

AUDITED ABRIDGED  
FINANCIAL RESULTS  
FOR THE YEAR ENDED FEBRUARY 2022





# FINANCIAL HIGHLIGHTS

16%

Revenue

10%

Net asset value

8%

Profit for the year

8%

Earnings per share

6%

Headline earnings per share

16%

Core headline earnings per share\*

\*Headline earnings in the current financial year was adjusted for a once-off IFRS 2 charge resulting from the BEE transaction to arrive at the core headline earnings figure. No adjustments were required to the prior year's headline earnings.



THE HUNTSMAN



THE POLOFIELDS



THE BLYDE



THE BLYDE



GREENPARK

\* COVER PICTURE: THE HUNTSMAN, SOMERSET WEST, WESTERN CAPE

# COMMENTARY

## CORPORATE OVERVIEW

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

Estates typically consist of between 1 000 and 2 000 sectional title residential apartments and are located in the targeted nodes of Johannesburg, Tshwane, the Western Cape and KwaZulu-Natal. Larger estates are developed where market demand and infrastructure requirements allow. An increasing number of larger-scale developments are being introduced into Balwin's portfolio, particularly in the Green Collection brand where the economies of scale allow for the desired affordability of the apartments.

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

Lifestyle centres are an integral part of Balwin's developments with facilities offered as all-inclusive value-added services. These lifestyle centres typically include a wellness spa, restaurant, gym, squash court, running track, action sports field, games room, cinema room, swimming pools, playgrounds, laundromat and concierge services. An exciting extension of the lifestyle offering at certain developments in the past year has been the building of padel courts, currently the fastest growing sport in the world.

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 during the 2023 financial year. Balwin has an exclusivity agreement with Crystal Lagoons to develop these freshwater lagoons in strategic nodes in future.

## Development brands

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

### Green Collection

The Green-branded developments offer apartments that are more affordable than the Classic Collection, priced from R499 900 to R1 199 900. These developments enjoy a distinctive architecture and high-quality standards which are synonymous with Balwin, also offering residents access to traditional lifestyle facilities.

### Classic Collection

The Classic Collection is Balwin's core development model comprising four-storey, walk-up apartments. The apartments are targeted at the country's growing middle-income market with prices ranging from R699 900 to R2 249 900 and offer secure, affordable, high quality and environmentally friendly developments with an emphasis on lifestyle offerings to residents.

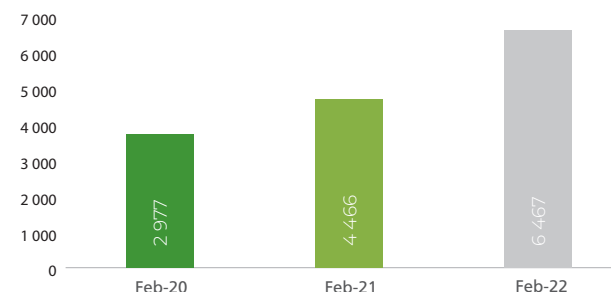
### Signature Collection

The Signature Collection houses three elite developments: The Polofields (Johannesburg, Waterfall), Paardevlei Lifestyle Estate (Western Cape, Somerset West) and Izinga Eco Estate (KwaZulu-Natal, Umhlanga). Apartments are built to higher specifications with luxurious finishes and are priced from R1 299 900 to R3 049 900.

## Annuity business

Balwin is positioned to generate annuity income by leveraging the existing business and client base, and expanding its service offering to home owners. The main source of annuity income currently is through the provision of high-speed fibre connectivity to home owners within Balwin's estates through Balwin Fibre which continues to record strong growth. A further 2 001 homes were connected with fibre in the year, representing a 45% increase in homes connected from the prior year. A total of 6 467 apartments were connected with fibre at year end. Balwin's annuity businesses are complementary to its business model with limited additional costs required to generate returns.

### BALWIN FIBRE – HOMES CONNECTED



## COMMENTARY CONTINUED

### OPERATIONAL REVIEW

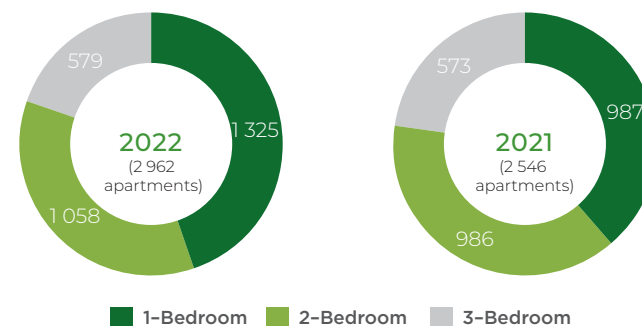
Balwin's results for the financial year ended 28 February 2022 demonstrate a continued steady recovery from the prior year. Sustained customer demand resulted in a 16% increase in the number of apartments recognised in revenue in the year.

The strong sales enabled Balwin to hand over 2 962 apartments to clients which were recognised in revenue for the period under review (2021: 2 546 apartments).

#### APARTMENTS RECOGNISED IN REVENUE IN THE PERIOD

Development	Region	Development brand	Apartments recognised in revenue in period
Munyaka	Johannesburg	Classic Collection	394
Greenbay	Western Cape	Green Collection	342
Greencreek	Tshwane	Green Collection	266
Fynbos	Western Cape	Classic Collection	232
Kikuyu	Johannesburg	Classic Collection	196
Thaba-Eco Village	Johannesburg	Classic Collection	192
The Huntsman	Western Cape	Classic Collection	192
Ballito Hills	KwaZulu-Natal	Classic Collection	191
The Polofields	Johannesburg	Signature Collection	169
Greenlee	Johannesburg	Green Collection	166
The Reid	Johannesburg	Classic Collection	163
Greenpark	Johannesburg	Green Collection	136
The Blyde	Tshwane	Classic Collection	132
Paardevlei Lifestyle Estate	Western Cape	Signature Collection	95
De Aan-Zicht	Western Cape	Classic Collection	70
Izinga Eco Estate	KwaZulu-Natal	Signature Collection	24
Amsterdam	Johannesburg	Classic Collection	2
			2 962

#### APARTMENTS RECOGNISED IN REVENUE BY APARTMENT TYPE



Demand for one- and two-bedroom apartments remained strong and comprised approximately 80% (2021: 77%) of the total apartments recognised in revenue.

In line with the ongoing strategic focus of the group, there was an increased roll-out of the Green Collection developments in the year, a popular product due to the lower selling price. The Green Collection developments contributed 31% of all apartments recognised in revenue (2021: 23%), which included 342 apartments handed over at Greenbay, the first Green Collection development in the Western Cape.

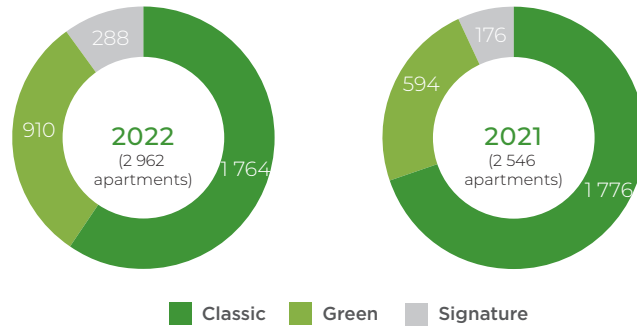
The main source of revenue continues to be derived from the Classic Collection developments which constituted 60% of apartments recognised in revenue (2021: 70%). The remaining 9% of apartments handed over comprises the Signature Collection developments (2021: 7%).

This included 24 apartments recognised in revenue at Izinga Eco Estate in KwaZulu-Natal, the first apartments from this new development.

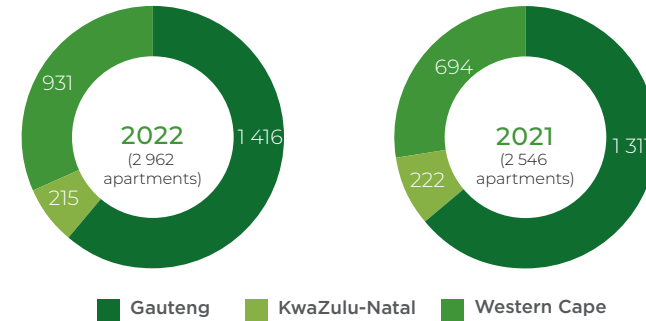


## COMMENTARY CONTINUED

APARTMENTS RECOGNISED IN REVENUE BY DEVELOPMENT BRAND



REVENUE CONTRIBUTION BY REGION



The group has pre-sold 2 386 apartments beyond the reporting period. These apartments have not been recorded in revenue in the current financial year. While this represents a slight decrease from the 2 499 apartments forward-sold at previous year end, this continues to highlight the sustained demand for the product as well as the market's trust in the Balwin brand.

## FINANCIAL PERFORMANCE

### Revenue

Revenue increased by 16% to R3.1 billion (2021: R2.7 billion). This growth was driven by the increase in the number of apartments handed over during the year and an overall increase in selling prices of apartments.

### Revenue by region

The regional revenue contribution remained largely consistent with the prior year. Gauteng continues to contribute the bulk of revenue at 60% (2021: 60%). Western Cape accounted for 29% (2021: 28%), with KwaZulu-Natal contributing the remaining 11% (2021: 12%). The contribution of revenue per region is expected to remain consistent in the new financial year.



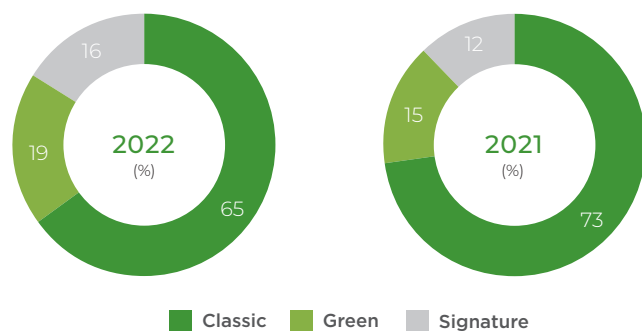
## COMMENTARY CONTINUED

### Revenue by development brand

The Classic Collection developments continue to contribute the majority of revenue at 65% (2021: 73%). This reduction in contribution relative to the prior year results from the continued diversification of the group's product offering, part of Balwin's strategic long-term business plan. The Green Collection developments showed pleasing growth to 19% of revenue (2021: 15%), highlighting the affordability of the brand in the current economic environment. The Signature Collection developments accounted for 16% (2021: 12%) owing to increased demand and the premium selling prices recorded at The Polofields (Johannesburg), Paardevlei Lifestyle Estate (Western Cape) and the newly introduced Izinga Eco Estate (KwaZulu-Natal).

Selling prices for the Classic and Green Collection developments grew by an average of 6.9% and 4.6% respectively from the prior year when measuring the total respective portfolios. It is noted that these averages are influenced by the mix of developments and apartments which attract different selling prices due to the specific market dynamics of the development. Excluding all new developments introduced in the current year or developments that were fully sold out in the prior year, the average selling price increased by 7.2% and 5.5% for the Classic and Green Collection developments respectively.

### REVENUE CONTRIBUTION BY DEVELOPMENT BRAND (%)



### Gross profit

The gross profit margin for the year of 27% was consistent with that of the prior financial period and an increase from the 24% margin reported for the interim period.

The gross profit margin has been maintained despite increases in costs within the construction industry in the past year. While this has resulted in an increase in development costs, management have been able to mitigate a large portion of these costs through effective cost engineering, creative modifications to design and specifications and concentrated cost containment which is supported by an in-house procurement department. The balance of material cost increases was offset by selling price increases which the business was able to achieve.

Balwin successfully launched four new developments in the current financial year, with initial developments historically returning slightly lower margins. This is in line with the proven formula of the business, whereby the gross profit margin of the respective developments will improve as they mature due to the phase-by-phase increase in the selling price exceeding 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.

### Operating expenses and net investment costs

Operating expenses (excluding the once-off IFRS 2 charge relating to the BEE transaction) increased to R301.6 million for the year, a 13.7% increase from the prior year. The increase in operating costs was impacted by movements in the non-cash costs (mostly depreciation), volume-based sales commissions and sales activity-related costs driven by the 16% increase in revenue. The Balwin Fibre subsidiary also reported higher costs owing to the increase in the volumes of apartments connected to fibre.

Excluding the above costs, the group's operating costs increased by 6.1% from the comparative period. The management and containment of overhead costs remains a focus area for the business.

Investment income rose in line with finance costs, as new unsecured long-term funding was introduced to the business in the current year in accordance with the funding strategy of the group. These funds were used to replace existing debt and to fund development activity of the group. A portion of the funding was initially invested before being gradually fed into the development funding pool as existing funding arrangements expired. Investment income also saw pleasing growth resulting from the re-introduction in the latter part of the prior financial year of occupational interest that is charged on apartments occupied prior to registration.

## COMMENTARY CONTINUED

### Profit for the year

Profit for the year increased by 8.0% to R363.1 million (2021: R336.4 million). Profitability was impacted by the once-off IFRS 2 charge of R34.1 million relating to the BEE transaction.

Excluding the impact of this once-off charge, profit for the year increased by 18.1% to R397.2 million.

### Earnings

Earnings per share increased by 7.8% to 77.24 cents (2021: 71.67 cents) while headline earnings per share increased by 6.2% to 75.88 cents (2021: 71.47 cents). This was in line with the guidance provided in the trading statement on SENS announcement on 23 March 2022.

As a result of the once-off IFRS 2 charge arising from the BEE transaction, the board considers core headline earnings as an appropriate indicator of the operating performance of the group. Consolidated core headline earnings for the group increased by 16.3% to 83.15 cents (2021: 71.47 cents). No adjustments were required to the prior year's headline earnings.

### Property, plant and equipment

Property, plant and equipment increased to R259.4 million. The increase is largely as a result of the initial recognition of the right-of-use asset and associated costs pertaining to the group's new head office located in Corlett Drive, Johannesburg.

The group has outgrown its existing head office in Bedfordview and management initially entered into a lease agreement for the new head office. However, the board believed it was advantageous to own the head office to control operating costs while retaining the benefit of the capital growth of the building. The property was subsequently acquired from the The Corlett Drive Trust ("the Trust") after year end for R125.8 million, as announced on SENS on 7 April 2022. None of the beneficiaries of the Trust are related parties to Balwin.

The head office is being renovated to increase the lettable space and to install two advertising boards, one measuring 65m x 7m, being the largest of its kind in Africa. It is expected that the monthly rental income generated from the advertising boards will cover a significant portion of the bond repayment. The rental income from external parties together with the advertising income will result in the building being value accretive to the group. The group expects to return a net yield of approximately 10.35% on the head office, when assuming market related rental and vacancy levels.

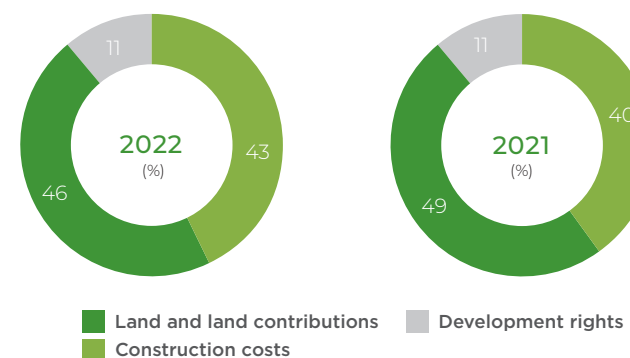
The new head office achieved Six-Star Green rating from the GBCSA, only the second such rating obtained from GBCSA for a renovated building. This illustrates Balwin's market leading investment in sustainable building practices, while also enabling the group to benefit from attractive finance due to the environmental sustainability of the build.

Apart from the financial benefits, the new head office will also promote staff well-being. Balwin has adopted the park adjacent to the new head office, with the consent from the city council and the community. The safety of the park will be improved and Balwin will install basic outdoor sport amenities for the use of staff and tenants of the head office and the community. It is expected that the upgrade of the park, alongside the refurbished head office will contribute to the overall valuation upliftment of the precinct.

### Developments under construction

Developments under construction, including the value of land, infrastructure costs, development rights and development costs, increased by R698.2 million to R4.8 billion (2021: R4.1 billion).

#### CONTRIBUTION OF TOTAL DEVELOPMENTS UNDER CONSTRUCTION (%)



The increase in the value of developments under construction at period-end is due to the recent investment in the development pipeline, where the group took registration of Izinga Eco Estate (KwaZulu-Natal, Umhlanga), Mooikloof Eco Estate (Tshwane East), Thaba Eco Village (Johannesburg South), Greenbay (Western Cape, Gordon's Bay) as well as the extension of the land for The Huntsman (Western Cape, Somerset West) to increase the opportunities of the development. Apart from Mooikloof Eco Estate, where the first phase is expected for hand over in the 2023 financial year, all of the projects contributed to revenue in the current financial year.

## COMMENTARY CONTINUED

### Capital management

Cash management and utilisation remain a priority focus area for the group and Balwin continues to engage with its funding partners to ensure that appropriate facilities and financial support remain in place. Through this focus on capital allocation, the group is pleased with the cash position of R665.6 million at period-end, an increase of R329.1 million from the prior year.

Development finance is currently obtained on a phase-by-phase basis and is secured against the pre-sales of the specific phase being financed. Development finance is obtained at an approximate loan to cost of 70% to 80% with the remainder 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. Where land is contracted, the group endeavours to do so in a manner that is not onerous on the cash resources of the group through a balance of appropriate upfront gearing and the ability to settle the obligation through the cash realised from the registration of apartments.

The group secured R560 million loan facilities during the period, representing a significant milestone for the group to broaden its funding base in a cost-effective manner. Management is seeking to change its existing funding structures towards term-based funding rather than the existing phase-by-phase funding model in order to reduce the associated cost of funding, while retaining the existing security offered to the funding institutions. Management has engaged debt advisory specialists to assist the group.

Board oversight was strengthened with the establishment of a treasury committee comprising non-executive directors and executive management. The committee provides further oversight of the management of treasury risks in accordance with the group's treasury policy as well as evaluating the group's funding strategy and sources of funding.



### Dividend

Notice is hereby given that the board has declared a final gross dividend of 13.5 cents per ordinary share (2021: 16.2 cents). The total dividend per share for the year amounted to 20.9 cents (2021: 35.8 cents). The decrease in dividends per share is as a result of the prior year dividend including a previously deferred dividend distribution that was withheld at the end of the 2020 financial year due to the uncertainty of the Covid-19 pandemic. The dividend is payable out of income reserves for the year ended 28 February 2022 to ordinary shareholders in accordance with the timetable below:

Declared	Monday, 16 May 2022
Last day to trade ( <i>cum</i> dividend)	Monday, 13 June 2022
Shares trade <i>ex</i> dividend	Tuesday, 14 June 2022
Record date	Friday, 17 June 2022
Payment date	Monday, 20 June 2022

Dividend tax amounting to 2.70 cents per ordinary share will be withheld in terms of the Income Tax Act. Ordinary shareholders who are not exempt from dividends tax will therefore receive a dividend of 10.80 cents net of dividends tax. The company has 519 411 852 ordinary shares in issue. Balwin's income tax reference number is 9058216848. Share certificates may not be dematerialised or rematerialised between 14 June 2022 and 17 June 2022, both days inclusive.



## ACHIEVEMENTS

### BEE transaction

Balwin successfully concluded a BEE transaction to increase black shareholder participation in the business with its partner, Reggie Kukama, who was appointed as a non-executive director from 19 October 2021. This was a step towards realising Balwin's commitment to creating a business that is diverse, representative and transformed. Since listing in 2015, Balwin has embraced transformation in its business in line with the group's objective of working together with the South African community.

The board believes that Mr Kukama is a value adding partner with the functional and technical expertise to complement the existing management skillset and to achieve the ambition of growing the Balwin brand within the South African market.

### B-BBEE rating

Balwin further improved its B-BBEE rating to a level 4 B-BBEE rating (previously level 5 B-BBEE rating) as a result of the BEE shareholder transaction as well as continued progress against the employment equity and skills development pillars of the B-BBEE scorecard.

### International property awards

The quality of Balwin's developments and the creative design of its product were again recognised at the recent Africa and Arabia Property Awards where Balwin received seven awards in the following categories:

- 🌿 Architecture Multiple Residence for South Africa – The Reid, Linbro Park\*
- 🌿 Development marketing South Africa – Munyaka, Waterfall
- 🌿 Leisure Architecture South Africa – The Blyde, Tshwane\*
- 🌿 Leisure Development South Africa – Munyaka, Waterfall\*
- 🌿 Leisure Interior South Africa – The Blyde Villa, Tshwane
- 🌿 Social Housing South Africa – Greencreek, Tshwane
- 🌿 Sustainable Residential Development – Greenbay, Gordon's Bay

Balwin has now received 29 international awards to date recognising the innovation and excellence of the business.

\* award subsequently won in its respective category for "Best in Africa" at the International Property Awards.

### Sustainable building practices

Balwin continued its focus on reducing its environmental impact through innovation in design and building techniques. Approximately 6 990 apartments obtained the international Excellence in Design for Greater Efficiency (EDGE) Advanced certification from the International Finance Corporation (IFC) in the year. This is in accordance with Balwin's undertaking to target EDGE Advanced certification on all new EDGE registrations, a significant progression for the group with respect to sustainable development. A total of 27 719 apartments have been registered for EDGE Advanced since January 2021. EDGE Advanced requires apartments to achieve an on-site energy saving of 40% or more, an improvement from the 20% savings required for basic EDGE certification in addition to the 20% reduction in water usage and embodied energy in material which was previously a requirement for EDGE certification.

Six developments were awarded the Six-Star Green rating from the Green Building Council of South Africa (GBCSA) for quality of design, construction and operation and a Net Zero Carbon rating due to the efficient usage of power by our lifestyle centres. Net zero ratings indicate that the total amount of energy consumed by the lifestyle centre equals the amount of energy created by the building. Balwin currently has nine Six-Star Green rated buildings, a record for any developer in Africa.

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, namely First National Bank, Nedbank and Standard Bank have introduced an eco home loan product. Through this initiative, Balwin's customers will benefit financially by receiving a reduction in their mortgage bond interest rate to assist in unlocking investment potential of green infrastructure technologies and services while offering value to the customer through improved affordability.

## COMMENTARY CONTINUED

### BALWIN FOUNDATION

Living our commitment as an invested corporate citizen of South Africa, The Balwin Foundation NPC supports and empowers the younger generation and previously disadvantaged individuals to gain greater knowledge and skills through technical vocational education and training. The Foundation supports government's vision to solve societal challenges by addressing the identified global Sustainable Development Goals. Students, employees, contractors and unemployed community members are trained in building industry-related trades which include tiling, painting, plastering and bricklaying as well as managing construction resources, all skills which are key to the success of the business.

Although Covid-19 lockdown levels have impacted the ability to host large training sessions, The Foundation has adapted and continued to focus on upskilling and developing local community members while also providing funding and resources for relief efforts in local communities.

Through funds donated by Balwin Properties from the registration of each apartment, The Foundation successfully trained more than 960 previously disadvantaged individuals in the current year. Additionally, The Foundation has funded bursaries for 15 scholars and 20 tertiary students which includes tuition, mentorship, development, life skills and practical work experience. Eight of The Foundation's bursary students have progressed to the Balwin's Graduate Work Back programme.



Apart from education and skills training initiatives, The Foundation supports various organisations in feeding the poor and homeless and works with environmental organisations on the education of youth and the unemployed in agriculture and environmental sectors, including establishing vegetable gardens and organic waste management systems along with funding community food kitchens.

By partnering with organisations such as the SA Medical & Education Foundation and Miles for Smiles, Balwin hosts free CPR and fitness training courses at Balwin lifestyle centres and supports various youth sports development programmes and life skills such as swimming and water safety training.

### PROSPECTS

The board remains confident in the resilience of the Balwin product, as demonstrated by sustained demand from clients.

The group has a secure development pipeline of 51 803 apartments across 28 developments in key target nodes. This represents an approximate 15- to-20-year development horizon. The group is well positioned for the new financial year with strong forward sales being concluded, with approximately 60% of the planned apartment sales for the 2023 financial year already completed.

The impact of the recent increases in the SA Reserve Bank's repo rate from 3.75% to 4.25% and possible additional inflationary pressures which will likely result from recent geo-political events is being closely monitored and pro-actively managed by the board.

The group remains conscious of the continued pressure on construction costs and the prevailing macro-economic uncertainty, however, management is confident that the potential increase in costs can be offset and exceeded by selling price increases that the market is able to absorb. Management is focused to return to the group's target gross margin of the low-to-mid 30% range in the short-to-medium term through focused and creative cost engineering measures and the gradual recovery of the economy.

Management continues to seek annuity business opportunities that are presented as a by-product of the development of the estates. Contributions from annuity income initiatives currently constitute a negligible portion of the group's profit. However, the board has identified further potential opportunities to enhance the annuity portfolio. Due diligence and financial modelling of identified annuity business opportunities will be performed with the potential implementation of new annuity revenue streams which are expected to add to group profitability in the upcoming financial year.

As consistently advised in recent communication to the shareholders, the board will continue to focus on appropriate cash management and cost containment throughout the business. Significant focus is placed on appropriate and cost-effective funding measures.

# DEVELOPMENT PIPELINE

Development	Balwin Brand	Expected commencement date 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
<b>Johannesburg, Waterfall</b>										
Kikuyu	Classic Collection	Commenced	C	1 270	1 270	1 237	1 266	4	–	4
The Polofields	Signature Collection	Commenced	A	1 512	1 014	911	922	92	498	590
Munyaka	Classic Collection	Commenced	A	4 920	888	624	677	211	4 032	4 243
<b>Total</b>				<b>7 702</b>	<b>3 172</b>	<b>2 772</b>	<b>2 865</b>	<b>307</b>	<b>4 530</b>	<b>4 837</b>
<b>Johannesburg East</b>										
The Reid	Classic Collection	Commenced	A	1 300	809	771	791	18	491	509
The Klulee	Classic Collection	TBC	I	480	–	–	–	–	480	480
Greenlee	Green Collection	Commenced	A	1 908	612	543	544	68	1 296	1 364
Greenpark	Green Collection	Commenced	A	1 298	742	646	654	88	556	644
Greenvalley	Green Collection	TBC	I	2 100	–	–	–	–	2 100	2 100
Westlake 2	Classic Collection	TBC	I	156	–	–	–	–	156	156
<b>Total</b>				<b>7 242</b>	<b>2 163</b>	<b>1 960</b>	<b>1 989</b>	<b>174</b>	<b>5 079</b>	<b>5 253</b>
<b>Johannesburg North</b>										
Amsterdam	Classic Collection	Commenced	C	1 040	1 040	1 040	1 039	1	–	1
The Whisken	Classic Collection	Commenced	A	1 358	422	422	422	–	936	936
<b>Total</b>				<b>2 398</b>	<b>1 462</b>	<b>1 462</b>	<b>1 461</b>	<b>1</b>	<b>936</b>	<b>937</b>
<b>Johannesburg South</b>										
Majella Park	Classic Collection	TBC	I	280	–	–	–	–	280	280
Thaba Eco Village	Classic Collection	Commenced	A	1 360	309	–	192	117	1 051	1 168
<b>Total</b>				<b>1 640</b>	<b>309</b>	<b>–</b>	<b>192</b>	<b>117</b>	<b>1 331</b>	<b>1 448</b>
<b>KwaZulu-Natal, Ballito</b>										
Ballito Hills	Classic Collection	Commenced	A	1 320	774	625	672	102	546	648
Ballito Creek	Classic Collection	TBC	I	1 639	–	–	–	–	1 639	1 639
<b>Total</b>				<b>2 959</b>	<b>774</b>	<b>625</b>	<b>672</b>	<b>102</b>	<b>2 185</b>	<b>2 287</b>



## DEVELOPMENT PIPELINE CONTINUED

Development	Balwin Brand	Expected commencement date 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
<b>KwaZulu-Natal, Umhlanga</b>										
Izinga Eco Estate	Signature Collection	Commenced	A	3 069	306	–	24	282	2 763	3 045
Greenlake	Green Collection	TBC	I	3 240	–	–	–	–	3 240	3 240
<b>Total</b>				<b>6 309</b>	<b>306</b>	<b>–</b>	<b>24</b>	<b>282</b>	<b>6 003</b>	<b>6 285</b>
<b>Tshwane East</b>										
The Blyde	Classic Collection	Commenced	A	3 281	1 101	1 065	1 078	23	2 180	2 203
Greencreek	Green Collection	Commenced	A	3 612	479	394	396	83	3 133	3 216
Mooikloof Eco-Estate	Classic Collection	Commenced	A	3 734	52	–	–	52	3 682	3 734
Greenkloof	Green Collection	Commenced	A	2 620	448	–	–	448	2 172	2 620
Mooikloof Mega City	Green/Classic Collection	TBC	I	13 454	–	–	–	–	13 454	13 454
<b>Total</b>				<b>26 701</b>	<b>2 080</b>	<b>1 459</b>	<b>1 474</b>	<b>606</b>	<b>24 621</b>	<b>25 227</b>
<b>Western Cape, Somerset West</b>										
Paardevelei Lifestyle Estate	Signature Collection	Commenced	A	388	388	332	341	47	–	47
The Huntsman	Classic Collection	Commenced	A	1 776	535	420	420	115	1 241	1 356
Greenbay	Green Collection	Commenced	A	1 772	498	342	342	156	1 274	1 430
<b>Total</b>				<b>3 936</b>	<b>1 421</b>	<b>1 094</b>	<b>1 103</b>	<b>318</b>	<b>2 515</b>	<b>2 833</b>
<b>Western Cape, Milnerton</b>										
De Aan-Zicht	Classic Collection	Commenced	A	1 354	451	–	70	381	903	1 284
Fynbos	Classic Collection	Commenced	A	1 116	685	573	587	98	431	529
<b>Total</b>				<b>2 470</b>	<b>1 136</b>	<b>573</b>	<b>657</b>	<b>479</b>	<b>1 334</b>	<b>1 813</b>
<b>Western Cape, N1 Corridor</b>										
De Kuile	Classic Collection	November 2022	I	883	–	–	–	–	883	883
<b>Total</b>				<b>883</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>883</b>	<b>883</b>
<b>Grand total</b>				<b>62 240</b>	<b>12 823</b>	<b>9 945</b>	<b>10 437</b>	<b>2 386</b>	<b>49 417</b>	<b>51 803</b>

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

# RECONCILIATION OF HEADLINE EARNINGS

For the year ended 28 February 2022

		Audited year ended 28 February 2022	Audited year ended 28 February 2021
<b>Basic and headline earnings per share</b>			
Basic	(cents)	77.24	71.67
Headline	(cents)	75.88	71.47
Core headline earnings per share*	(cents)	83.15	71.47
Diluted earnings	(cents)	77.01	71.19
Diluted headline earnings	(cents)	75.65	70.99
Tangible net asset value per share**	(cents)	745.45	679.57
Net asset value per share***	(cents)	749.01	682.83
Weighted average number of shares in issue	('000)	469 412	469 024
Net asset value	(R'000)	3 515 923	3 202 620
<b>Reconciliation of profit for the period to basic and headline earnings</b>			
Profit for the period/year attributable to equity holders	(R'000)	362 579	336 156
<b>Basic earnings</b>			
Adjusted for:	(R'000)	362 579	336 156
– Profit on disposal of property, plant and equipment and intangible assets	(R'000)	(8 300)	(347)
– Tax effect of above item	(R'000)	1 910	–
– Fair value adjustment on investment property held by associate	(R'000)	–	(617)
<b>Headline earnings</b>			
Adjusted for:	(R'000)	356 189	335 192
– IFRS 2 BEE charge	(R'000)	34 115	–
<b>Core headline earnings</b>			
	(R'000)	390 304	335 192
<b>Weighted average number of shares</b>			
Weighted average number of shares in issue	('000)	469 412	469 024
Potential dilutive impact of share options	('000)	1 405	3 169
<b>Weighted average number of diluted shares in issue</b>			
	('000)	470 817	472 193

\* Core headline earnings is a non-IFRS measure calculated as headline earnings for the period excluding certain non-operating items. Headline earnings in the current financial year was adjusted for a once-off IFRS 2 charge resulting from the BEE transaction to arrive at the core headline earnings figure. No adjustments were required to the prior year's headline earnings.

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

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

# ABRIDGED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 28 February 2022

	Audited 12 months ended 28 February 2022 R'000	Audited 12 months ended 29 February 2021 R'000
Revenue	3 125 269	2 700 574
Cost of sales	(2 292 713)	(1 979 598)
<b>Gross profit</b>	<b>832 556</b>	720 976
Other income	16 236	6 652
IFRS 2 BEE charge	(34 115)	–
Operating expenses	(301 631)	(265 178)
<b>Operating profit</b>	<b>513 046</b>	462 450
Investment income	33 371	16 936
Finance costs	(31 077)	(14 079)
Share of profit of associate	3 505	1 744
<b>Profit before taxation</b>	<b>518 845</b>	467 051
Taxation	(155 721)	(130 686)
<b>Profit for the year</b>	<b>363 124</b>	336 365
<b>Total comprehensive income for the year</b>	<b>363 124</b>	336 365
<b>Profit attributable to:</b>		
Owners of the parent	362 579	336 156
Non-controlling interest	545	209
	<b>363 124</b>	336 365
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	362 579	336 156
Non-controlling interest	545	209
	<b>363 124</b>	336 365
<b>Basic and diluted earnings per share</b>		
Basic	(cents) 77.24	71.67
Diluted	(cents) 77.01	71.19



# ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2022

	Audited as at 28 February 2022 R'000	Audited as at 29 February 2021 R'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	259 397	99 810
Intangible assets	16 702	15 256
Investment in associate	5 572	2 067
Loans to external parties	10 264	11 658
	<b>291 935</b>	128 791
<b>Current assets</b>		
Developments under construction	4 819 472	4 121 257
Loans to related parties	14 112	14 112
Current tax receivable	–	5 865
Trade and other receivables	757 277	695 034
Developments loans receivable	20 402	68 181
Restricted cash	1 086	31 390
Cash and cash equivalents	665 636	336 533
	<b>6 277 985</b>	5 272 372
Non-current assets held for sale	26 061	–
<b>Total assets</b>	<b>6 595 981</b>	5 401 163
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	664 225	663 079
Share-based payment reserve	67 448	6 778
Retained income	2 783 746	2 532 804
Non-controlling interest	504	(41)
<b>Total equity</b>	<b>3 515 923</b>	3 202 620
<b>Non-current liabilities</b>		
Development loans and facilities	721 512	225 605
Lease liabilities	123 418	2 170
Deferred taxation	238 540	159 659
	<b>1 083 470</b>	387 434
<b>Current liabilities</b>		
Development loans and facilities	1 819 098	1 675 884
Lease liabilities	2 741	753
Trade and other payables	123 290	104 896
Current tax payable	15 236	–
Employee benefits	36 223	29 576
	<b>1 996 588</b>	1 811 109
<b>Total liabilities</b>	<b>3 080 058</b>	2 198 543
<b>Total equity and liabilities</b>	<b>6 595 981</b>	5 401 163

# ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 28 February 2022

	Audited year ended 28 February 2022 R'000	Audited year ended 28 February 2021 R'000
<b>Cash flows from operating activities</b>		
Cash generated used in operations	(10 243)	(400 703)
Investment income	33 371	16 936
Finance costs paid	(108 498)	(40 111)
Taxation paid	(55 739)	(60 962)
<b>Net cash used in from operating activities</b>	<b>(141 109)</b>	<b>(484 840)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(79 659)	(25 597)
Proceeds on disposal of property, plant and equipment	312	592
Purchase of intangible assets	(14 253)	(7 235)
Proceeds on disposal of other intangible assets	18 219	–
Loans advanced to external parties	–	(11 658)
<b>Net cash used in investing activities</b>	<b>(75 381)</b>	<b>(43 898)</b>
<b>Cash flows form financing activities</b>		
IFRS 2 BEE share option premium received	20 000	–
Development loans repaid	(1 919 746)	(1 092 247)
Development loans raised and utilised	2 040 641	1 429 710
Investment loan and general banking facilities repaid	(544 006)	(158 280)
Investment loan and general banking facilities raised and utilised	1 062 232	302 610
Payment on lease liabilities	(1 891)	(940)
Dividends received from treasury shares	3 295	436
Dividends paid	(114 932)	(92 550)
<b>Net cash generated from financial activities</b>	<b>545 593</b>	<b>388 739</b>
<b>Total cash and cash equivalents movement for the year</b>	<b>329 103</b>	<b>(139 999)</b>
Cash and cash equivalents at the beginning of the year	336 533	476 532
<b>Total cash and cash equivalents at the end of the year</b>	<b>665 636</b>	<b>336 533</b>

# ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 28 February 2022

	Share capital 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
<b>Balance at 1 March 2020</b>	<b>652 978</b>	<b>9 900</b>	<b>2 288 762</b>	<b>2 951 640</b>	<b>(250)</b>	<b>2 951 390</b>
Profit for the period	–	–	336 156	336 156	209	336 365
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
<b>Balance at 28 February 2021</b>	<b>663 079</b>	<b>6 778</b>	<b>2 532 804</b>	<b>3 202 661</b>	<b>(41)</b>	<b>3 202 620</b>
Profit for the year	–	–	362 579	362 579	545	363 124
Share-based payment	–	41 816	–	41 816	–	41 816
Issue of shares from treasury	1 146	(1 146)	–	–	–	–
BEE share option premium received	–	20 000	–	20 000	–	20 000
Dividends paid	–	–	(114 932)	(114 932)	–	(114 932)
Dividends received from treasury shares	–	–	3 295	3 295	–	3 295
<b>Balance at 28 February 2022</b>	<b>664 225</b>	<b>67 448</b>	<b>2 783 746</b>	<b>3 515 419</b>	<b>504</b>	<b>3 515 923</b>



# NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2022

## 1. BASIS OF PREPARATION

The abridged consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and also as a minimum contains the information required by IAS 34: Interim Financial Reporting, and complies with the requirements of the Companies Act 2008 of South Africa 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 consolidated financial statements were derived 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 abridged audited consolidated financial statements and annual consolidated financial statements have been internally prepared under the supervision of JS Bigham, in his capacity as chief financial officer and were approved by the Board on 16 May 2022.

The abridged consolidated financial statements have been audited by BDO South Africa, the external auditor, who issued an unmodified ISA 810 opinion. The ISA 810 opinion and the audit report on the annual consolidated financial statements are available for inspection 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 ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 28 February 2022

	Audited year ended 28 February 2022 R'000	Audited year ended 28 February 2021 R'000
<b>2. REVENUE</b>		
<b>Revenue from contracts with customers</b>		
Revenue from the sale of apartments	3 073 506	2 659 330
Bond Commission	15 804	15 892
Rental of electronic communication	31 883	21 819
	<b>3 121 193</b>	2 697 041
<b>Revenue other than from contracts with customers</b>		
Donation income	4 076	3 533
	<b>3 125 269</b>	2 700 574
<p>Revenue from sale of apartments and bond commission is recognised at a point in time. Revenue from the rental of electronic communication is recognised over time.</p> <p>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.</p> <p>Revenue from the sale apartments is disaggregated on a regional basis as well as per each development brand. The disaggregation is shown below:</p>		
<b>Disclosure of disaggregated revenue from the sale of apartments by region:</b>		
Johannesburg	1 561 133	1 326 323
Tshwane	290 448	281 926
Western Cape	896 259	749 735
KwaZulu-Natal	325 666	301 346
	<b>3 073 506</b>	2 659 330
<b>Disclosure of disaggregated revenue from the sale of apartments by development brands:</b>		
Green Collection	583 239	386 030
Classic Collection	1 992 279	1 959 826
Signature Collection	497 988	313 474
	<b>3 073 506</b>	2 659 330

## NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 28 February 2022

	Audited as at 28 February 2022 R'000	Audited as at 28 February 2021 R'000
<b>3. DEVELOPMENTS UNDER CONSTRUCTION</b>		
Developments under construction	<b>4 819 472</b>	4 121 257
<b>Developments under construction include the following:</b>		
Cost of construction	<b>2 093 496</b>	1 635 145
Land and land contribution costs	<b>2 203 439</b>	2 014 029
Development rights	<b>522 537</b>	472 083
	<b>4 819 472</b>	4 121 257

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

The cost of developments under construction recognised as an expense in cost of sales during the current year was R2 292.7 million (2021: R1 979.6 million). Costs previously capitalised to developments under construction written off in the current year amount to R3.1 million (2021: Rnil). The carrying amount of land which acts as security for development loans advanced is R1 520.7 million (2021: R1 175.5 million).

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



## NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 28 February 2022

		Audited as at 28 February 2022 R'000	Audited as at 28 February 2021 R'000
<b>4. SHARE CAPITAL</b>			
<b>Authorised</b>			
Ordinary shares	('000)	<b>1 000 000</b>	1 000 000
<b>Issued and fully paid up</b>			
Ordinary shares	(R'000)	<b>670 206</b>	670 206
BEE shares	(R'000)	<b>171 878</b>	–
Treasury shares	(R'000)	<b>(177 859)</b>	(7 127)
		<b>664 225</b>	663 079
The unissued shares are under the control of the directors until the next annual general meeting. The shares have no par value.			
<b>Reconciliation of shares in issue</b>			
Opening balance		<b>469 255</b>	467 632
Treasury shares converted from share scheme		<b>567</b>	3 900
Shares bought back and held in treasury		<b>–</b>	(2 277)
<b>Closing balance</b>		<b>469 822</b>	469 255
		<b>Audited as at 28 February 2022 R'000</b>	<b>Audited as at 28 February 2021 R'000</b>
<b>5. DEVELOPMENT LOANS AND FACILITIES</b>			
<b>Held at amortised cost</b>			
Development loans		<b>1 588 404</b>	1 548 879
General banking facility		<b>675 180</b>	132 358
Investment loan facility		<b>277 026</b>	220 252
		<b>2 540 610</b>	1 901 489

## NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 28 February 2022

### 5. DEVELOPMENTS LOANS (continued)

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

## NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 28 February 2022

### 5. DEVELOPMENTS LOANS (continued)

Development loans	Average nominal interest rate %	Maturity date	Audited as at 28 February 2021 R'000
<b>Non-current loans</b>			
Century Property Developments Proprietary Limited	Prime	November 2027	117 069
Portimix Proprietary Limited	8%	Between June 2022 and June 2025	108 536
			225 605
<b>Current loans</b>			
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%	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
<b>Investment loan and general banking facilities</b>			
<b>Current loans</b>			
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 repayment	50 000
			352 610
<b>Total</b>			1 901 489

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 transactions.

Investment loans and general banking facilities classified as current pertain to short-term bridging loan facilities and are secured by completed apartments not yet registered. Investment loans and general banking facilities classified as non-current pertain to long-term unsecured funding.

The carrying amount of development loans and facilities approximate their fair value.



## NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 28 February 2022

	Audited year ended 28 February 2022 R'000	Audited year ended 28 February 2021 R'000
<b>6. RELATED PARTIES</b>		
<b>Related party balances</b>		
<b>Loan accounts and trade receivables owing by related parties:</b>		
Balwin Rentals Proprietary Limited	14 112	14 112
Legaro Property Development Proprietary Limited***	19 012	22 366
<b>Related party transactions</b>		
<b>Sale of apartments to related parties:</b>		
<b>Directors and companies</b>		
Lucille Properties Proprietary Limited*	45 537	18 298
Shelby Prop Investments Proprietary Limited**	3 304	6 516
<b>Rental guarantee payments:</b>		
Balwin Rentals Proprietary Limited	1 379	–
<b>Right-of-use asset:</b>		
The Corlett Drive Trust	8 525	–
<b>Property rental management fee received:</b>		
<b>Directors and prescribed officers</b>		
RN Gray	143	225
J Weltman	5	8
U Gschnaidtner	15	25
SV Brookes	467	412

## NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 28 February 2022

### 6. RELATED PARTIES (continued)

	Audited year ended 28 February 2022 R'000	Audited year ended 28 February 2021 R'000
<b>Rental paid to related parties:</b>		
<b>Directors, prescribed officers and companies</b>		
Balwin Rentals Proprietary Limited	662	1 837
SV Brookes	–	1 290
Volker Properties Proprietary Limited*	1 208	485
Lucille Properties Proprietary Limited*	386	12
M Brookes****	29	–
RN Gray	–	234
Shelby Prop Investments Proprietary Limited**	912	338
J Weltman	2	49
<b>Compensation to directors and other key management:</b>		
Directors emoluments	44 941	40 478

\* The entity is controlled by SV Brookes

\*\* The entity is controlled by RN Gray

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

\*\*\*\* Spouse of SV Brookes

## NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

For the year ended 28 February 2022

	Audited year ended 28 February 2022 R'000	Audited year ended 28 February 2021 R'000
<b>7. FINANCIAL INSTRUMENTS</b>		
<b>Financial assets at amortised cost</b>		
Trade and other receivables	755 687	682 035
Cash and cash equivalents	665 636	336 533
Restricted cash	1 086	31 390
Development loans receivable	20 402	68 181
Loans to related parties	14 112	14 112
Loans to external parties	10 264	11 658
<b>Financial liabilities at amortised cost</b>		
Development loans	(2 540 610)	(1 901 489)
Trade and other payables	(93 959)	(97 056)

## 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. EVENTS AFTER THE REPORTING PERIOD

Subsequent to year end, a wholly owned subsidiary of Balwin, Balwin Corlett Proprietary Limited concluded a sale agreement to purchase the new head office of Balwin, located in Corlett Drive, Johannesburg, for a purchase price of R125.8 million. The purchase represents a material non-adjusting event.

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

# 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 Bigham (Chief financial officer)

### Non-executive

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

\* Independent



