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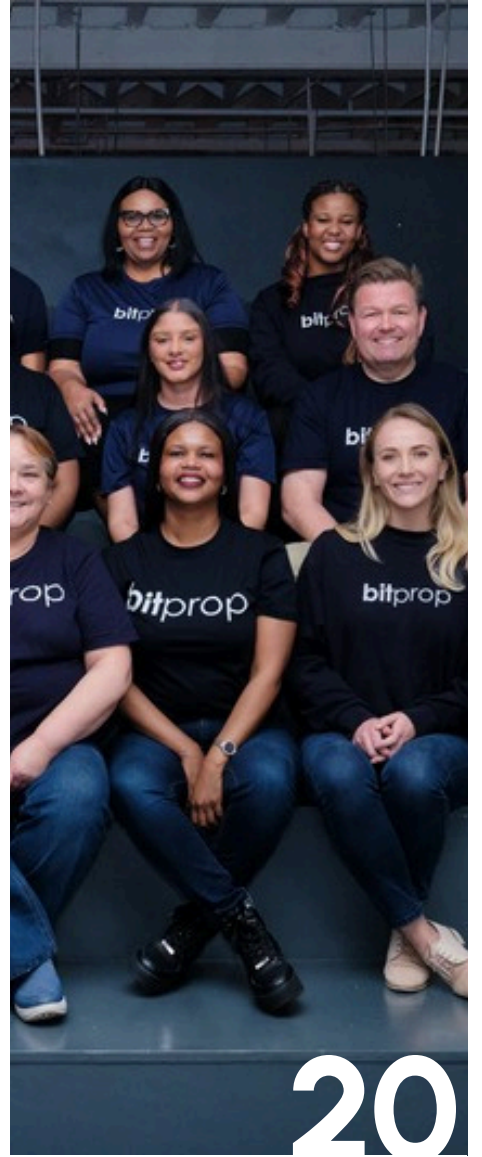
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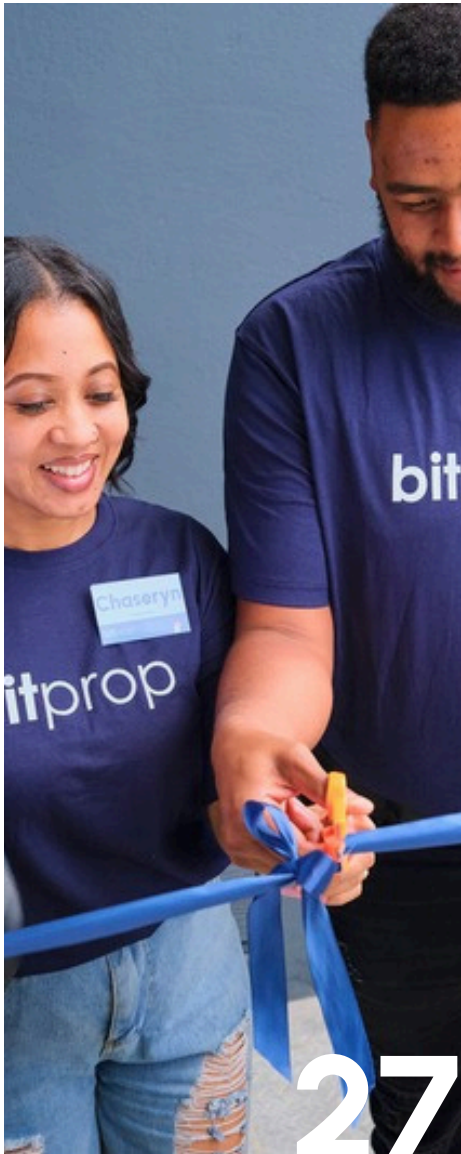
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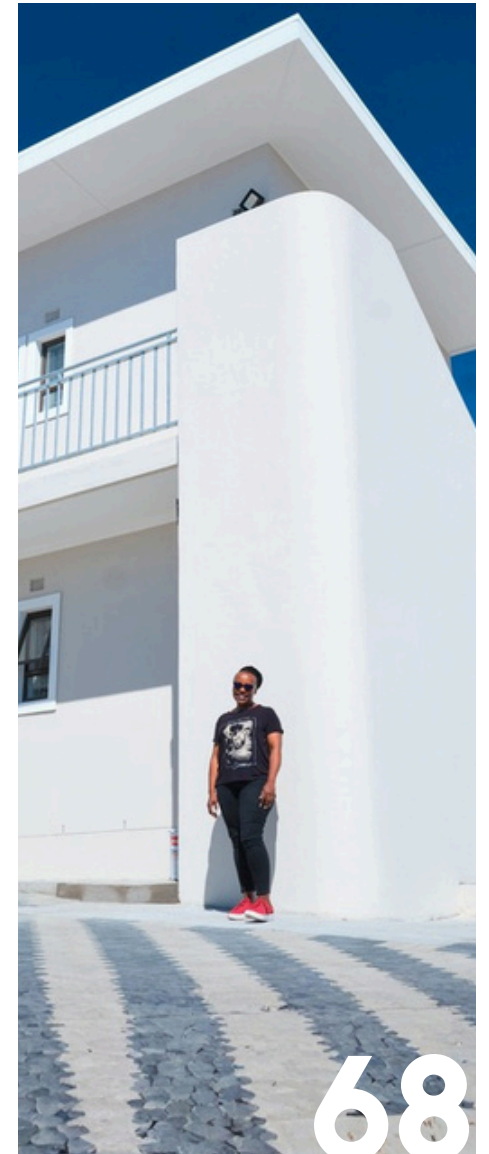


Looking Forward

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Glossary

- **Apartheid**

A former policy of racial segregation, and political and economic discrimination against non-white groups in South Africa.

- **Aggregates**

Granular materials such as sand, gravel, or crushed stone used in construction, typically combined with cement and water to form concrete or mortar.

- **Bakkie builder**

Informal or small-scale contractors who operate independently, typically using limited resources and basic equipment (often a bakkie/pickup truck), to carry out residential construction or renovation work.

- **CRDC SA (The Centre for Regenerative Design & Collaboration)**

The Centre for Regenerative Design & Collaboration is a global company that transforms plastic waste into eco-aggregate for concrete mixes. Resin8 is one of their products. Bitprop collaborates with the organisation's South African branch.

- **Credit Score (Experian):**

A numerical rating (typically between 0 and 999 in South Africa) provided by Experian that indicates a person's creditworthiness based on their credit history. It is used by lenders to assess the likelihood that an individual will repay borrowed money.

- **Council Submission**

A formal submission to the local municipality requesting approval of architectural building plans before construction may begin.

- **Homeowner Relationship Manager**

A Bitprop employee responsible for working hand-in-hand with homeowners, helping them to find tenants, manage leases and deal with other property-related duties.

- **Informal Economy**

Economic activities that are not visible to the government (nor, often, the banking sector).

- **Informal Structures**

Buildings that are non-NHBRC compliant and which are often built without formal engineering or architectural expertise. These may often be made out of corrugated iron and other loose materials, but can also be unregulated concrete or brick buildings.

- **Lazy asset**

An underutilised asset that is not generating its full potential value or income, often due to limited use, lack of development, or inefficiencies in how it is managed.

- **LiteConcrete**

Lightweight, load-bearing concrete blocks compliant with SANS 10400-K and NHBRC standards, quick to install, with low waste, strong thermal/acoustic performance.

- **MPBLs (Municipal Planning By-Laws)**

Local government regulations that guide land use, zoning, and development within a municipality, including rules for building design, approvals, and property use.

- **MPDF (Micro-Property Development Fund (Pty) Ltd)**

The investment company holding investments in all rental units.

- **NHBRC (National Home Builders Registration Council)**

A regulatory body in South Africa for the home building industry. Construction companies secure certification of various levels from NHBRC based on the size of projects they are able to complete.

- **NBR (National Building Regulations)**

Regulations in South Africa related to the design, building standards and construction of buildings.

- **NCR (National Credit Regulator)**

A South African regulatory body established under the National Credit Act to oversee the credit industry, ensure fair lending practices, and protect consumers from irresponsible lending.

- **NHFC (National Housing Finance Corporation)**

A South African development finance institution that provides funding and support to increase access to affordable housing, particularly for low-to middle-income households.

- **Open House**

An Open House is a real estate practice where a property is opened to the public for viewing without an appointment. At Bitprop, it also functions as an opening ceremony for a completed home and an opportunity for community members, potential homeowners, and prospective tenants to visit and learn about the housing model.

- **SDG (Sustainable Development Goals)**

A set of 17 global goals established by the United Nations to address key social, economic, and environmental challenges by 2030, including poverty, inequality, climate change, and sustainable development.

- **Shacks**

Informal and often makeshift dwellings, typically of a temporary nature and usually built with wood, corrugated iron and other materials commonly found in scrapyards.

- **Social Grants**

Financial assistance provided by the government to individuals or families in need based on certain criteria such as age, employment and disability.

- **Somerset West**

A suburban town in the Western Cape, located within the City of Cape Town metropolitan area. It is known for its residential neighbourhoods, proximity to natural attractions, and access to key transport routes connecting to Cape Town.

- **Stellenbosch Central**

The primary urban and economic hub of Stellenbosch, encompassing the town centre and nearby residential areas, with a strong presence of student housing, tourism, and local businesses.

- **Title Deed**

A legal document confirming ownership of a property and how it was acquired. Title deeds also contain restrictive conditions that must be understood before design and construction take place.

- **Township**

While other countries have different definitions for the word, a township in South Africa was originally a designated residential area for non-white South Africans during the apartheid era. These areas are less developed and have a much higher degree of informality than suburbs or cities, and often include large informal housing settlements. Some countries use the term 'shantytown' to define the same sort of environment.

- **Western Cape**

The Western Cape province, one of the nine provinces in South Africa, with Cape Town as its capital.

All Bitprop statistics as of 31 December 2025
All values are in ZAR; USD conversions given for convenience
at an exchange rate of ZAR 16.5 = USD 1
(as of 31 December 2025 as quoted by Nedbank Group, 2025)

WHY IT MATTERS

Bringing formal capital to informal markets



Nonkosi Klaas, a homeowner in Langa, greeting visitors (Photo: Vunene Xiluvane, 2025)

Almost six million South Africans own property¹, yet remain excluded from the formal economy. Their homes provide shelter and security, but often fail to function as productive assets. Ownership may be informal, access to finance is limited and long-term wealth creation remains out of reach, because the systems required to unlock value through land are inaccessible for these property owners.

This is a clear reflection of what Peruvian economist, Hernando de Soto, referred to as 'dead capital': assets that are owned and relied upon, but which are excluded from

"Most of the poor already possess the assets they need to make a success of capitalism...But they hold these resources in defective forms...They lack the process to represent their property and create capital...They have houses, but not titles... It is the representation of assets in legal property documents that gives them the power to create surplus value"²

formal economic participation due to weak legal recognition, limited access to finance or a lack of institutional support. Township property in South Africa is a clear expression of this

¹Lightstone, 2023
²Hernando de Soto, 2000

reality. Well-located land holds significant latent value, yet that value remains trapped, leaving owners with short-term rental income at best, rather than durable, compounding returns or access to asset-backed finance.

This is Bitprop's core problem to solve. Our primary impact lies with our homeowners, for whom we enable a predictable income stream and long-term asset value growth using the land they already own. Crucially, the model brings together two real and pressing needs. On the one hand, homeowners seek ways to unlock the full potential of their land, and on the other hand, there is a persistent

and structural shortage of affordable, well-located rental housing, which cannot keep up with constantly increasing demand. By aligning these needs through a disciplined operating and investment framework, capital flows efficiently to where it is most productive. The result is not a trade-off between impact and returns, but a model in which the one reinforces the other.

We believe entrepreneurship is the most effective way to build systems like this. Capital is neither inherently extractive nor inherently benevolent. Its impact depends on how it is structured, governed and deployed. Private

674 rental units built across
Cape Town since 2019

capital can support dignity, participation and long-term value creation without relying on subsidies or charity.

Bitprop exists to formalise backyard rental housing through this lens. We partner with low-income homeowners to develop formal rental units, manage them professionally, and operate them over a 10-year period before handing over full control of the rental units to the homeowner. Homeowners earn reliable monthly income and ultimately retain full ownership of the asset throughout the partnership. Tenants gain access to safe, well-managed housing at affordable price points, and investors receive predictable risk-adjusted returns. The model is simple in principle, but rigorous in execution.

As we enter our eighth year of operations in 2026, it is clear that what began as a high-potential pilot has matured into a platform with the systems, governance and track record required for responsible scale. The last year has demonstrated that the model can endure, replicate and grow without



Construction team installing the rafters for a roof for a 4 rental unit flats in the backyard of a home in Eersterivier, Cape Town (Anika Hanekom, 2023)

compromising its purpose.

At its core, Bitprop's work is about enabling fuller participation in the formal economy, starting with homeowners and extending to tenants and contractors. Ultimately, it is a mechanism for reshaping how capital engages with informality and aims to be a catalyst for private capital to invest in township economies.

The sections that follow unpack how Bitprop translates this model into measurable outcomes across financial performance, sustainable impact and long-term resilience.



New homeowners at a Bitprop landlord's home in Langa following a training session, where she mentors them through their first months as landlords (Vunene Xiluvane, 2025).

WHERE WE ARE NOW

2025 in a nutshell



Photo: Tashriq Abrahams, 2024



Part of Bitprop's outsourced, dedicated maintenance team, which services all 674 units (Photo: Vunene Xiluvane, 2025)

2025 was a year of meaningful progress for Bitprop, achieved against a challenging macroeconomic backdrop. Rising costs (especially in construction), low economic growth, high unemployment, and pressure on housing finances affected every part of the ecosystem we operate in. Despite this, the fundamentals of our model proved resilient. Operational performance remained strong, stakeholder confidence deepened and the organisation continued to mature.

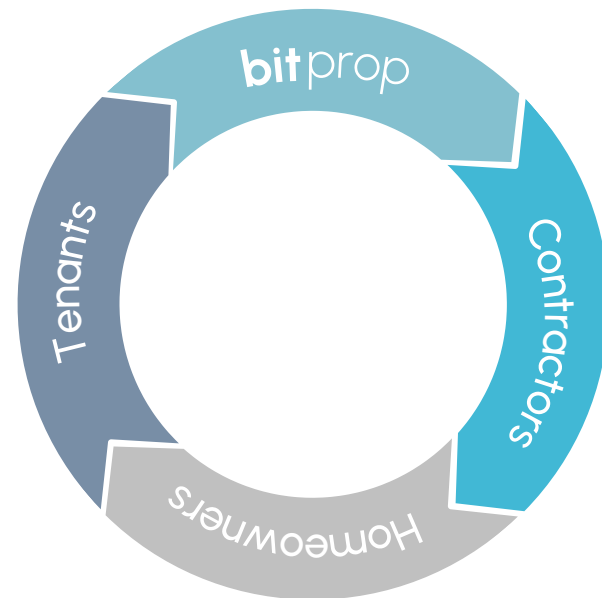
By year-end, Bitprop had provided a portfolio of 674 rental units across Cape Town that produced consistently high occupancy levels

and stable rent collections. Our rolling 12-month occupancy was 94,8% for the year, reinforcing the durability of the model and emphasising that the demand for affordable, well-located rental housing in township areas remains structural rather than cyclical; much like the need by homeowners for income stability.

Just as importantly, Bitprop as an organisation has evolved. Over the past year, we have strengthened our governance, data infrastructure and internal operating systems, continuing the shift from a hands-on, craft-based operation to an industrial systems-

driven organisation. Investment in financial controls, property management systems and reporting capabilities improved our ability to manage risk, allocate capital responsibly and support future growth.

94,8% *rolling 12-month occupancy*



The model continues to deliver tangible outcomes across stakeholders, anchored first in homeowner impact. Homeowners benefit from meaningful additional income and improved asset value on land that was

previously underutilised. Tenants access safe, compliant housing at price points that remain affordable relative to alternatives, while contractors participate in a stable pipeline of work that supports skills development and business continuity. These outcomes are explored in more depth later in this report.



An 6-unit bachelor unit under construction in Mandaly (Photo: Anikam Hanekom, 2026)

A significant milestone during the year was the increased participation of institutional capital, including the securing of a substantial funding facility from Stanlib Asset Managers (on behalf of their clients) and The Liberty Group. This reflects growing, confidence in Bitprop as a credible, scalable investment platform. This

confidence has been earned through consistent performance transparent reporting and disciplined execution in a sector that has historically been viewed as too informal or risky for institutional participation.

R160m *funding from Stanlib Asset Management and the Liberty Group*

The broader policy environment is also beginning to recognise the role that small-scale rental housing can play in addressing urban housing shortages. During the year, the City of Cape Town ratified amendments to its by-laws aimed at supporting the development of small-scale affordable rental units. This process has been underway for many years, and Bitprop is pleased to have participated in shaping these changes. This enabling environment has supported Bitprop's continued geographic expansion. In 2025, we entered three new areas in Cape Town, building on the foundations established in our initial neighbourhoods.

Innovation within the housing model also continues. During the year, Bitprop tested solar power installations on 3 properties. A year later, the results have been encouraging, and

we are expanding solar production across a further 15 properties at the start of 2026.



Cape Town Mayor, Geordin Hill-Lewis, and Deputy Mayor, Alderman Eddie Andrews visiting one of Bitprops homeowners, Zandile, at her property in Eersterivier (Photo: Unknown, 2025)

Growth remains deliberate. We continue to prioritise alignment over speed, and long-term resilience over short-term, reckless expansion. Every new project is assessed against both financial and social criteria, ensuring that scale strengthens, rather than dilutes, the outcome that the model is designed to deliver.

With a proven model, a strengthened organisation and increasing momentum, Bitprop is entering its next phase. The sections that follow provide greater detail on performance, impact, governance and

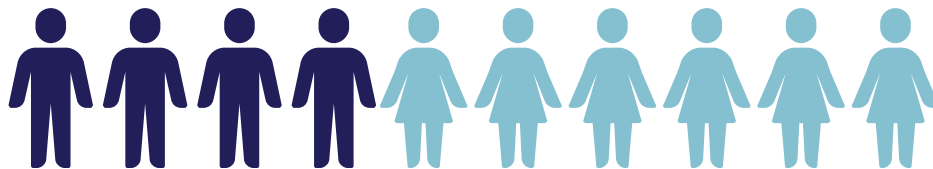
15 total properties with flats fully operating on solar power by mid-2026

outlook. Together, they tell the story of an organisation focused on one clear goal: “enabling homeowners to unlock value through land ownership in a durable, capital-efficient system that provides income to the homeowner and attracts capital to scale by providing a market related long-term financial return.”

BITPROP IN NUMBERS

*Key metrics
and highlights*

674
rental units



male 37% | 63% female

51 average
YEARS age of
homeowners



R7,4m

distributed to
homeowners
since 2019



Average Monthly Household
Income Increase

45%

during the
partnership

296%

After the
partnership

94,8% average
occupancy

R4 223

Average monthly rent 2025

12 168 sqm

Gross lettable area (38% increase from 2024)

39,8%

2025 portfolio growth



204%

average property
value increase with
the rental units



2 640

Temporary
construction jobs
created in 2025

148 tonnes

of plastic diverted
from landfill in 7 years

R142,5m

Capital deployed

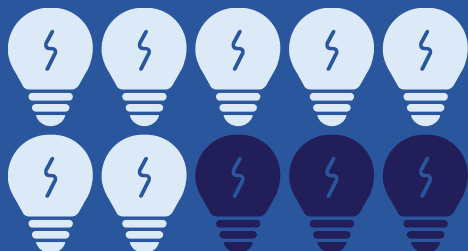
R25,3m

Rent collected 2025 (43.7% increase from 2024)

Bitprop Highlights of 2025

Scaling Solar That Works

Bitprop tested solar power on 3 properties. A year later, the results are impressive and we are expanding our solar production across another 12 properties at the start of 2026.



In 2025, 69.2% of the total power used across these three properties was supplied by solar energy and backup battery systems

Total Impact Across 3 Pilot Properties

- 4.1 tonnes of standard coal saved
- 10.6 tonnes of CO₂ emissions avoided = the equivalent of planting approximately 731 trees

Policy Progress enabling New Opportunities



The City of Cape Town ratified its by-laws amendments aimed at supporting development of small-scale affordable rental units. This has been in progress for many years and we are happy to have participated in this process. This will make it possible for us to help many more homeowners realise long-term asset value growth on the land they already own, through backyard rental development.

Scaling Our Presence Across Cape Town



In 2025, we entered three new areas in Cape Town, building on the foundations we have built in our initial areas. With our experience and the City of Cape Town's significant by-law amendments, we are now able to expand more quickly across the areas of the city that need us the most. We already have 30 rental units operating in Mandalay, a new area for us, and are establishing a presence in Macassar and Firgrove, which sit close to the economic hubs of Stellenbosch and Somerset West, bringing us closer to new markets.

100+ HOMEOWNERS






In 2025, we partnered with our 100th homeowner, and expect to reach our 150th partnership by mid-2026

Area Footprint



CITY OF CAPE TOWN

MAP LEGEND

-  BITPROP AREA
-  METROPOLE CENTER
-  NATIONAL ROAD
-  NATURE RESERVE
-  AIRPORT

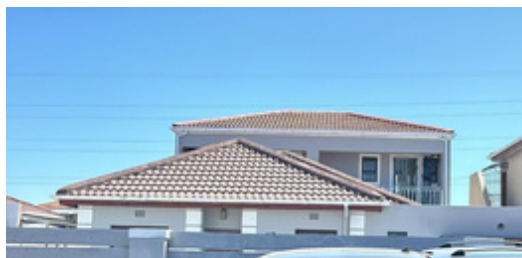


Blue Downs

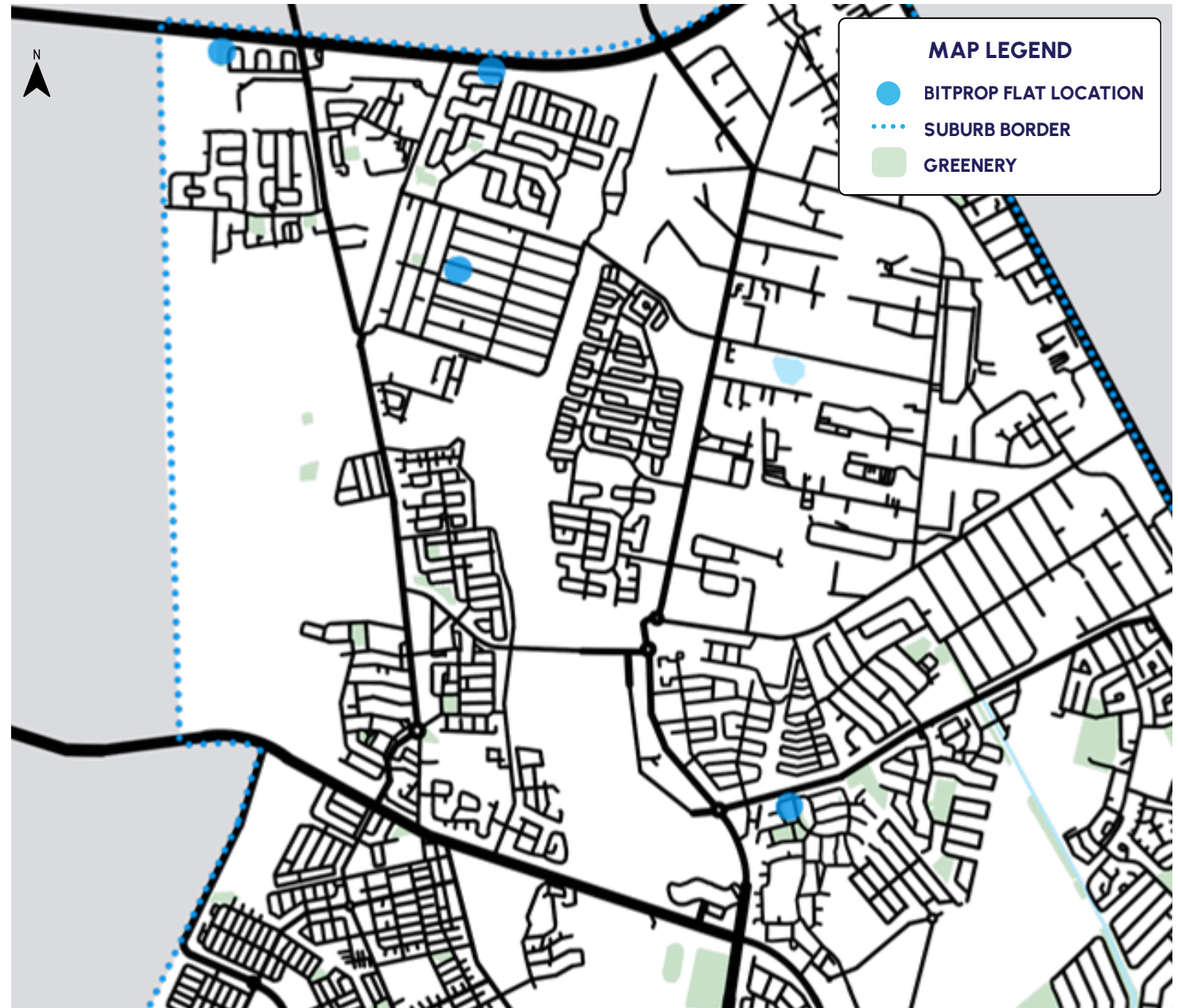
Blue Downs had an average rent of R4 354 per flat in 2025 and an average rolling 12-month occupancy of 97,9%. It is approximately 35 km from the Cape Town City Centre and 21 km from Stellenbosch Central. We have 4 properties with 20 flats in the area. All flats are bachelor flats.



4 bachelor units in Blue Downs completed in 2024 (Photo: Vunene Xiluvane, 2025)



4 bachelor units in Blue Downs completed in 2025 (Photo: Anika Hanekom, 2025)



Eersterivier

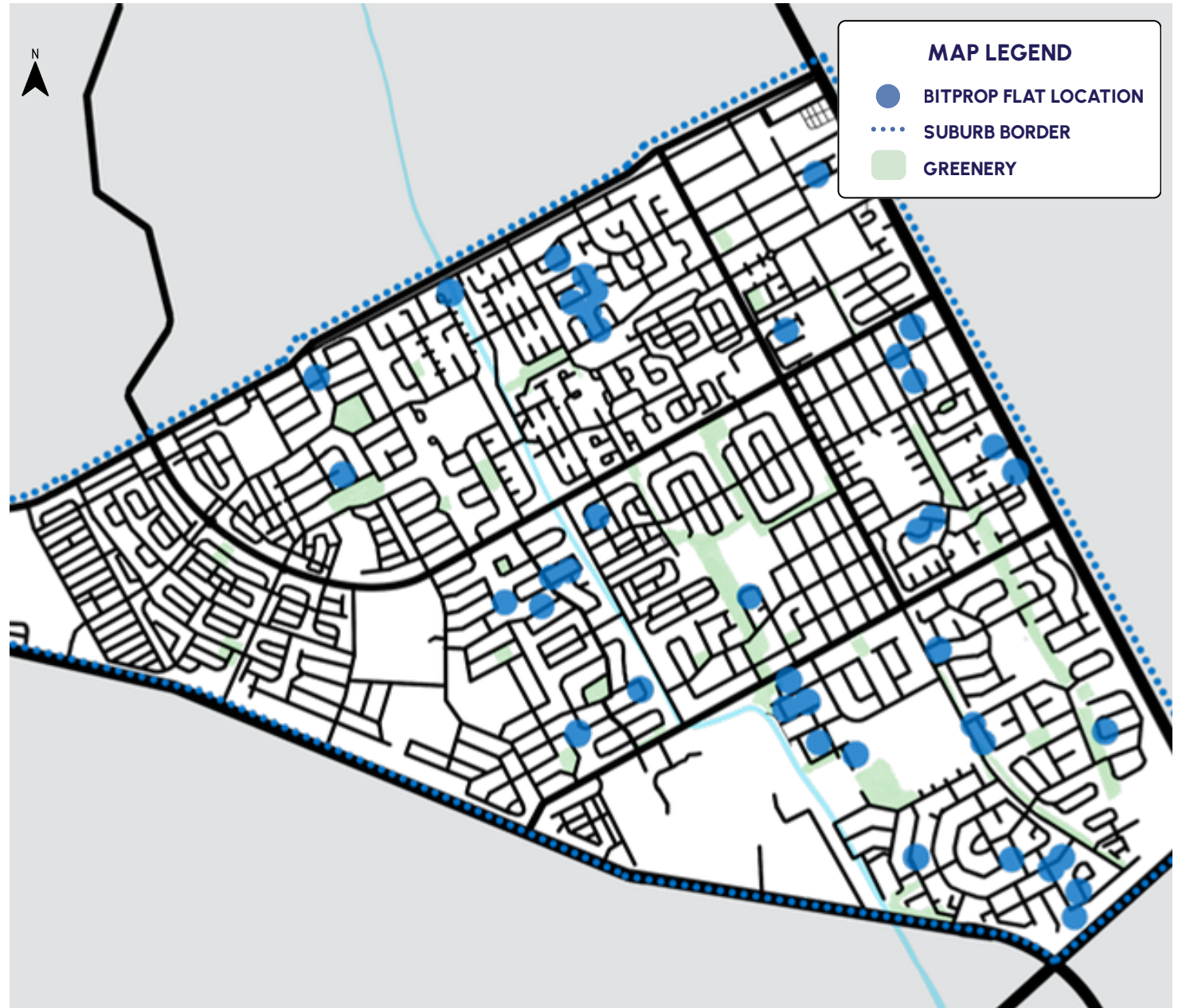
Bitprop has operated in Eersterivier for 4 years. An explosion of growth over that time has resulted in Eersterivier having the highest concentration of Bitprop properties, with 42% of the portfolio being in this area. This amounts to 208 flats across 42 properties. It is approximately 38 km from Cape Town's City Centre.



4 bachelor units in Eersterivier completed in 2024 (Photo: Vunene Xiluvane, 2025)



4 bachelor units in Eersterivier completed in 2025 (Photo: Anika Hanekom, 2025)



Eersterivier (continued)

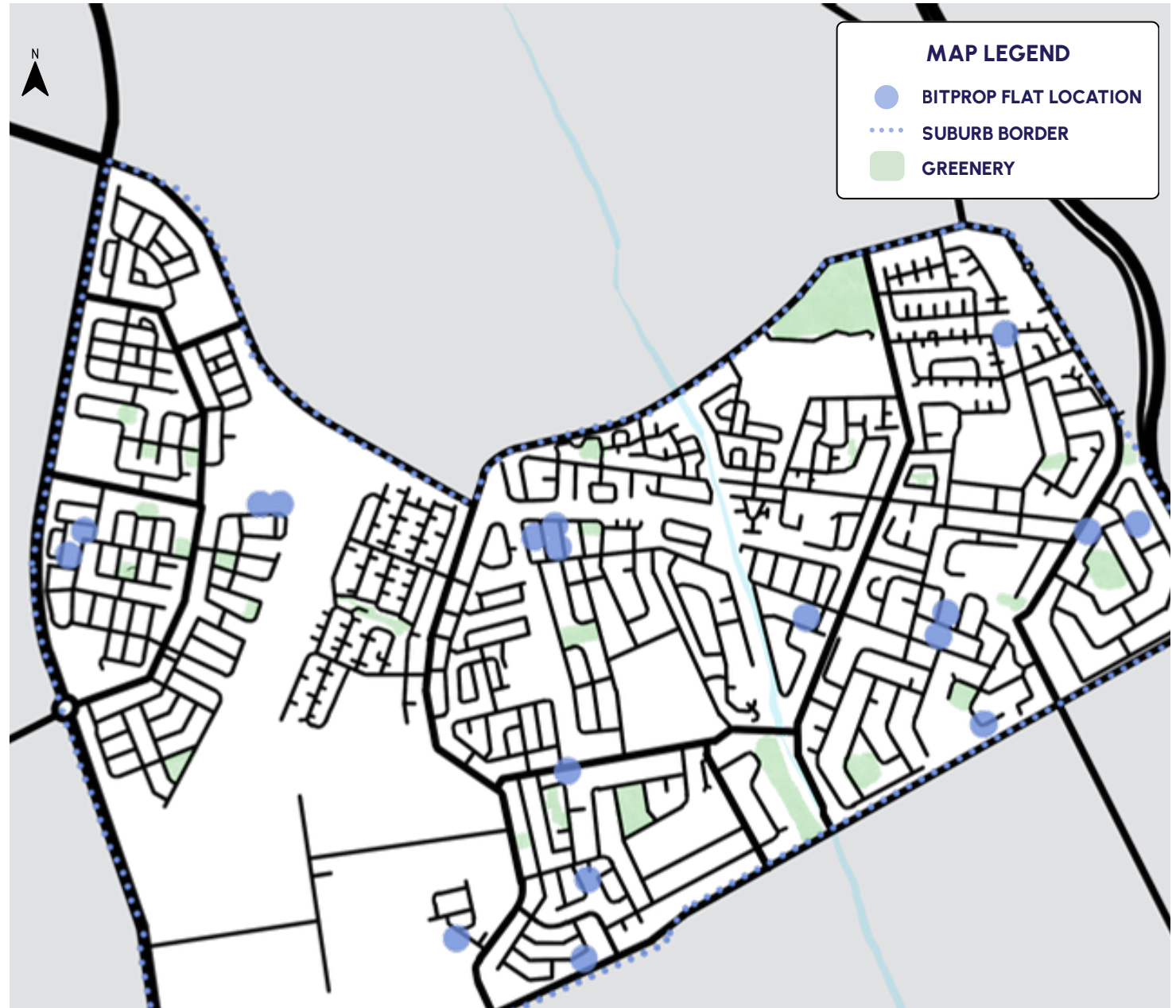
Eersterivier extends north and borders Blue Downs. Eersterivier has a rolling 12-month occupancy of 98,5% with an average rent of R4 480 per flat. 23 km from Stellenbosch Central.



4 bachelor units completed in 2023
(Photo: Vunene Xiluvane, 2023)



Bitprop's first 2-bedroom units completed in 2024 (Photo: Tashriq Abrahams, 2024)



iKwezi Park, Bongweni, & Mandalay

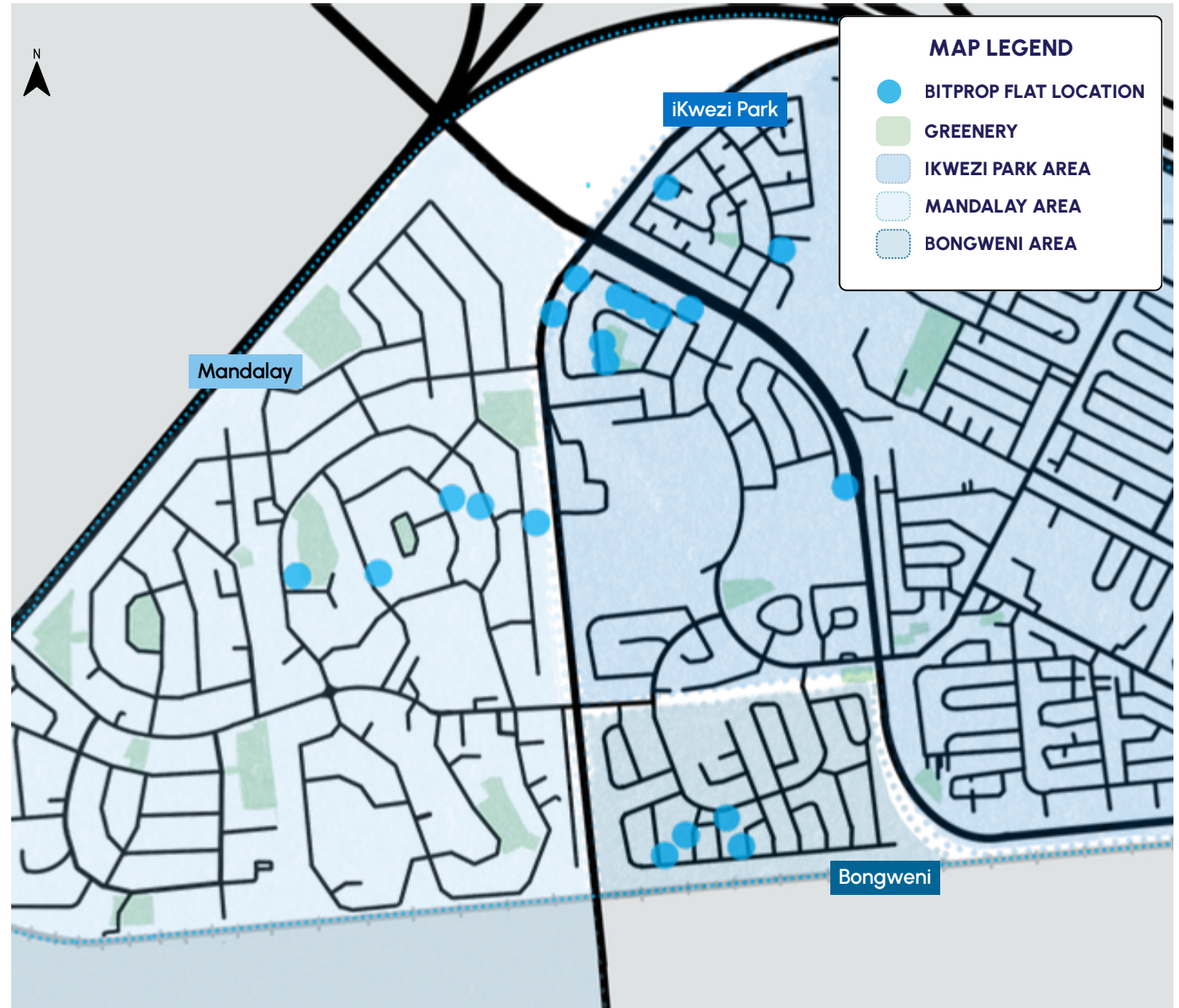
iKwezi Park holds 11 properties with 64 flats. South of iKwezi Park is Bongweni which holds a small collection of flats (4 properties | 24 flats) which is already outpaced by Mandalay (5 properties | 30 flats). Mandalay is approximately 30km from the Cape Town City Centre with and 19 km from the Cape Town International Airport. Mandalay is expected to be a growth area for the Bitprop portfolio in 2026



6 bachelor units in Mandalay completed in 2025 (Photo: Anika Hanekom, 2025)

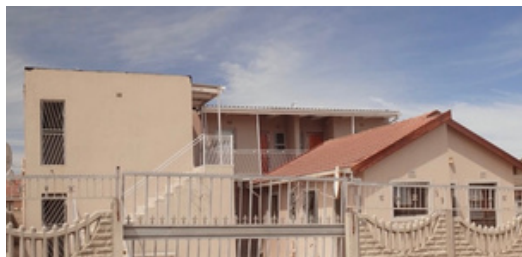


6 bachelor units in Mandalay completed in 2026 (Photo: Anika Hanekom, 2026)



iLitha Park

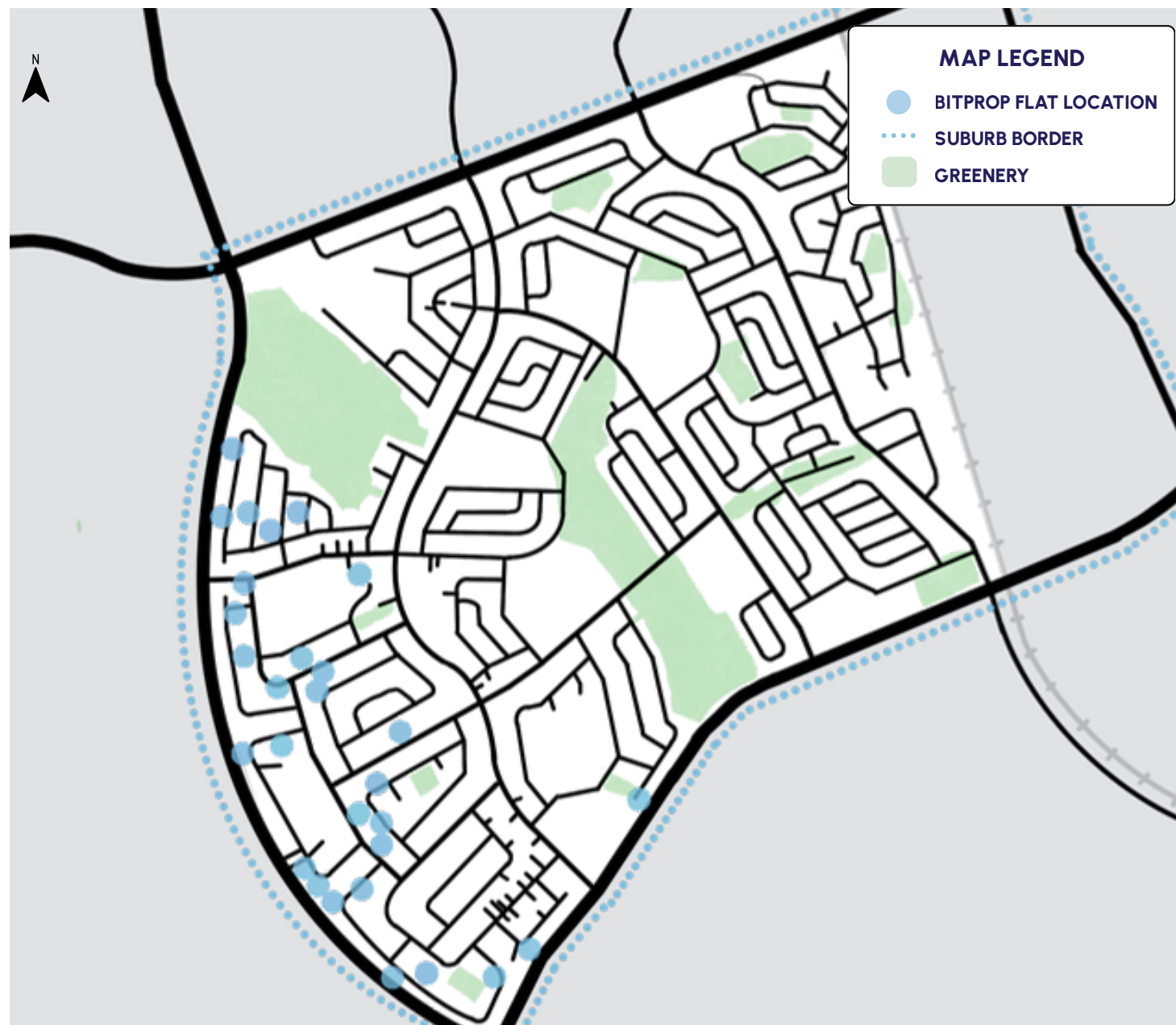
iLitha Park holds the property with the longest partnership, built in 2019. iLitha had an occupancy of 89.2% and average rent at R3 875. What was once the area with the largest concentration of Bitprop flats now sits second, with 26% of the portfolio total (28 properties | 166 flats). It is approximately 35 km from the Cape Town City Centre and 20 km from the Cape Town International Airport.



8 bachelor units in iLitha Park completed in 2020 (Photo: Espresso, 2023)



6 bachelor units in iLitha Park completed in 2022 (Photo: Vunene Xiluvane, 2024)



Langa

Langa is the oldest township in Cape Town, with the iconic cultural hub Guga S'Thebe Arts and Culture centre and a history that stretches generations. Due to the ideal location the average occupancy sits at 99,3% and the average rent is R4 182. It is approximately 14 km from the Cape Town City Centre with no traffic and 10 km from the Cape Town International Airport.



6 bachelor units in Langa completed in 2023 (Photo: Vunene Xiluvane, 2023)



Macassar & Firgrove

Opportunely located near Somerset west and Stellenbosch, the Macassar and Firgrove rental units are the furthest from Cape Town City Centre. It is approximately 42 km from the Cape Town City Centre and 10 km from Somerset West. After the by-law amendments we have now expanded into areas such as Macassar and Firgrove



6 bachelor units in Macassar completed in 2025 (Photo: Vunene Xiluvane, 2025)



THE MODEL AND WHY IT WORKS

Building a new, scalable asset class





Anika, Bitprop architect, explaining the technical elements of a Bitprop flat to applicants (Photo: Tashriq Abrahams, 2024)

Financial Model Overview

Bitprop receives investment from multiple investors. These funds are used for the construction of rental units on a homeowner's property. The development cost for each rental unit in 2025 was R250 000 (USD 15 151). Once construction is complete, the flats are rented out. Each month, the homeowner is paid 15% of the gross rent collected from their rental units.

From the 85% of gross rent retained by Bitprop, 5% goes towards a rental management service fee, while 1% and 5% of the funds are

allocated towards the insurance and maintenance of the flats respectively. An asset management fee of 3% is charged on invested assets. After these costs, a net operating margin of 58,1% of the gross monthly rent was achieved in 2025, which is cashflow available to service debt, reinvest into new backyard rental units or distribute to investors. The homeowner isn't required to invest any capital or enter into any debt arrangement with Bitprop.

58,1% *Net income margin from rental units*

Investment objective

Bitprop's primary focus is ensuring a positive impact through enabling the use of owned assets to provide a monthly income. We transform properties into sustainable micro-businesses by investing in income-generating backyard rental units, initially within the South African affordable housing sector. Beyond financial gains, the investment contributes to community development by addressing the housing crisis in South Africa and by providing a direct and immediate impact on the day-to-day income of the homeowner, creating sustainable generational asset value.

- **ROI:** Projected 10-year yield exceeding 15% p.a.
- **Term:** An investment period of 10 years in the underlying asset.
- **Risk Profile:** Moderate to high-risk, focused on the low-income affordable housing sector.
- **Risk Mitigation:** Invest into a portfolio of rental units that spreads risk across multiple properties.
- **Demand:** Demand substantially exceeds supply within this sector.
- **Consistency:** Consistent monthly operating metrics of the rental unit portfolio.

Our investment case:

Why Bitprop?

Bitprop has invested 7 years in operations into building a team, developing the systems and proving that the model works and is scalable.

R142,5m invested over 7 years

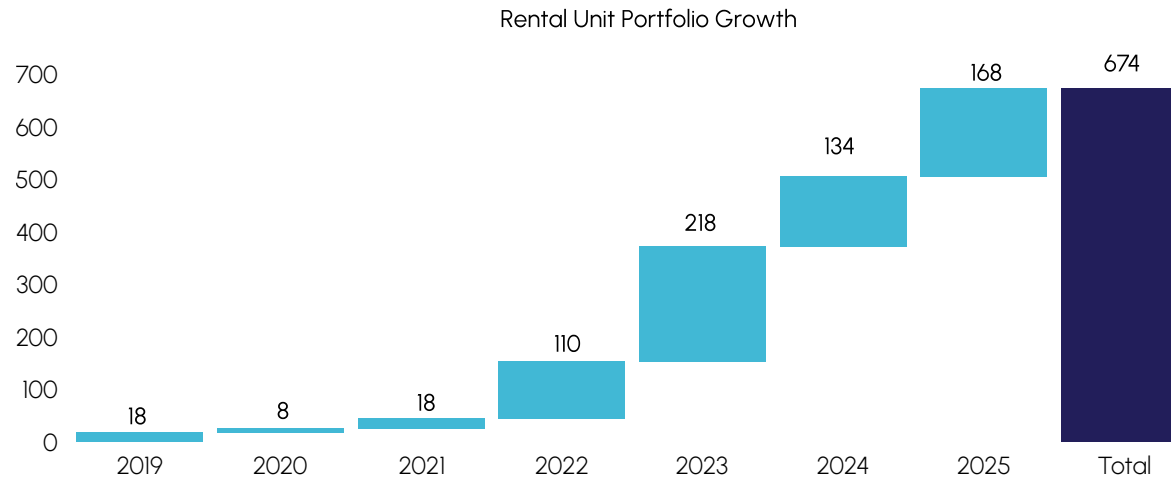
With 674 flats across 127 properties in the townships of Cape Town, a rolling 12-month occupancy rate of 94,8% and projected long-term annualised returns to investors of over 15%, we have demonstrated that our model provides a robust way of using private capital to deliver consistent returns and identifiable scalable social impact over time.

Our data-driven, technology-enabled approach has provided us with the leverage to expand our impact at significantly reduced overheads. Our projected return over a 10-year period has grown consistently and remains well above our benchmark rate, showcasing a relatively low-risk investment that provides consistent returns and achieves social and environmental impact that is significant and long-lasting.

Rental unit portfolio

By the end of 2025, Bitprop had delivered a total of 674 rental units in the townships of Cape Town. In April 2024, the 2019 pilot projects, comprising a total of 10 rental units, were successfully handed over to their respective homeowners. The results have been positive, with homeowners continuing to manage and operate the units independently and effectively. In addition, one property comprising 8 rental units entered into an early settlement agreement.

As at 31 December 2025, we continue to manage and operate 656 rental units, representing a gross lettable area of 12 168m². The majority of our portfolio consists of studio and bachelor flats. We have introduced a limited number of one-bedroom and two-bedroom flats to accommodate families, with both new designs experiencing very strong demand, and we plan to continue expanding these configurations across the portfolio. The rental unit portfolio continues to grow steadily and consistently each year, increasing the rental unit portfolio by 39,8% in 2025 (2024: 38,5%).



Intrinsic Value - INAV

Sustainable 10-year rental cash flows underpin this business model and make intrinsic valuation the preferred, transparent framework for assessing performance and value. Management considers INAV to be the most appropriate valuation measure because the business is fundamentally driven by long-duration cash flows rather than short-term earnings. Accordingly, INAV best reflects the present economic value of the operating rental portfolio and its recurring 10-year cash flows, capturing the embedded value of the portfolio.

Leases are valued using a discounted cash-flow (DCF) methodology. Forecasts draw on current operating metrics and incorporate occupancy, rent levels, escalations and operating expenses (including rental management, maintenance, insurance, and asset management fees). Monthly forecasted cash flows are discounted to net present value using a rate that reflects the portfolio's debt-to-equity mix and the costs of both debt and equity. The valuation is prepared monthly and is based on operating rental units and other investments held.

On this basis, INAV on 31 December 2025 is R163,3m (2024: R107,2m), with a weighted INAV

Investment performance

The performance of the portfolio in 2025 continues to prove that the business model is sustainable and robust, with continued impact being achieved. Strong delivery against all key performance indicators was maintained during the year, including excellent occupancy levels and continued strong rental collections in 2025 of R25,3m (2024: R17,4m), an increase of 45,1%, and an operating yield net of fees of 58,1% (2024: 58,5%).

Return on Invested Capital (ROIC) for 2025 is 13,3% (2024: 12,1%). Consolidated NAV is R125,6m (2024: R90,7m) including cash on hand of R27,3m, with a low debt to equity ratio of 14,0% (2024: 16,7%)

Capital deployed

By the end of 2025, a total of R142,5m had been deployed into backyard rental units (2024: R95,7m), with R46,8m deployed over the previous 12 months. This increased the portfolio by 39,8% to 674 backyard rental units across 127 homeowners with whom we have partnered, creating an income stream from a previously "lazy asset".

39,8% *portfolio increase in 2025*

per issued share of R17 466 (2024: R14 127) increasing year on year by 23,6% and an increase in value relative to equity invested of R56,1m. The INAV reflects 5 year compounded annual growth rate of 15,0% per annum.

R163,3m *INAV on 31 December 2025*

Investors

Bitprop has spent 7 years proving that the model is robust, raising over R120,7 million (USD 7,3 million) equity from private individuals and demonstrating consistent returns that have helped reduce the perceived risk of investing in the township backyard residential market.

R160m *funding facility from Stanlib Asset Management and the Liberty Group*

Sector	(Social) Impact Investment – Residential Property
Invested Equity	R120,7m (2024: R85,7m) up by 40.7%
Deployed Capital	R142,5m (2024: R95,7m) up by 50.5%
Intrinsic Net Asset Value	R163,3m (2024: R107,2m) up by 52.4%
Intrinsic Net Asset Value per weighted average issued share	R17 466 (2024: R14 127) up by 23.6%
Intrinsic Net Asset Value per issued share	R15 499 (2024: R12 810) up by 21.0%
Return on invested capital	13.3% (2024:12.1%)
Debt: Equity	14.0% (2024:16,7%)
First Investment Date	2019
Reporting currency	ZAR (R)

Bitprop has secured significant South African institutional capital from Stanlib Asset Management and The Liberty Group to continue and expand its impact. Stanlib Asset Management and The Liberty Group's R160 million (USD 9,7 million) facility allows us to build the next 750 rental units across Cape Town from 2026 - 2028, enabling the portfolio to expand to 1 200 rental units, and is a significant milestone in our validation of the model as a scalable, investible asset class.



iBuild Homeloans

In 2023, Bitprop acquired iBuild Homeloans, a Cape Town-based company providing low-income homeowners with affordable homeloans to build 'separate entrance rooms' for rental purposes. The rental income generated from the rooms supports the ability of the borrower to repay the mortgage and can ultimately improve the client's ability to support a family, or to help in retirement; much like how Bitprop's partnerships help its homeowners. iBuild Homeloans has a funding facility from the National Housing Finance Corporation (NHFC) which, along with the

initial equity raised from others, helped build out a loan book of 182 home loans.

The strategic acquisition of iBuild Homeloans in 2023 served a number of purposes:

- Confirmed support of a philosophy of wealth generation from what can be described as a "lazy asset"
- A credit registration with the National Credit Regulator (NCR) enabling further credit product development within the Bitprop ecosystem
- Strengthened Bitprop's positioning within a unique, under-served market segment
- Complementary customer base

- Cross-selling opportunities into a similar market with potential portfolio expansion
- Long term returns enhancement for Bitprop investors through optimising the operations of iBuild.

The acquisition wasn't made with the intention of extending further home loans, iBuild collects repayments of existing home loans and continues to be profitable, providing a boost in returns to MPDF investors while Bitprop extracts further value from the business through its market exposure and national credit provider license. Over time, the home loan book will be collected, with no new home loans being made through the iBuild Homeloans brand.



15 Flats built in 2019 using a homeloan from iBuild
(Photo: Connie Guda, 2021)



18 Flats built in 2019 using a homeloan from iBuild
(Photo: Connie Guda, 2021)

THE IMPACT

Impact Themes and the Stakeholders Involved





The Bitprop team alongside the homeowner, Patricia (in pink), in Mandalay after her Open House (Aloane De Souza Oliveira, 2025)

Impact model: Five Dimensions of Impact

To assess each theme and identify impact, we have referred to Impact Frontiers' 'Five Dimensions of Impact', a model that measures impact according to five criteria:¹

- What the impact activity is and how important it is to the stakeholder,
- Who the stakeholder is and why they need the impact,
- How much impact is felt by the stakeholder as a result of the impact activity,

- The Contribution of the impact activity towards the problem and to what degree the outcome was better than what might otherwise have been without the impact activity, and
- the Risk that the outcome might be different than expected. This is assessed according to Impact Frontiers' 9 types of impact risks (addendum A).

Across Bitprop's operations, impact is achieved across five broad themes.

1. The creation of sustainable, meaningful, additional monthly income streams for homeowners

2. The creation and formalisation of asset value through property for those homeowners
3. The research, testing and use of environmentally responsible construction materials
4. The direct and indirect creation of jobs for township residents
5. The provision of high-quality, affordable residential rental flats

Impact Frontiers has worked with the support of the Rockefeller Foundation, MacArthur Foundation, Metanoia Fund and Omidyar Network.¹ This model was developed by and for investors and relies on evidence of reality-based impact to direct funding towards organisations that directly solve urgent social and environmental challenges. This outcomes-based model charts growth, responsibility and most importantly, lives changed.

In order to succinctly assess and objectively report Bitprop's impact, a summary of all actions has been tabulated according to each theme. From the impact of additional income on each individual homeowner to the collective impact on construction businesses growing through the capital funneled by Bitprop, the core principles are demonstrated through the measurable outcomes of the work undertaken.

Sustainable income creation

Immediate homeowner rental income has created an average monthly household income increase of 45%.

Asset value growth

Our homeowners see an average property value increase of 204% without contributing any capital.

Environmental sustainability

Our flats have incorporated 148 tonnes of plastic waste recycled across our portfolio since inception.

Township job creation

In 2025, an estimated 2 640 temporary jobs have supported 8 700 people in the community.

Affordable housing for tenants

Over 2,557 days since 2019, Bitprop has housed more than 3,200 people, providing a total of 200,894 rental accommodation days.

Sustainable income creation

What

Low-income homeowners receive 15% of gross rent collected each month (average R 3 067/USD 186). Through our homeowner relationship managers, our homeowners receive reliable guidance to run a sustainable rental business. Creating this sustainable income addresses numerous SDGs: No Poverty (1); Zero Hunger (2); Gender Equality (5); Decent Work and Economic Growth (8); Industry, Innovation and Infrastructure (9); Reduced Inequalities (10); Peace, Justice and Strong Institutions (16); and Partnerships for the Goals (17).

Who

Our 127 homeowners have an average age of 51 years. 63% are women, 11% are unemployed and 25% are retired and living off the South African state pension.

How Much

Our homeowners see a 45% household income increase on average with their new 15% monthly rental income stream. With an average of 3,3 members per household¹ across 127 properties, an estimated 419 people directly benefit from the rental income. As of December 2025, we have distributed almost R 7,4 million (USD 448 000) in rental income to township families across Cape Town.

The Contribution

Without Bitprop, most of our homeowners would have been unable to develop the quality of flats that are able to earn significant rental income. Design, material and quality affect the rent that can be charged. The consequence of lower quality flats is lower rent levels with unreliable tenants that result in less guaranteed rental income, and increased maintenance expenses.

The Risk

(refer to Addendum A)

Notably, Evidence Risk is identified as medium, given the challenges posed by the under-researched informal rental sector. Stakeholder Participation Risk is deemed low, as although homeowners unfamiliar with property rental may be challenged by tenant management initially and dissociate from responsibilities, our homeowner relationship managers assist them to overcome these challenges. Execution Risk is also deemed low. Tenant occupancy affects the value of the homeowner's 15%, but average occupancy is 94,8% in reality and this is not a major problem for homeowners as a result. Unexpected Impact Risk is assigned a medium rating, as the pioneering nature of this model leads to initial scepticism, but seven years of data proves viability. Unexpected positive impact has been identified on some properties, e.g. the employment of refuse cleaners by homeowners with increased cashflow; an unintended entrepreneurial side-effect.

Asset value growth

What

Due to the addition of formal rental flats, property value increases immediately by 204% on average. Combined with formal council submissions and our assistance with regularising their title deeds and implementing wills, homeowners can access the full benefits of property ownership, such as being able to use the property as security against a loan within the regulated lending sector, sell, or ensure intergenerational succession. This asset value enhancement addresses numerous SDGs: No Poverty (1); Good Health and Well-Being (3); Quality Education (4); Gender Equality (5); Economic Growth (8); Industry, Innovation and Infrastructure (9); Reduced Inequalities (10); Peace, Justice and Strong Institutions (16); and Partnership for the Goals (17).

Who

Our 127 homeowners have an average age of 51 years. 63% are female, 11% are unemployed and 25% are retired and living off the South African state pension.

How Much

Our homeowners see an average of a 204% increase in property value. 11,8% received assistance with administration on their title deeds. Only 14% had wills in place to enable estate succession before the partnership, but now 100% have a valid will. Informal structures were in place on 37% of properties, being rented out as substantially lower rentals, but no sustainable income, Non NHBC compliance and no long term value creation

The Contribution

While some homeowners might have built informal or lower quality flats (inferior construction material, methodology or not aligned with National Building Regulations), the key impact of Bitprop's intervention is the formality of the flats and the professionalisation of their property rental businesses. With formal submitted plans, the market value of the flats can be realised on the asset and the homeowner is able to borrow against their asset, which includes the flats and their rental income potential.

The Risk

(refer to Addendum A)

Evidence Risk is low. Data on the informal property market is limited, transaction data is unrecorded and much of the infrastructure in place is not formally registered with the municipality. On our properties, however, all title deed data is registered with the Deeds Office, all plans are submitted to the town planning department and the relevant data can be tracked. Unexpected Impact Risk is medium, as this is a new model in this context. The uptake on future sales of properties and the impact on the homeowner and children cannot accurately be measured, given the long timeframe required and lack of precedence. As we are still within the ten-year partnership term in all standard partnerships, no data exists yet on the sale of a property.

Environmental sustainability

What

Our model improves the environmental impact of the rental flats with only a 3% increase in material costs compared to conventional materials, bringing environmentally responsible materials to the township construction industry. Our flats have incorporated 148 tonnes of plastic waste recycled across our portfolio since inception. This addresses numerous SDGs: Clean Water and Sanitation (6); Affordable and Clean Energy (7); Industry, Innovation and Infrastructure (9); Sustainable Cities and Communities (11); Responsible Consumption and Production (12); and Climate Action (13).

Who

Improved environmental responsibility is critical to society as a whole. Beyond this, it specifically benefits our contractors, who are upskilled in new construction methods, allowing them to keep pace with developments in the formal construction industry.

How Much

For each flat built, we incorporate 750kg of recycled plastic in the Resin8 aggregate mix and 143 kg of polystyrene waste in the LiteConcrete blocks. Our designs result in an improved product specification without visible changes. Our design uses 64.3% less embodied energy than a conventional affordable rental property. Over 7 years, we have recycled 148 tonnes of plastic which equates to 7.4 million standard 500 ml plastic bottles.

The Contribution

Given that the use of environmentally responsible materials in the township construction industry is virtually non-existent, without our construction specifications none of that plastic would be recycled. More conventional material would be required, meaning more sand extracted from the environment, increased use of fossil fuels and higher energy costs.

The Risk

(refer to Addendum A)

Evidence Risk is low because we have concrete measurements from all suppliers and the quantitative impact of our interventions is easy to evaluate. External and Endurance Risk are both high, as all our sustainable materials are designed and produced by external suppliers and we are reliant on them to be able to use the materials. Our Alignment Risk is medium, as there is some risk that our sustainable material suppliers go out of business due to the nascency of the industry, but all three major suppliers have large existing contracts that extend far beyond just supplying Bitprop. Stakeholder Participation Risk is low. Although there is low demand for sustainable development, it is due to ignorance rather than aversion. With our pricing and building methods close to that of conventional construction, our contractors are aligned, and because the end product looks the same and performs better than a traditional building, no issues arise from homeowners or tenants.

Township job creation

What

Homeowners and their families are upskilled to run rental businesses with the support of Bitprop's systems and expertise. Bitprop partners with lead building contractors from the township who run their own construction businesses, creating recurring employment across our projects. Through this reliable project stream, workers earn sustainable income and can support their families; a positive impact on the local township economy. This addresses numerous SDGs: No Poverty (1); Zero Hunger (2); Quality Education (4); Decent Work & Economic Growth (8); Industry, Innovation and Infrastructure (9); and Partnership for the Goals (17).

Who

Our lead contractors are local builders with small, informal construction businesses that typically survive project-to-project. All team members are local and support families from the same communities in which they build.

How Much

Our 127 homeowners each have a small rental property business up and running. Our 3 building contractors created approximately 2 640 temporary jobs across projects in 2025. Our contractors work on between 4-5 projects simultaneously. Bitprop directly invested R 46,8 million (USD 2,84 million) into the township construction industry in 2025 through these local contractors – almost R 3,9 million (USD 236 000) a month when at maximum output.

The Contribution

Property businesses created for homeowners are more sustainable than available job opportunities. The intervention has an important contribution towards creating sustainable employment alternatives for the 11% unemployed homeowners who receive a significant average increase in income (45% immediately, 296% after partnership). For our contractors, the consistency of projects maximises efficiency in terms of team organisation, skills development and cash flow.

The Risk

(refer to Addendum A)

External risk is medium; our contractors are not part of Bitprop and management of their companies is out of our control. Problems they face do not necessarily impact us directly and we are able to onboard new contractors quickly. In the short-term, however, reduced output or quality concerns may arise. Drop-off risk is medium, given that contractors can stop working with us at any point. This only occurs if we are unable to maintain a consistent pipeline of projects, forcing them to look for other work. In the last 4 years this has not occurred, as we have been able to provide an average of 3 projects a month.

Affordable housing for tenants

What

Bitprop develops rental flats in Cape Town in the affordable rental accommodation segment, addressing a part of the affordable housing shortage. Each apartment has key infrastructure installed, including hot and cold water, prepaid water and electricity meters, a sewerage connection, a satellite TV connection, Wi-Fi access conduits, burglar guards and a security gate. This affordable housing addresses numerous SDGs: No Poverty (1); Zero Hunger (2); Quality Education (4); Decent Work & Economic Growth (8); Industry, Innovation and Infrastructure (9); and Partnership for the Goals (17).

Who

Our flats are ideal for individuals or couples who are young professionals and who prefer to live in the township, either because it is where they grew up, or to save on rent costs. Access to transport, convenience of location and affordability are key factors.

How Much

Bitprop has developed 674 backyard rental flats, 4-units, 6-units and 2-bedroom family units, targeting the affordable housing shortfall and contributing towards targets set by the City of Cape Town.

The Contribution

Had our flats not been built, alternatives available would most likely have been in the same areas, but more informal and more likely to have safety and security issues, poorer health environments and be less conducive to economic well-being.

The Risk

(refer to Addendum A)

Evidence Risk is low because despite the general lack of data in the segments we work in, renting as a concept is fairly ubiquitous and behaves similarly across segments. Our tenants are young professionals who are familiar with most rental concepts, even if these aren't always followed by landlords in a township environment. We are thus able to analyse rental behaviour with the same models as in the formal sector, where there is a huge amount of research available. Unexpected Impact Risk is medium, given that we are operating in a data-scarce environment and because our model of co-management with the homeowner introduces some complexity to the relationship with the tenant. As a whole, it works very well, but there is some uncertainty as to how this might adapt in new areas or rental environments. Without Bitprop's 674 new flats, the competition for quality affordable housing in these areas for this segment of tenants would be greatly increased and more tenants would have to settle for lower-quality living, or pay higher rent levels in other areas.

These themes are not abstract ideas. They guide how decisions are made and how those decisions carry through into systems, projects and partnerships. And they only work because of all the players that come together, each with their own goals and pressures, but with a shared desire to make this ecosystem work for the benefit of those that need it most.

- Homeowners are pragmatic asset builders and entrepreneurs, investing in their properties to generate income and long-term value.
- Tenants are upwardly mobile, cost-conscious professionals seeking stable, well-located housing.
- Investors allocate capital expecting disciplined returns alongside measurable social impact.
- The City of Cape Town works to respond to housing demand within real policy and infrastructure limits.
- Contractors are scaling quality-driven construction businesses.
- Material partners are commercialising more sustainable building inputs.

Bitprop acts as the accountable coordinator, bringing the structuring, funding, and operating system together, ensuring incentives remain aligned, and the positive impact can continue to grow for all stakeholders.



Homeowners, William and Marilyn, in Macassar (Photo: Vunene Xiluvane, 2025)



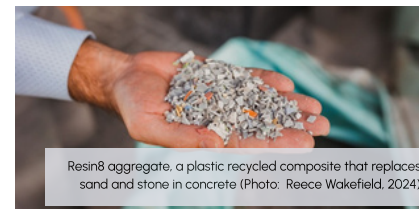
A family touring a flat in Eersterivier (Photo: Tashriq Abrahams, 2025)



Victor, a lead building contractor. (Photo: Razaan Reggiori, 2024)



Leon, a Bitprop advisor, on a construction site (Photo: Ellen Kvarby, 2024)



Resin8 aggregate, a plastic recycled composite that replaces sand and stone in concrete (Photo: Reece Wakefield, 2024)



Bitprop team member, Brittany, explaining the model to a homeowner (Photo: Tashriq Abrahams, 2024)



Homeowners as the ambitious and pragmatic entrepreneur

Bitprop's central and most vital stakeholder in the ecosystem is the homeowner. Each homeowner faces a series of similar challenges, goals and dreams that attracts them to Bitprop.

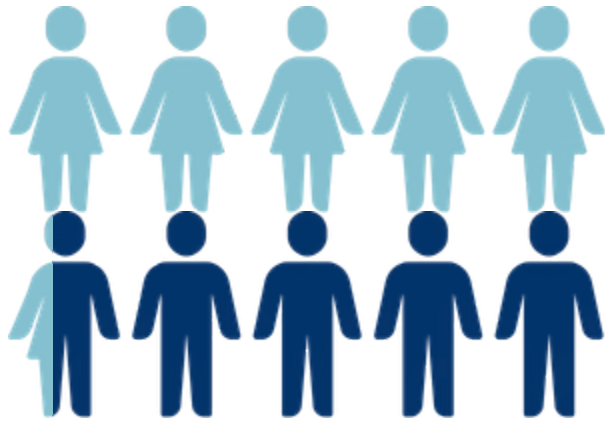
In order to give context to the partnership with each homeowner, it's important to establish who they are. Our average homeowner lives in a township in Cape Town, is in their early 50s

and is at a stage in life where financial stability and retirement security become increasingly important considerations. While the majority are still economically active in public or private sector jobs, a portion is retired and living on the state pension.

The majority of homeowners are women who are the primary decision makers within their households. Many homeowners already had

51 years old on average of homeowners

Homeowner Profile Breakdown



female 63% | 37% male

informal backyard structures in place before partnering with us, whether shacks or partly built flats, but their aspiration was to replace those with formal, durable housing that would generate much better income and hold value well into the future. Some are recent retirees looking to supplement their limited state pensions (R2 320/USD 141 in 2025)¹, while others are working professionals hoping to build a long-term sustainable income stream that will support them in old age. Many hope to leave behind an asset and income stream of value for their children and grandchildren.

In South Africa, the notion of a stable, secure middle class is under significant pressure. Once comprising around 40% of South Africans, the middle class is now estimated at closer to 35%



Homeowners, Ronald and wife, Emerentia, based in Eersterivier (Photo: Vunene Xiluvane, 2025)



Homeowner, Zandile and her grandson, Mthetho, based in iLitha Park. (Photo: Vunene Xiluvane, 2025)



Homeowner, Nokuzola based in Langa. (Photo: Vunene Xiluvane, 2025)

of the population, illustrating a tangible contraction in this socioeconomic group.

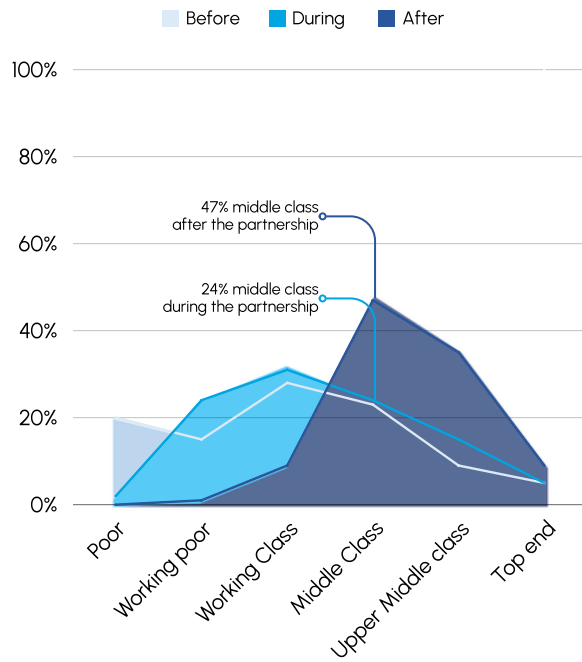
Middle-class households play a crucial role in urban systems. They are often the largest contributors to municipal revenue through rates, taxes, and utility payments; revenues that fund infrastructure, service delivery, and upgrades across the urban environment. When the middle class shrinks or stagnates, these fiscal foundations weaken.

What this means for South African cities, and the communities within them, is that the ability of municipalities to maintain, expand, and improve critical infrastructure is strongly linked to a thriving middle class that can reliably contribute.

Bitprop's homeowner demographic reflects this dynamic. According to the University of Cape Town's 'Open Access Monograph: Marketing to the South African Consumer', prior to our partnership, approximately 60% of our homeowners fell into the 'poor' and 'working poor' income categories. Half moved up an income bracket immediately once they receive their 15% share of the monthly rental income. When they receive 100% of the monthly rental income after 10 years, another 49% move up one income bracket, 29% move up two income brackets and 11% move up

1. South African Government, n.d.

Homeowner income distribution before, during and after the partnership



Income Segmentation	R	USD
Poor	< R 3 500	< USD 184
Working Poor	R 3 500 - 8 000	USD 184 - 421
Working Class	R 8 000 - 22 000	USD 421 - 1 158
Middle Class	R 22 000 - 40 000	USD 1 158 - 2 105
Upper Middle Class	R 40 000 - 75 000	USD 2 105 - 3 947
Top End	> R 75 000	> USD 3 947

Note: Income segmentation categories defined by University of Cape Town's 'Open Access Monograph: Marketing to the South African Consumer':

three income brackets. This places 24% immediately in the middle class once they receive the 15% rental income, and 47% in the middle class after the 10-year partnership. Our homeowners are in a better financial position both immediately and at the end of our partnership.

The effects of this are tangible. The 15% of rental income homeowners receive often goes directly towards municipal bills, demonstrating the immediate positive participation of our partners in this broader community development.



Homeowners, Marsha, based in Eersterivier posed in front of her newly built flats. (Photo: Tashriq Abrahams, 2024)

advance to the middle class income bracket after the partnership **47%**

24% immediately advance to the middle class income bracket

Bitprop's homeowners have historically faced a number of challenges in life. Some of these include:

- Despite owning property, our homeowners remain excluded from the formal property market due to poor credit scores preventing them from accessing traditional home loans. Because of this, conventional development finance is inaccessible and although their properties represent security and shelter, they don't provide a meaningful source of income or long-term wealth creation.

555 average homeowner credit score*

- Access to capital is the single biggest barrier, with savings usually being

*On a scale from 1 - 720 as measured by Experian credit bureau

insufficient and formal financing largely unavailable. Informal credit, where available, is expensive and risky. As a result, many backyard rentals take the form of informal or poorly built structures that do generate income, but less than possible with formal flats. Informal developments also come with downsides such as safety risks, municipal penalties and long-term devaluation of the property.

- Beyond financing, other structural barriers exist, such as an inefficient title deeds registry, which means that many township property title deeds are inaccurate or missing, while wills are uncommon, leading to many complicated situations when a property needs to be transferred due to sale or death. Without a clear title, the property cannot easily be sold, borrowed against or transferred to the next generation. This locks a lot of value into informality and makes value very difficult to access.

For many homeowners in this situation, the prospect of a Bitprop partnership solves a number of these issues. The partnership introduces a new and reliable income stream through their 15% of gross monthly rental. This contributes to a significant upliftment in income across our homeowner portfolio,

particularly for those that are unemployed or living off the state pension. For the homeowners with complicated title deed situations that partner with us, we assist them correct or transfer their deeds, and we ensure they are able to put a will in place that protects the long-term wishes of the homeowner for their family.

This is a foundational step in creating long-term prosperity for each homeowner, as it secures ownership, clarifies succession and gives them a platform to obtain value from one of the key benefits of formal property ownership. Our homeowners are trained and

supported as landlords during their 10-year partnership with us so that when the time comes, they are able to take over full management of their property business and maintain its effectiveness in creating sustainable, long-term value.

For many who are first-time landlords, this training is crucial and the first few months of operations can be challenging. But through ongoing guidance, they build confidence and skills, all of which assist in setting them up to run a successful property business. At the end of 10 years, the homeowner has transitioned from being a passive beneficiary of income to



Homeowners based in iLitha Park at Bitprop training (Photo: Vunene Xiluvane, 2025)

an active, self-sufficient property entrepreneur.

Beyond the income and asset value growth created, our homeowners often speak about gaining a renewed sense of pride in their property and its appearance. Well-built, attractive flats change how a property, and the street beyond, are perceived. Communities respond very positively to this. One homeowner has received many positive comments from their neighbours, which helps translate the homeowner's pride into a sense of responsibility for their surroundings.

"...you are bringing Parklands to Langa..."

- neighbour of a homeowner referring to the design of the flats resembling that of a suburb with higher rental

This pride translates into better-maintained properties with clean shared spaces. At scale, these changes contribute to more stable, dignified neighbourhoods. At the end of the 10-year partnership, the 100% rental income received by the homeowner each month represents a substantial financial transformation, with household income increasing compared with pre-partnership levels.



Guests attentively listening to a presentation at a Bitprop Open House (Photo: Tashriq Abrahams, 2024)

We also see a shift in time horizon. At its core, the aspiration of our homeowners is stability, in their lifetimes and for the generations that come afterwards. With formal title deeds, valid wills and a functioning business model in place, homeowners and their families can begin thinking in decades rather than months. Their property becomes more than a source of survival income, but a secure, transferable asset capable of supporting future generations. In this way, Bitprop's partnership moves beyond housing delivery or income creation to a pathway from informality to formal participation in the property economy; a huge step towards creating financial resilience and intergenerational wealth.

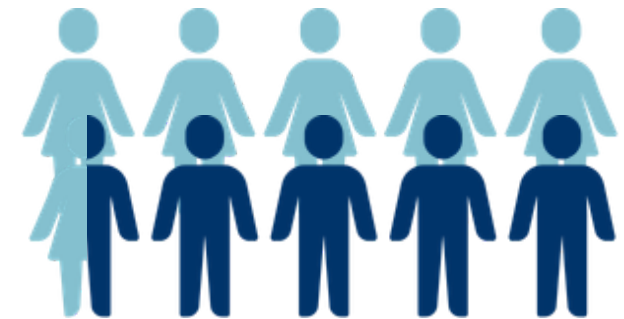


Tenant signing up to rent a flat open house hosted at our first property in Langa. (Photo: Tashriq Abrahams, 2023)

Tenants as the upwardly mobile young professional

As with the homeowner, the success of Bitprop relies on a constant stream of good tenants who call our flats home. The demand for affordable, yet high quality housing in Cape Town is strong and constantly under pressure. This is the niche that Bitprop works in, catering for young adult tenants in the process of building their lives.

Bitprop's tenants are predominantly young, economically active adults in the early stages of their working lives. With an average age of



female 54% | 46% male

31 years old, they include nurses, police officers, call centre agents, security staff, service workers and students. Most of our tenants live alone or as a couple. While the vast majority are South African (98%), we do have tenants



Bitprop's architect, Anika, guiding a potential tenant through a vacant flat (Tashriq Abrahams, 2024)

from neighbouring SADC countries (1,3%) and elsewhere in Africa (0,6%), reflecting Cape Town's status as a continental economic hub. Crucially, our tenants are employed. Over 90% earn a stable income in either the private or public sectors. Although stable, their earnings typically fall below the upper threshold for affordable housing (R 22 000 per month)¹ in a city where demand far outstrips the supply of appropriate housing for this income category.

Cape Town's housing crisis, in which demand far exceeds supply, exists because of rapid urbanisation as seen in most growing metropolises around the world, but also as a result of spatial segregation created during

R4 223 *Average monthly rent across the portfolio in Dec 2025*

apartheid, resulting in a shortage of housing that matches tenants' affordability. Between 2014 and 2024, the average rent has risen dramatically in Cape Town (68.5%) in comparison to other South African provinces (45.8%)². The affordability crisis spills into property sales in Cape Town, leaving little in the budget to save towards a down payment.

The result is a population of tenants who are financially upwardly mobile yet choose to live

in an affordable backyard flat in the hope of owning a property in the future. As one tenant stated, "I chose to live in a Bitprop flat to save up to eventually buy a house."

"I chose to live in a Bitprop flat to save up to eventually buy a house."
- a tenant currently living in a Bitprop flat in iLitha Park, Khayelitsha

Our tenants are looking for safe, affordable accommodation close to work and transport routes. Social housing supply is limited, and development takes a long time, while formal private-sector rentals are largely unaffordable (average: R11,141 (USD 675))². As a result, many tenants profit to backyard rental accommodation in townships. Sometimes out of affordability, and sometimes with the desire to remain in the communities in which they grew up. Our tenants aren't just looking for the lowest rent; they value security, privacy and living environments that support health and dignity. This comes down to the quality, safety and location of each property.

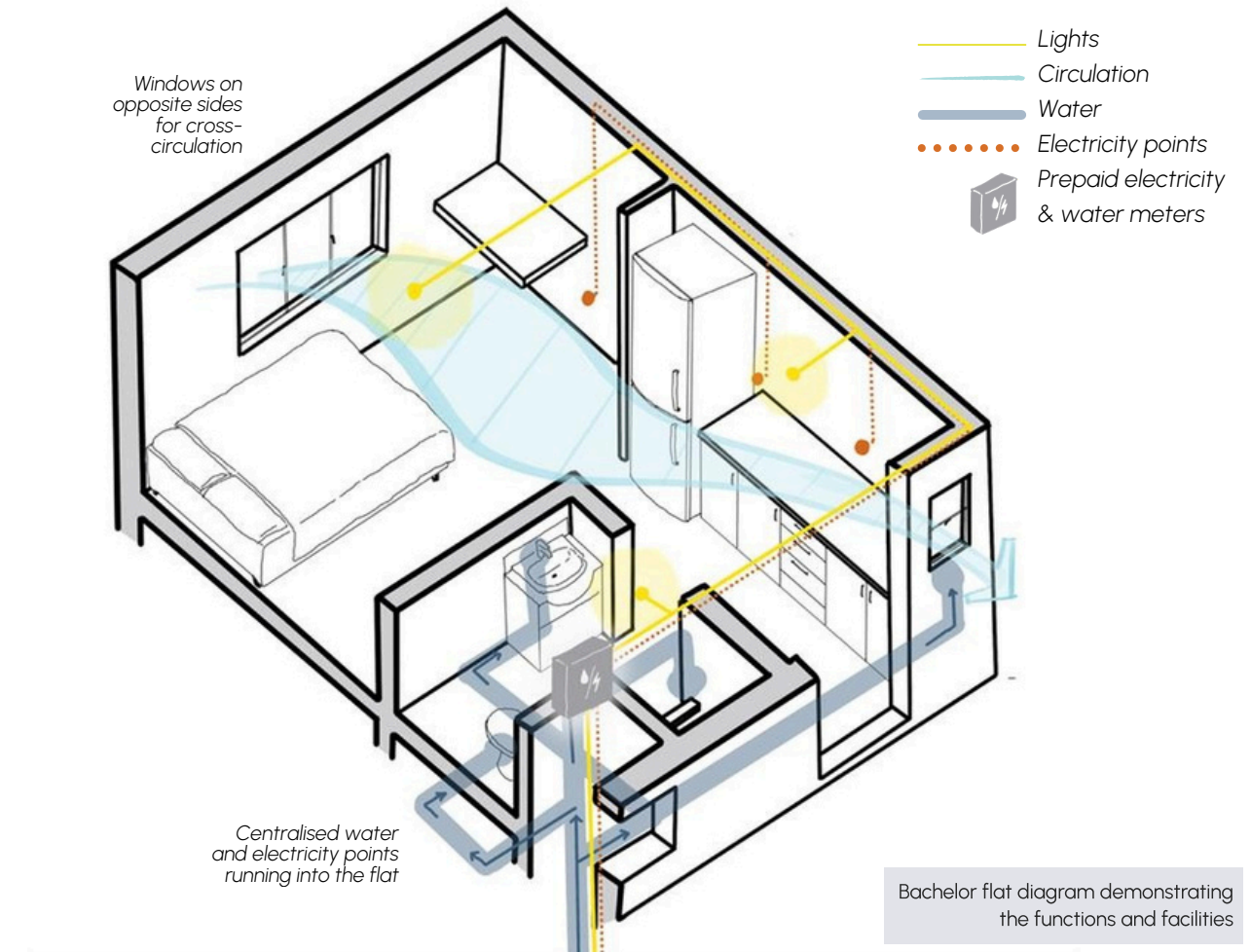
The benefits of improved affordable housing go beyond the individual tenant. Stable accommodation supports employment retention due to reduced stress and improved

¹ City of Cape Town, 2023a
² BusinessTech, 2025

overall well-being. For some tenants, the formal lease arrangements with us are their first experience of a regulated lease with clear rights and predictable housing costs. At the neighbourhood level, we see secondary economic effects emerge too. Increased density brings modest but meaningful activity into local economies, such as through the informal recyclers we employ to collect plastic waste for our bricks, bin cleaners hired by homeowners to maintain the property, and other service providers; a great example of the multiplier effect taking hold at the micro level.

88% *Bitprop tenant lease renewal rate*

Bitprop flats are built in accordance with National Building Regulations and are aligned with the City of Cape Town's vision for responsible densification. Our bachelor apartments are compact but carefully designed to maximise the space available, incorporating an open plan bedroom and living area, functional kitchens, built-in cupboards, and en-suite bathrooms with formal plumbing and sewerage connections. Prepaid water and electricity meters give



tenants control and cost predictability. Natural light, ventilation, thermal performance and acoustic quality are prioritised; factors that are often not considered at all in other backyard rental apartments. This is reflected in the demand seen from tenants. Despite operating

in a very competitive rental environment, Bitprop flats are highly sought after, with vacancies typically being filled almost immediately.

A single initiative like this cannot solve South

Africa's housing challenges, but by delivering quality, compliant, well-located housing in townships at scale, Bitprop is making a positive contribution to solving them. Our flats address a critical gap between informal backyard accommodation and unaffordable formal rentals, and for tenants this means increased dignity and stability. For cities, it means more efficient land use, and incremental progress towards inclusive urban development.



Contractor, Justice, and his team with former Bitprop architect Tashriq Abrahams outside newly constructed 6 bachelor flats (Photo: Reece Wakefield, 2022)



Carl Fredrik Sammeli leading a site visit in iLitha Park, Khayelitsha, Cape Town. (Photo: Abongile Mvukuzo, 2022)

Investors as the impact-seeking champion

Bitprop's investors are primarily impact-oriented individuals and institutions seeking to deploy patient capital into commercially viable projects that generate measurable social outcomes. Many come from jurisdictions with established impact-investment ecosystems and are motivated by the belief that systemic challenges require market-based solutions rather than permanent reliance on donor or government funding. Our investors have a shared understanding that long-term impact

is only sustainable if the underlying business model is financially sound, and while impact remains central, commercial viability is non-negotiable.



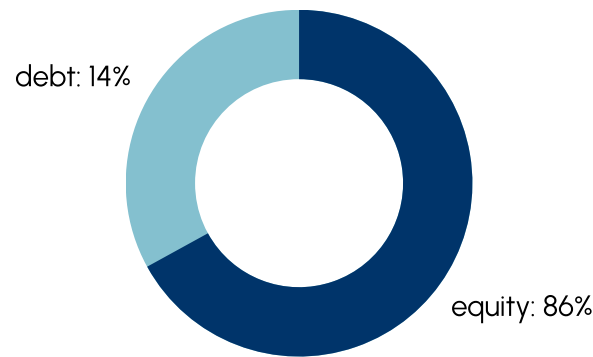
Carl Fredrik greeting a homeowner, Nonkosi in Langa (Photo: ETHICORE GROUP, 2026)

Our investors seek opportunities that deliver competitive risk-adjusted financial returns alongside demonstrable social impact. In the context of affordable housing in townships, this is particularly challenging. Many initiatives operate as grant-funded or partially subsidised programmes, limiting their ability to scale or persist beyond funding cycles. Investors engaging with Bitprop are seeking exposure to a model that can operate independently of ongoing subsidies, while still addressing deeply entrenched social challenges. At a portfolio level, through Bitprop investors access a previously under-recognised market, township residential property, formalised and managed through a repeatable, disciplined investment framework.

- ROI: Projected 10-year yield exceeding 15% p.a.
- Term: An investment period of 10 years in the underlying asset.
- Risk Profile: Moderate to high-risk, focused on the low-income affordable housing sector.
- Risk Mitigation: Invest into a portfolio of rental units that spreads risk across multiple properties.
- Demand: Demand substantially exceeds supply within this sector.
- Consistency: Consistent monthly operating metrics of the rental unit portfolio.

From an investment perspective, township development presents a set of well-known risks. Historically, the sector has lacked reliable data, formal asset structures or proven financial records. Regulatory complexity, construction quality, tenure security and long-term cash flows all contribute towards investor caution. Early-stage capital deployment therefore required significant internal investment by the Bitprop team to demonstrate that a scalable, financially viable model was possible in this environment. Over the past seven years, much of the work behind the scenes has focused not only on operational delivery, but on building investor confidence to ensure that impact outcomes could be achieved without compromising on capital preservation.

Profile of Capital Invested



Bitprop's model is designed to convert non-investible assets into formal, income-

generating property portfolios. By partnering with homeowners and developing their underutilised land, Bitprop creates a new asset class that sits between informal backyard rental and traditional residential property investment. This approach bridges the gap between consistent, informal markets, unlocking latent value while mitigating many of the risks traditionally associated with township development. Returns are generated through predictable rental income streams, supported by high occupancy rates and long-term demand for affordable, well-located housing.



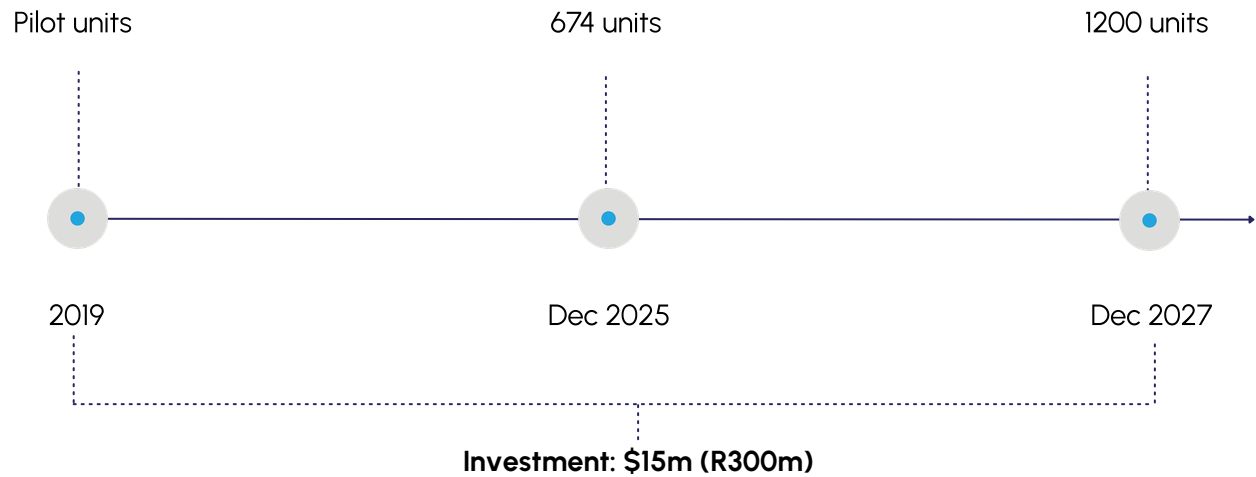
Maja Strandberg, Ellen Kvarby and Ellen Lindén Urnes and Bitprop COO, Dylan Walls visiting a homeowner (centre) in Eersterivier (Photo: Carl Fredrik Sammeli, 2024)

At the same time, the 10-year partnership structure aligns incentives across stakeholders: homeowners benefit from immediate income

and long-term asset ownership, tenants access safe housing, and investors receive market-related returns.

With the model now proven and multiple investors having invested, Bitprop has been able to attract commercial impact funders who share this long-term view. Based on current performance, a R 142,5 million (USD 8,6 million) investment is on track to deliver an annual return exceeding 15% over a 10-year period. With operational foundations firmly in place, Bitprop is positioned to scale its impact across Cape Town and beyond. Continued investor participation enables geographic expansion and deeper engagement in markets where affordable housing shortages and underutilised land assets persist. For investors, this represents an opportunity to support a model that demonstrates how private capital, when structured appropriately, can deliver durable social impact without sacrificing financial discipline.

Outlook to 2027





Contractors as the informal construction entrepreneurs

Bitprop's contractors often begin as informal "bakkie builders", a local term for small-scale construction operators who work independently and typically manage projects from their pickup trucks. While many possess strong practical building skills, the informal nature of this construction limits access to consistent opportunities, finance and structured project management experience. As a result, workloads are unpredictable, budgets are often poorly monitored and quality control processes are rarely formalised.



Rental units under construction in iLitha Park (Photo: Abongile Mvukuzo, 2022)

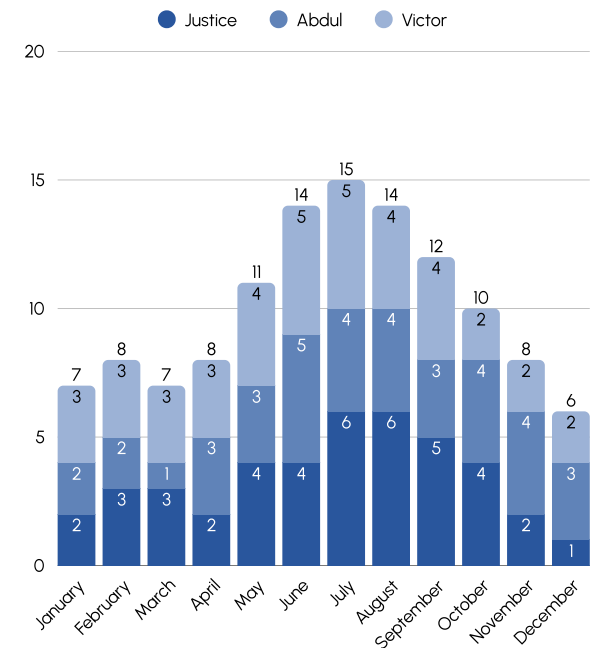
Bitprop partners with building contractors based in the townships where we operate, all of whom run their own small construction businesses. They have the technical ability to build to specification, but may lack experience in administration, cashflow management, procurement planning and multi-project delivery. These contractors employ teams of skilled workers and subcontractors, including bricklayers, carpenters, metal workers, plasterers, painters, electricians and plumbers. Through the partnership, contractors gain access to a steady pipeline of projects, standardised building plans and support in meeting National Building Regulations (NBR). This enables them to deliver consistently at the scale and quality required, while developing more sustainable businesses that can plan beyond short-term, informal work. Bitprop's model inherently promotes stability and growth for the contractor. We partner with each contractor across multiple projects and though the contractors we partner with are informal they are registered with the NHBC.

2 640 temporary construction jobs created in 2025



In the short term, contractors seek steady work that allows them to earn a reliable income and support their families. In the long term, they hope to stabilise and grow their businesses, formalise operations and become eligible for larger, more complex contracts. Significant time is invested upfront by Bitprop to understand how each contractor operates and to support them in aligning workflows, schedules and quality requirements, and a long-term partnership is most beneficial to both parties.

Active construction sites per month in 2025



Bitprop's standardised construction process sets out the stages of construction with a standard cost and payment structure, and because all projects are very similar, we are able to work with our contractors over time to manage their cash flow and workflow processes to complete the project most efficiently. Through exposure to this process, our contractors are upskilled in construction compliant with the NBR and South African National Standards, and they gain experience in building with environmentally sustainable materials used by Bitprop that would otherwise not be used in township construction due to the cost and lack of awareness.

This approach enables the contractors to deliver reliably while building skills and confidence in managing larger, more complex workloads. As they succeed, they are allocated additional projects and are able to scale up to a size that allows greater growth and financial stability. For contractors operating in township environments, achieving this progression without a dependable project pipeline is extremely difficult. With tight budgets and limited exposure with new materials or construction methods, growth is limited. Many projects do not go through formal approval and quality processes, and it is difficult to level up properly as a contractor.



Eco-aggregate bricks used by the construction of Bitprop flats (Photo: Reese Wakefield, 2023)

Many backyard units do not comply with minimum building standards. Common issues include fire safety risks, no structural engineer designs, inadequate ventilation, illegal electricity connections, poor plumbing, limited natural light and unsecure access control. While the quality of the design of each unit accounts for some of this, the quality of the build itself is dependent on the contractor and his team.

8 712 supported via the temporary jobs created in 2025

Each of our contractors creates approximately 60 jobs per project across their core teams and subcontractors. With three contractors in

2025, this translated into approximately 2 640 temporary jobs created through construction activities with Bitprop. With an average household size of 3,3 people, Bitprop's construction programme supported the equivalent of 8 712 people for the duration of those temporary jobs through contractor employment alone. During the same period, Bitprop injected approximately R46,8 million (USD 2,83 million) into the local construction economy. Around 40% of this spend went directly to labour costs, providing income that is largely spent within local communities. A substantial portion of procurement expenditure also flowed to local suppliers and businesses. In an industry that has experienced significant job losses in recent years, this level of sustained economic activity is meaningful.

Contractors who are able to manage multiple projects simultaneously move from survival-based operations to sustainable enterprises with the capacity to grow. Their teams benefit from stable income, improved working conditions and transferable skills. In this way, Bitprop's construction model contributes not only to housing delivery, but to the strengthening of local construction ecosystems.



Children playing in a park that is bordered by a property with newly completed flats (Photo: Anika Hanekom, 2025)

City of Cape Town as the socially responsive urban policy developers

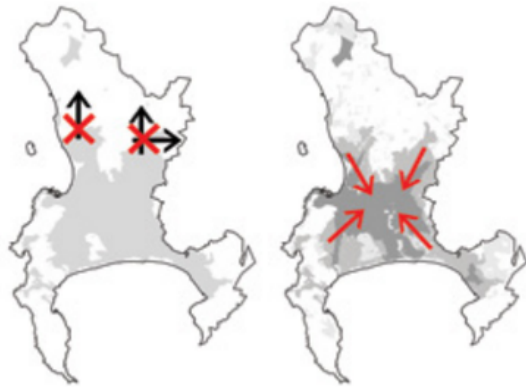
In 2022, the City of Cape Town (The City) published a policy document aimed at addressing its core mandate of enabling economic growth, inclusion, and improved life chances through effective governance. This includes several strategic priorities that align closely with Bitprop's work.¹ These include:

- Spatial form and growth: The City hopes to grow inward and upwards as

urbanisation drives population growth. This requires a more efficient use of existing infrastructure and land, and the protection of critical natural and agricultural assets.

- Housing and inclusion: The City aims to increase the supply of affordable and social housing, to support incremental, small-scale and private-sector development, and to enable the development of housing located closer to economic opportunity, transport and services.
- Long-term resilience: The City aims to reduce urban sprawl and lower carbon intensity, improve public transport usage,

and increase the sustainability and long-term financial viability of public infrastructure.



Inward growth diagram from the City of Cape Town's Spatial Plans 2022¹

Driving the need for these priorities, and making them difficult to achieve, are a number of constraints the City operates under. Rapid population growth driven by inward migration from across the country and limited developable land available due to geography means housing shortages grow each year. The scale of housing demand exceeds public-sector delivery capacity and affects direct municipal housing delivery, impacted also by financial limitations. The City also needs to balance densification with service sustainability and environmental protection.

Incremental densification and micro-development of affordable housing across

multiple properties is critical. The City cannot meet the housing demand at scale alone. Small-scale, private development will be an important part of meeting the need in the long-run. Backyard development (such as what Bitprop does) increases density without expanding the urban footprint, makes use of existing infrastructure and enables gradual, distributed housing delivery. Doing this in a way that formalises housing development improves safety, service delivery and the long-term value of the property asset.

194 areas of Cape Town identified as opportune for responsible densification under the MPBL

In recognition of the importance of backyard development in achieving these large goals, the City implemented Municipal Planning By-law (MPBL) amendments in 2025 aimed at incentivising micro-developers, enabling affordable rental flat development on existing properties, offering pre-approved building plans and reducing the cost of development for the average property owner. The MPBL amendments apply specifically to 194 areas of Cape Town classified as low-income and in need of further housing development. The MPBL amendments represent an acknowledgement that private development

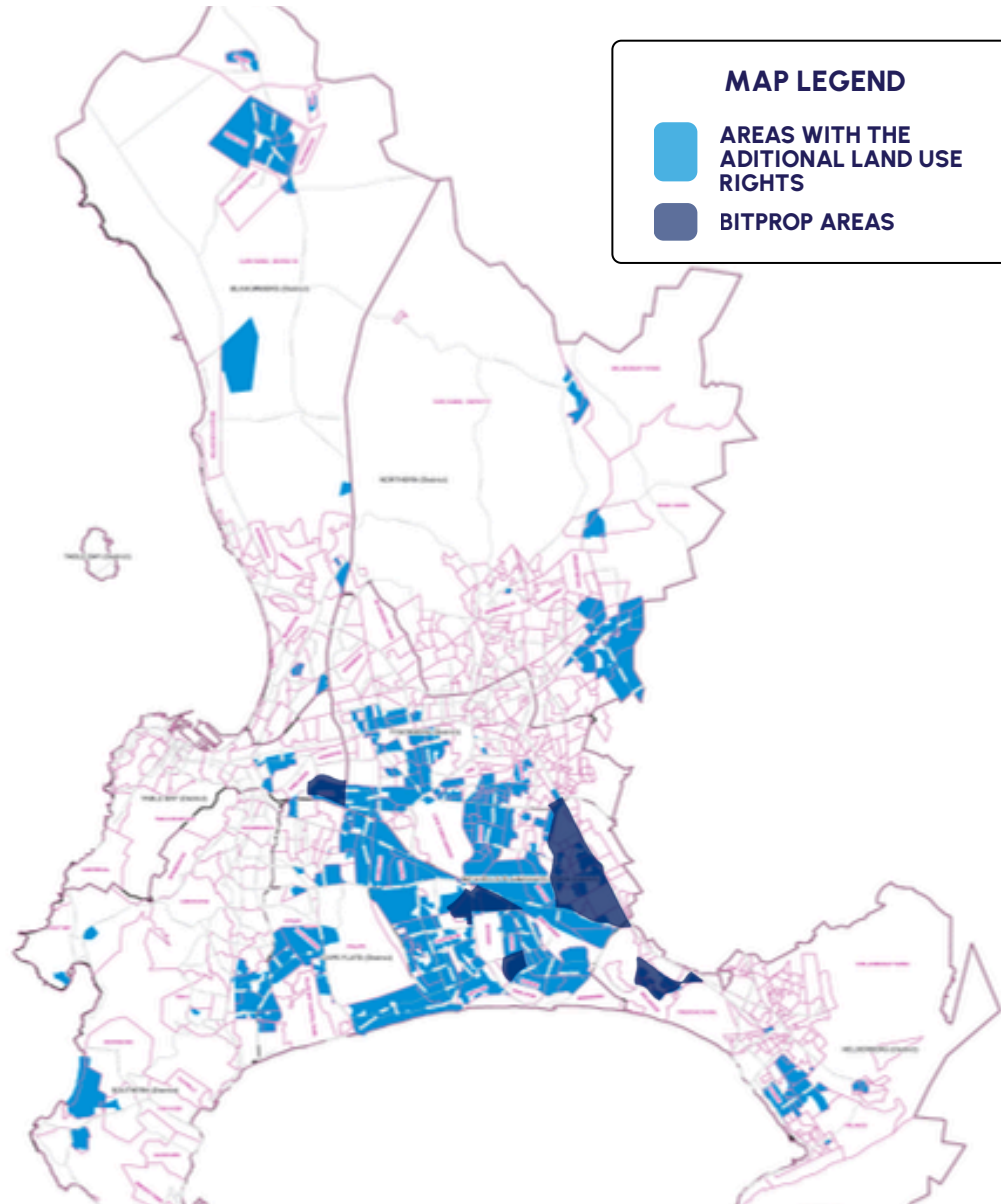


Interior of a flat in Eersterivier (Photo: Anika Hanekom, 2025)

is necessary and shows a clear shift towards enabling compliant small-scale rental housing development.

As a role player in the affordable housing space, Bitprop supports the work being done by the City to achieve progress in the space and is happy to contribute towards these goals. As a partner of the City, Bitprop addresses spatial alignment by developing within the existing residential areas highlighted by the MPBL, supporting inward growth and densification and avoiding urban sprawl. Our bachelor, 1-bedroom and 2-bedroom apartments increase the supply of compliant, affordable housing in neighbourhoods that need them, and the

1. City of Cape Town, 2022



benefits to the homeowners we build for enables participation in formal property development, creating local employment and skills development, and strengthening community-level economic activity.

Through this collaboration, we hope to help the City achieve more efficient land use at scale, improve housing quality and safety in townships, reduce pressure on municipal housing programmes and increase participation of private actors in affordable housing delivery.

In 2025, the 194 areas where owners have additional land use rights (in blue) were selected for affordable rental flats in Cape Town. Source: City of Cape Town



Abraham Avenant showing the recycled plastic in the early stage of being transformed into an eco-aggregate (Photo: Reece Wakefield, 2023)

Partners as the enablers through research, supply, and delivery

Civil society organisations play a critical role in shaping how affordable housing is understood, delivered and governed in South Africa. In Cape Town, the affordable housing and small-scale residential unit development space is very active, with sustained long-term collaboration and lobbying resulting in the MPBLs passing in 2025. There are a number of actors at play.

Among these, the Development Action Group (DAG) and other NGOs working in housing, informal settlement upgrades and micro-development have long been contributors to the debate around spatial justice, participation and inclusive urban development. The NGOs aim to strengthen community agency by enabling residents of low-income communities to shape their own development. Their work includes teaching, workshops, courses, and advocacy, alongside targeted training and information workshops that support and build the capacity of local contractors.

Despite playing a central role in the space,



The City of Cape Town team members explain the Municipal Planning By-Laws at a DAG event (photo: DAG Photos, 2025)

there are persistent constraints. Funding is often limited and short-term, policy adapts very slowly, and gaps between policy intent and delivery often undermine the overall process. Partnerships with role players like Bitprop work well to bridge some of these gaps. Bitprop provides a real use-case for what might otherwise be a theoretical or hard-to-visualise scenario. Bitprop's presence on the ground and source of data provides credence in conversation with regulators.



Vunene, Marketing Manager, explaining the Bitprop offering to attendants of a DAG event (Photo: DAG Photos, 2025)

On the other hand, the work done by NGOs, like DAG, contributes critical value to Bitprop. The research, policy insight, and community engagement experience across a wide spectrum of society informs more inclusive approaches to development and provides platforms for dialogue among communities, the City and private actors like Bitprop. It fills an important gap which Bitprop does not have the skills or the capacity to do. The shared outcome of relationships like these is a growing body of evidence that safe, compliant

small-scale rental housing can be delivered at scale, and the 2025 MBPLs are testament to this.

Through partnerships with NGOs, we are able to combine civil society expertise with private sector execution to contribute towards improved housing quality, stronger community participation and incremental progress towards spatial justice.

Sustainable Construction Material Suppliers

In the pursuit of sustainable construction methods that can be used cost effectively and at scale in our projects, we have two main suppliers that we have used since 2021. CRDC SA produces a plastic-recycled aggregate which is used in the concrete mix for our bricks, and LiteConcrete produces blocks with recycled polystyrene incorporated. Both are locally produced and sourced from less than 20km away from Bitprop's sites. The core focus of these products is both to create a demand for recycling waste streams (of plastic and polystyrene) and to reduce reliance on sand and stone, the consumption of which contributes to significant erosion globally due to the construction industry.



Bitprop's recycling team sorting recycling before taking it to a buyback centre (Photo: Reece Wakefield, 2023)

These products achieve a number of targets. In the short term, they replace conventional aggregates while improving on structural performance, fire resistance and thermal and acoustic qualities, they can also be incorporated without any major cost increases or learning curves, as they behave like conventional materials. In the long term, as they become more widespread and are trusted amongst contractors and developers, they will reduce construction sector reliance on finite natural resources, divert significant waste from landfills, and influence township construction industry norms towards using more sustainable materials.

The construction industry is highly resource-intensive and a major contributor to waste, emissions and pollution. Traditional construction prioritises the lowest upfront cost, and township construction in particular has not benefited from the wave of environmental improvements that have reached other parts of the industry. In this industry, tight budgets limit experimentation and environmental considerations are usually deprioritised. Bitprop's partnership with these suppliers provides them with sustained demand at standardised specifications in township construction, providing them with multiple sites for real-world testing within this market segment. As the materials require 750kg of

conventional construction methods, it has required no change in behaviour from our construction teams and at only a roughly 3% increase in material costs for Bitprop; an acceptable amount given the benefits accrued from using these materials.



Tashriq Abrahams with Abraham Avenant, CEO of CRDC SA, reviewing recycled plastic. (Photo: Reece Wakefield, 2023)

plastic and 143 kg of polystyrene per flat, 833kg of waste is recycled through the use of Resin8 and LiteConcrete. For the construction team, the reduced weight of these materials relative to conventional materials lowers transport emissions, reduces road infrastructure impact and improves the working conditions of the workers using the materials; brick layers in particular.

148 tonnes plastic recycled
across the portfolio

Across our portfolio, we have diverted 148 tonnes of plastic waste from landfills. For the homeowners and tenants, the materials provide improved performance without any change in appearance. A conventional apartment is provided, but with improved fire, strength, thermal and acoustic properties. The contractors gain exposure to compliant, sustainable materials without added complexity in the construction process and are able to transfer this knowledge to future projects.

The long-term outcome of this is an incremental decarbonisation of affordable housing, and a demonstration that sustainable materials can be used in a scalable manner in low-income contexts. In helping to reduce landfill pressure and reduce resource depletion, the use of these materials helps in working towards the City's goal of sustainable resource consumption and growth.



Plastic recycling collected from iLitha Park and sent to a buyback centre (Photo: Reece Wakefield, 2022)

Energy Partners and Solar Suppliers

As part of our broader commitment to reducing the environmental footprint of our developments, improving the resilience of our properties, and provide our homeowners with a more valuable, sustainable product, Bitprop has begun the phased introduction of solar energy systems across our portfolio. This work is supported by specialist energy partners who assist with system design, installation and compliance, enabling us to integrate renewable energy generation into a low-cost, small-scale residential context. The focus of this partnership is not only on reducing reliance on grid electricity, but on doing so in a way that aligns with municipal policy, improves long-term sustainability, and remains practical for homeowners and tenants.

South Africa's electricity system has become increasingly constrained, with ageing infrastructure and rising costs resulting in persistent loadshedding for the better part of two decades. Although loadshedding has stopped being a part of daily life, energy scarcity will remain an important long-term consideration going forward. At the same time, the country has some of the highest solar irradiance levels globally, making rooftop solar



Partnering with Capetonian startup, SeaFire Technologies, Bitprop has installed solar across 3 of its properties in Cape Town (Fredrik von Baumgarten, 2025)

one of the most accessible and effective renewable energy solutions available. National and municipal energy strategies increasingly recognise the importance of decentralised generation, with Cape Town in particular taking a leading role in enabling small-scale generation, buyback tariffs and streamlined approval processes. These shifts create an opportunity to introduce renewable energy solutions incrementally within existing neighbourhoods, rather than relying solely on large, centralised infrastructure projects.

Within this context and in partnership with experienced installers, Bitprop has been able to install solar powered setups on a number of

properties without disrupting tenants, and laying the groundwork for future expansion as technology costs continue to decline. In the short term, this has helped reduce exposure to loadshedding and rising electricity tariffs, improving the experience of our tenants. Over time, it contributes to lower operating costs, reduce carbon emissions and a gradual shift away from dependence on grid-supplied electricity, which in South Africa is predominantly coal-fueled. The introduction of solar on our properties with the potential to scale across our portfolio demonstrates that renewable energy is not limited to high-income households or large commercial developments, but can be deployed incrementally within the affordable housing sector. Each property is self-sustaining over the partnership period and will eventually, after capital is recouped, provide the homeowner with an additional revenue stream.

15 total properties with flats fully operating on solar power by mid-2026

This aligns with the City of Cape Town's goals of increasing renewable energy generation,

diversifying the electricity supply and improving urban resilience. It reduces strain on the grid, supports peak load demand management and contributes towards the longer-term targets for cleaner energy and climate adaptation. Bitprop is able to achieve this without any municipal capital expenditure, allowing the City to spend its resources elsewhere. For homeowners and tenants, the system is largely invisible in daily use, but contributes to a stable and sustainable living environment. For investors, it represents a practical step towards decarbonizing the portfolio in a risk-adjusted way. For Bitprop, it provides a way to embed renewable energy into the developments at scale. The long-term outcome of this collaboration with solar providers is a gradual transition towards cleaner, more resilient energy use within township housing.



Solar panels on a 4-unit property in Eeresterivier (Ismaaeel Tagodien, 2025)



Bitprop COO, Dylan, accepting the Cape Town Impact Award from Innovation City in 2024 (Photo: Tashriq Abrahams, 2024)

Bitprop as the accountable catalyst

Since 2019, over 2,557 days, Bitprop has housed more than 3,200 people, reflecting both portfolio growth and steady tenant turnover. In 2025 alone, the portfolio delivered 200,894 rental accommodation days. With an average monthly rent of R4,223, Bitprop continues to provide significantly more affordable housing. In 2025, the portfolio achieved a strong rolling 12-month occupancy rate of 94.8%, alongside a lease renewal rate of 88%.

In pursuing this, Bitprop's model brings together homeowners, tenants, contractors, investors and the City, aligning them around the delivery, operation and long-term performance of each development.

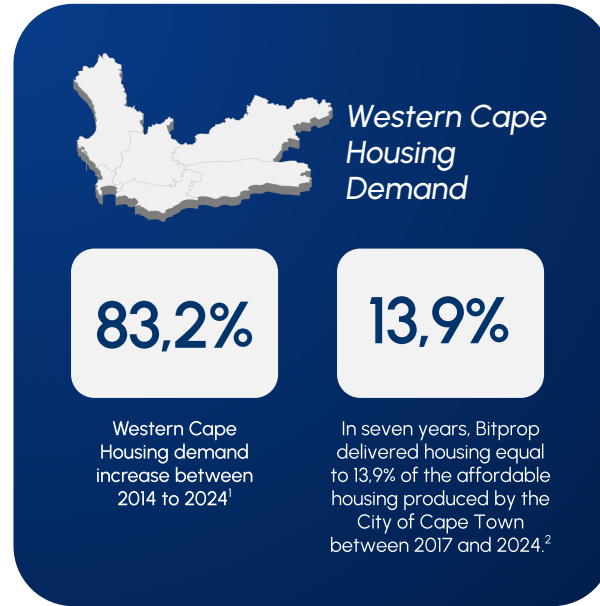
200 894 rental accommodation days provided by Bitprop in 2025

Bitprop achieves this by focusing on what it does best: designing, funding, building and managing small-scale rental developments in township contexts. At the core of the model is

risk mitigation. Rental income is paid by tenants directly to Bitprop rather than to homeowners, allowing arrears, vacancy and collection risk to be centrally and systematically managed.

This structure enables consistent cash flows, regular homeowner payments and reliable investor returns, while protecting homeowners from the volatility that typically characterises informal rental markets. Centralised management, standardised leases and professional tenant engagement allow Bitprop to maintain high occupancy and stable payment cycles relative to broader market benchmarks.

Bitprop is able to achieve multiple economic, social and environmental outcomes precisely because of the way it works with its stakeholders. Homeowners receive regular monthly income and develop long-term assets. Tenants gain access to safe, affordable accommodation with improved living conditions. Contractors benefit from predictable work, skills development and business formalisation. Investors deploy capital into a proven, commercially viable model with measurable outcomes. The City benefits from compliant densification, additional housing supply and reduced infrastructure strain without directly spending any municipal capital.



Environmental improvements within Bitprop's developments provide one example of how this stakeholder-based approach translates into outcomes on the ground. Through collaboration with like-minded partners across the value chain, including material suppliers, energy providers and contractors, Bitprop has been able to incrementally introduce more efficient building designs, environmentally-responsible materials and, most recently, on-site solar energy systems, without compromising on affordability or scale. The result is housing that uses significantly less embodied energy than comparable developments, reduces exposure to grid

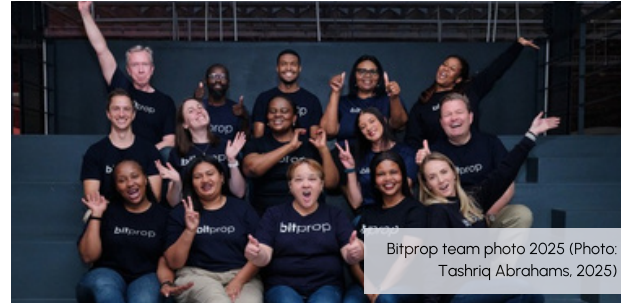


The Bitprop team alongside the property owners, Chaseryn and Donald at an Open House in 2024 (Photo: Tashriq Abrahams, 2024)

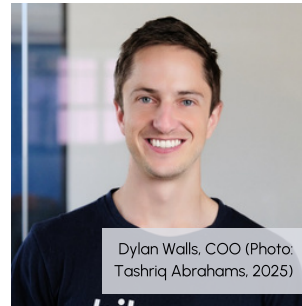
¹The Citizen, 2025
²City of Cape Town Provincial Treasury, 2024

instability and lowers long-term operating risk, while remaining indistinguishable in form from conventional construction.

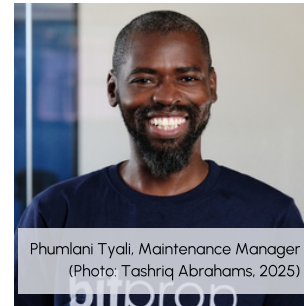
In this way, Bitprop functions as a conduit within this space, enabling collaboration to deliver affordable housing and income streams where it matters. Looking ahead, the focus is on scale. Cape Town provides a strong foundation, but the challenges Bitprop addresses extend far beyond one city. By continuing to refine and standardise the model, Bitprop aims to expand its impact across South Africa and, over time, into other African cities facing similar dynamics. The long-term ambition is not simply to build more flats, but to demonstrate that inclusive, investable and environmentally responsible development can unlock sustainable income and long-term asset value for homeowners, while delivering affordable, well-located housing for tenants at scale.



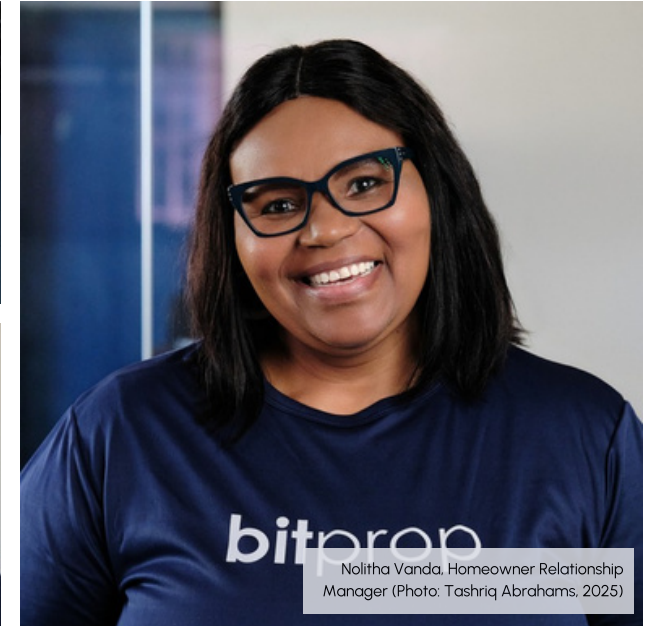
Bitprop team photo 2025 (Photo: Tashriq Abrahams, 2025)



Dylan Walls, COO (Photo: Tashriq Abrahams, 2025)



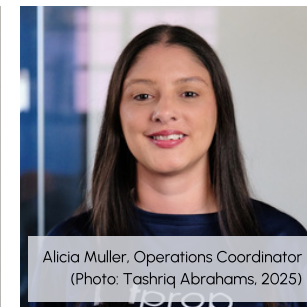
Phumlani Tyali, Maintenance Manager (Photo: Tashriq Abrahams, 2025)



Nolitha Vanda, Homeowner Relationship Manager (Photo: Tashriq Abrahams, 2025)



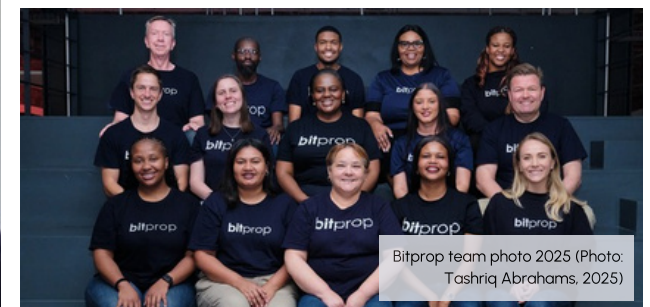
Chantal Okkers, Financial Administrator (Photo: Tashriq Abrahams, 2025)



Alicia Muller, Operations Coordinator (Photo: Tashriq Abrahams, 2025)



Anika Hanekom, Architect (Photo: Tashriq Abrahams, 2025)



Bitprop team photo 2025 (Photo: Tashriq Abrahams, 2025)

LOOKING FORWARD

A Three Year Outlook





Homeowners, Chaseryn and Donald, commemorating the beginning of the rental period of their newly constructed flats at their Open House (Photo: Tashriq Abrahams, 2024)

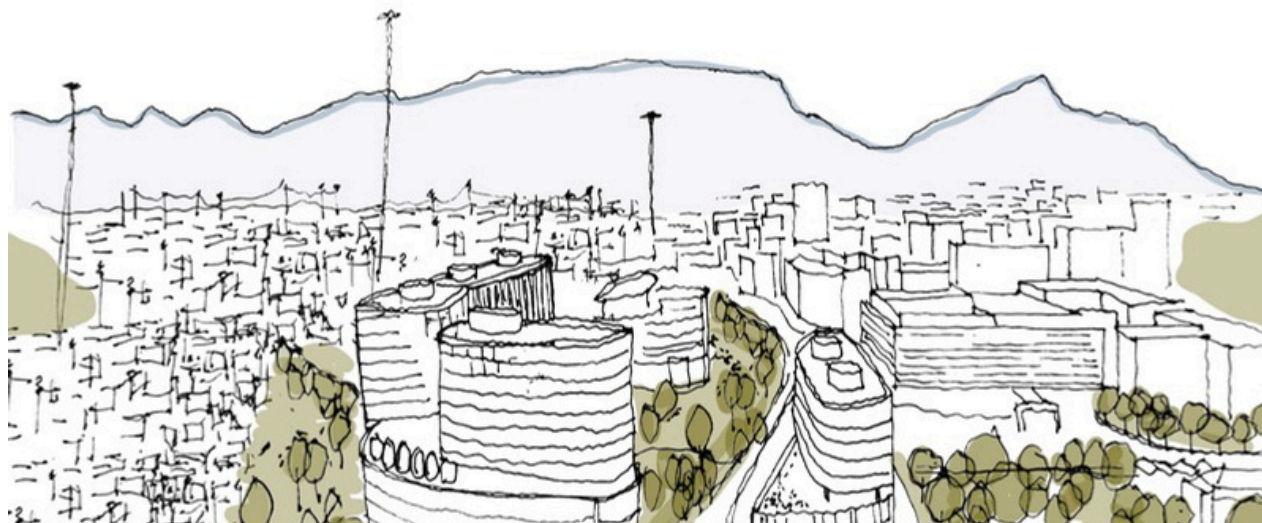
Outlook

Bitprop has now secured significant South African institutional capital, from Stanlib Asset Management and The Liberty Group to continue and expand its impact. Collectively, Stanlib Asset Management (on behalf of their clients) and The Liberty Group's R160m (USD 9.7m) loan facility enables the portfolio to expand to 1 200 rental units within the next 24 months. Much of this growth will continue to be focused in Cape Town, where strong homeowner and tenant demand and the City of Cape Town's municipal by-law amendment are unlocking new opportunities for small-

scale development in areas previously restricted.

Beyond Cape Town, Bitprop plans to expand to other parts of the Western Cape as we test our blueprint in new jurisdictions. Across South Africa and beyond, we continue to have strong demand for our product, both from property owners and potential financiers. While we have been and will remain very deliberate and controlled in our expansion process, the model is built to be scalable in multiple locations and can provide significant impact and value creation across South Africa and beyond.

FUTURE KHAYELITSHA



A vision of the future of Khayelitsha drawn by Bitprop's first architect, Claire du Trevou in 2020.

1200 Rental units provided
by the end of 2027

At the start of 2025 we installed solar panels on 3 properties complete with batteries and an inverter configuration, designed to support the majority of the flats consumption. A year later and we are satisfied that the model shows technical reliability and financial viability. While loadshedding has substantially decreased, it remains a possibility in the future,

and it makes for a resilient property largely protected from grid disruptions. Bitprop's intention is to roll out solar installations across most new developments, as well as a number of existing properties to expand on this positive impact. This aligns directly with the City of Cape Town's resilience goals of improving household energy security, reducing municipal grid pressure and contributing to its broader ambitions for emissions reduction.

In 2020, Bitprop sketched a vision for a future Khayelitsha defined not by informal urban

9 Areas in Cape Town where Bitprop operates

sprawl, but by dense, vibrant nodes of economic activity defined by safe public spaces and thriving micro-businesses anchored by quality rental housing. This vision remains our goal, across South Africa and beyond. As we develop sustainable income for homeowners and affordable, quality housing for tenants, we aim to be a catalyst for other corporate players to invest in the townships of South Africa, bringing goods, services, amenities and jobs to the residents of these dense residential spaces. By showing that township investment can be both financially and socially sound, Bitprop works to encourage and help others do the same in various aspects of life, whether in retail, education, financial services or beyond.

ADDENDUM



Addendum A: Impact Frontier Risk Types

Noteworthy risk types are assigned in the section 'The Impact' in this report, with a severity rating discussed (low, medium or high). The discussion is not exhaustive, but rather focuses on key risk factors for each theme.¹

1	Evidence risk	The probability that insufficient high-quality data exists to know what impact is occurring.
2	External risk	The probability that external factors disrupt our ability to deliver the impact.
3	Stakeholder participation risk	The probability that the expectations and/or experience of stakeholders are misunderstood or not considered.
4	Drop-off risk	The probability that positive impact does not endure and/or that negative impact is no longer mitigated.
5	Efficiency risk	The probability that the impact could have been achieved with fewer resources or at a lower cost.
6	Execution risk	The probability that the activities are not delivered as planned and do not result in the desired outcomes.
7	Alignment risk	The probability that impact is not locked into the enterprise model.
8	Endurance risk	The probability that the required activities are not delivered for a long enough period.
9	Unexpected impact risk	The probability that significant unexpected positive and/or negative impact is experienced by people or the planet.

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