



Balwin Properties Limited
(Incorporated in the Republic of South Africa)
Registration number 2003/028851/06
Share code: BWN
ISIN: ZAE000209532
("Balwin" or "the company" or "the group")

Business and trading statement for the six-month period ended 31 August 2021

HIGHLIGHTS

- Approximately 1 260 apartments sold and recognised in revenue in the current period
- ~2 000 apartments forward sold beyond the interim reporting period
- Successful handover of the first phase at Greenbay (Gordons Bay), being the first Green Collection development in the Western Cape
- Winner of a further seven International Awards at the recent Africa and Arabia Property Awards, taking the total to 30 International Awards
- Opening of the Montessori School at Kikuyu (Waterfall), the first educational facility within a Balwin development
- Successful conclusion of an unsecured facility of R500 million to diversify the group's funding

BUSINESS UPDATE

Balwin's results for the six-month period ended 31 August 2021 reflect a positive recovery from the challenging market conditions experienced in the prior period as brought about by the coronavirus pandemic. Operational activity has steadily recovered to comparable levels to the trading environment prior to Covid-19 and has been supported by sustained sales demand for the Balwin product.

The group continues to emphasise development quality as the foundation of the Balwin brand. Balwin established a Department during the period to oversee the reduction of the environmental impact of the group through innovation in design and sustainable building techniques which is expected to benefit the environment as well as the Balwin customer through lower living costs and reduced interest rates offered by the commercial banks through the Green Bond.

OUTLOOK

While remaining cautious in the prevailing macro-economic climate, the board is positive on the resilience of the Balwin product as demonstrated by the sustained demand by its customers. This is evidenced through continued strong sales and healthy pre-sales recorded for future years.

The board wishes to place a revised emphasis on the annuity business opportunities that are presented through the development of the estates. Contributions from annuity income initiatives currently constitute a negligible portion of the total profits of the group, however, the board identifies significant potential for annuity opportunities and intends to actively pursue these.

As consistently advised in recent communication to shareholders, the board will continue to place an emphasis on appropriate cash management and cost containment. The recent conclusion of a R500 million unsecured facility was a significant milestone for the group to broaden its funding base in a cost effective manner.

The board remains optimistic with respect to the opportunities presented through the Strategic Integrated Projects. The group is in continued engagement with government to best position the business to roll out these projects to the benefit of Balwin's shareholders, prospective customers and the South African economy. In this regard, the required capital outlay and funding of the project continues to be given priority consideration.

The board continues to monitor the ongoing implications of the Covid-19 pandemic on the business and management continues to prioritise the well-being of its people.

TRADING STATEMENT

The following disclosure is made in accordance with Section 3.4(b) of the JSE Limited's Listings Requirements:

- Consolidated earnings per share and headline earnings per share for the six month period ended 31 August 2021 are expected to increase by between 40% and 45% compared to the prior corresponding period. This translates into an increase of between 24 and 25 cents per share (2020:17.33 cents).

The financial information which this trading statement is based on has not been reviewed and reported on by the Company's external auditors.

It is expected that Balwin will release its results for the six-month period ended 31 August 2021 on or about 20 October 2021.

Bedfordview
9 September 2021

Sponsor: Investec Bank Limited