

Expect more
Experience more



Balwin
PROPERTIES





AGENDA

-  Group profile
-  Business model
-  Strategic objectives
-  Strategic update
-  Material risks
-  Mooikloof Mega City
-  Investment case
-  Annexures



The Reid, Linbro Park
Sandton



GROUP PROFILE







- ✔ **Founded in 1996** by Steve Brookes and currently largest shareholder
- ✔ **Listed** in the Real Estate Investment and Services sector on the JSE since **October 2015**
- ✔ **Build-to-sell** development model
- ✔ Residential estates are located in high density, high-growth areas in **Johannesburg, Tshwane**, the **Western Cape** and **KwaZulu-Natal**
- ✔ **Quality, affordable** apartments with unique **lifestyle**, leisure and entertainment offerings
- ✔ Global **green building** standards – **minimizing environmental impact**
- ✔ Winner of **16 international awards** recognizing the innovation and excellence of the developments



The Blyde
Tshwane East

BUSINESS MODEL

FINANCIAL AND OPERATIONAL SUCCESS DEPENDS ON CONTINUOUS DEVELOPMENT

-  Development of **large-scale** residential estates in key target nodes
-  Selling approximately **25 apartments** per location per month
-  Targeting an average profit margin of approximately **35% over the lifecycle** of each project
-  Drive efficiencies through **turnkey approach** to development
-  **Maintaining costs** and efficiencies through economies of scale
-  Secured approximate 8 year development **pipeline of 29 487 apartments**
-  Focus on **environmental management**



Izinga Eco Estate KwaZulu-Natal



The Huntsman Somerset West, Cape Town

BUSINESS MODEL

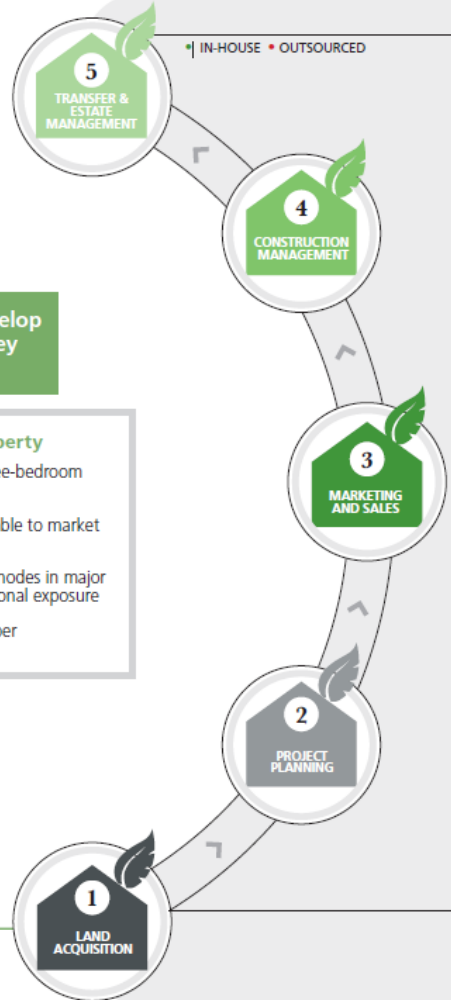
OUR OPERATING MODEL

Apply a build-to-sell model to develop large-scale residential estates in key strategic target nodes

Focus exclusively on residential property

- Build quality, affordable one, two and three-bedroom sectional title apartments
- Ensure construction is scalable and adaptable to market conditions
- Expand into new and growing residential nodes in major metropolitan areas and reduce risk of regional exposure
- Aim to sell approximately 25 apartments per development per month

We drive efficiencies through a turnkey approach to development



TRANSFER AND ESTATE MANAGEMENT

- TITLE DEED REGISTRATIONS
- ESTABLISHMENT OF BODY CORPORATES
- ESTATE MANAGEMENT
- ONGOING CLIENT SUPPORT



CONSTRUCTION MANAGEMENT

- CONSTRUCTION
- CONSTRUCTION MANAGEMENT
- QUALITY CONTROL
- SAFETY, HEALTH, ENVIRONMENTAL AND QUALITY MANAGEMENT



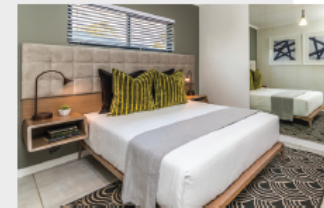
MARKETING AND SALES

- MARKETING AND PRE-SALES
- BOND ORIGATION



PROJECT PLANNING

- PROJECT TIMELINES
- RE-ZONING
- QUANTITY SURVEYING
- DEVELOPMENT DESIGN & COSTING
- FINANCING
- PROCUREMENT



LAND ACQUISITION

- LAND SOURCING, ACQUISITION AND FINANCING



De Zicht - Milnerton,
Western Cape



STRATEGIC OBJECTIVES

-  **Cash management** and **capital allocation**
-  Execute on the **secured development pipeline**
-  Growth in the **Green collection** model
-  **Black Economic Empowerment**
-  Ongoing enhancement of the **product** and **customer experience**
-  Expanding into future **growth nodes**
-  **Talent** management and retention



STRATEGIC UPDATE



Impact of **Covid-19**



Well-being of staff and management of the pandemic



Construction severely impacted – approx. **3-month delay** in construction



Careful management of **supply chain**



Sustained sales – through online sales platform





STRATEGIC UPDATE

- Future **Presidential housing and infrastructure** initiative
 - Greencreek** (Tshwane East) gazetted as a SIP
 - Based on Balwin's **Green collection** model - selling price from R499K– R799K (target **FLISP** and **GAP** market)
 - Accelerated execution on **existing pipeline**
 - Government** to fund **infrastructure**
- Careful **cash management** and **capital allocation**
- Focus on **environmental management (world's largest EDGE certification)**
 - First Eco/Green Bond in SA with **reduced interest rates**
 - All new developments built according to global environmental standards aimed at obtaining **Excellence in Design for Greater Efficiency (EDGE)** certification for all apartments (16 000 apartments registered)
 - 6-star Green** rating from the Green Building Council SA for all **Lifestyle Centres**



Kikuyu,
Waterfall, Johannesburg



MATERIAL RISKS

- Challenging **macro-economic** environment
- Cash management** and **capital allocation**
- Delays in **town planning** and **local authorities**
- Ability to source and fund **future land acquisitions**
- Regulatory compliance** and changes in **government policies**
- Scarce and **skilled people** to complement the organisational structure and culture
- Reliance on **key suppliers** and **contractors**
- Injuries** and **fatalities** on construction sites
- Information security** and **business continuity**



Greenkloof,
Pretoria East, Artist impression



MOOIKLOOF MEGA CITY

INTRODUCTION






- Initial **16 000** apartments
- Gazetted** as a Strategic Integrated Project (SIP): Human Settlements
- External **bulk infrastructure funded by government**
- Majority control (70%)** in separate statutory entity
- Balwin to act as the developer - earn **development management fee** from JV
- Significant future pipeline – up to **50 000** opportunities





MOOIKLOOF MEGA CITY

DEVELOPMENT PLAN

-  Mooikloof Mega City is situated in the eastern part of The City of Tshwane's municipal area and covers an area of **approximately 200ha** across two townships
-  The development will be undertaken by Balwin as part of its Green Brand Initiative
-  First phase of 16,000 forecasted to be constructed and sold over approximately six years
-  The development will consist of a mixture of Studios, 1-, 2- and 3-bedroom apartments, in 18, 20- or 38-unit blocks (ie. Balwin's normal Green Brand)
-  The apartments will sell for between R499K and R799K each, focusing on the GAP housing market



MOOIKLOOF MEGA CITY

DEVELOPMENT PLAN

- 🌿 The total **project value** is approximately **R35 billion**
- 🌿 The location and **price-point** of the development, lends itself to the influx of **first-time homebuyers**, qualifying for **FLISP** and other **government subsidies**, providing a broader spectrum of the population to become property owners
- 🌿 This significant project will accommodate a large portion of the previously disadvantaged South African consumer into the mainstream economy. This project will clearly demonstrate that GAP housing and upmarket developments can exist side by side.



MOOIKLOOF MEGA CITY

PROJECT PROPOSED RESIDENTIAL DEVELOPMENT DATA	
PROJECT NAME	MOOIKLOOF MEGA CITY
CLIENT	BALWIN PROPERTIES
DESIGNER	GREENKLOOF
DATE	2024
SCALE	1:1000
STATUS	CONCEPTUAL
LOCATION	MOOIKLOOF, TSHWANE
AREA	1000 HA
UNITS	10000
PHASES	5
START DATE	2024
COMPLETION DATE	2028
ARCHITECT	GREENKLOOF
ENGINEER	GREENKLOOF
LANDSCAPE ARCHITECT	GREENKLOOF
ENVIRONMENTAL ENGINEER	GREENKLOOF
SOIL ENGINEER	GREENKLOOF
WATER ENGINEER	GREENKLOOF
SEWER ENGINEER	GREENKLOOF
TRAFFIC ENGINEER	GREENKLOOF
LEGAL	GREENKLOOF
MARKETING	GREENKLOOF
SALES	GREENKLOOF
FINANCE	GREENKLOOF
OPERATIONS	GREENKLOOF
MAINTENANCE	GREENKLOOF
SECURITY	GREENKLOOF
UTILITIES	GREENKLOOF
WASTE MANAGEMENT	GREENKLOOF
RECREATION	GREENKLOOF
EDUCATION	GREENKLOOF
HEALTHCARE	GREENKLOOF
COMMERCIAL	GREENKLOOF
INDUSTRIAL	GREENKLOOF
AGRICULTURE	GREENKLOOF
RECREATION	GREENKLOOF
EDUCATION	GREENKLOOF
HEALTHCARE	GREENKLOOF
COMMERCIAL	GREENKLOOF
INDUSTRIAL	GREENKLOOF
AGRICULTURE	GREENKLOOF



GREENKLOOF
MOOIKLOOF, TSHWANE



Partners

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Balwin
PROPERTIES

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MOOIKLOOF MEGA CITY

Mooikloof Mega City External Artist impression



MOOIKLOOF MEGA CITY

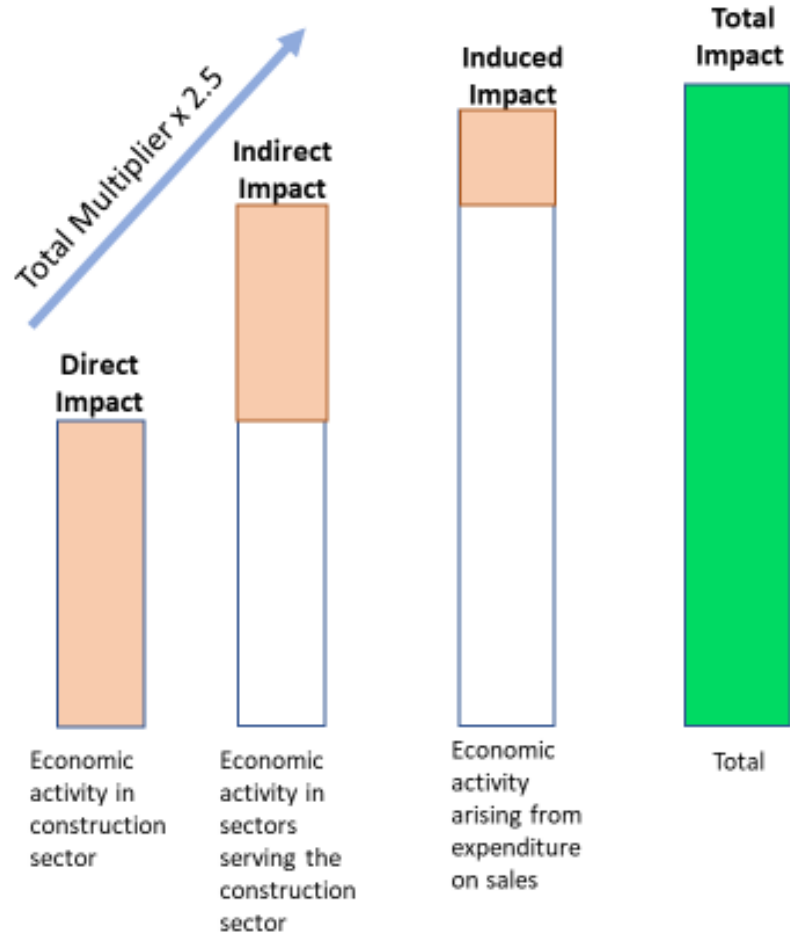
Mooikloof Mega City Internal Artist impression





MOOIKLOOF MEGA CITY

SOCIOECONOMIC SUMMARY



Direct/Indirect Economic and Social Impact

Other Benefits

- Employment multiplier 7 employment opportunities/R1 Million expenditure on development fees
- Rates and taxes
- Taxes on salaries/profits
- Delivery on housing
- Urban regeneration
- Better homes = better health and education

Typical Development Employment

Type of Labour	Share of Total Formal Employment
All formal workers	100%
Skilled formal	13%
Semi-skilled formal	68%
Low-skilled formal	19%

CAHF Mar 2019

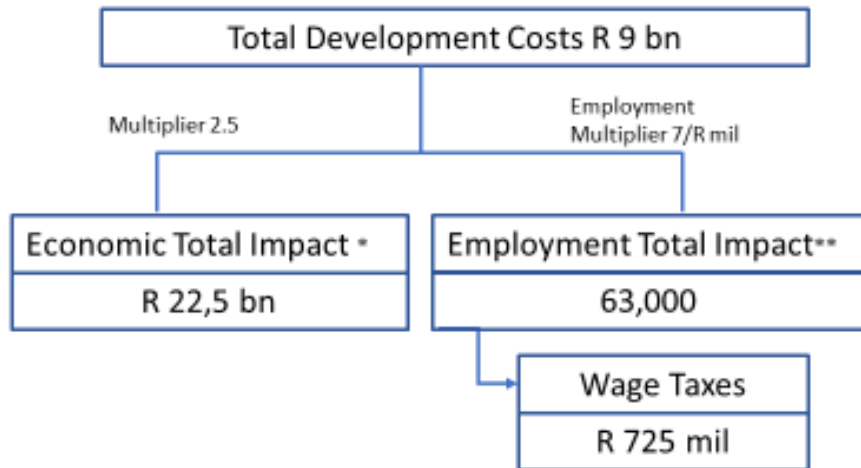


MOOIKLOOF MEGA CITY

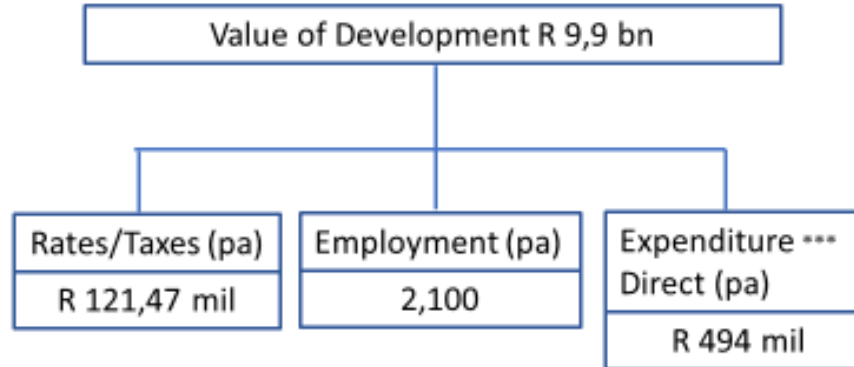
SOCIOECONOMIC SUMMARY

Mooi Kloof Economic and Social Impact (15,000)

A. Benefits Arising From Development Activity



B. Ongoing Benefits Arising From Completed Development



C. Socio Economic Benefits

- Delivery of housing units
- Urban regeneration
- Improvement in quality of life of households
- Improvement in the environment
- Support local economic development

* Direct/Indirect multiplier 2.5
 ** Direct/indirect employment multiplier 7 per R1 million expenditure (excludes land/other costs)
 *** Expenditure on improvements alterations/management

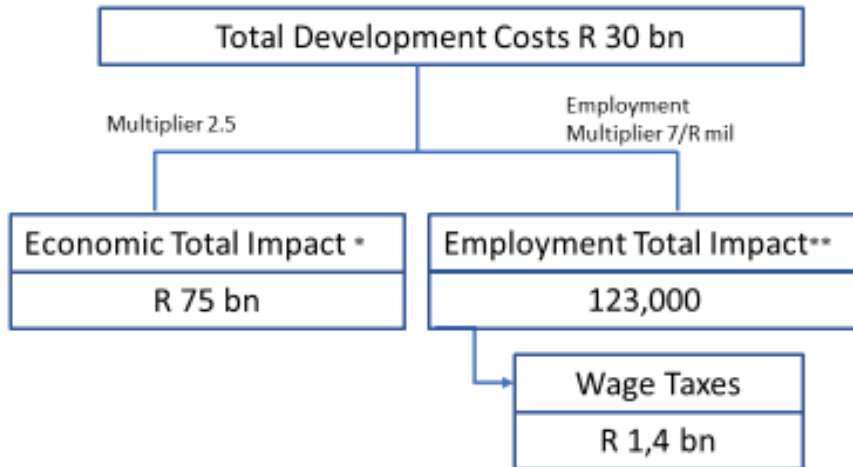


MOOIKLOOF MEGA CITY

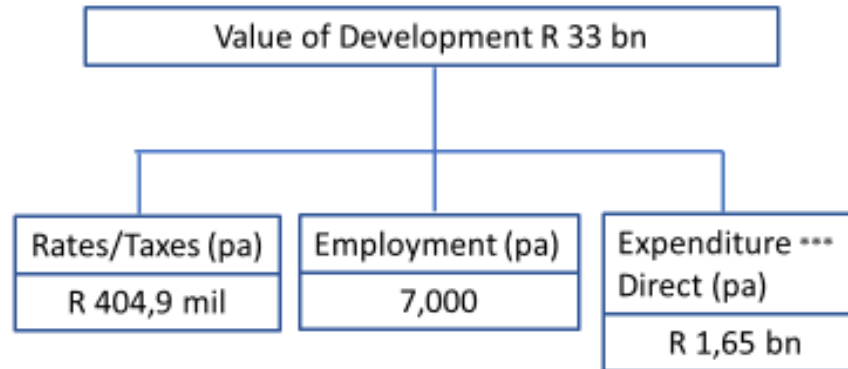
SOCIOECONOMIC SUMMARY

Mooi Kloof Economic and Social Impact (50,000)

A. Benefits Arising From Development Activity



B. Ongoing Benefits Arising From Completed Development



C. Socio Economic Benefits

- Delivery of housing units
- Urban regeneration
- Improvement in quality of life of households
- Improvement in the environment
- Support local economic development

* Direct/Indirect multiplier 2.5
 ** Direct/indirect employment multiplier 7 per R1 million expenditure (excludes land/other costs)
 *** Expenditure on improvements alterations/management



Kikuyu, Waterfall
Johannesburg



INVESTMENT CASE

- Well positioned to address the **undersupply of housing** in the target market
- Long-term **development pipeline** in **key locations**
- Green Model** enabling **acceleration** of existing **land bank/pipeline**
- Potential **significant growth opportunity** through **Strategic Integrated Projects (SIP)**
- Strong, **nationally recognized brand**
- Experienced **management team** with extensive market knowledge
- Flexibility to adapt to changing market conditions
- Proven **business model** for large scale developments
- Sustainable margins** supported by high level of pre-sales
- High **barriers to entry**
- Proven **track record** of 25 years

THANK YOU











QUESTIONS?

An aerial photograph of a large, curved swimming pool at a residential complex. The pool is surrounded by palm trees and lounge areas. In the background, there are rows of modern, multi-story apartment buildings with white facades and dark roofs. The sky is blue with scattered white clouds. The word "ANNEXURES" is written in large, bold, black capital letters across the center of the image, overlaid on a semi-transparent rectangular area.

ANNEXURES



ANNEXURES

-  Development Pipeline
-  Business model
 -  Green Collection
 -  Classic Collection
 -  Signature Collection
-  Summarised statement of Profit and loss
-  Statement of financial position
-  Balwin Foundation



PIPELINE AS OF 29 FEB 2020

Development	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
Waterfall										
Kikuyu	Commenced	Nov 2021	A	1 270	913	859	881	32	357	389
The Polofields	Commenced	Jun 2023	A	1 512	686	651	655	31	826	857
Munyaka	Commenced	May 2028	A	4 972	-	-	-	-	4 972	4 972
Total				7 754	1 599	1 510	1 536	63	6 155	6 218
Johannesburg East										
The Reid	Commenced	May 2022	A	1 294	468	438	453	15	826	841
Westlake 2	TBC	TBC	I	312	-	-	-	-	312	312
Total				1 606	468	438	453	15	1 138	1 153
Johannesburg North										
Amsterdam	Commenced	Complete	C	1 040	950	905	933	17	90	107
The Whisken	Commenced	Jun 2022	A	1 490	422	422	422	-	1 068	1 068
Total				2 530	1 372	1 327	1 355	17	1 158	1 175
Johannesburg South										
Majella Park	TBC	TBC	I	280	-	-	-	-	280	280
Total				280	-	-	-	-	280	280
KwaZulu Natal										
Ballito Hills	Commenced	Feb 2024	A	1 320	460	241	259	201	860	1 061
Ballito Creek	TBC	TBC	I	1 872	-	-	-	-	1 872	1 872
Izinga	TBC	TBC	I	2 505	-	-	-	-	2 505	2 505
Marshall Dam	TBC	TBC	I	1 092	-	-	-	-	1 092	1 092
Total				6 789	460	241	259	201	6 329	6 530








PIPELINE AS OF 29 FEB 2020

Development	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
Tshwane										
The Blyde	Commenced	Feb 2028	A	3 580	799	612	759	40	2 781	2 821
Total				3 580	799	612	759	40	2 781	2 821
Western Gape										
De Zicht	Commenced	Nov 2020	A	876	701	649	668	33	175	208
Paardevelei Lifestyle Estate	Commenced	Aug 2021	A	388	208	175	176	32	180	212
Paardevelei Square	Commenced	Complete	C	87	87	87	87	-	-	-
The Jade	Commenced	Complete	C	432	432	430	431	1	-	1
The Sandown	Commenced	Complete	C	636	636	636	636	-	-	-
The Huntsman	Commenced	Nov 2023	A	1 044	128	55	110	18	916	934
Fynbos	Commenced	Feb 2024	A	1 116	136	-	52	84	980	1 064
Zevenwacht	TBC	TBC	I	854	-	-	-	-	854	854
Total				5 433	2 328	2 032	2 160	168	3 105	3 273
Green Projects										
Greenlee	Commenced	Oct 2024	A	1 816	190	-	75	115	1 626	1 741
Greenpark	Commenced	May 2022	A	1 288	377	269	352	25	911	936
Greencreek	Commenced	March 2026	A	1 872	-	-	-	-	1 872	1 872
Greenwood	TBC	TBC	I	1 760	-	-	-	-	1 760	1 760
Greenbay	Aug 2020	Nov 2028	I	1 728	-	-	-	-	1 728	1 728
Total				8 464	567	269	427	140	7 897	8 037
Grand Total				36 436	7 593	6 429	6 949	644	28 843	29 487



BUSINESS MODEL

THE GREEN COLLECTION

-  Model targets a lower LSM market than the core model
-  Offers flexibility to determine preferential sales strategy (sell to market or sell to individual investor) to maximise returns
-  Developed on a phase-by-phase approach
-  Distinctive architecture that is different to the core business model but synonymous with Balwin quality
-  Residents have access to lifestyle features associated with Balwin brand





BUSINESS MODEL

THE CLASSIC COLLECTION

- ✔ Quality, affordable build-to-sell product
- ✔ One-, two-, and three-bedroom four-story walk-up apartments
- ✔ Prices range from R599 900 to R1 999 900 focusing on the middle-income population
- ✔ Developments located in high density, high growth nodes across key metropolitan areas
- ✔ Benefits from economies of scale, in-house construction and management
- ✔ Developed on phase-by-phase basis
- ✔ Dynamic product allows for block configuration change to respond to market
- ✔ Exclusive lifestyle offering to clients as an all-inclusive value-added service





BUSINESS MODEL

THE *Signature* COLLECTION

- Two elite model developments, The Polo Fields (Waterfall) and Paardevlei Lifestyle Estate (Somerset West)
- Apartments built to higher specifications
- Prices range from R1 999 900 to R2 999 900
- Developments built on existing land in selected nodes and follow the same phase-by-phase approach
- Balwin does not intend to continue the elite model developments in the current market

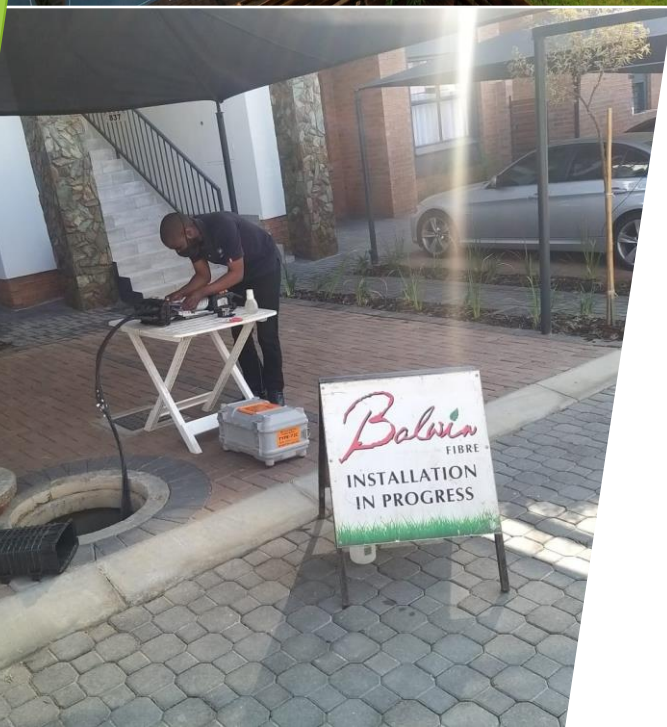




BUSINESS MODEL

ANNUITY INCOME

- ✔ Leverage off asset base and expanding service offering to clients
- ✔ Partnerships established to provide high-speed fibre connectivity and solar installation which generates renewable energy
- ✔ Complementary to Balwin's business model and enhance the lifestyle offering to clients
- ✔ Limited additional construction costs necessitated to generate annuity returns





SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP	
	For the year ended 29 February 2020 R'000	For the year ended 28 February 2019 R'000
Revenue	2 914 453	2 613 905
Cost of sales	(2 124 703)	(1 826 024)
Gross profit	789 750	787 881
Other income	19 847	16 002
Operating expenses	(235 613)	(173 808)
Operating profit	573 984	630 075
Investment revenue	13 673	4 590
Net finance income	(12 643)	(6 176)
Share of profit of associate	322	-
Profit before tax	575 336	628 489
Taxation	(163 976)	(176 106)
Profit for the year	411 360	452 383
Other comprehensive income	36	103
Total comprehensive income	411 396	452 486
Profit attributable to:		
Owners of the parent	411 610	-
Non-controlling interest	(250)	-
	411 360	-
Total comprehensive income attributable to:		
Owners of the parent	411 646	-
Non-controlling interest	(250)	-
	411 396	-
Basic and diluted earnings per share		
Basic (cents)	88.02	95.82
Diluted (cents)	87.17	95.80
Key ratios:		
Gross profit margin	27.10%	30.14%
Total comprehensive income/revenue	14.12%	17.31%
Effective tax rate	28.50%	28.02%



SUMMARISED STATEMENT OF FINANCIAL POSITION

	GROUP	
	For the year ended	For the year ended
	29 February 2020 R'000	28 February 2019 R'000
Non-current assets	100 026	101 185
Current assets	4 507 714	4 298 926
Developments under construction	3 369 972	3 042 919
Cash and cash equivalents	476 532	329 382
Other current assets	661 210	926 625
Total assets	4 607 740	4 400 111
Shareholders' equity	2 951 640	2 653 856
Non-controlling interest	(250)	-
Non-current liabilities	252 639	375 473
Other non-current liabilities #	102 805	-
Current liabilities	1 300 906	1 370 782
Development finance	1 167 057	1 148 208
Other current liabilities	133 849	222 574
Total equity and liabilities	4 607 740	4 400 111

Other non-current liabilities relates to deferred tax and the long term portion of the lease liability



BALWIN FOUNDATION

Core Focus

01

EDUCATION:

Scholarships, Bursaries and Learnerships to support and empower the youth in areas related to the building industry.

02

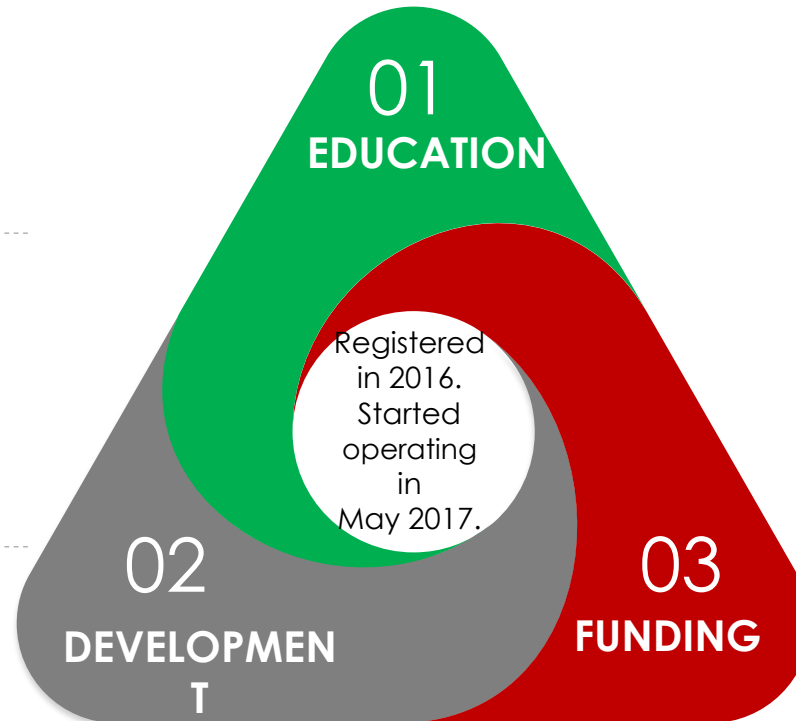
DEVELOPMENT:

Building related trade training skills development and short courses to increase employability for the unemployed from local communities, as well as development of SMMEs in order to promote job creation.

03

FUNDING:

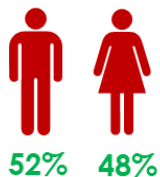
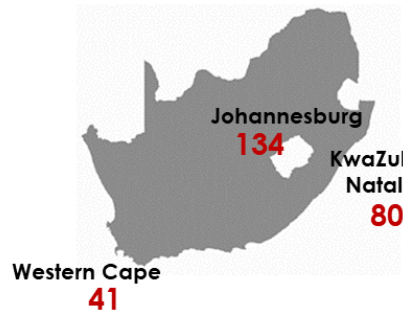
Obtain various sources of sustainable funding in order to fund various causes and develop local communities, schools, sportsgrounds etc.



BALWIN FOUNDATION

2019/20 KEY ACHIEVEMENTS

Programme Update: March 2019 to February 2020



The foundation continued offering **skills training** in Gauteng and Kwa-Zulu Natal and expanded its footprint to the Western Cape.



Nationally, 255 previously disadvantaged individuals have been trained in entrepreneurship, tiling, painting, plastering, and bricklaying, as well as construction SME management.



The foundation managed the second **Balwin learnership programme** focused on project management and business administration.



The **bursary programme** continues to grow and provides tuition funding, mentorship, development, life skills and practical work experience.



Environmental Programme:



Programme Funder



Training Company



Hosting Org



Programme Management & Host Org Funding

BALWIN FOUNDATION

2019/20 KEY ACHIEVEMENTS

Programme Update: March 2019 to February 2020:



The Foundation aims to address all 17 of the **Sustainable Development Goals** (SDG) by 2022, currently our programmes focus on SDG 1 – End Poverty, SDG 2 – End Huger, SDG 3 – Ensure Healthy Lives, SDG 4 – Ensure Quality Education, SDG 5 – Gender Equality, SDG 8 – Economic Growth, SDG 17 – Partner for Goals. In an effort to create awareness around SDG 13 - Climate Action, SDG 14 - Life Below Water and SDG 15 - Life on Land, especially amongst disadvantaged youth, we run an Environmental Programme.



Balwin manages 30 unemployed young learners on an accredited Environmental Education and Training Development Learnership Programme (EETDP). This learnership was created for a corporate sponsor, with Balwin funding the cost of hosting the learners to obtain practical work and facilitation experience.

30
Unemployed



Programme
Funder



Training
Company



Hosting
Org



Programme Management
&
Host Org Funding



BALWIN FOUNDATION

2019/20 KEY ACHIEVEMENTS

Programme Update: March 2019 to February 2020:



In support of all the SDGs, Balwin provides funding to various organisations addressing the SDGs through the **Annual Balwin Charity Walk**. This event 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 2019 Charity Walk was a huge success with a record R2.56 million handed out to more than 30 charities across SA.

