower at R130.7 million due to the decrease in taxable profits earned, with the effective tax rate remaining at 28%.

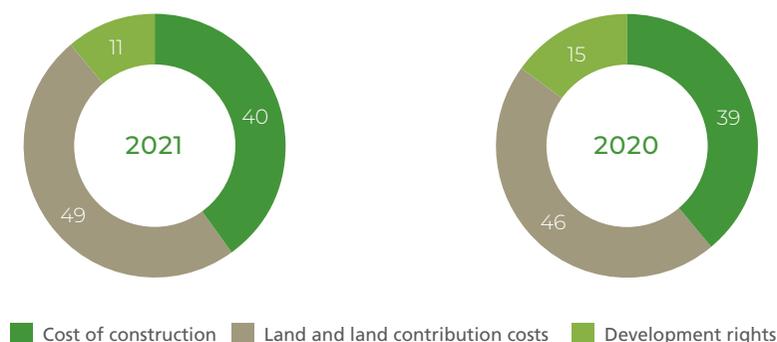
Headline earnings reduced to R335.2 million (2020: R410.7 million) with headline earnings per share decreasing by 19% to 71.47 cents (2020: 87.83 cents).

STATEMENT OF FINANCIAL POSITION

Developments under construction, including the value of land, land contribution costs and development costs, increased by R751.3 million to R4.12 billion. Land and land contribution costs account for 48.9% of the value of work in progress.

The investment in the development pipeline of the group has been a catalyst for the increase in the value of developments under construction at year-end.

DEVELOPMENTS UNDER CONSTRUCTION



CASH MANAGEMENT

The group reported a cash position of R367.9 million at year-end (including restricted cash reserves), despite the reduction in cash on hand.

The reduction in the cash reserves available at year-end is largely due to the increased investment of approximately R220 million in the group's pipeline during the year and delays in the registrations of apartments which creates a short-term cash timing deficit.

Balwin took registration of Izinga Eco Estate (Umhlanga) and Mooikloof Eco Estate (Tshwane East) during the year and invested equity contributions for the pending registrations of Thaba Eco Village (Johannesburg South), Greenbay (Gordon's Bay) as well as the extension of the land for The Huntsman (Somerset West).

The group paid the final dividend for the 2020 financial year and the interim dividend for 2021 in line with the company's dividend policy.

FUNDING

Development finance is obtained on a phase-by-phase basis for each development and is secured against the pre-sales of the specific phase being financed. Development finance is obtained at an approximate loan to cost of approximately 70% to 80%, with the balance of the construction costs financed through equity. Land funding is obtained from major financial institutions at a range of 50% to 70% of the cost of the land. Land is contracted through a balance of appropriate upfront gearing and the ability to settle the obligation through the cash realised from the registration of apartments.

The majority of the group's borrowings are prime-linked facilities.

The group continued to engage with funding institutions to explore new relationships. In the current year, Balwin has successfully engaged the National Housing Finance Corporation Limited (NHFC) and First National Bank to broaden its base of funding providers. The group is currently undertaking a review of its funding structures with its funding partners to ensure that its projects are optimally funded.

The group's long-term debt-to-equity ratio at the end of the reporting period was 29% compared to 27% in the prior corresponding period, well within the board threshold of 50%. Long-term debt includes all land and infrastructure debt which the board believes is an appropriate metric as development finance is specific to a development, short-term in nature and secured by existing pre-sales.

LONG-TERM DEBT-TO-EQUITY (%)



Cash management and cash utilisation will remain priority focus areas for the group and Balwin continues to engage with funding partners to ensure ongoing access to facilities and financial support for the business is appropriate.

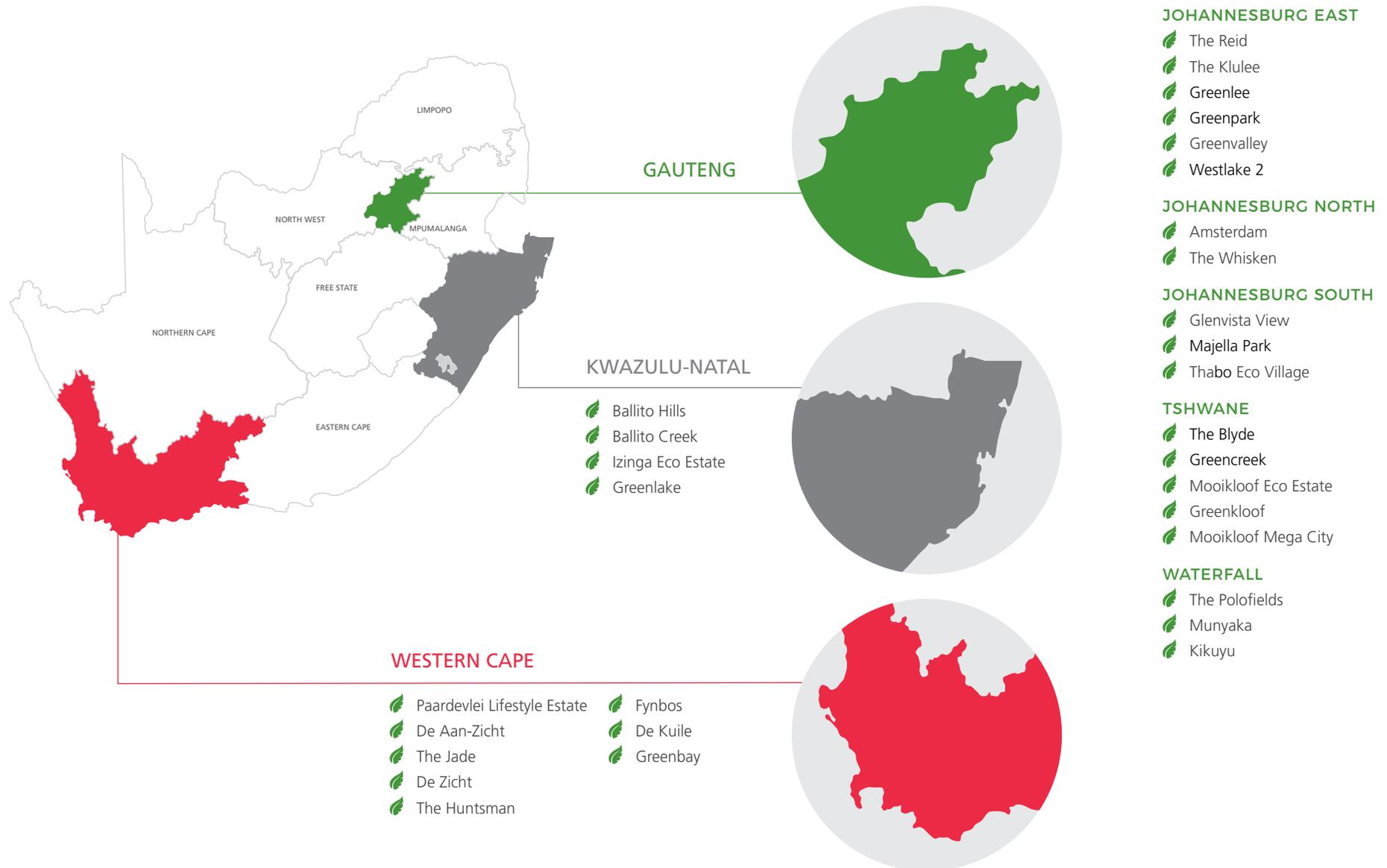
APPRECIATION

Thank you to our funding partners for their continued support as well as our shareholders for their belief in Balwin’s business model and investment case. In closing I thank my colleagues in the finance team for their hard work and commitment in overcoming the many challenges of remote working to maintain high standards of financial reporting.

Jonathan Weltman
Chief Financial Officer



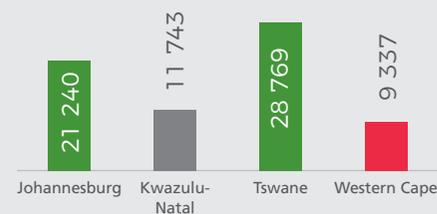
Development Portfolio



PRIME LOCATIONS IN HIGH GROWTH NODES



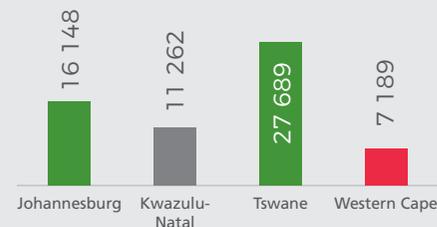
TOTAL NUMBER OF APARTMENTS IN DEVELOPMENT



TOTAL NUMBER OF APARTMENTS RECOGNISED IN REVENUE



BALWIN PIPELINE



LIFESTYLE CENTRES

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

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

Development Pipeline

Development	Balwin Brand	Expected commencement date of construction	Expected date of completion of construction	Status*	Total apartments in development	Total apartments sold	Total apartments registered	Total apartments recognised in revenue	Total apartments sold but not recognised in revenue	Total unsold apartments	Balwin pipeline
Johannesburg, Waterfall											
Kikuyu	Classic Collection	Commenced	Sep 2021	A	1 270	1 125	1 060	1 070	55	145	200
The Polofields	Signature Collection	Commenced	June 2025	A	1 512	812	736	753	59	700	759
Munyaka	Classic Collection	Commenced	Aug 2029	A	4 966	755	215	284	471	4 211	4 682
Total					7 748	2 692	2 011	2 107	585	5 056	5 641
Johannesburg East											
The Reid	Classic Collection	Commenced	March 2024	A	1 294	678	603	628	50	616	666
The Klulee	Classic Collection	TBC	TBC	I	546	–	–	–	–	546	546
Greenlee	Green Collection	Commenced	Feb 2026	A	1 910	410	362	378	32	1 500	1 532
Greenpark	Green Collection	Commenced	Aug 2024	A	1 324	559	484	519	40	765	805
Greenvalley	Green Collection	TBC	TBC	I	2 698	–	–	–	–	2 698	2 698
Westlake 2	Classic Collection	TBC	TBC	I	196	–	–	–	–	196	196
Total					7 968	1 647	1 449	1 525	122	6 321	6 443
Johannesburg North											
Amsterdam	Classic Collection	Commenced	Complete	C	1 040	1 040	1 036	1 038	2	–	2
The Whisken	Classic Collection	Commenced	Jun 2025	A	1 528	422	422	422	–	1 106	1 106
Total					2 568	1 462	1 458	1 460	2	1 106	1 108
Johannesburg South											
Glenvista View	Classic Collection	TBC	TBC	I	984	–	–	–	–	984	984
Majella Park	Classic Collection	TBC	TBC	I	280	–	–	–	–	280	280
Thaba Eco Village	Classic Collection	Commenced	Jun 2026	A	1 692	206	–	–	206	1 486	1 692
Total					2 956	206	–	–	206	2 750	2 956
KwaZulu-Natal, Ballito											
Ballito Hills	Classic Collection	Commenced	Feb 2024	A	1 320	575	368	481	94	745	839
Ballito Creek	Classic Collection	TBC	TBC	I	1 804	–	–	–	–	1 804	1 804
Total					3 124	575	368	481	94	2 549	2 643

Development	Balwin Brand	Expected commencement date of construction	Expected date of completion of construction	Status*	Total apartments in development	Total apartments sold	Total apartments registered	Total apartments recognised in revenue	Total apartments sold but not recognised in revenue	Total unsold apartments	Balwin pipeline
KwaZulu-Natal, Umhlanga											
Izinga	Signature Collection	Commenced	Dec 2034	A	3 543	188	–	–	188	3 355	3 543
Greenlake [#]	Green Collection	TBC	TBC	I	5 076	–	–	–	–	5 076	5 076
Total					8 619	188	–	–	188	8 431	8 619
Tshwane East											
The Blyde Riverwalk	Classic Collection	Commenced	May 2029	A	3 489	1 019	876	948	71	2 470	2 541
Greencreek	Green Collection	Commenced	Oct 2032	A	3 770	195	–	132	63	3 575	3 638
Mooikloof Eco Estate	Classic Collection	Nov 2020	Jul 2039	I	4 700	58	–	–	58	4 642	4 700
Greenkloof	Green Collection	TBC	TBC	I	2 590	433	–	–	433	2 157	2 590
Mooikloof Mega City	Green Collection	TBC	TBC	I	14 220	–	–	–	–	14 220	14 220
Total					28 769	1 705	876	1 080	625	27 064	27 689
Western Cape, Somerset West											
Paardevelei Lifestyle Estate	Signature Collection	Commenced	Feb 2022	A	388	281	244	257	24	107	131
The Jade	Classic Collection	Commenced	Complete	C	432	432	432	432	–	–	–
The Huntsman	Classic Collection	Commenced	Aug 2029	A	2 454	291	217	228	63	2 163	2 226
Greenbay	Green Collection	Commenced	Aug 2026	A	1 824	266	–	–	266	1 558	1 824
Total					5 098	1 270	893	917	353	3 828	4 181
Western Cape, Milnerton											
De Aan-Zicht	Classic Collection	Jul 2021	May 2025	A	1 372	244	–	–	244	1 128	1 372
De Zicht	Classic Collection	Commenced	Complete	C	876	876	876	876	–	–	–
Fynbos	Classic Collection	Commenced	Aug 2023	A	1 116	435	332	355	80	681	761
Total					3 364	1 555	1 208	1 231	324	1 809	2 133
Western Cape, N1 Corridor											
De Kuile [§]	Classic Collection	TBC	TBC	I	875	–	–	–	–	875	875
Total					875	–	–	–	–	875	875
Grand Total					71 089	11 300	8 263	8 801	2 499	59 789	62 288

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

[#] Development previously named Marshall Dam.

[§] Development previously named Zewenwacht.



International Awards

The quality of Balwin's developments was again recognised at the Africa and Arabia Property Awards 2020–2021 where Balwin received seven awards, adding to the 16 international awards previously won by the group.



THE GREEN COLLECTION

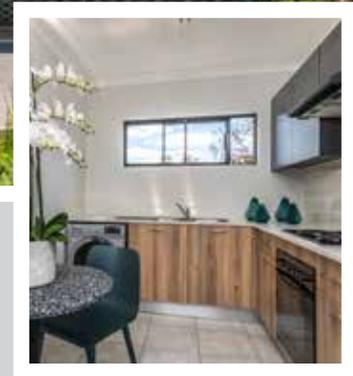


The Greenlee development (Linbro Park, Sandton) was the winner in the Sustainable Residential Development category and received a five-star award in the Best Social Housing category.



AWARD WINNER IN THE FOLLOWING CATEGORIES

- Sustainable Residential Development
- Best International Social Housing
- Best Social Housing



PREVIOUS INTERNATIONAL AND AFRICAN PROPERTY AWARDS



2019–2020 INTERNATIONAL PROPERTY AWARDS:

- THE BLYDE:** Best Leisure Architecture in Africa

2019–2020 AFRICAN PROPERTY AWARDS:

- THE BLYDE:** Best Leisure Architecture in Africa
- BALLITO HILLS:** Best Apartment/Condominium
- THE BLYDE:** Leisure Development

THE CLASSIC COLLECTION



The Munyaka development (Waterfall) received awards for winning the Leisure Development, Development Marketing and Leisure Architecture categories, and a five-star rating in the Best Apartment/Condominium category.



AWARD WINNER IN THE FOLLOWING CATEGORIES

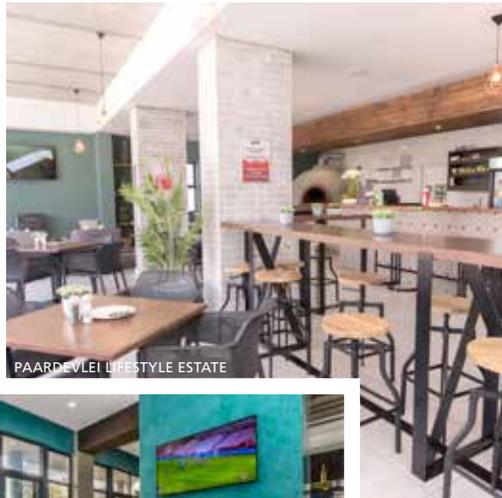
- Best Apartment/Condominium
- Leisure Development
- Development Marketing
- Leisure Architecture

Lifestyle Showcase





THE REID



PAARDEVLEI LIFESTYLE ESTATE



KIKUYU



THE POLOFIELDS



GREENPARK



MUNYAKA



THE POLOFIELDS

reinvent



THE BLYDE

paradise



BALITO HILLS

THE *Signature* COLLECTION



The Polofields boasts stunning 2- and 3-bedroom apartments with a world-class signature Lifestyle Centre.

 NUMBER OF APARTMENTS 1 512

 JOHANNESBURG - WATERFALL





THE *Signature* COLLECTION



Surrounded by natural beauty, this secure lifestyle estate offers exclusive 1-, 2- and 3-bedroom apartments and an onsite Lifestyle Centre.

 NUMBER OF APARTMENTS **388**

 WESTERN CAPE - SOMERSET WEST



THE *Signature* COLLECTION



Situated in the beautiful coastal town of Umhlanga just north of Durban, Izinga Eco Estate comprises 1-, 2- and 3-bedroom apartments.

 NUMBER OF APARTMENTS 3 543

 KWAZULU-NATAL - UMHLANGA



THE CLASSIC COLLECTION



With its inspired architecture and quality finishes, Kikuyu's 1-, 2- and 3-bedroom apartments and onsite Lifestyle Centre are in demand.

 NUMBER OF APARTMENTS 1 270

 JOHANNESBURG - WATERFALL



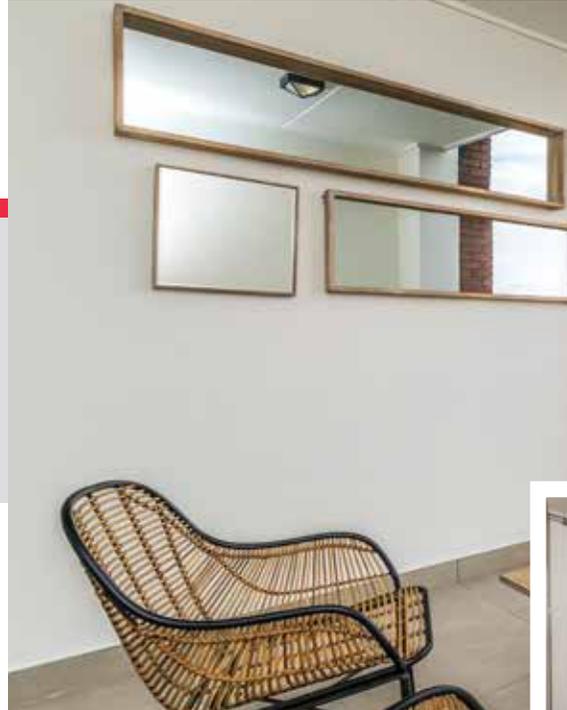
THE CLASSIC COLLECTION



This upmarket lifestyle estate's top quality 1-, 2- and 3-bedroom apartments include free appliances and the first 6 Star Green rated Lifestyle Centre.

 NUMBER OF APARTMENTS 1 294

 JOHANNESBURG EAST - LINBRO PARK

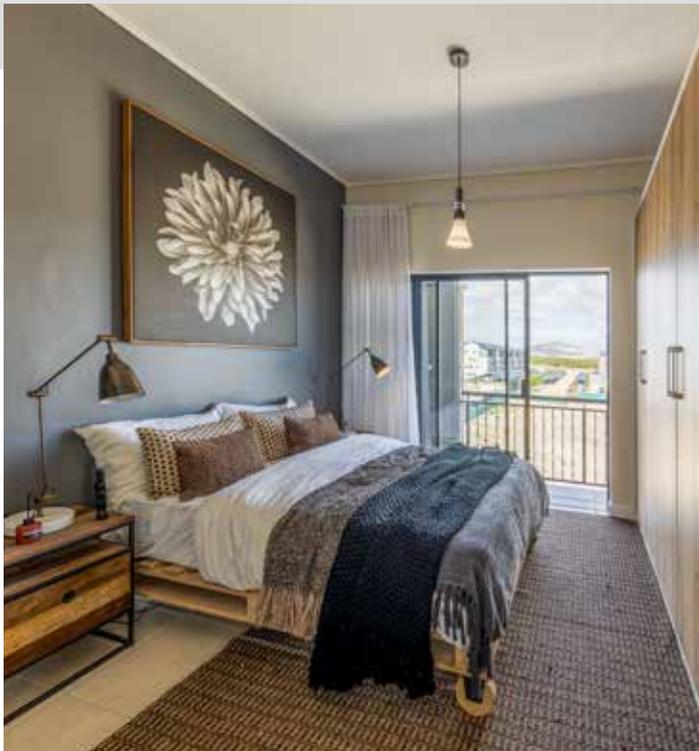




THE CLASSIC COLLECTION

FYNBOS 
SANDOWN - CAPE TOWN

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



 NUMBER OF APARTMENTS 1 116

 WESTERN CAPE - MILNERTON



THE CLASSIC COLLECTION



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

 NUMBER OF APARTMENTS 4 966

 JOHANNESBURG - WATERFALL





THE CLASSIC COLLECTION



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

 NUMBER OF APARTMENTS 3 489

 PRETORIA EAST - TSHWANE



THE CLASSIC COLLECTION



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

 NUMBER OF APARTMENTS 1 692

 JOHANNESBURG SOUTH - MULBARTON





THE CLASSIC COLLECTION



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

 NUMBER OF APARTMENTS 4 700

 TSHWANE EAST - MOOIKLOOF

THE CLASSIC COLLECTION



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

 NUMBER OF APARTMENTS 2 454

 WESTERN CAPE - SOMERSET WEST





THE CLASSIC COLLECTION



Situated along the beautiful KwaZulu-Natal Dolphin Coast, Ballito Hills comprises 1-, 2- and 3-bedroom apartments and a 6-Star Green Rated Lifestyle Centre.

 NUMBER OF APARTMENTS 1 320

 KWAZULU-NATAL - BALLITO

THE CLASSIC COLLECTION

THE WHISKEN CROWTHORNE

The Whisken epitomises secure, stylish, modern living. The beautifully finished apartments come with free eco-friendly appliances, and either a balcony or patio for outdoor entertaining. The Lifestyle Centre offers residents access to fantastic leisure facilities.

 NUMBER OF APARTMENTS 1 528

 JOHANNESBURG NORTH - KYALAMI





THE CLASSIC COLLECTION

DE AAN-ZICHT

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

 NUMBER OF APARTMENTS 1 372

 WESTERN CAPE - MILNERTON



THE GREEN COLLECTION



The 1-, 2- and 3-bedroom top-quality apartments are in the super-secure, ultra-modern Estate with a 6 Star Green rated Lifestyle Centre.

 NUMBER OF APARTMENTS 1 324

 JOHANNESBURG EAST - BOKSBURG





THE  **GREEN** COLLECTION



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

 NUMBER OF APARTMENTS 1 910

 JOHANNESBURG EAST - LINBRO PARK



THE GREEN COLLECTION



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

 NUMBER OF APARTMENTS 1 824

 WESTERN CAPE - SOMERSET WEST





THE  **GREEN** COLLECTION



Coming soon to Pretoria East, modern and affordable 1-, 2- and 3-bedroom apartments, communal core areas and a Greenbarn Lifestyle Centre.

 NUMBER OF APARTMENTS 2 590

 TSHWANE EAST - MOOIKLOOF



THE GREEN COLLECTION



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



 NUMBER OF APARTMENTS **3 770**

 **PRETORIA EAST - TSHWANE**



Building a Sustainable Future

ENVIRONMENTAL SUSTAINABILITY

Balwin is committed to creating opportunities that will have a positive impact on the environment across the planning, design, construction and operational execution of its developments, while minimising negative environmental impacts.

The launch of Balwin Parks in the previous financial year allows for green open spaces to be maximised and promotes active open spaces within the developments. Several new developments incorporate parks into the overall design.

All green open spaces are maximised at developments, professionally landscaped and include non-invasive plants and trees that suit the natural environment. Residents have access to passive open spaces, such as areas adjacent to wetlands or watercourses for low impact recreational activities such as walking and jogging, and active open spaces which include children's play areas, football pitches and dedicated dog walking areas.

GREEN BUILDING

Green building positively influences the climate and overall ecosystem by reducing water usage and energy sources that pollute the environment as well as decreasing water wastage, preserving natural resources, protecting biodiversity and enhancing air and water quality. Green building also offers cost benefits, including decreased operating costs, enhanced occupant efficiency, savings on customer utility bills and lower maintenance costs.

In the past year, the De Zicht Lifestyle Centre (Western Cape) achieved the Six-Star Green Rating from the Green Building Council of South Africa (GBCSA). Plans are in place to achieve the Six-Star rating for the Lifestyle Centres at Ballito Hills (KwaZulu-Natal), Greenpark, Greenlee and Greencreek (all in Gauteng) and The Huntsman and Fynbos (Western Cape). The GBCSA sets international standards and benchmarks for environmentally friendly or green buildings.

GBCSA standards will be incorporated into the design of all new developments to achieve the "6 Stars" rating, ensuring that residents are able to live, work and play in a healthy and efficiently built environment.

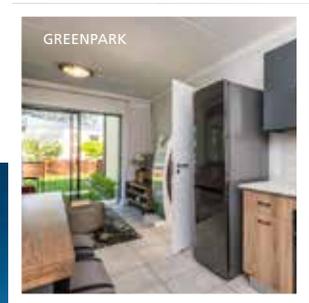
Over the year 20 269 apartments were registered for EDGE certification and 3 554 apartments received EDGE certificates. EDGE is an international green building rating standard for residential homes which is operated in conjunction with the International Finance Corporation, a member of the World Bank, and facilitated by the GBCSA. Achieving the EDGE standard requires a minimum of 20% savings in energy, water and embodied energy which increases affordability and enhances sustainability.

In February 2021, the De Zicht Lifestyle Centre received a Net Zero Rating from the GBCSA which indicates that the total amount of energy consumed by the lifestyle centre equals the amount of energy created by the building. The group aims to achieve Net Zero Rating for the lifestyle centres at Ballito Hills, Greenpark, Greenlee, Greencreek, The Huntsman and Fynbos.

Green design features incorporated into the developments and apartments include solar electricity, energy efficient appliances, energy saving lighting and natural ventilation which increases airflow, water harvesting and black water treatment plants. Solar electricity can save residents between 20% to 30% on their electricity bills.



GREENLEE



GREENPARK

GREEN HOME LOANS

Following the partnership developed with Absa Bank to offer green home loans to Balwin customers through the introduction of the innovative Absa Eco Home Loan, three other major institutions, First National Bank, Nedbank and Standard Bank have approved this concept.

Absa Bank are currently offering green bonds on four Balwin developments, with plans to extend this to the rest of the developments. First National Bank offers this product for all Balwin developments. Standard Bank and Nedbank are currently in the product development stage and will be implementing green loans for all Balwin developments registered with the GBCSA from April and June 2021, respectively.

Through this initiative Balwin's customers will benefit financially by receiving a reduction on the offer rate to assist in unlocking investment potential of green infrastructure technologies and services while offering value to the customer through improved affordability.

INTEGRATED MANAGEMENT SYSTEM AND ISO CERTIFICATION

Balwin has adopted an integrated management system (IMS) that has enabled the group to obtain certification to three International Organisation for Standardisation (ISO) standards, being ISO 45001 – Health and Safety, ISO 14001 - Environmental, ISO 9001 – Quality. This certification allows for a consistent approach across the business and enhanced management, monitoring and recording of processes and procedures. The IMS assists

Balwin to effectively analyse and learn from incidents, change behaviours and culture with regards to safety, health, environmental and quality and demonstrate leadership commitment and accountability. Being certified to these international standards is a commendable achievement and Balwin is one of only a few property developers in the country to embrace and recognise the benefits to Balwin and its customers.

Balwin embarked on a business continuity management (BCM) project, which forms part of the IMS. This project entailed reviewing the emergency response policies and plans, implementing policies, frameworks and strategies for BCM, information, communication and technology, crisis management and disaster recovery. A business impact and threat analysis was also conducted as well as exercise toolkits, planned walkthroughs and scenario testing. Training and scenario testing will be undertaken in the new financial year.

ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

Operational practices are strictly enforced, ensuring compliance to legislated environmental requirements, recommendations set out in specialist studies and internal procedures.

Over the past year there has been a high level of environmental compliance across all construction sites nationally, with no significant environmental incidents being recorded. Minor incidents, classified as level 1 incidents, are reported at operational level and addressed immediately. The increase in the number of



construction sites during the year has resulted in a slight increase in the level 1 incidents but overall compliance has remained high.

Eleven onsite inspections were conducted across the developments nationally by municipal, regional and national environmental regulatory authorities. There were no adverse findings against Balwin.

Independent environmental control officers are appointed to every construction site to monitor the conditions of the environmental authorisations and normally visit sites twice monthly. In addition, regular daily monitoring and internal audits are conducted to ensure compliance.



LISA REYNOLDS
CEO GBCSA

WASTE REDUCTION

The majority of waste generated at the Balwin construction sites originates from building rubble and packaging materials. Small scale recycling is conducted at all sites with dedicated waste bins for specific recyclable waste which is collected by an accredited waste provider daily.

In order to reduce cost, minimise waste and ultimately decrease the demand for landfill sites, all building rubble is re-used on the sites. Recycling has been a focus area throughout the year and has been particularly successful in the Western Cape, with 58% of the total waste being recycled in the region. The focus for the next year is to engage with community companies to assist in the recycling process.

WATER AND ENERGY CONSUMPTION

Training and awareness of the management of water and electricity consumption is a continuous, ongoing process at site level.

The use of borehole water is a requirement at all construction sites, where it is permitted, and later used at the completed developments for irrigation. Meters are installed at all boreholes and usage is monitored.

SUSTAINABLE PROCUREMENT

A critical component to building a sustainable future is ensuring that Balwin contributes to the transformation of South Africa as a country and procurement is integral to this process.

Approximately 95% of all materials procured for Balwin are manufactured locally and approximately 70% of suppliers are small, medium and micro enterprises.

To assist in reducing waste, pre-manufactured products and products manufactured from re-cyclable materials, where possible, are procured, such as pre-cast ceiling slabs and lintels, steel, cement and bricks. Energy efficient appliances are procured for all Balwin apartments as well as solar electricity and energy saving lighting.

HEALTH AND SAFETY

Providing a healthy and safe working environment for all stakeholders is high on the agenda at Balwin. The IMS, incorporating the Balwin SHEQ system, uses a risk-based approach to ensure that all activities performed on the construction sites are done in a safe manner to protect employees and reduce adverse health and safety impacts.

HEALTH AND SAFETY MANAGEMENT AND COMPLIANCE

Health and safety compliance has been maintained at a high standard nationally throughout the year. Daily site inspections conducted by onsite SHEQ officers ensure that minor non-compliance to safety specifications and legislation is dealt with immediately. Internal audits both physical and administrative are conducted regularly, with the outcomes indicating a consistent level of compliance. Regional SHEQ managers for the Gauteng and Western Cape regions oversee all SHEQ operations and ensure group objectives and targets are supported at regional level.

External inspections and audits are conducted monthly by the appointed construction health and safety agent, in accordance with the requirements of the Occupational Health and Safety Act, No. 85 of 1993. The level of SHE compliance at site level is high, with minor issues being identified which are dealt with immediately.

Over the past year 14 onsite inspections were undertaken by the Department of Employment and Labour, which mainly focused on compliance with Covid-19 regulations, and there were no adverse findings against Balwin.

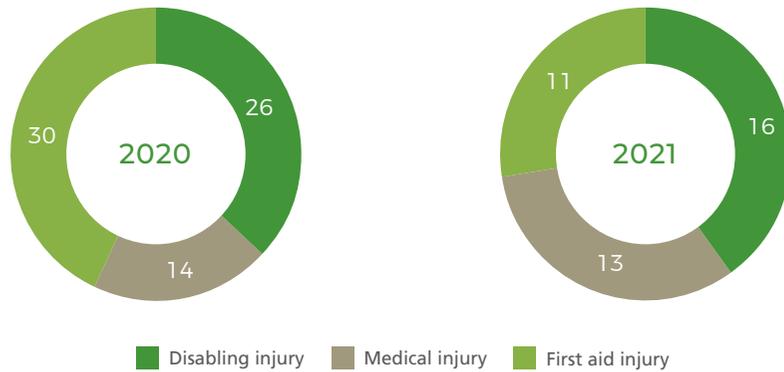
MANAGEMENT OF SUB-CONTRACTORS

Owing to the number of sub-contractor companies, which is normally between 35 and 40 on any one site, specific interventions are in place and are constantly monitored to ensure compliance with both Balwin SHEQ and legislative requirements to mitigate any adverse health and safety impacts. These interventions include:

- Sub-contractor pre-qualification process before commencing work;
- Regular physical and administrative audits of sub-contractor documentation and working practices;
- Permits are provided for high risk work, such as excavations, whereby method statements and risk assessments are submitted to Balwin for approval before commencement of the activity;
- The requirement for all sub-contractors to appoint safety consultants who are registered with the South African Council for the Project and Construction Management Professions and that their number of visits to a particular site is sufficient when taking into consideration the level of risk in the activities being performed and number of workers on site;
- A non-conformance system, with penalties for transgressions of rules or reworks required from a quality perspective; and
- Regular mass toolbox talks based on lessons learned from near misses or actual incidents.

During the year 772 audits of sub-contractors were conducted compared to 964 in the 2020 financial year. This reduction is due to the two month hard lockdown in May and June 2020 due to the Covid-19 pandemic. There has been an overall improvement in compliance by sub-contractors, with average audit scores increasing to 90% from 87.4% in the previous year.

SAFETY INCIDENTS



SHEQ PERFORMANCE

The number of safety and environmental incidents reduced from 88 to 67. During the year 26 Balwin employees recorded positive for Covid-19. However, it is important to note that none of these cases were contracted while the employee was at work.

Of these incidents, 40 were safety related, a reduction of 30 from the previous year. The number of disabling injuries* has decreased from 26 in the previous year to 16 in this year with first aid injuries*** reducing to 11 from 30 and medical time injuries** reducing to 13 from 14.

FREQUENCY RATES

Key Safety measures (12 Month Rolling)

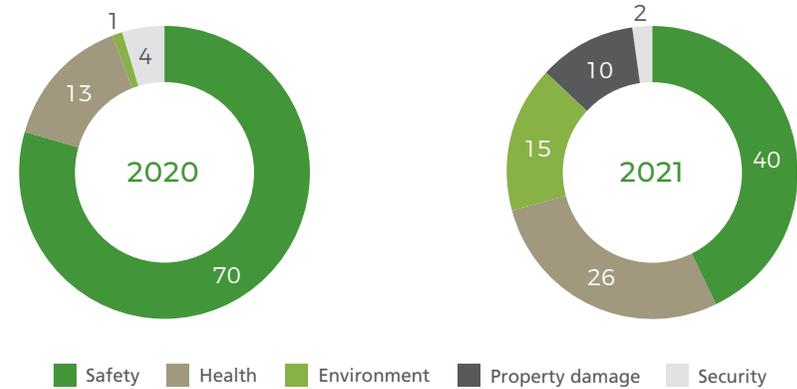
	2021	2020	2019
DIFR	0.37	0.56	0.18
MTFR	0.30	0.30	0.36
FAFR	0.26	0.65	0.76

* **Disabling Injury:** The injury sustained warrants that the injured cannot return to their normal duties the shift after the shift on which the injury occurred.

** **Medical time injury:** Work related injuries or illness that must be referred for treatment to a medic, external clinic or doctor.

*** **First aid injury:** Injuries for which the treatment required is from the First Aid box only

SHEQ INCIDENTS



MANAGEMENT OF COVID-19

Balwin continues to enforce and monitor strict Covid-19 protocols within the workplace in accordance with the regulations in terms of the Disaster Management Act 2002. As a result of the protocols implemented there have been no positive cases contracted within the Balwin workplace.

In March 2020, a Covid-19 committee was formed comprising members of the executive committee, the group SHEQ Manager and the Human Resources Manager. This committee continues to meet monthly and its responsibilities include:

- Overseeing and monitoring of the crisis;
- Employee and stakeholder communication;
- Adoption of the Covid-19 risk register that includes the assignment of action plans to various owners and due dates;
- Monitoring of the action plan progress;
- Reviewing relevant policies and procedures and recommending proposed changes to Exco;
- Approval of Crisis Communication Strategy;
- Keeping the executive committee informed of the situation, risks and action plans; and
- Reporting to the executive committee and external regulatory bodies (if required).

In June 2020, when construction sites were able to resume operations following the level 5 lockdown, Balwin provided all sub-contractor employees, totalling approximately 30 000 individuals, with two sets of overalls, two masks and hand sanitiser to assist the sub-contractor companies to comply with the Covid-19 regulations.

QUALITY

Throughout the year, Balwin has implemented an electronic quality control system which allows site personnel to monitor and record information via a mobile application at source. Quality control plans and checklists have been developed for the lifecycle of the build which form part of the ISO certified IMS and ensures a consistent approach to quality control across all construction sites.

Balwin is integrating the 90 day snag period into the system and developing meaningful reports which will identify any trends in recurring quality issues, in order that these can be rectified before handover to the customer, ensuring that Balwin continue to provide a quality product to its customers.

In order to ensure the high standard of quality is achieved, all the current construction projects have been re-programmed to ensure that sufficient time is provided to complete phases one month prior to handover to the customer. This is a critical intervention which will assist greatly in ensuring a snag free handover.

TRAINING AND AWARENESS

SHEQ awareness training is an ongoing process at the construction sites with regular mass toolbox talks and individual contractor awareness sessions.

Training matrices are developed annually at site level to ensure that personnel stay up to date with legislation and receive the relevant training required by the Occupational Health and Safety Act.

Training on the following issues was conducted for Balwin site personnel during the year:

- Legal liability
- Excavation supervisory
- First aid
- Firefighting
- NEBOSH International Certificate in Occupational Health and Safety (SHEQ Officers)
- Excel training

PLANS FOR 2021

- Reduce the annual safety incident rate from 0.3110 to 0.3016 (3%);
- Reduce municipal water and electricity consumption;
- Enhance construction stormwater management practices;
- Implement noise monitoring on all construction sites;
- Better management of quality control inspections;
- Reduce the number of and cost of quality defects;
- Maintain ISO certification;
- Develop staff through training and competencies;
- Improve health and hygiene standards at construction sites; and
- Prepare for the amendments to the Occupational Health and Safety Act which are due to be published in the forthcoming draft OHS Bill.



GREEN EARTH GREEN WASTE TRAINING BALWIN BANNER

TRANSFORMATION AND B-BBEE

The directors and management are committed to “building a better Balwin” by creating a business that is diverse, representative and transformed. The board social, ethics and transformation committee supports the directors in implementing the group’s transformation plan and dealing with critical issues such as employment equity, black economic empowerment and social investment.

Balwin is focusing specifically on the procurement, skills development, employment equity, enterprise development and supplier development pillars and is aiming to achieve a compliant status in its broad-based black economic empowerment (B-BBEE) audit in the 2022 financial year.

The group supports the principles and objectives of the B-BBEE Act and is committed to ensuring compliance with B-BBEE codes. A B-BBEE transformation charter outlines Balwin’s B-BBEE strategy for the next three years. Structures and processes are being implemented to enable the group to comply with and be rated according to the B-BBEE codes and has been working with a consultant over the past two years to assist in achieving its B-BBEE objectives.

The employment equity committee and skills development committee aims to ensure that appropriate strategies, policies and processes have been implemented to drive transformation and to build an ethical culture within the business. These committees are equally represented by senior management and

employees of all races and gender groups across the business and provide support to the board social, ethics and transformation committee. Sihle Mooi is the independent chairman of the employment equity committee. Sihle is the CEO of Rays of Hope, a non-profit company and public benefit organisation which manages a large number of social outreach projects in the Alexandra township.

The skills development committee ensures that Balwin staff are receiving opportunities to grow and better themselves within the organisation as well as identifying potential employees through learnership programmes. There is an opportunity for all employees to participate in various courses and broaden their knowledge within specific areas. In addition, Balwin is providing learnerships to external individuals, including disabled learners, and aims to absorb as many learners as possible into the business.

A focus area within the B-BBEE scorecard relates to the procurement pillar and the transformation of the supply chain. Balwin is investing in sourcing B-BBEE suppliers within its supply chain while certain major suppliers have made considerable efforts in obtaining B-BBEE compliance. This has greatly assisted the company’s procurement scorecard and management proactively engages with its suppliers to transform their businesses.

In the current financial year, Balwin concluded a supplier development agreement with a level 1 B-BBEE brick supplier in terms of which this company will supply clay stock bricks and facebricks to Balwin. In addition, Balwin implemented numerous enterprise development initiatives which have assisted 11 Level 1 B-BBEE



small businesses in the construction industry to help build and grow these micro enterprises. A representative of Balwin’s executive management meets with these entities monthly to assist with their businesses and the utilisation of funds to ensure meaningful empowerment is created through these enterprise development initiatives.

Balwin’s social investment programme continues to focus on creating empowered, self-reliant communities in areas surrounding developments. This includes funding infrastructure development, upgrading facilities such as schools, sports grounds, community areas and roads as well as developing local small businesses through contracting opportunities, support and mentorship. Support is provided to non-profit organisations in these areas through financial assistance, employee volunteer projects and funding structural renovations to facilities.

Balwin continues to evaluate options for B-BBEE ownership.

The group is also focused on improving its employment equity and management control within the workplace by reinforcing its employment equity policy. The policy aims to improve workforce representation to align with the economically active population across all levels through targeted talent mapping, employee retention and succession planning. Our recruitment strategy aims at attracting and growing a talent pool with potential to be accelerated to senior positions with minimal efforts.

Balwin believes that transformation is about creating a landscape that is fertile for empowerment, inclusion, equality, fairness, non-discrimination and a common good for all. We believe that transformation is not about merely complying with legislation, but about striving to transform the corporate conscience to look beyond race, gender and culture, until a culture of inclusion naturally emerges.

THE BALWIN FOUNDATION

The outbreak of the Covid-19 pandemic and the subsequent lockdown compelled The Balwin Foundation to adjust its planned expenditure to allocate funds and resources specifically to Covid-19 relief efforts in local communities.

Over the past year an estimated 18 700 people have benefited from donations from The Balwin Foundation, including funding, protective equipment, food vouchers and food parcels being distributed to local communities.

The Foundation's reserve funds as well as donations from Balwin staff and directors assisted in buffering the decline in income due to the lockdown and enabled the Foundation to support organisations and individuals impacted by the pandemic.

COVID-19 CHARITY DRIVE

The annual Balwin Charity Walk has entrenched Balwin's reputation as a company that cares about South Africa and its people as Balwin collaborates with its stakeholders, including board members, suppliers, sub-contractors, staff and professionals who all contribute to this annual large-scale fundraiser. The 2020 walk was cancelled due to Covid-19 and Balwin launched the Covid-19 Charity Drive to support charities most affected by the pandemic. Through the Covid-19 Charity Drive, the Balwin Foundation donated over R1.1 million to 16 charitable organisations across South Africa.

SKILLS DEVELOPMENT, EDUCATION AND TRAINING

The Balwin Foundation supports and empowers the youth and previously disadvantaged individuals to gain greater knowledge and skills through technical vocational education and training. The Covid-19 lockdown prevented training for several months and this was resumed in October 2021.

- To enhance Balwin's reputation as an environmentally responsible developer, The Balwin Foundation partnered with Green Earth Concepts and launched green waste training at the Thaba Eco Village in Johannesburg South. A total of 200 participants completed this training.
- The 30 learners on the environmental education and training development programme (EETDP) completed an environmental impact assessment and National Environmental Management Act short course and graduated from their year-long EETDP programme run with the Wildlife and Environment Society of South Africa in November 2020.
- The Balwin Foundation launched the small contractor training programme in partnership with the Construction Management Foundation. Owing to the outbreak of the second wave of Covid-19, the programme was conducted through online training and attendees were provided with digital vouchers to assist with data costs.
- The Foundation has trained 68 small, medium and micro enterprises (SMMEs) and is aiming to train a further 132 SMMEs by mid-2021.

TRAINING

200



GREEN WASTE

30



ENVIRONMENTAL IMPACT

20



COROBRIK BRICKLAYING

68



SMALL CONTRACTOR

BURSARY

20

TERTIARY STUDENTS



10

GRADUATES



15

SCHOLARS



12

BURSARY STUDENTS/
SCHOLARS ARE DISABLED

Building a Sustainable Future continued

- In late 2020 the Corobrik practical bricklaying training resumed in KwaZulu-Natal and in the Western Cape, equipping 20 previously disadvantaged individuals with the necessary skills to become employable.

The Covid-19 lockdown had a major impact on bursary students, with many struggling to adjust to online training, social distancing and limited support from their institutions. The Foundation provided counselling and coaching services to the students who were struggling with emotional, physical and study related issues.

The bursary programme continues to grow and Balwin Foundation currently funds 20 tertiary students and 12 disabled scholars through its bursary programme, including five disabled learners. Bursaries cover tuition, mentorship, development, life skills and practical work experience. To date, 10 of the Foundation's bursary studies have moved onto our Graduate Work Book programme.



WALTER SISULU ENVIRO CENTRE TRAINING, MAMELODI



LIGHT UP A HOME SOLAR PANELS FOR KZN COMMUNITY



COROBRIK GROUP WITH CERTIFICATES



GREEN EARTH WASTE TRAINING JHB SOUTH



WALTER SISULU ENVIRO CENTRE TRAINING, MAMELODI ON STREET



Balwin Foundation
P.O. Box 201147
Durban North
4016

Dear Cindy

On behalf of I Care, I would like to **thank the Balwin Foundation** for your generosity in sponsoring 3 of our Sakhimpilo boys for their Corobrik Bricklaying course.

They all completed the course, learnt a lot as well as enjoyed it. Nhlanhleni Dlamini came top of the class and was presented with a spirit level and trowel for his good efforts.

We know that these boys will make good use of their bricklaying course and also be able to take a skill home with them.

It is through people like yourselves that I Care can make a difference in the lives of the street children in our city

We aim to provide a long-lasting, sustainable impact on their young lives. It is a huge task but not impossible, especially with the assistance from people as yourselves.

Warm Regards

Gail Elson
Marketing Manager

GROWTH THROUGH TRAINING

Rose Letlape started Gontsefela Construction in 2006. Through the Ekurhuleni Women's Initiative she heard about The Balwin Foundation's small contractor training programme and enrolled in an online training course. This enabled Rose to grow her business and access funding to take her company to the next level.



Ndivhuwo Ramaguvha was selected as one of the unemployed learners to participate in the horticulture and environmental education and training development programme learnerships managed by the Balwin Foundation. After graduating from the learnerships in November 2020, Ndivhuwo soon secured employment at Windy Willows Wholesale Nursery. She acknowledged Balwin for equipping her with the skills and knowledge to combine her chemical engineering diploma with her horticulture and environmental development certificates to get a position administering chemicals to plants at a nursery. Ndivhuwo recently did some work at a Balwin development and was proud to be associated with the company that changed her life.



Commitment to Corporate Governance

Balwin is committed to applying high standards of corporate governance and ethical practice to ensure the sustainability of the business and to contribute to long-term value creation for shareholders.

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

APPLICATION OF KING IV

The directors confirm that the group has in all material respects applied the principles of the King IV Report on Corporate Governance (King IV) throughout the 2021 financial year. The group's application of the King IV principles is detailed on the website www.balwin.co.za.

ROLE OF THE BOARD

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

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

- Ensure effective risk management and internal controls.
- Monitor legislative, regulatory and governance compliance.
- Approve significant accounting policies and the annual financial statements.
- Manage director selection and appointment.

- Ensure effective remuneration policies and practices.
- Oversee transformation, diversity, empowerment and a culture of inclusivity.
- Ensure timeous and transparent communication with stakeholders.
- Promote values and ethical standards.

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

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

Authority has been delegated by the board to the CEO and executive management for the implementation of the strategy and the ongoing management of the business.

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

BOARD FOCUS AREAS

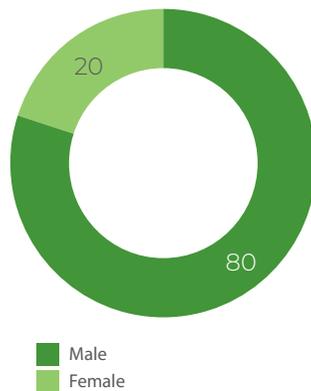
The board continued to operate within its mandate and conducted its oversight responsibilities in terms of the board charter. Specific matters addressed by the board in the reporting period included:

- Continued oversight of cash flow and capital allocation.

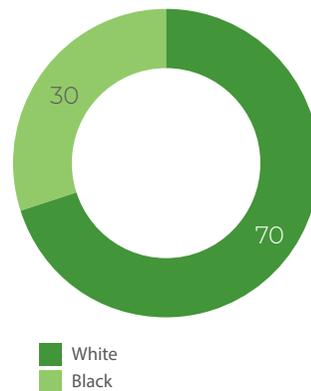
- Approved the group's strategy and annual budget, including detailed key performance indicators that are aligned to the strategy.
- Overview of the mitigation plans set by the group in response to the Covid-19 pandemic and its impact on its financial results, operations and stakeholders.
- Oversaw the continued expansion of the group's footprint in the existing nodes of Johannesburg, Tshwane, KwaZulu-Natal and the Western Cape in accordance with the strategy. This included the launch of Mooikloof Mega City development as a Strategic Integrated Project (SIP) and the growth in the delivery of the Green Collection brand.
- Monitored the successful introduction of the online sales platform to complement existing sales processes.
- Enhanced corporate governance processes and practices by updating and improving policies and ensuring alignment with recommended practices of King IV and legislation, encompassing the implementation of the Protection of Personal Information Act (POPIA).
- Strengthened the experience and expertise of board committees through the appointment of new members to the social, ethics and transformation committee and the remuneration and nominations committee.
- Continued oversight of the annuity income businesses and the assessment and consideration of the role of these businesses in the group's strategy.

BOARD PROFILE

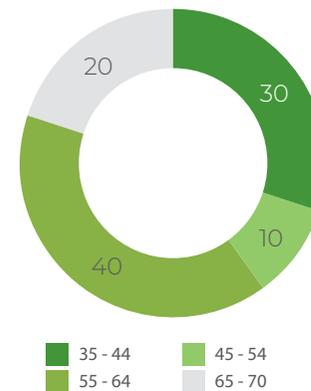
GENDER



RACE



AGE



TENURE



FOCUS AREAS FOR 2022 FINANCIAL YEAR

- Continual assessment of the Covid-19 risks and opportunities as well as safety, health and environmental-related matters to manage the ongoing impact of the pandemic on the operations and financial performance of the group.
- Ensure the continued commitment to environmental sustainability through responsible development of green, open space living.
- Oversee the growth in the Green Collection developments and the expansion of this product in identified nodes.
- Overview of the social contribution of the business with respect to job creation and the upliftment of communities both within the developments and the neighbouring areas.
- Continued oversight of cash management, capital allocation, debt management and going concern principles.
- Ensure continued sustainability in order to support the growth of the business.
- Drive improved transformation throughout the group, with a specific focus on Broad-Based Black Economic Empowerment (B-BBEE).

BOARD COMPOSITION

The board comprises ten directors, with eight non-executive directors and two salaried executive directors who are all independently minded individuals. There were no changes to the board composition during the reporting period.

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

BOARD INDEPENDENCE

Seven of the non-executive directors, including the chairman, are classified as independent in terms of King IV. The remaining non-executive director, Ronen Zekry, is not categorised as independent as he is a representative of Buffet Investments which has a significant shareholding in the group.

In addition, the classification of all non-executive directors is reviewed on an ongoing basis by the remuneration and nominations committee. Factors which could impact on the independence of directors are considered, including those contained in King IV and the JSE Listings Requirements, and was formally assessed by the board as part of the board evaluation process conducted in the reporting period.

BOARD APPOINTMENT

The appointment of directors is undertaken in a formal and transparent manner by the board, assisted by the remuneration and nominations committee. The group has a formal induction programme for new directors. The appointments of any new directors are subject to election by shareholders at the following annual general meeting.

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

At the annual general meeting in August 2021, Hilton Saven, Arnold Shapiro and Tomi Amosun will retire and are eligible for re-election. Brief professional profiles of these directors appear on pages 18 and 19.

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

BOARD DIVERSITY

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

In line with the amended JSE Listings Requirements, the board has approved a board diversity policy to promote broader diversity at board level comprising gender, race, culture, age, field of knowledge, skills and experience. The board intends to analyse the current board diversity based on these criteria in order to guide any future appointments. The board has set a voluntary target of at least 20% of directors to be female and 40% black.

BOARD EVALUATION

In accordance with the board charter, a formal evaluation of the board and its committees is conducted every second year. Accordingly, the board conducted an evaluation of its performance and effectiveness and that of its committees during the reporting period. A peer evaluation and independence assessment formed part of the evaluation process.

Areas for improvement and recommendations were identified relating to continuous training and briefings on matters relevant to the business and legislation, strengthening aspects of risk management and stakeholder engagement and considering the impact of growth of the business. Furthermore, the recommended focus areas for the current financial year were provided as described on page 67.

BOARD AND COMMITTEE MEETING ATTENDANCE

	Board	Audit and risk	Remuneration and nominations	Social, ethics and transformation	Transaction
Number of meetings	5	7	2	3	8
Hilton Saven	5/5*		2/2	3/3	7/8*
Tomi Amosun	5/5	7/7			8/8
Stephen Brookes	5/5			2/2	8/8
Thoko Mokgosi-Mwantembe	5/5	7/7	1/1	3/3*	
Kholeka Mzondeki	5/5	7/7*		3/3	
Julian Scher	5/5				7/8
Arnold Shapiro	5/5	7/7	2/2*		8/8
Jonathan Weltman	5/5			2/2	
Duncan Westcott	5/5	7/7			
Ronen Zekry	5/5		2/2		8/8

* Chairperson

Background details on the directors appear on pages 18 and 19.

BOARD OVERSIGHT

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

Owing to the size of the company, both the audit committee and risk committee, and the remuneration and nominations committee function as single committees. The meeting agendas for these committees are divided into separate sections to ensure each discipline is adequately covered.

All the committees confirm that they have functioned in accordance with their terms of reference for the reporting period.

AUDIT AND RISK COMMITTEE

Composition

Chairperson: Kholeka Mzondeki

Members:

Tomi Amosun, Arnold Shapiro, Duncan Westcott

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

ROLE AND RESPONSIBILITIES

Audit

- Provide the board with additional assurance regarding the efficiency and reliability of the financial information used by the directors in the discharge of their duties. This would include the consideration of all the entities in the group in the consolidated group annual financial statements.
- Ensure adequate systems of accounting records, effective financial reporting and internal control systems are in place.
- Review interim and annual financial statements, and the Integrated Annual Report.
- Recommend appointment of external auditors to the board and shareholders.
- Review the findings and recommendations of the internal and external auditors.
- Evaluate the expertise and experience of the CFO and the finance function.
- Monitor the non-audit services that may be rendered by the external auditor.
- Make necessary statements as required by the JSE in respect of annual financial statements when made available.

Risk

- Ensure that significant business, financial, legal and other risks are identified and managed.
- Overview of the development of the enterprise-wide risk management process, including enhancement of policies and procedures.
- Ensure the group assets are safeguarded.
- Ensure appropriate IT governance, overview and controls are designed and implemented.
- Consideration of reports of internal and external audit with reference to business risk management.
- Maintain satisfactory standards of governance, reporting and conformance with King IV, JSE Listing Requirements.

The audit and risk committee is appointed by the board annually and elected by shareholders at the annual general meeting. All members satisfied the requirements of section 94(4) of

the Companies Act and have the appropriate financial and related qualification, skills, financial expertise and experience required to discharge their responsibilities.

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

Refer to the audit and risk committee report on page 88 to 92 for more information.

REMUNERATION AND NOMINATIONS COMMITTEE

Composition

Chairman: Arnold Shapiro

Members:

Thoko Mkgosi-Mwantembe (appointed 17 June 2020), Hilton Saven, Ronen Zekry

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

ROLE AND RESPONSIBILITIES

Remuneration

- Ensure the group has a fair and competitive remuneration policy which attracts and retains high calibre employees.
- Ensure the remuneration policy and implementation report is put to a non-binding advisory vote at the annual general meeting of shareholders.
- Determine the remuneration packages of executive directors.
- Review and approve incentive schemes and related payments.
- Propose fees for non-executive directors for shareholder approval.
- Talent management and retention.

Nominations

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

Refer to the remuneration report on pages 71 to 80 for more information.

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

Composition

Chairperson: Thoko Mokgosi-Mwantembe

Members:

Kholeka Mzondeki, Hilton Saven, Stephen Brookes (CEO) (appointed 17 June 2020), Jonathan Weltman (CFO) (appointed 17 June 2020)

Other members of management attend meetings by invitation.

ROLE AND RESPONSIBILITIES

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

Refer to the social, ethics and transformation committee report on pages 81 to 82 for more information.

TRANSACTION COMMITTEE

Composition

Chairman: Hilton Saven

Members:

Tomi Amosun, Stephen Brookes, Julian Scher, Arnold Shapiro, Ronen Zekry

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

ROLE AND RESPONSIBILITIES

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

COMPANY SECRETARY

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

ACCOUNTABILITY AND COMPLIANCE

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

LEGISLATIVE COMPLIANCE

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



Remuneration Report

PART I: STATEMENT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

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

The remuneration report for the 2021 financial year sets out our remuneration policy on pages 73 to 77 as well as detailed disclosure on the implementation of our remuneration policy on pages 78 to 80.

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

REMUNERATION GOVERNANCE

The board has delegated the governance and oversight of remuneration related issues to the remuneration and nominations committee (the committee). The directors confirm that the committee discharged its duties in terms of its mandate in the reporting period and addressed specific issues to align remuneration practices with enhanced corporate governance standards. The following key remuneration and nomination issues were addressed during the year:

- Evaluating the inclusion of malus and clawback conditions as well as minimum shareholding requirements for executive directors in the remuneration policy;
- Reviewed the composition of all board committees;
- Reviewed the group's succession plan;
- Reviewed an independent assessment of the group's short-term Incentive structure to ensure Internal alignment and application of best market practice principles;
- Approval of the measures included in the balanced scorecard of the company, including both financial and non-financial measures;
- Reviewed the implementation of the remuneration policy and strategy for the 2021 financial year;
- Approval of the policies governing the appointment of directors and board diversity;
- Reviewed and updated the remuneration policy of the company in line with best practice and governance standards;
- Approval of the allocation of the short-term incentives as well as the long-term bonus share allocations for the 2021 financial year;

- Reviewed the classification of the independence of all non-executive directors in accordance with King IV principle and Companies Act requirements; and
- Recommendation of the non-executive director fees aligned to external benchmarking.

FUTURE AREAS OF FOCUS

In the 2022 financial year the committee plans to address the following:

- Continue to review the company's remuneration policy to ensure adherence to best practice and governance standards;
- Monitor the implementation of the remuneration policy;
- Continue to ensure fair and responsible remuneration that attracts, retains and motivates talented employees and encourages superior performance;
- Overview of the formal evaluation of the performance of the board and its committees;
- Review and approval of the metrics that form part of the balanced scorecards for the company, including the financial and non-financial measures;
- Recommendation of the non-executive director fees for approval by shareholders aligned to external benchmarking; and
- Review and approval of the short-term incentives payable and long-term incentives to be awarded for the 2022 financial year.

EXTERNAL REMUNERATION ADVISORS

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

VOTING AND SHAREHOLDER ENGAGEMENT

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

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

At the AGM in August 2020, 90.89% (2019: 89.99%) of shareholders who voted supported the remuneration policy and 95.68% (2019: 90.097%) supported the implementation report in non-binding advisory votes.

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

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



Arnold Shapiro

Chairman

Remuneration and nominations committee

17 May 2021



PART II: REMUNERATION POLICY

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

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

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

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

FAIR AND RESPONSIBLE REMUNERATION

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

It is the committee's responsibility to ensure that executive remuneration is justifiable in the context of overall employee remuneration. Accordingly, the committee must recommend appropriate actions to the board. The group continuously considers initiatives to nurture the principle of fair and equitable remuneration to improve the employment conditions of all employees.

MALUS AND CLAWBACK PROVISIONS

In line with best governance practice, the committee has introduced malus and clawback clauses on all variable pay awards for executive directors and prescribed officers from the 2021 financial year.

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

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

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

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

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

REMUNERATION STRUCTURE

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

Balwin's executive remuneration structure comprises both guaranteed (including benefits) and variable remuneration. Variable remuneration includes STIs and LTIs.

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

GUARANTEED REMUNERATION

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

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

VARIABLE REMUNERATION: STIs

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

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

The committee approved the following company scorecard in determining company performance for the purposes of the 2021 financial year.

Performance conditions	Weighting of performance conditions
Financial performance condition	85%
Net profit before tax Cash management	
Non-financial performance conditions	15%
Health and safety targets Employment equity targets Successful execution of key strategic objectives	

During the year, management engaged PricewaterhouseCoopers to perform an independent assessment of the group's short-term Incentive structure to ensure internal alignment as well as bench-marking against best market practice principles. Resulting from the review of the report, the committee adopted certain findings, most notably to increase the weighting of non-financial measures to achieve a more balanced scorecard. Accordingly, the committee has approved the following company scorecard in determining company performance for the purposes of the 2022 financial year

Performance conditions	Weighting of performance conditions
Financial performance condition	70%
Net profit before tax Cash management	
Non-financial performance conditions	30%
Health and safety targets Employment equity targets Environmental, social and governance targets Successful execution of key strategic objectives	

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

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

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

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

VARIABLE REMUNERATION: LTIs

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

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

EARLY TERMINATION OF EMPLOYMENT

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

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

EXECUTIVE SERVICE CONDITIONS

Executive directors are subject to a notice period of six months and a restraint of trade of two years. There are no fixed-term service contracts. The retirement age for executive directors is 65. There is no provision for settlement payments on termination. An annual guaranteed bonus, in addition to the STI, is contractually payable to the chief projects officer in terms of his employment contract, calculated at 1.75% of the company's profit after tax.

PRESCRIBED OFFICERS

The prescribed officers of Balwin in terms of the Companies Act are the two executive directors, the managing director and the chief projects officer. The remuneration of the prescribed officers is disclosed in the remuneration implementation report as well as the annual financial statements.

NON-EXECUTIVE DIRECTOR FEES

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

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



KIKUYU

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

The proposed fees for the 2022 financial year, which reflect an increase of 6% on the prior year, are subject to approval by shareholders at the AGM in August 2021.

	Proposed fees for the year ending 28 February 2022	Fees paid for the year ended 28 February 2021
Chairman of the board	R507 400	R478 700
Member of the board	R213 700	R201 600
Chairman of the audit and risk committee	R213 700	R201 600
Member of the audit and risk committee	R171 000	R161 300
Chairman of the social, ethics and transformation committee	R171 000	R161 300
Member of the social, ethics and transformation committee	R142 500	R134 400
Chairman of the remuneration and nominations committee	R171 000	R161 300
Member of the remuneration and nominations committee	R142 500	R134 400
Chairman of the transaction committee	R186 500	R175 900
Member of the transaction committee	R133 100	R125 600

PART III: REMUNERATION IMPLEMENTATION REPORT 2021

The committee confirms that the remuneration policy has been consistently applied in the 2021 financial year, achieved its objectives and that there have been no deviations from the policy.

GUARANTEED REMUNERATION: ANNUAL SALARY INCREASE

The committee approved an average performance-linked salary increase of 6.0% (2020: 6.0%) for all employees, including executive directors, effective 1 July 2020.

VARIABLE REMUNERATION: STI

An annual performance bonus totalling R4.7 million will be paid to executives (2020: R5.6 million) based on the achievement of 90% of the approved company scorecard used to determine company performance.

VARIABLE REMUNERATION: LTI

CSP – Bonus shares

Executive management will be awarded bonus shares to the value of R4.7 million (2020: R5.6 million). This was based on the STI achievement and the STI company performance targets as set out on page 75.

Unvested LTIs

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

Executives:

Position	LTI instrument	Date awarded	Vesting date	Opening number	Granted during the year	Settled during the year	Lapsed during the year	Closing number
CEO	Bonus shares	26 February 2018	30 June 2020	1 220 156	–	(1 220 156)	–	–
	Bonus shares	29 August 2019	30 June 2022	615 355	–	–	–	615 355
	Bonus shares	31 July 2020	30 June 2023	–	762 071	–	–	762 071
CFO	Bonus shares	26 February 2018	30 June 2020	431 745	–	(431 745)	–	–
	Bonus shares	29 August 2019	30 June 2022	275 037	–	–	–	275 037
	Bonus shares	31 July 2020	30 June 2023	–	346 924	–	–	346 924
Total				2 542 293	1 108 995	(1 651 901)	-	1 999 387

Prescribed officers:

Position	LTI instrument	Date awarded	Vesting date	Opening number	Granted during the year	Settled during the year	Lapsed during the year	Closing number
MD	Bonus shares	26 February 2018	30 June 2020	845 204	–	(845 204)	–	–
	Bonus shares	29 August 2019	30 June 2022	468 396	–	–	–	468 396
	Bonus shares	31 July 2020	30 June 2023	–	584 520	–	–	584 520
CPO	Bonus shares	26 February 2018	30 June 2020	742 996	–	(742 996)	–	–
	Bonus shares	29 August 2019	30 June 2022	383 289	–	–	–	383 289
	Bonus shares	31 July 2020	30 June 2023	–	459 809	–	–	459 809
Total				2 439 885	1 044 059	(1 588 200)	–	1 895 744

DIRECTORS' REMUNERATION

EXECUTIVE DIRECTORS

The tables below set out the single figure remuneration received by executive directors and prescribed officers for the financial years ended February 2020 and 2021 respectively.

Executive director/ prescribed officer	Cash salary R'000	Benefits R'000	STI R'000	Other* R'000	LTI R'000	Total R'000
2021						
SV Brookes (CEO)	5 525	645	3 270	–	1 741	11 181
J Weltman (CFO)	3 613	532	1 451	–	709	6 305
RN Gray (MD)	4 808	619	2 496	–	1 275	9 198
U Gschnaidtner (CPO)	4 396	491	1 955	5 886	1 066	13 794
Total	18 342	2 287	9 172	5 886	4 791	40 478
2020						
SV Brookes (CEO)	5 326	441	1 857	–	2 657	10 281
J Weltman (CFO)	3 539	354	3 841	–	971	8 705
RN Gray (MD)	4 649	422	1 420	–	1 863	8 354
U Gschnaidtner (CPO)	4 260	308	1 197	7 073	1 622	14 460
Total	17 774	1 525	8 315	7 073	7 113	41 800

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

DIRECTORS' SHAREHOLDING

Directors/ prescribed officers	Number of shares	Nature of interest	Shareholding
SV Brookes	170 374 031	Direct	36.08
RN Gray	47 678 208	Direct	10.10
U Gschnaidtner	10 150 788	Direct	2.15
R Zekry	3 633 269	Direct	0.77
J Weltman	233 142	Direct	0.05
O Amosun	9 390	Direct	–

DILUTION LIMITS

Share options awarded in the form of bonus shares to executive directors and prescribed officers during the year amounts to 2.2 million shares (2020: 1.7 million shares). The total number of bonus shares awarded amounts to 6.2 million shares. The total number of ordinary shares in issue is 469 254 734 and accordingly the potential dilutive impact of the share options amounts to 1.32% on the total issued share capital.

NON-EXECUTIVE DIRECTORS

The committee approved a fee increase of 6% (2021: 6%) for non-executive directors' annual retainers for the 2022 financial year. The table below sets out the fees paid to non-executive directors for the financial years ended February 2020 and 2021.

Directors	2021 R'000	2020 R'000
H Saven	897	884
T Mokgosi-Mwantembe	452	342
K Mzondeki	522	507
A Shapiro	631	613
O Amosun	475	461
R Zekry	449	499
J Scher	318	154
D Westcott	353	171
Total	4 097	3 631

TOTAL VALUE OF DIRECTORS' REMUNERATION

	2021 R'000	2020 R'000
Executive directors and prescribed officers	40 478	41 800
Non-executive directors	4 097	3 631
Total	44 575	45 431



Social, Ethics and Transformation Committee Report

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

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

RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the committee are as follows:

- Social and economic development, including the group’s standing relative to the UN Global Compact Principles, the Organisation for Economic Co-operation and Development recommendations regarding corruption and the Employment Equity Act and Broad-based Black Economic Empowerment (B-BBEE) Act.
- Promoting and overseeing B-BBEE through transformation.
- Good corporate citizenship, including the group’s positioning and efforts in promoting equality, preventing unfair discrimination and combating corruption.
- The contribution to community development and the sponsorship, donation and charitable giving programme.
- The environment, health and public safety, including the impacts of the group’s activities and products on the environment and society.
- Consumer relationships, including advertising, public relations and compliance with consumer protection laws.

- Labour and unemployment, including the group’s standing relative to the International Labour Organisation protocol and the Basic Conditions of Employment Act on decent work and working conditions, employment relationships and the group’s contribution to the educational development of employees.
- Compliance with the Labour Relations Act aimed at promoting economic development, social justice, labour peace and democracy in the workplace.

FUNCTIONING OF THE COMMITTEE

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

Thoko Mokgosi-Mwantembe (chairman)	Independent non-executive director
Kholeka Mzondeki	Independent non-executive director
Hilton Saven	Independent non-executive director
Stephen Brookes (appointed 17 June 2020)	Executive director
Jonathan Weltman (appointed 17 June 2020)	Executive director



Members of senior management attend meetings by invitation. The committee is required to meet at least twice yearly. Biographical details of the committee members appear on pages 18 and 19.

The committee was assessed to have adequately discharged its mandate. Attendance at committee meetings is detailed on page 68 of the integrated report and fees paid to committee members for 2021 and proposed for 2022 are included on page 77.

FOCUS AREAS OF THE COMMITTEE

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

- Continued monitoring of the B-BBEE scorecard to monitor improvement in the employment equity, black ownership and procurement pillars, recognising the good progress made by management during the year.
- Enhanced reporting and oversight of employment equity as well as human resources and skills development.
- Monitored safety, health, environment and quality (SHEQ) standards and performance, including Covid-19 reporting, ISO certification of an integrated management system and incident rates.
- Reviewed the corporate social investment and Covid-19 initiatives and contributions through The Balwin Foundation.

- Management of ethical risks and promotion of the introduction of ethics awareness training for employees.
- Approved the appointments of the CEO and CFO as members of the committee.

Planned areas of focus for the 2022 financial year are as follows:

- Oversight and monitoring of social responsibility, economic development and transformation processes and targets, inclusive of environmental, social and governance reporting.
- Monitor the group's good corporate citizenship activities.
- Ongoing oversight of stakeholder relationship management.
- Continued focus on improvement in the B-BBEE scorecard rating.
- Ongoing focus on improvement in employment equity and workforce representation as well as the introduction of diversity training across the group.
- Continued monitoring and improvement of SHEQ measures and environmental sustainability practices.

CONCLUSION

The committee believes the group is substantively addressing the matters required to be monitored in terms of the Companies Act and King IV. Appropriate policies and programmes have been adopted to maintain high standards of corporate citizenship among internal and external stakeholders.



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

Thoko Mokgosi-Mwantembe
Chairman

Social, ethics and transformation committee

17 May 2021

Shareholder Analysis

Shareholder spread	No of Share Holders	%	No of Shares	%
1–1 000 shares	8 206	85.83	919 837	0.19
1 001–10 000 shares	1 001	10.47	3 515 724	0.74
10 001–100 000 shares	270	2.82	8 829 408	1.87
100 001–1 000 000 shares	51	0.53	13 097 830	2.77
1 000 001 shares and over	33	0.35	445 829 793	94.42
Totals	9 561	100.00	472 192 592	100.00

Distribution of shareholders	No of Share Holders	%	No of Shares	%
Banks/Brokers	30	0.31	53 738 130	11.38
Close Corporations	18	0.19	434 809	0.09
Endowment Funds	3	0.03	65 179	0.01
Individuals	9 311	97.39	34 616 948	7.33
Insurance Companies	7	0.07	12 172 386	2.58
Medical Scheme	1	0.01	85 811	0.02
Mutual Funds	23	0.24	45 158 087	9.56
Other Corporations	14	0.15	32 641	0.01
Private Companies	77	0.81	296 530 708	62.80
Public Companies	1	0.01	120 000	0.03
Retirement Funds	18	0.19	17 360 561	3.68
Treasury Stock	1	0.01	2 833 113	0.60
Trusts	57	0.60	9 044 219	1.92
Totals	9 561	100.00	472 192 592	100.00

Public/non – public shareholders	No of Share Holders	%	No of Shares	%
Non – Public Shareholders	7	0.07	235 316 799	49.83
Directors of the company	5	0.05	222 332 898	47.09
Prescribed Officers	1	0.01	10 150 788	2.15
Treasury Stock	1	0.01	2 833 113	0.60
Public Shareholders	9 554	99.93	236 875 793	50.17
Totals	9 561	100.00	472 192 592	100.00

Beneficial Shareholders holding 5% or more	No of Shares	%
Volker Holdings Proprietary Limited*	170 374 031	36.08
Rodna Investments Proprietary Limited**	47 678 208	10.10
GRE Africa Ltd	36 418 425	7.71
Pershing	32 618 871	6.91
Klipfontein Heights Proprietary Limited	23 929 009	5.07
Totals	311 018 544	65.87

* The entity is controlled by SV Brookes.

** The entity is controlled by RN Gray.

BREAKDOWN OF NON-PUBLIC HOLDINGS

Directors	No. of Shares	%
Brookes, SV	170 374 031	36.08
Volker Holdings (Pty) Ltd*	170 374 031	36.08
Zekry, R	3 633 269	0.77
Zekry, R	3 633 269	0.77
Weltman, J	233 142	0.05
Weltman, J	233 142	0.05
Amosun, O	9 390	0.00
Amosun, O	9 390	0.00
Totals	222 332 898	47.09
Prescribed officer	No. of Shares	%
Gray, RN	48 083 066	10.18
Rodna Investments (Pty) Ltd	47 221 798	10.00
Gray, RN	456 410	0.10
Gray, C	202 429	0.04
Gray, E	202 429	0.04
Gschnaidtner, U	10 150 788	2.15
Gschnaidtner, U	10 150 788	2.15
Totals	10 150 788	2.15
Treasury Stock	No. of Shares	%
Balwin Properties Ltd	2 833 113	0.60
Balwin Properties Ltd	2 833 113	0.60
Totals	2 833 113	0.60

BREAKDOWN OF BENEFICIAL SHAREHOLDERS HOLDING 5% OR MORE

Beneficial Shareholders Holding 5% or more	No of Shares	%
Brookes, SV	170 374 031	36.08
Volker Holdings (Pty) Ltd	170 374 031	36.08
Gray, RN	47 678 208	10.10
Rodna Investments (Pty) Ltd	47 221 798	10.00
Gray, RN	456 410	0.10
GRE Africa Ltd	36 418 425	7.71
GRE Africa Ltd	36 418 425	7.71
Pershing	32 618 871	6.91
Pershing Llc	30 944 415	6.55
Pershing Securities	1 674 456	0.35
Klipfontein Heights (Pty) Ltd	23 929 009	5.07
Klipfontein Heights (Pty) Ltd	23 929 009	5.07
Totals	311 018 544	65.87

* All shares are pledged as security.

2021

FINANCIAL INFORMATION

FOR THE YEAR ENDED 28 FEBRUARY 2021



Financial Highlights

7% 
REVENUE

9% 
NET ASSET
VALUE

18% 
PROFIT FOR
THE YEAR

19% 
EARNINGS
PER SHARE

19% 
HEADLINE
EARNINGS
PER SHARE



KIKUYU

Your
lifestyle
our focus



THE POLOFIELDS



THE HUNTSMAN



THE REID



GREENLEE

Compliance Statements

CEO AND CFO RESPONSIBILITY STATEMENT

The directors, whose names are stated below, hereby confirm that:

- (a) the abridged summarised consolidated financial statements set out on pages 94 to 107, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- (b) no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- (c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
- (d) 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 within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.



Chief Executive Officer



Chief Financial Officer

COMPANY SECRETARY'S CERTIFICATION

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



Ronelle Kleyn

On behalf of: FluidRock Co Sec Proprietary Limited

17 May 2021

Audit and Risk Committee Report

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

The committee assists the board in its responsibilities covering the:

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

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

Owing to the size of the company, the functions of an audit committee and 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 four non-executive directors and all members act independently as described in the Act.

The chief executive officer, chief financial officer, key finance management, the external auditor and the internal auditor attend meetings by invitation. The board is satisfied that the independence, experience and qualifications of each member enables them to fulfil the committee’s mandate. In addition to the quarterly meetings, the committee meets at least once a year with the company’s internal and external auditors, without management being present.

The committee comprised the following members:

Director	Appointed	Experience	Meeting attendance
Tomi Amosun CA(SA)	May 2017	Over 15 years of real estate, listed equity and private equity experience	7/7 meetings
Kholeka Mzondeki BCom, FCCA (UK), Diploma Investment	September 2015	Over 20 years experience in governance, strategy development and financial management,	7/7 meetings
Arnold Shapiro BBus Sci (Finance Hons)	October 2016	Over 30 years of asset management, portfolio management and general management experience	7/7 meetings
Duncan Westcott CA(SA)	October 2019	30 years as an accountant and auditor, followed by 10 years outside the profession working in industry and commerce on various financial and related non-executive tasks	7/7 meetings

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 2021 financial year.

FOCUS AREAS OF THE COMMITTEE

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

Focus area	Progress
Appointment of an independent external auditor	Following a successful Request for Proposal process, the committee appointed BDO South Africa Inc. as the independent external auditor for the group.
Overview of the financial implications that arise from the Covid-19 pandemic	The committee played an active role in engaging with management and is satisfied with the processes implemented to best mitigate the impact during the pandemic on the financial performance of the group. This included oversight of the solvency and liquidity of the group including detailed cash flow reviews.
Oversight of management's response to the amendment to the JSE Listings Requirements in relation to the establishment and maintenance of internal controls	The committee performed an oversight function with respect to management's responsibility to ensure appropriate internal financial control measures are in place, culminating in the statement by the chief executive officer and chief financial officer with respect to an effective control function.
Overview on IT systems and control	<p>The committee oversees the implementation of IT governance mechanisms and standards to ensure the effectiveness and efficiency of the group's information systems.</p> <p>The committee reviewed the existing IT management procedures during the year and revised the work plan of the committee to enhance the level of reporting on this matter. The committee approved an updated IT governance framework in the current year and is in the process of updating its IT policies.</p>
Overview of capital allocation and cash utilisation	The committee performed multiple reviews of management's cash forecasting during the year and is satisfied with the liquidity position of the group together with its planning with respect to the cash management of the group.
JSE Proactive monitoring	The committee reviewed the JSE proactive monitoring reports and ensured that management appropriately responded to the matters noted.

Planned areas of focus for the 2022 financial year are as follows:

- Monitoring and management of financial reporting and governance;
- Balance sheet management and financial sustainability in a continued uncertain trading environment;
- Embedment of the combined assurance and continued proactive engagement with the internal and external audit functions; and
- Continued overview on IT systems and policies.

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 amongst other duties:

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

- assesses the performance and effectiveness of the audit and risk committee and its members on a regular basis; 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 2021 financial year, it has performed all the functions required to be performed by an audit and risk committee as set out in the Act and the committee's terms of reference.

EXTERNAL AUDIT

The committee among other matters:

- following a formal request for proposal process, nominated BDO South Africa Inc. ("BDO") and Paul Badrick as the external auditor and designated auditor respectively to shareholders for appointment as auditor for the financial year ended 28 February 2021, and ensured that the appointment complied with all applicable legal and regulatory requirements for the appointment of an auditor;
- nominated the external auditor and the independent auditor of each material subsidiary company for appointment;
- reviewed the audit effectiveness and evaluated the external auditor's internal quality control procedures;
- obtained an annual confirmation from the auditor that their independence was not impaired;
- requested from BDO the information detailed in paragraph 22.15(h) in their assessment of the suitability for appointment of BDO and Paul Badrick prior to their appointment, which was presented on 21 May 2020;
- satisfied themselves with the quality of the external auditor;
- maintained a policy setting out the categories of non-audit services that the external auditor may and may not provide;
- approved the non-audit services performed by BDO in the current year;
- approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor;
- considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act, No. 26 of 2005; and
- considered any reported control weaknesses, management's response for their improvement and assessed their impact on the general control environment.

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

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

INTERNAL AUDIT

The committee:

- reviewed and approved the internal audit charter and annual audit plan and evaluated the independence, effectiveness and performance of the internal audit department and compliance with its charter;
- satisfied themselves that the quality, experience and expertise of the internal audit function and the chief audit executive is appropriate;
- 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, it also reviewed the reporting around the adequacy of the internal controls together with the effectiveness of the combined assurance provided and based on this concluded that there had been no material breakdowns in internal control, including financial controls, business risk management and the maintenance of effective material control systems.

FINANCIAL REPORTING

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

The committee among other matters:

- confirmed the going concern as the basis of preparation of the interim and consolidated and separate annual financial statements, with particular focus on the implications of the Covid-19 pandemic;
- reviewed compliance with the financial conditions of loan covenants and determined that the capital of the company was adequate;
- examined and reviewed the interim and consolidated and separate annual financial statements, as well as all financial information disclosed prior to the submission to the board for their approval and then for disclosure to stakeholders;
- ensured that the consolidated and separate annual financial statements fairly present the financial position of the group and of the company as at the end of the financial year and the results of operations and cash flows for the financial year and considered the basis on which the company and the group was determined to be a going concern;
- reviewed the cash flow forecasting performed to stress test the cash flows of the group with respect to the assumptions and implications surrounding Covid-19;
- considered the appropriateness of the disclosure included in the consolidated and separate annual financial statements;
- 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 problems identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
- considered accounting treatments, significant unusual transactions and accounting judgments.

SIGNIFICANT AREAS OF JUDGEMENT

In arriving at the figures disclosed in the consolidated and separate annual financial statements there are many areas where judgement is needed. These are outlined in note 1.2 to the consolidated and separate annual financial statements. The committee has looked at 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:

- Recognition of cost of constructed residential apartments sold;
- Net realisable value of developments under construction; and
- Preparation of cash flow forecasts

RISK MANAGEMENT AND INFORMATION TECHNOLOGY (IT) GOVERNANCE

The committee:

- ensured that intellectual property contained in information systems are protected;
- ensured that adequate business arrangements are in place for disaster recovery;
- ensured that all personal information is treated by the company as an important business asset and is safeguarded as per POPI 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;
- reviewed the adequacy and effectiveness of the group's procedures, including its risk management framework, to ensure compliance with legal and regulatory responsibilities;
- monitored complaints received via the group's whistleblowing service. No complaints were reported; and
- considered reports provided by management, internal audit and the external auditor regarding compliance with legal and regulatory requirements.

EXPERTISE AND EXPERIENCE OF CHIEF FINANCIAL OFFICER AND THE FINANCIAL FUNCTION

As required by paragraph 3.84(g) of the JSE Limited Listings Requirements, the committee has satisfied itself that the chief financial officer, Jonathan Weltman, 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, it is proposed in the notice of annual general meeting that the committee members are available for re-appointment until the next annual general meeting in 2021.

EVALUATION OF THE COMMITTEE

In line with King IV and the board charter, the committee conducted a self-evaluation of its functions. The review concluded that the committee operated effectively and had successfully discharged its duties and responsibilities.

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

Following the review by the committee of the consolidated annual financial statements of Balwin Properties Limited for the year ended 28 February 2021, the committee is of the view that in all material aspects they comply with the relevant provisions of the Act and International Financial Reporting Standards and fairly present the consolidated and separate financial positions at that date and the results of operations and cash flows for the year then ended.



Kholeka Mzondeki

Chairperson

Audit and risk committee

17 May 2021

Independent Auditor's Report on Summary Consolidated Financial Statements

To the Shareholders of Balwin Properties Limited

OPINION

The summary consolidated financial statements of Balwin Properties Limited and its subsidiaries set out on pages 94 to 107 of the Integrated Annual Report 2021, which comprise the summary consolidated statement of financial position as at 28 February 2021, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Balwin Properties Limited and its subsidiaries for the year ended 28 February 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

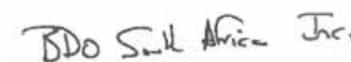
We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 17 May 2021. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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



BDO South Africa Incorporated

Registered Auditors

Paul Badrick

Director

Registered Auditor

17 May 2021

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Summarised Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 28 February 2021

	Audited 12 months ended 28 February 2021 R'000	Audited 12 months ended 29 February 2020 R'000
Revenue	2 700 574	2 914 453
Cost of sales	(1 979 598)	(2 124 703)
Gross profit	720 976	789 750
Other income	6 652	19 847
Operating expenses	(265 178)	(235 613)
Operating profit	462 450	573 984
Investment income	16 936	13 673
Finance costs	(14 079)	(12 643)
Share of profit of associate	1 744	322
Profit before tax	467 051	575 336
Taxation	(130 686)	(163 976)
Profit for the year	336 365	411 360
Other comprehensive income net of income tax:		
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	–	36
Total comprehensive income for the year	336 365	411 396
Profit attributable to:		
Owners of the parent	336 156	411 610
Non-controlling interest	209	(250)
	336 365	411 360
Total comprehensive income attributable to:		
Owners of the parent	336 156	411 646
Non-controlling interest	209	(250)
	336 365	411 396
Basic and diluted earnings per share		
Basic	(cents) 71.67	88.02
Diluted	(cents) 71.19	87.17

Summarised Consolidated Statement of Financial Position

as at 28 February 2021

	Audited as at 28 February 2021 R'000	Audited as at 29 February 2020 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	99 810	90 654
Intangible assets	15 256	9 049
Investment in associate	2 067	323
Loans to external parties	11 658	–
	128 791	100 026
Current assets		
Developments under construction	4 121 257	3 369 972
Loans to related parties	14 112	14 112
Current tax receivable	5 865	15 812
Trade and other receivables	695 034	597 208
Development loans receivable	68 181	34 078
Restricted cash	31 390	–
Cash and cash equivalents	336 533	476 532
	5 272 372	4 507 714
Total assets	5 401 163	4 607 740
Equity and liabilities		
Equity		
Share capital	663 079	652 978
Share-based payment reserve	6 778	9 900
Retained income	2 532 804	2 288 762
Non-controlling interest	(41)	(250)
	3 202 620	2 951 390
Non-current liabilities		
Development loans and facilities	225 605	252 639
Lease liabilities	2 170	2 923
Deferred taxation	159 659	99 882
	387 434	355 444
Current liabilities		
Development loans and facilities	1 675 884	1 167 057
Trade and other payables	104 896	111 253
Lease liabilities	753	621
Employee benefits	29 576	21 975
	1 811 109	1 300 906
Total liabilities	2 198 543	1 656 350
Total equity and liabilities	5 401 163	4 607 740

* Denotes a value of less than R1 000.

Summarised Consolidated Statement of Cash Flows

For the year ended 28 February 2021

	Audited 12 months ended 28 February 2021 R'000	Audited 12 months ended 29 February 2020 R'000
Cash flows from operating activities		
Cash (used in)/generated from operations	(400 703)	581 402
Interest received	16 936	12 680
Finance costs paid	(40 111)	(95 258)
Taxation paid	(60 962)	(104 514)
Net cash (used in)/generated from operating activities	(484 840)	394 310
Cash flows from investing activities		
Purchase of property, plant and equipment	(25 597)	(24 816)
Proceeds on disposal of property, plant and equipment	592	13 002
Purchase of intangible assets	(7 235)	(3 468)
Loans advanced to related parties	–	(4 131)
Loans advanced to external parties	(11 658)	–
Net cash used in investing activities	(43 898)	(19 413)
Cash flows from financing activities		
Development loans repaid	(1 092 247)	(1 216 242)
Development loans raised and utilised	1 429 710	1 080 077
Investment loan and general banking facilities repaid	(158 280)	(126 100)
Investment loan and general banking facilities raised and utilised	302 610	158 280
Payment on lease liabilities	(940)	–
Dividends paid	(92 550)	(123 762)
Dividends received from treasury shares	436	–
Net cash generated from/(used in) financing activities	388 739	(227 747)
Total cash and cash equivalents movement for the year	(139 999)	147 150
Cash and cash equivalents at the beginning of the year	476 532	329 382
Total cash and cash equivalents at the end of the year	336 533	476 532

Summarised Consolidated Statement of Changes in Equity

For the year ended 28 February 2021

	Share capital R'000	Foreign currency translation reserve R'000	Share-based payment reserve R'000	Retained income R'000	Total attributable to equity holders of the group R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 March 2019	652 978	(477)	*	2 001 355	2 653 856	–	2 653 856
Total comprehensive income	–	36	–	411 610	411 646	(250)	411 396
Profit for the period	–	–	–	411 610	411 610	(250)	411 360
Other comprehensive income	–	36	–	–	36	–	36
Transfer between reserves	–	441	–	(441)	–	–	–
Share-based payment	–	–	9 900	–	9 900	–	9 900
Dividends paid	–	–	–	(123 762)	(123 762)	–	(123 762)
Balance at 29 February 2020	652 978	–	9 900	2 288 762	2 951 640	(250)	2 951 390
Total comprehensive income	–	–	–	336 156	336 156	209	336 365
Profit for the period	–	–	–	336 156	336 156	209	336 365
Other comprehensive income	–	–	–	–	–	–	–
Issue of shares from treasury	10 101	–	(10 101)	–	–	–	–
Share-based payment	–	–	6 979	–	6 979	–	6 979
Dividends paid	–	–	–	(92 550)	(92 550)	–	(92 550)
Dividends received from treasury shares	–	–	–	436	436	–	436
Balance at 28 February 2021	663 079	–	6 778	2 532 804	3 202 661	(41)	3 202 620

* Denotes a value of less than R1 000.

Reconciliation of Headline Earnings

For the year ended 28 February 2021

		Audited 12 months ended 28 February 2021	Audited 12 months ended 29 February 2020
Basic and headline earnings per share			
Basic	(cents)	71.67	88.02
Headline	(cents)	71.47	87.83
Diluted earnings	(cents)	71.19	87.17
Diluted headlines earnings	(cents)	70.99	86.98
Tangible net asset value per share	(cents)	679.57	631.13
Net asset value per share	(cents)	682.83	631.13
Weighted average number of shares in issue	('000)	469 024	467 632
Net asset value	(R'000)	3 202 620	2 951 390
Reconciliation of profit for the year to headline earnings			
Profit for the year	(R'000)	336 156	411 610
Adjusted for:			
– Loss/(profit) on disposal of property, plant and equipment	(R'000)	(347)	(907)
– Fair value adjustment on investment property held by associate	(R'000)	(617)	–
Headline earnings	(R'000)	335 192	410 703
Weighted average number of shares			
Weighted average number of shares in issue	('000)	469 024	467 632
Potential dilutive impact of share options	('000)	3 169	4 560
		472 193	472 193

Notes to the Summarised Consolidated Financial Statements

For the year ended 28 February 2021

1. BASIS OF PREPARATION

The abridged summarised consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and also as a minimum contains the information required by IAS 34: Interim Financial Reporting, and complies with the requirements of the Companies Act 2008 of South Africa and the JSE Listing Requirements. They have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, and are presented in South African Rands rounded to the nearest R’000, which is the company’s functional and presentation currency.

The audited consolidated financial statements and the unmodified opinion from which these abridged summarised consolidated financial statements were derived from are available at our registered office, Block 1, Townsend Office Park, 1 Townsend Avenue, Bedfordview, Johannesburg at no charge.

The accounting policies are in terms of IFRS. The accounting policies and methods of computation are consistent to those of the prior year annual consolidated financial statements.

The audited abridged summarised consolidated financial statements and annual consolidated financial statements have been externally prepared under the supervision of J Weltman, in his capacity as Chief Financial Officer and were approved by the Board on 14 May 2021.

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

Notes to the Summarised Consolidated Financial Statements continued

For the year ended 28 February 2021

	Audited 12 months ended 28 February 2021 R'000	Audited 12 months ended 29 February 2020 R'000
2. REVENUE		
Revenue from contracts with customers		
Revenue from the sale of apartments	2 659 330	2 842 856
Revenue from the sale of land	–	45 000
Bond Commission	15 892	10 993
Rental of electronic communication	21 819	12 430
	2 697 041	2 911 279
Revenue other than revenue from contracts with customers		
Donation income	3 533	3 174
	2 700 574	2 914 453

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. There is no significant judgement applied in determining revenue from contracts with customers.

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

Disclosure of disaggregated revenue from the sale of apartments by region:		
Johannesburg	1 326 323	1 399 024
Tshwane	281 926	309 708
Western Cape	749 735	871 730
KwaZulu-Natal	301 346	262 394
	2 659 330	2 842 856
Disclosure of disaggregated revenue from the sale of apartments by brands:		
Classic Collection	1 959 826	2 247 768
Green Collection	386 030	166 902
Signature Collection	313 474	428 186
	2 659 330	2 842 856

	Audited 12 months ended 28 February 2021 R'000	Audited 12 months ended 29 February 2020 R'000
3. DEVELOPMENTS UNDER CONSTRUCTION		
Developments under construction	4 121 257	3 369 972
Developments under construction include the following:		
Cost of construction	1 635 145	1 307 511
Land and land contribution costs	2 014 029	1 560 221
Development rights	472 083	502 240
	4 121 257	3 369 972

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

The cost of developments under construction recognised as an expense during the current year was R1 979.6 million (2020: R2 124.3 million). No costs previously capitalised to developments under construction were written off in the current year (2020: R0.4 million).

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

Notes to the Summarised Consolidated Financial Statements continued

For the year ended 28 February 2021

3. DEVELOPMENTS UNDER CONSTRUCTION (continued)

A mortgage bond is in place over certain portions of land which acts as security for the development loans advanced. At year end, the following mortgage bonds were registered:

Land	Audited as at 28 February 2021 R'000	Audited as at 29 February 2020 R'000
Remaining Extent of Portion 14 Farm 197 Olivedale	200 000	200 000
First covering mortgage bond Erf 20030 Somerset West	200 000	200 000
Erf 20252 Somerset West	300 000	300 000
Remainder of Erf 4484, Ballitoville, Registration Division FU, Kwa-Zulu Nata	600 000	600 000
Portion 1 of Erf 4656 Ballitoville, Kwadukuza	228 695	–
Portion 21 of Erf 27, Cornubia, Registration Division FU, Kwa-Zulu Natal	360 000	360 000
Portion 1 of Holding 20, Holdings 21, 22, 23, 24, 25, 26, 27; Holding 34, Linbro Park Agricultural Holdings	269 262	269 262
Portion 537 (a portion of 378) of the Farm Driefontein Number 85 (now known as Lilianton Extension 9 Township, Erven 585 and 586 Lilianton Extension 9)	300 000	300 000
Erf 10087 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	–
Remaining Extent of Erf 1 Sandown	300 000	300 000
Erf 2 and Erf 2 of Jukse View Extension 128	250 000	250 000
Erf 1737 Zwartkoppies Extension 45 in extent 531653 hectares	300 000	300 000
Portion 6 Farm Zwartkoppies 364 JR and Erven 1741-1743 Zwartkoppies Extension 47	100 000	100 000
Portions 3, 4 and 6 of Erf 3465, Proposed RE of Erf 3457, Proposed RE of Erf 3434 and Erf 3456	500 000	–
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	220 243	220 243
Remaining Extent of Portion 1077 of the Farm Rietfontein 375	409 000	–
Erf 36555 Milnerton and Erf 38435 Milnerton and Erf 2 Richmond Park	250 000	250 000
The lease area over portion 865 (a portion of portion 1) of Farm Waterval 5, Registration Division I.R., Gauteng	600 000	600 000
	6 344 456	5 056 761

4. SHARE CAPITAL

Authorised

Ordinary shares	('000)	1 000 000	1 000 000
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Issued and fully paid up

Ordinary shares	(R'000)	670 206	664 354
Treasury shares	(R'000)	(7 127)	(11 376)

Closing balance

		663 079	652 978
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The unlisted shares are under the control of the directors until the next annual general meeting.

Reconciliation of shares in issue

Opening Balance	('000)	467 632	467 632
Treasury shares issued to settle long-term incentive	('000)	3 900	–
Shares bought back and held in treasury	('000)	(2 277)	–

Closing balance

	('000)	469 255	467 632
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Notes to the Summarised Consolidated Financial Statements continued

For the year ended 28 February 2021

	Audited as at 28 February 2021 R'000	Audited as at 29 February 2020 R'000
5. DEVELOPMENT LOANS AND FACILITIES		
Held at amortised cost		
Development loans	1 548 879	1 261 416
General banking facility	132 358	68 280
Investment loan facility	220 252	90 000
	1 901 489	1 419 696

Development loans	Average nominal interest rate %	Maturity date	Audited as at 28 February 2021 R'000
Non-current loans			
Portimix Proprietary Limited	8.00%	Between June 2022 and June 2025	108 536
Century Property Developments Proprietary Limited	Prime	November 2027	117 069
			225 605
Current loans			
ABSA Bank Limited	Prime less 0.25%	Between March 2021 and February 2022	462 880
Nedbank Limited	Prime	Between March 2021 and February 2022	332 456
Investec Bank Limited	Prime less 0.25%	Between March 2021 and February 2022	390 055
Portimix Proprietary Limited	8.00%	June 2021	87 447
Century Property Developments Proprietary Limited	Prime	February 2022	29 669
National Housing Finance Corporation Limited	Prime	Between March 2021 and February 2022	20 767
			1 323 274
			1 548 879
Investment loan and general banking facilities			
Current loans			
Nedbank Limited	Prime	March 2021	132 358
ABSA Bank Limited	Prime	March 2021	170 252
ABSA Bank Limited	Prime less 1.7%	No fixed terms of payment	50 000
			352 610
Total			1 901 489

5. DEVELOPMENT LOANS AND FACILITIES (continued)

Development loans	Average nominal interest rate %	Maturity date	Audited as at 29 February 2020 R'000	
Non-current loans				
Portimix Proprietary Limited	8%	Between June 2021 and June 2025	252 639	
Current loans				
ABSA Bank Limited	Prime	Between March 2020 and February 2021	336 682	
Nedbank Limited	Prime	Between March 2020 and February 2021	168 145	
Investec Bank Limited	Prime less 0.25%	Between March 2020 and February 2021	427 364	
Portimix Proprietary Limited	8%	June 2020	76 586	
			1 008 777	
			1 261 416	
Investment loan and general banking facilities				
Current loans				
Nedbank Limited	Prime	March 2020	68 280	
ABSA Bank Limited	Prime	April 2020	90 000	
			158 280	
Total			1 419 696	
			Audited as at 28 February 2021 R'000	Audited as at 29 February 2020 R'000
Non-current liabilities				
At amortised cost			225 605	252 639
Current liabilities				
At amortised cost			1 675 884	1 167 057
			1 901 489	1 419 696
Fair value of the financial liabilities carried at amortised cost				
Development loans			1 548 879	1 261 416
Investment loan and general banking facilities			352 610	158 280
			1 901 489	1 419 696

Development loans include funding provided for top-structure funding as well as land 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 loans are secured by bonds registered over the land. Development loans are settled through the registration of apartments that act as security.

The development loans payable to Portimix Proprietary Limited pertain to the development rights agreement for the property. The loans reflect the discounted contractual cash flows and have been discounted at the average lending rate of the group at inception of the transaction.

Investment loan and general banking facilities pertain to short-term bridging loan facilities.

Notes to the Summarised Consolidated Financial Statements continued

For the year ended 28 February 2021

	Audited 12 months ended 28 February 2021 R'000	Audited 12 months ended 29 February 2020 R'000
6. RELATED PARTY DISCLOSURE		
Loan accounts owing by related parties		
Balwin Rentals Proprietary Limited****	14 112	14 112
Accounts receivable from related parties		
Company		
Legaro Property Development Proprietary Limited ***	22 366	46 575
Related party transactions		
Sale of apartments and land to related parties		
Directors and companies		
Lucille Properties Proprietary Limited *	18 928	–
Shelby Prop Investments Property Limited **	6 516	–
Legaro Property Development Proprietary Limited ***	–	45 000
Associate		
Balwin Rentals Proprietary Limited	–	49 686
Property rental management fee received		
Directors and prescribed officers		
RN Gray	225	245
J Weltman	8	9
U Gschnaidtner	25	33
SV Brookes	412	447
Rental paid to related parties		
Directors, prescribed officers and companies		
Volker Properties Proprietary Limited *	485	–
Lucille Properties Proprietary Limited *	12	–
SV Brookes	1 290	867
RN Gray	234	106
Shelby Prop Investments Proprietary Limited **	338	–
U Gschnaidtner	–	20
J Weltman	49	–
Compensation to directors and other key management		
Short-term employee benefits	34 574	33 799
Post-employment benefits	1 113	888
Share-based payment	4 791	7 113
	40 478	41 800

* The entity is controlled by SV Brookes.

** The entity is controlled by RN Gray.

*** Spouse of SV Brookes has significant influence over the entity and is a member of the key management. The balance receivable earns interest at prime and is repayable by 31 December 2022.

**** The loan has no fixed repayment terms.

	Audited as at 28 February 2021 R'000	Audited as at 29 February 2020 R'000
7. FINANCIAL INSTRUMENTS		
Financial assets at amortised cost		
Development loans receivable	68 181	34 078
Loans to related parties	14 112	14 112
Loans to external parties	11 658	–
Trade and other receivables	682 035	597 052
Restricted cash	31 390	–
Cash and cash equivalents	336 533	476 532
Financial liabilities at amortised cost		
Development loans receivable	(1 901 489)	(1 419 696)
Trade and other payables	(97 056)	(67 563)

8. FAIR VALUE INFORMATION

The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly

Level 3: Unobservable inputs for the asset or liability.

No changes have been made to the valuation techniques.

The fair values of financial instruments that are not traded in an active market are determined using standard valuation techniques. These valuation techniques maximise the use of observable market data where available and rely as little as possible on company specific estimates.

The group does not hold any financial instruments that are classified as Level 3. There were no transfers between Levels 1, 2 and 3 during the period.

9. SUBSEQUENT EVENTS

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

Notice of Annual General Meeting

Balwin Properties Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2003/028851/06)

JSE share code: BWN

ISIN: ZAE000209532

("Balwin" or "the company")

Notice is hereby given that the annual general meeting of the company's shareholders will be held through electronic participation on Tuesday, 17 August 2021 at 10:00 ("the AGM").

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

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

PURPOSE

The purpose of the meeting is to receive, consider and adopt the annual financial statements of the company and the group for the year ended 28 February 2021; to transact the business set out in this notice of annual general meeting ("AGM notice") by considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions hereunder; and to transact such other business as may be transacted at the AGM.

RECORD DATE, ATTENDANCE AND VOTING

2021

Record date in order to be eligible to receive the AGM notice	Friday, 16 July
AGM notice posted to shareholders	Friday, 23 July
Last date to trade in order to be eligible to vote at the AGM	Tuesday, 3 August
Record date in order to be eligible to vote at the AGM	Friday, 6 August
Last day to lodge forms of proxy for administration purposes for the AGM (by 10:00)	Monday, 16 August
AGM (at 10:00)	Tuesday, 17 August
Results of the AGM released on Stock Exchange News Service ("SENS")	Tuesday, 17 August

1. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote on their behalf. A proxy need not be a member of the company. A form of proxy, which sets out the relevant instructions for completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM. Shareholders are strongly encouraged to submit votes by proxy before the annual general meeting for administrative purposes.
2. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such shareholders and the CSDP or broker. These instructions should preferably be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.
3. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and the CSDP or broker in the manner and time stipulated therein.
4. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held. TMS will assist shareholders with the requirements for electronic participation in, and/or voting at, the AGM. TMS is further obliged to validate (in correspondence with the company and, in particular, the transfer secretary, Computershare Limited ("Computershare"), and your CSDP) each such Shareholder's entitlement to participate in and/or vote at the AGM, before providing it with the necessary means to access the annual general meeting and/or the associated voting platform.
5. Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of the JSE, the company and/or TMS. The JSE, the company, and/or TMS cannot be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder from participating in and/or voting at the annual general meeting.

AGENDA

1. Presentation and consideration of the consolidated and separate annual financial statements of Balwin, including the reports of the directors, the audit and risk committee and the social, ethics and transformation committee for the year ended 28 February 2021. The complete annual financial statements for the year ended 28 February 2021, together with these reports are available for inspection at the registered office of the company, Block 1, Townsend Office Park, 1 Townsend Avenue, Bedfordview and on the website www.balwin.co.za; and
2. To consider and, if deemed fit, approve, with or without modification, the following ordinary and special resolutions:

Note:

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

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

ORDINARY BUSINESS

1. Ordinary resolution number 1: Re-election of Hilton Saven

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

An abbreviated curriculum vitae of Hilton Saven appears on page 18 of the Integrated Annual Report.

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

2. Ordinary resolution number 2: Re-election of Arnold Shapiro

“Resolved that Arnold Shapiro, who retires by rotation in terms of the memorandum of incorporation of the company and who, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the company.”

An abbreviated curriculum vitae of Arnold Shapiro appears on page 18 of the integrated annual report.

The remuneration and nomination committee has considered Arnold Shapiro’s past performance and contribution to the company and, in accordance with article 38.3 of the memorandum of incorporation of the company, recommends that Arnold Shapiro be re-elected as a director of the company.

3. Ordinary resolution number 3: Re-election of Tomi Amosun

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

An abbreviated curriculum vitae of Tomi Amosun appears on page 19 of the Integrated Annual Report.

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

Reason for ordinary resolution numbers 1 – 3

The reason for ordinary resolution numbers 1, 2 and 3 is that article 38.3 of the memorandum of incorporation of the company requires that one third of the non-executive directors shall retire at the AGM and, if eligible, may offer themselves for re-election as directors.

4. Ordinary resolution number 4: Appointment of the auditors

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

Reason for ordinary resolution number 4

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

The reason for ordinary resolution number 4 is that the company, being a public listed company, must have its financial results audited and, in accordance with section 90 of the Companies Act, its auditor must be appointed or re-appointed each year at the AGM of the company.

5. Ordinary resolution number 5: Re-appointment of Kholeka Mzondeki as a member of the audit and risk committee

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

An abbreviated curriculum vitae of Kholeka Mzondeki appears on page 19 of this Integrated Annual Report.

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

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

An abbreviated curriculum vitae of Tomi Amosun appears on page 19 of this Integrated Annual Report.

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

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

An abbreviated curriculum vitae of Arnold Shapiro appears on page 18 of this Integrated Annual Report.

8. Ordinary resolution number 8: Re-appointment of Duncan Westcott as a member of the audit and risk committee

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

An abbreviated curriculum vitae of Duncan Westcott appears on page 18 of this Integrated Annual Report.

Reason for ordinary resolution numbers 5 to 8

The reason for ordinary resolution numbers 5 to 8 (inclusive) is that the company, being a public listed company, must appoint an audit committee as prescribed by section 94(2) of the Companies Act, which requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of the company.

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

Ordinary resolution 9.1

“Resolved that the company’s remuneration policy, as set out in the remuneration report on pages 73 to 77, be and is hereby approved by way of a non-binding advisory vote of shareholders of the company in terms of the King IV™ Report on Corporate Governance (“King IV™”) and the JSE Listings Requirements.”

Ordinary resolution 9.2

“Resolved that, the group’s implementation report, as set out on pages 78 to 80 of the remuneration report, be and is hereby endorsed as a non-binding advisory vote of shareholders of the company in terms of the King IV™ Report on Corporate Governance and the JSE Listings Requirements.”

Reason for ordinary resolution number 9

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

10. Ordinary resolution 10: Authority to directors

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

Reason for ordinary resolution 10

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

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

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

1. the allotment and issue of shares must be made to persons qualifying as public shareholders and not to related parties, as defined in the JSE Listings Requirements;
2. the shares which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
3. the total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 47 219 259, being 10% (ten percent) of the company’s issued shares as at the date of notice of this AGM. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 47 219 259 shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
4. in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
5. the maximum discount at which the shares may be issued is 10% (ten percent) of the weighted average traded price of such shares measured over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares; and
6. after the company has issued shares for cash which represent, on a cumulative basis, within the period that this authority is valid, 10% (ten percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average trade price of the shares over the 30 days prior to the date that the issue is agreed in writing and the effect of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share, and if applicable, diluted earnings per share and diluted headline earnings per share.”

Reason for ordinary resolution number 11

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

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

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

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

Position	Recommended remuneration (6% increase)
Board of directors	
Chairman	R507 400
Member	R213 700
Audit and risk committee	
Chairman	R213 700
Member	R171 000
Remuneration and nominations committee	
Chairman	R171 000
Member	R142 500
Social, ethics and transformation committee	
Chairman	R171 000
Member	R142 500
Transaction committee	
Chairman	R186 500
Member	R133 100

Reasons for and effect of special resolution number 1

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

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

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

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

Notice in terms of section 45(5) of the Companies Act in respect of special resolution number 2

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

- a) by the time that this notice of AGM is delivered to shareholders of the company, the board of directors will have adopted a resolution (“section 45 board resolution”) authorising the company to provide, at any time and from time to time during the period of 2 years commencing on the date on which the special resolution is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any 1 or more related or inter-related companies or corporations of the company and/or to any 1 or more members of any such related or inter-related company or corporation and/or to any 1 or more persons related to any such company or corporation;

- b) the section 45 board resolution will be effective only if and to the extent that the special resolution under the heading “special resolution number 2” is adopted by the shareholders of the company, and the provision of any such direct or indirect financial assistance by the company, pursuant to such resolution, will always be subject to the board of directors being satisfied that (i) immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the company as referred to in section 45(3)(b)(ii) of the Companies Act; and
- c) inasmuch as the section 45 board resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of 1% of the company’s net worth at the date of adoption of such resolution, the company hereby provides notice of the section 45 board resolution to shareholders of the company.

Reason for and effect of special resolution number 2

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

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

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

- the general repurchase of the shares may only be implemented through the order book of the JSE and done without any prior understanding or arrangement between the company and the counterparty;
- this general authority shall only be valid until the next AGM of the company, provided that it shall not extend beyond 15 (fifteen) months from the date of this resolution;
- an announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;

- the general authority to repurchase is limited to a maximum of 10% (being 47 219 259) in the aggregate in any one financial year of the company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board of directors approving the purchase, that the company has satisfied the solvency and liquidity test as defined in the Companies Act and that since the solvency and liquidity test was applied there have been no material changes to the financial position or required shareholder spread of the company;
- the general repurchase is authorised by the company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is affected. The JSE should be consulted for a ruling if the applicant's securities have not traded in such five business day period;
- the company may at any point in time only appoint one agent to effect any repurchase(s) on the company's behalf;
- the company and its subsidiaries may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed and have been submitted to the JSE in writing, as contemplated in terms of paragraph 5.72(h) of the Listings Requirements of the JSE."

Reason and effect of special resolution number 3

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

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

Major shareholders

Refer to pages 83 to 84 of this Integrated Annual Report.

Capital structure of the company

Refer to page 95 of this Integrated Annual Report.

Directors' responsibility statement

The directors whose names appear on pages 18 to 19 of the Integrated Annual Report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the Companies Act and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the Integrated Annual Report of which this notice forms part, there have been no material changes in the affairs or financial position of the company since the date of signature of the audit report for the financial year ended 28 February 2021 and up to the date of this notice.

OTHER BUSINESS

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

QUORUM

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

ELECTRONIC PARTICIPATION

Shareholders who wish to participate electronically in and/or vote at the AGM are required to contact TMS on proxy@tmsmeetings.co.za or alternatively contact their office on +27 11 520 7950/1/2 as soon as possible, but in any event, for administrative purposes only, by no later than 10h00 on

Monday, 16 August 2021.

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

By order of the board



Company Secretary

17 May 2021

Form of Proxy

Balwin Properties Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2003/028851/06)

JSE share code: BWN

ISIN: ZAE000209532

("Balwin" or "the company")

For use by shareholders of the company holding certificated shares and/or dematerialised shareholders who have elected "own name" registration, nominee companies of Central Securities Depository Participant's ("CSDP") and brokers' nominee companies, registered as such at the close of business on Friday, 6 August 2021 (the "voting record date"), at the annual general meeting to be held through electronic participation on Tuesday, 17 August 2021 at 10:00 ("the annual general meeting") or any postponement or adjournment thereof.

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

I/We (please print name in full) _____

of (address) _____

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

_____, failing him/her,

_____, failing him/her,

_____, failing him/her,

the chairman of the annual general meeting,

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

My/our proxy shall vote as follows:

	Number of shares		
	In favour of	Against	Abstain
To consider the presentation of the annual financial statements for the year ended 28 February 2021			
Ordinary resolution number 1: Re-election of Hilton Saven as a director			
Ordinary resolution number 2: Re-election of Arnold Shapiro as a director			
Ordinary resolution number 3: Re-election of Tomi Amosun as a director			
Ordinary resolution number 4: Appointment of the auditors (BDO South Africa Incorporated and designated audit partner, Paul Badrick)			
Ordinary resolution number 5: Re-appointment of Kholeka Mzondeki as a member of the audit and risk committee			
Ordinary resolution number 6: Re-appointment of Tomi Amosun as a member of the audit and risk committee			
Ordinary resolution number 7: Re-appointment of Arnold Shapiro as a member of the audit and risk committee			
Ordinary resolution number 8: Re-appointment of Duncan Westcott as a member of the audit and risk committee			
Ordinary resolution number 9: Endorsement of remuneration policy and implementation report			
9.1 Endorsement of remuneration policy			
9.2 Endorsement of the implementation report			
Ordinary resolution 10: Authority to directors to implement resolutions			
Ordinary resolution number 11: General authority to issue shares for cash			
Special resolution number 1: Approval of non-executive directors' fees			
Special resolution number 2: Financial assistance to related and inter-related companies			
Special Resolution number 3: Authority to repurchase shares			

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

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

Signed this _____ day of _____ 2021

Signature _____

Assisted by me (where applicable) _____

(State capacity and full name) _____

In the interest of efficiency, shareholders are kindly requested to submit completed forms of proxy at the office of the transfer secretaries of the company, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, posted to PO Box 61051, Marshalltown, 2107 or via email at proxy@computershare.co.za so as to arrive by 10:00 on Monday, 16 August 2021. Any forms of proxy not lodged by this time must be handed to the company secretary or chairman of the annual general meeting immediately prior to the proxy exercising a shareholder's right at the annual general meeting.

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

Please forward all relevant information to the below mentioned:

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

Please read the notes on the reverse side hereof.

Notes to Form of Proxy

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

Corporate Information

Balwin Properties Limited

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

Registered address

Block 1, Townsend Office Park
 1 Townsend Avenue
 Bedfordview 2007

Postal address

Private Bag X4
 Gardenview 2047
 Johannesburg

Contact details

Telephone: +27 (0)11 450 2818
 E-mail: investorrelations@balwin.co.za
 Website: www.balwin.co.za

Company secretary

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

External auditor

BDO South Africa Inc.

Sponsor

Investec Bank Limited

Transfer secretaries

Computershare Investor Services Proprietary Limited
 Rosebank Towers, 15 Biermann Avenue, Rosebank 2196
 P O Box 61051, Marshalltown 2107
 Telephone: +27 (0)11 370 5000

Directors

Executive

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

Non-executive

Hilton Saven* (Chairman)
 Tomi Amosun*
 Thoko Mokgosi-Mwantembe*
 Kholeka Mzondeki*
 Julian Scher*
 Arnold Shapiro*
 Duncan Westcott*
 Ronen Zekry

* Independent

Shareholders' diary

2021 annual general meeting

17 August 2021

2022 financial year:

Interim results to August 2021

on or about 25 October 2021

Annual results to February 2022

on or about 16 May 2022

