





Building legacies. Changing lives

2023

Summarised audited consolidated financial results for the year ended 28 February 2023

CALGRO M3
Group

The 2023 report composition

Calgro M3 Holdings Limited ("Calgro M3") is a committed, responsible corporate citizen producing an Integrated Annual Report reporting suite, consisting of the following components, available on the website for ease of reference. This also reduces our carbon footprint by reducing the number of copies printed.



Integrated Annual Report



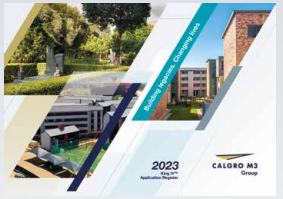
ESG Report



Notice of Annual General Meeting



Consolidated and Separate Audited Annual Financial Statements



King IV™ Application Register

Breakdown of contents of certain reports

- **Letter to stakeholders on #sustainableactions from the CEO and FD on**
  - Overview and achievements of the year
  - Financial performance
  - Where to from here
- **Strategy and five-year performance**
  - Value creation through our capitals
  - Engaging with stakeholders
  - Key operational risks
  - Strategy and risk management
  - Five-year review
- **Statutory reports**
  - Chairperson's report
  - Remuneration report
  - Board of Directors
  - Environmental, Social and Governance ("ESG")

(An extract of content covered in the ESG Report 2023)

- **Our approach to ESG**
- **Our people**
- **Our societal responsibility and actions**
- **Preferential procurement and enterprise development**
- **Our environmental efforts**
- **Our approach to governance (Corporate Governance Report)**
  - Board of Directors
  - Board Committees and attendance
  - Company Secretary
  - Shareholder engagement
  - Code of ethics
  - Sustainability

The Notice of AGM and relevant documents will be distributed on 15 May 2023.

Annual General Meeting taking place on 29 June 2023.

- Calgro M3 Group
- Calgro M3 Holdings Limited
- Including the Audit and Risk Committee report

Navigation toolkit

Website reference

Notes reference

Page reference

Nature of the business

Calgro M3 is a property and property-related investment company that specialises in the development of Integrated Residential Developments and the development and management of Memorial Parks.



The business aims to bridge the gap between subsidised, social, GAP ("Grassroots Affordable People's") or FLISP ("Financed Linked Subsidy Programme") housing and the affordable housing market segment by providing housing, schooling and communal facilities to all levels of income earners within one integrated community.

The integrated development model offers homeowners a platform to improve their lifestyle and living conditions in line with their financial capability, whilst remaining in the same community and residing close to job opportunities.

In addition to our primary focus being integrated developments, we also develop mid-to-high end retirement and cluster developments.

The concept of Memorial Parks originated from the need to find alternative uses for large portions of Calgro M3-owned land that were not suitable for residential or other commercial purposes. Calgro M3 Memorial Parks is an alternative to traditional cemeteries, adds value to existing developments, introduces an alternative burial option that is dignified, secure and which delivers a service to customers that is superior to other products in the market. All Calgro M3 Memorial Parks are privately owned and professionally managed and maintained by the Group. We pride ourselves on providing safe, serene, and beautiful surroundings where family and friends can lay their loved ones to rest.

Our strategy is to enable the extraction of different sources of revenue and profits from businesses and opportunities along the property development value chain, which will result in an improved operating margin blend as well as ensuring sustainability throughout all business and economic cycles.

The Group's positioning and business model provides it with the ability to adapt to the demands and challenges of the marketplace, including ever-evolving social, economic, political, and environmental considerations. Our agility in navigating between areas enables us to realise our strategy of extracting different sources of revenue and profits from businesses and opportunities, which will result in an improved liquidity blend and margin over time. In the current environment we are focused primarily on the low to middle income private sector.

Calgro M3 by numbers

The Group is proud to have achieved its strongest financial performance and its healthiest financial position:

Profit after tax increased by 40.8% to R186.2 million
(2022: R132.2 million)

Earnings per share ("EPS") of 153.37 cents
(2022: 108.58 cents)

Headline earnings per share ("HEPS") of 153.18 cents
(2022:105.63 cents)



Key metrics

Revenue increased by **15.4%**

3 186 units completed in the current year

2 719 units under construction with more planned to start on a staggered basis during the 2024 year

Gross profit margin maintained within target range at **23.5%**

Trade and other payables decreased by **14.6%** to **R360.5 million** (2022: R422 million)

Positive cash from operations

Net debt to equity decreased to **0.62** from **0.71**

Return on equity increased to **19.3%** from **15.9%**

Net asset value ("NAV") per share increased by **19.8%** to **R9.51** (2022: R7.94)

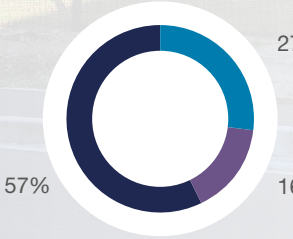
Share buyback of **9.27%** at an average price of **R2.34** (subsequent to year-end)

Retained **level 1** B-BBEE accreditation

44.8% of the workforce are female (target: 50%)

Liquidity

Total of R632 million available



- Cash on hand R172 million
- Available overdraft facility R100 million
- Development Finance Corporation facility R360 million*

**$20 million USD*

Overview of the year

It is with immense pride that we present not only a satisfying set of results but one that showcases the Group's highest-ever profit after tax, earnings and headline earnings per share. These results are based on our sustainable, well-diversified project portfolio rollout, a robust balance sheet featuring the lowest liabilities in seven years and a net debt-to-equity ratio at an impressive 10-year low of 0.62.

These results align with our deep rooted **#sustainable**actions theme, through which Calgro M3 is dedicated to ensuring long-term sustainability supported by a robust pipeline.

The Group continues to execute its strategic focus of driving efficiencies, containing costs, and delivering high-quality, affordable homes and memorial parks. The Group's performance was driven by the development business' persistent investment in innovative building designs, rethinking the efficiency of design layouts, and the continuous pursuit of margin improvement. This, coupled with the restructure and refocus of the Memorial Parks business completing the year on a positive upward trend, resulted in focused, controlled revenue and HEPS growth. Along with meticulous capital and resource allocation between the business segments and in-depth industry knowledge tailoring to the market's needs, the Group has maintained its margin within the target range of 20% to 25%.

Cash resources have decreased slightly to R172.6 million due to investments made in infrastructure and top structure construction, with units to be transferred to customers on a staggered basis throughout the year. Further supporting the strong liquidity position is the undrawn overdraft of R100 million and the Development Finance Corporation facility of R360 million, bringing the available funds to R632 million.

The Group maintains its commitment to creating and sustaining harmonious relationships with all stakeholders whilst providing exceptional value and seeking new avenues for growth. Issues are addressed proactively by prioritising engagement initiatives to minimise disruptions. We are pleased to report limited to no site interruptions for the current reporting period.

Skills development, training, and education remain top priorities on the human capital agenda, with additional initiatives underway. The Group has maintained its previously reported female representation of 44.8% of total workforce and continues to target 50% representation at all reporting levels. The approved empowerment plan's continued focus is evident through the increase of historically disadvantaged employment from 71% (2022) to 73% in the current period.

Calgro M3's future prospects are reinforced by the focused rollout of existing and future integrated projects, including Frankenwald, as well as a solid foundation set for our Memorial Parks business. The Memorial Parks business has seen cash receipts surpass Covid-19 levels in the last three months of operations. The residential pipeline comprises more than 22 000 opportunities (approximate revenue of R15.9 billion) across nine projects. Furthermore, the Memorial Parks business offers in excess of 99 000 burial opportunities (approximate revenue of R2.1 billion).



Fleurhof

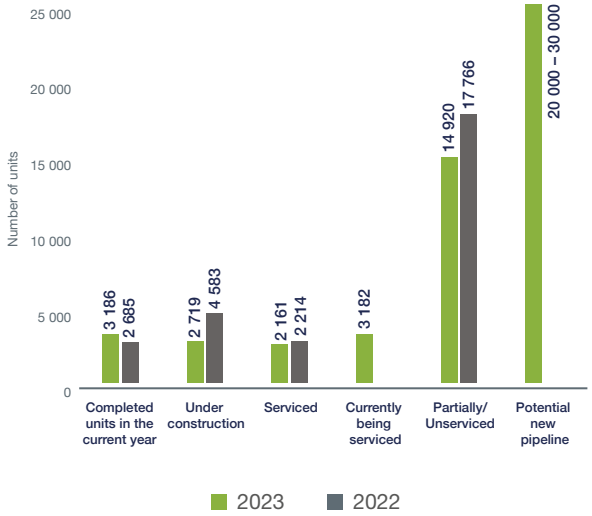
Operational overview



Residential Property Development

The Residential Property Development business remains the largest contributor to revenue and profit, operating primarily in Gauteng and the Western Cape with nine active projects. Its reach has expanded by targeting fully subsidised homes to homes in excess of R3 million, ensuring diversity amid current economic conditions and market challenges. The focus lies in offering value-for-money in lifestyle estates at the best possible price, benefiting consumers and catering to the "unhoused" market segment. In line with this, we continually explore and test lower price points without compromising on lifestyle and value-for-money principles whilst maintaining our mantra of ***Building legacies. Changing lives***.

Residential Developments pipeline
Housing opportunities



The Group handed over 3 186 completed opportunities in the current year, and has 2 719 opportunities currently under construction with just over 3 100 opportunities being serviced in the 2024 financial year. The Group aims to manage cash flow more evenly by distributing handovers throughout the year. With revenue diversification between projects and provinces, along with a sustainable mix of customers, the Group expects consistent handovers, and in turn, consistent cash flow generation over the next 6 to 12 months.

Calgro M3 remains focused on maximising core project returns through town planning, improved designs, and product enhancements catering to a discerning clientele while keeping sales prices affordable and at a level where banks still approve 100% bonds. In fact, Calgro M3 is encouraged by the appetite from all major banks and their continued support of the residential development industry, which is crucial not only for providing much needed housing but also for significantly contributing to job creation and wellbeing, albeit in difficult market conditions.

The revenue pipeline for the Residential Property Development business is R15.9 billion (more than 22 000 opportunities), excluding the addition of Frankenwald (with an anticipated minimum 20 000 opportunities) that will add onto this pipeline during the years to come.

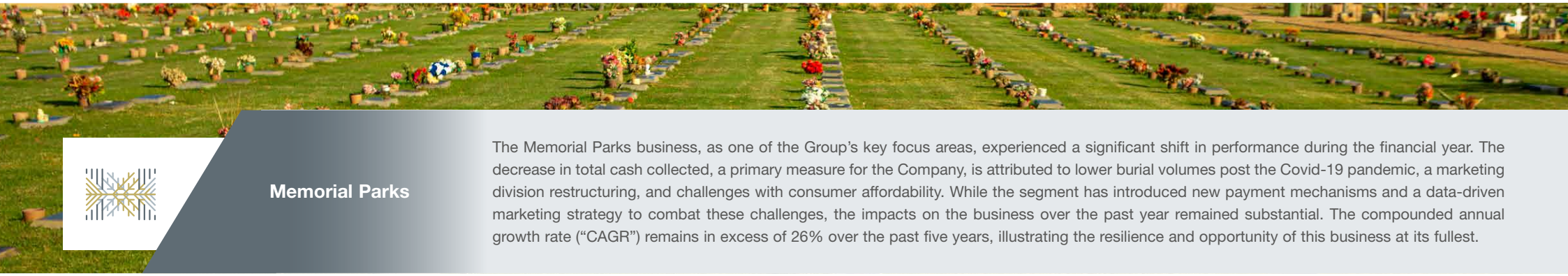
Calgro M3 has made major strides in containing costs and will continue working on efficient building designs and layouts that contain costs and improve margins. These efficient design layouts added more than 1 600 units to the pipeline at no additional capital cost. Diligent cost management is evident from consistently maintaining a gross profit margin above 20%.

To maintain diversification between projects and focus on provinces that support our strategic objectives, we continue to explore the expansion of current projects by accessing neighbouring land and opportunities in the Western Cape and Gauteng.

Calgro M3 funded R249 million of bulk and link infrastructure on Jabulani, Fleurhof, South Hills and Belhar with plans to spend an additional R150 million in the next financial year, all funded from cash generated through operations.

The Company remains alert to the impact of current economic conditions, increasing interest rates and tightening of lending criteria by banks. We remain confident that our deep understanding of our target market coupled with the strong demand for housing provides Calgro M3 with the competitive advantage to succeed in our market.

Frankenwald, located next to Alexandra and the Marlboro Gautrain station, is the last remaining large-scale property in the greater Sandton area. Calgro M3 holds an option to acquire the parcel of land in partnership with a major third-party commercial property developer.



Memorial Parks

The Memorial Parks business, as one of the Group's key focus areas, experienced a significant shift in performance during the financial year. The decrease in total cash collected, a primary measure for the Company, is attributed to lower burial volumes post the Covid-19 pandemic, a marketing division restructuring, and challenges with consumer affordability. While the segment has introduced new payment mechanisms and a data-driven marketing strategy to combat these challenges, the impacts on the business over the past year remained substantial. The compounded annual growth rate ("CAGR") remains in excess of 26% over the past five years, illustrating the resilience and opportunity of this business at its fullest.

Cash collection, burial volumes, and marketing restructuring

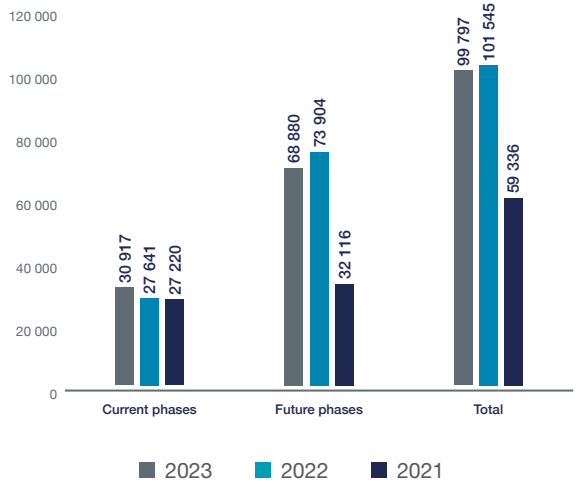
Total cash collected for the financial year decreased by 26.0% to R47.9 million, a marked drop compared to the previous year. This decline was driven by a 35% reduction in burial volumes, as the global health crisis gradually subsided. Another contributing factor was the restructuring of the marketing division in March 2022, which resulted in virtually no marketing activities taking place from March to June 2022.

In response to these challenges, a new marketing strategy was implemented in July 2022, which focused heavily on using internal and external data to determine the most effective marketing channels, spend, reach, and other key metrics. This data-driven approach resulted in a substantial reduction in marketing costs as a percentage of sales, making the marketing efforts more scientific and targeted to ensure the greatest impact per Rand spent.

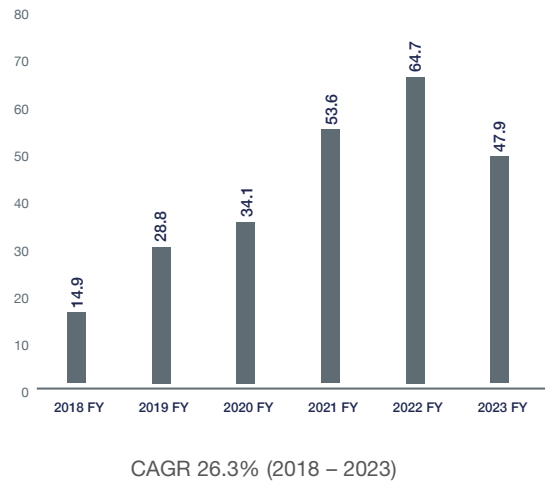
Affordability and lay-by offering

In an effort to address consumer affordability challenges, the Memorial Parks business introduced a lay-by payment mechanism in July 2022. This payment option allows customers up to 24 months to pay for the reservation of a grave, with 0% interest charged on the instalment plan. The lay-by offering has resulted in an additional R12.4 million in sales, which is not yet reflected in the revenue for the period. Of this amount, R8.9 million will be received in the next 12 months. Revenue is only recognised on these sales once the full purchase price has been received in cash. This offering is showing immense potential while addressing the financial pressure the consumer is under, but also aligning to the strategic purpose of generating sustainable cash flows on a monthly basis to the Group.

Memorial Parks pipeline
Number of opportunities (graves)



Total cash received (including VAT) (all products excluding rental income) (R million)



CAGR 26.3% (2018 – 2023)

Management has made great advances with initiatives in the year. One of these being the acquisition of burial rights in the Bloemfontein Memorial Park post-year-end. This park has long been recognised as a desirable location for families seeking to lay their loved ones to rest. The acquisition enhances the Group's growth prospects, further demonstrating its ability to identify and capitalise on strategic opportunities.

Financial review

Statement of comprehensive income

In the current financial year, the Group has reported profit after tax of R186.2 million (2022: R132.2 million), with both revenue and gross profit showing growth. Overall revenue increased by 15% to R1 525.3 million (2022: R1 321.6 million) driven by increased unit registrations and additional investment in bulk and link infrastructure, funded by government throughout the year.

The gross profit margin increased to 23.5% (2022: 21.3%). The increase in gross profit is as a result of rigorous cost containment through the stringent project management of development activities, primarily through driving efficient designs in town planning and architectural layouts. This is the main driver in the strengthening of the gross profit margin which sits solidly within the target range of 20% to 25%.

Administrative expenses increased by 14.1% to R102.4 million (2022: R89.7 million), as a result of increased marketing cost directly linked to revenue growth along with a general inflationary increase in administrative costs. Employee costs have increased by 6%.

The decrease in share of profits from joint ventures is driven by reduced activity within the South Hills integrated development. New operations commenced in the latter half of the 2022 calendar year, in line with the Group's strategy to handover units throughout the year.

The reduction in net finance costs in the current year is driven by a combination of increased finance income on receivable balances and an increase in borrowing costs capitalised to qualifying assets resulting from large infrastructure investment.

R million	February 2023	February 2022	Movement
Financial metric			
Revenue	**1 525.3**	1 321.6	203.7
Gross profit	**357.7**	281.8	75.9
Gross profit %	**23.5%**	21.3%	2.2%
Administrative expenses	**(102.4)**	(89.7)	12.7
Share of profit/(loss) of joint ventures – net of tax	**5.4**	9.6	(4.2)

Earnings per share

EPS increased to 153.37 cents per share (2022: 108.58 cents per share) with HEPS improving to 153.18 cents per share (2022: 105.63 cents per share). Subsequent to the end of the financial year the Group executed on its registered share re-purchase programme, repurchasing 13 million shares, equating to 9.27% of the company's issued share capital as at the date on which the General Authority was granted. Should this have occurred in the 2023 financial year the effect would have improved EPS to 171.77 cents per share, HEPS to 171.55 cents per share and NAV to R10.65 per share.

Statement of financial position and cash flow

Current assets (excluding cash and cash equivalents) increased by R240 million primarily due to the increased investment in construction contracts in the current year to R1 162.4 million (2022: R909.3 million). The net movement is a function of new units under construction compared to units completed and transferred to end-users during the year, as well as increased investment in infrastructure to ensure serviced opportunities are available for the next financial year. The increased investment in bulk and link infrastructure as well as top structure construction, the value of which has yet to be extracted has contributed to the reduction in cash generated from operations to R89.6 million (2022: R228.2 million) for the year.

The Group has reduced trade and other payables to R360.5 million (2022: R422.1 million), of which R40.8 million related to deferred payment arrangements that have been settled in the year, resulting in the Group achieving its lowest liabilities balance in the past seven years.

Cash and cash equivalents at the end of the year decreased to R172.6 million (2021: R191.1 million). Additional liquidity in the form of a R100 million undrawn overdraft from Standard Bank as well as a R360 million facility from DFC, which is also undrawn, will enable the Group to execute on short to medium-term goals.

In light of the strong financial performance Calgro M3 is actively exploring the adoption of a dividend policy within the next year, as we continue to prioritise delivering value to our shareholders.

Borrowings and covenants

The balance sheet of the Group is strong with a net debt to equity ratio of 0.62:1, the lowest in 10 years, being below the communicated target of 0.75:1 for February 2024 and well below the regulated covenant of 1.5:1. The Group does not intend reducing debt further in the short to medium term and will utilise free cash flow in funding additional working capital requirements.

The Group has settled debt of R194.8 million in the current financial year, whilst raising an additional R230 million due to the cyclical nature of the Group's working capital requirements.

A summary of the movement in debt and maturities is as follows:

	Rand million
Opening balance 1 March 2022	**850.6**
New debt	**230.0**
Debt repaid	**(194.8)**
Closing balance – 28 February 2023	**885.8**

Maturity profile	Rand million
FY 2024*	282.8
FY 2025	211.8
FY 2026	157.5
FY 2027	93.7
FY 2028	140

** Subsequent to the end of the financial year the Group has settled a further R77.4 million of outstanding debt which fell due.*

Where to from here?

As we look forward, we are excited about the opportunities that lie ahead and remain confident that we can effectively manage the challenges. With a robust revenue pipeline of R18.1 billion, representing more than 22 000 residential and more than 99 000 burial opportunities, we are well-positioned to make a meaningful impact in the affordable housing and burial sectors, while at the same time ensuring meaningful returns to shareholders. The addition of Frankenwald, which should contribute between 20 000 and 30 000 units to the pipeline, further solidifies our position as a leading player in the industry and ensures continued sustainability.

The time invested in understanding the needs of our target markets has benefited the Group by enabling Calgro M3 to establish sustainable sales and marketing initiatives that address the consumer's lifestyle needs at an affordable price, which in turn drives consistent and targeted sales. While the market continues to be affected by factors such as unemployment, limited credit access, and high levels of household debt, we are encouraged by the support received from banks, as evidenced by the granting of 100% mortgage bonds to clients.

We recognise the importance of cost containment and will continue to focus on creating efficient building designs and layouts to improve margins. We are confident that the gross profit margin can be maintained within the target range of 20% to 25%, demonstrating a commitment to delivering value to clients and shareholders.

We remain confident in the strategy of the Memorial Parks business. It has taken effort to understand the market dynamics and build critical mass. The newly implemented lay-by offerings are resonating well with the market and ongoing strategic marketing and data processing will ensure the sales momentum continues. While consumers are impacted by negative market conditions, we continue to investigate and develop favourable payment plans and remain confident that the business can achieve its annuity income targets in the medium term. Sales momentum should further be boosted through burial rights received for the Bloemfontein Memorial Park.

In addition to our strategic growth initiatives, capital allocation remains key as demonstrated by the aggregate share buy-backs of 9.27% of the Group's issued ordinary share capital in the two months subsequent to year-end. Our strong financial position and expected positive cash flow, ensures sustainable debt management and sufficient liquidity to withstand challenges should these arise.

With a diversified revenue stream and an experienced, long-standing management team, we believe that the demand for affordable housing and dignified memorial services will remain strong given the immense backlog. Product diversification helps mitigate risk and provides stability to the Company's financial performance, as we leverage opportunities across different market segments and adapt to changing market conditions. This coupled with our in-depth understanding of market complexities and the needs of the clientele we serve, provides us with a competitive advantage.

We acknowledge the need to evolve and remain abreast of digital innovations and as such our Memorial Parks business is seen as the technological hub for the Group, where new technologies and data-gathering tools are developed and battle-tested before being rolled out to the Residential Development business. This approach enables us to continuously enhance our efficiency and profitability across the Group, ensuring we remain at the forefront of industry innovation.

Sustainability is further driven through Calgro M3's commitment to social impact initiatives, including creating sustainable communities, and dignified final resting places. Our guiding principle, ***"Building legacies. Changing lives"***, underscores our dedication to making a lasting, positive impact on the communities we serve.

Thank you

It is with great pride and gratitude that we thank all our employees, clients, shareholders and stakeholders for your ongoing support of Calgro M3.

We are grateful to our Board of Directors for their support, wise counsel, and commitment to the Group through Board and committee meetings. We as the Calgro M3 team will continue to thrive in support of South Africa as we continue in our position statement – ***"Building legacies. Changing lives"***.



Wikus Lategan
Chief Executive Officer



Sayuri Naicker
Financial Director

15 May 2023

Summarised consolidated statement of comprehensive income

for the year ended 28 February 2023

Rand	2023	2022
Revenue	**1 525 316 550**	1 321 593 256
Cost of sales	**(1 167 622 753)**	(1 039 746 583)
Gross profit	**357 693 797**	281 846 673
Other income	**8 983 344**	15 343 007
Administrative expenses	**(102 425 094)**	(89 774 258)
Other expenses	**(1 065 960)**	(11 410 433)
Expected credit losses on financial and contract assets	**(5 657 460)**	(1 928 630)
Finance income	**33 481 456**	22 713 106
Finance costs	**(44 038 188)**	(46 966 582)
Share of profit of joint ventures – net of tax	**5 386 925**	9 641 933
Profit before tax	**252 358 820**	179 464 816
Taxation	**(66 071 284)**	(47 294 214)
Profit after taxation	**186 287 536**	132 170 602
Other comprehensive income	**–**	–
Total comprehensive income	**186 287 536**	132 170 602
Profit after taxation and total comprehensive income attributable to:		
– Owners of the parent	**186 194 542**	131 811 216
– Non-controlling interests	**92 994**	359 386
	186 287 536	132 170 602
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in cents per share)		
– basic	**153.37**	108.58
– diluted	**147.43**	105.68

Summarised consolidated statement of financial position

for the year ended 28 February 2023

Rand	2023	2022
Assets		
Cash and cash equivalents	**172 614 330**	191 114 249
Trade and other receivables	**164 010 749**	147 292 645
Current income tax assets	**362 290**	2 372 226
Construction contracts	**1 162 393 952**	909 322 057
Loans to joint ventures	**371 472 316**	281 827 502
Investment in joint ventures	**51 991 549**	46 604 624
Inventories	**498 540 794**	615 819 830
Investments	**14 894 959**	13 927 808
Property, plant and equipment	**16 684 459**	19 682 170
Investment property	**19 947 022**	19 947 022
Intangible assets	**159 650 534**	159 650 534
Deferred income tax asset	**26 500 218**	31 695 226
Total assets	**2 659 063 172**	2 439 255 893
Equity and liabilities		
Equity		
Equity attributable to owners of the parent		
Stated capital	**102 080 971**	102 080 971
Share-based payment reserve	**10 454 589**	10 645 975
Retained income	**1 040 813 265**	850 362 620
	1 153 348 825	963 089 566
Non-controlling interests	**689 262**	596 268
Total equity	**1 154 038 087**	963 685 834
Liabilities		
Trade and other payables	**360 504 294**	422 012 321
Current income tax liabilities	**633 442**	654 978
Borrowings	**876 362 327**	839 067 772
Deferred income tax liability	**267 525 022**	213 834 988
Total liabilities	**1 505 025 085**	1 475 570 059
Total equity and liabilities	**2 659 063 172**	2 439 255 893

The consolidated statement of financial position is now presented in the order of liquidity as it more accurately reflects the Group's varying operating cycles.

Summarised consolidated statement of cash flows

for the year ended 28 February 2023

Rand	2023	2022
Cash generated from operating activities		
Cash generated from operations	**89 638 658**	228 221 971
Finance income received	**8 003 346**	1 983 254
Finance cost paid	**(90 374 618)**	(82 300 992)
Tax paid	**(5 197 841)**	(18 022 488)
Net cash generated from operating activities	**2 069 545**	129 881 745
Cash flows (invested in)/received from investing activities		
Purchase of property, plant and equipment	**(1 199 014)**	(1 182 125)
Proceeds from the sale of property, plant and equipment	**455 864**	–
Increase in investments	**–**	(286 383)
Disposal of investments in joint venture	**–**	500
Loans advanced to joint ventures	**(65 124 839)**	(18 090 558)
Loans repaid by joint ventures	**13 172 134**	45 093 875
Net cash (invested in)/received from investing activities	**(52 695 855)**	25 535 309
Cash flows advanced/(repaid in) financing activities		
Proceeds from borrowings	**230 000 000**	–
Capital repayment of borrowings	**(194 800 000)**	(107 400 000)
Repayment of capital portion on leases	**(3 073 609)**	(2 378 346)
Settlement of share purchase liability	**–**	(9 085 714)
Net cash advanced/(repaid in) financing activities	**32 126 391**	(118 864 060)
Net (decrease)/increase in cash and cash equivalents	**(18 499 919)**	36 552 994
Cash and cash equivalents at the beginning of the year	**191 114 249**	154 561 255
Cash and cash equivalents at the end of the year	**172 614 330**	191 114 249



South Hills

Summarised consolidated statement of changes in equity

for the year ended 28 February 2023

Rand	Stated capital	Share-based payment reserve	Retained income	Total	Non-controlling interests*	Total equity
Balance at 1 March 2021	102 080 971	6 857 784	718 881 468	827 820 223	236 882	828 057 105
Share-based payment expense	–	3 788 191	–	3 788 191	–	3 788 191
Dividend declared#	–	–	(330 064)	(330 064)	–	(330 064)
Comprehensive income						
Profit for the period	–	–	131 811 216	131 811 216	359 386	132 170 602
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income/(expense)	–	–	131 811 216	131 811 216	359 386	132 170 602
Balance at 1 March 2022	**102 080 971**	**10 645 975**	**850 362 620**	**963 089 566**	**596 268**	**963 685 834**
Share-based payment – shares not vested	**–**	**(4 286 114)**	**4 286 114**	**–**	**–**	**–**
Resignation of management share scheme participant	**–**	**(127 427)**	**127 427**	**–**	**–**	**–**
Share-based payment expense	**–**	**4 222 155**	**–**	**4 222 155**	**–**	**4 222 155**
Dividend declared#	**–**	**–**	**(157 438)**	**(157 438)**	**–**	**(157 438)**
Comprehensive income						
Profit for the period	**–**	**–**	**186 194 542**	**186 194 542**	**92 994**	**186 287 536**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income	**–**	**–**	**186 194 542**	**186 194 542**	**92 994**	**186 287 536**
Balance at 28 February 2023	**102 080 971**	**10 454 589**	**1 040 813 265**	**1 153 348 825**	**689 262**	**1 154 038 087**

* *The Calgro M3 Group does not hold 100% of the shareholding of the Belhar Calgro M3 Developments Company (Pty) Ltd, Calgro M3 Procurement Services (Pty) Ltd, Calgro M3 Procurement Management (Pty) Ltd and Calgro M3 Contractors (Pty) Ltd subsidiaries.*

\# *Dividends declared are payable to the Calgro M3 Educational Trust, which the Group does not have control over.*

Summarised segment report of the Group

The appointed Chief Operating Decision Maker ("CODM") within the Calgro M3 Group is the Group's Executive Committee ("Exco"). It is Exco's responsibility to meet on a regular basis (through weekly meetings and more frequently if required) and develop the strategy for the Group, set and review budgets, which are approved by the Board of Directors. The CODM allocates Group resources to the operating segments and assesses the performance of the operating segments.

At Exco meetings, summarised feedback is provided by management of the different operational activities within the Group.

The CODM manages the Group activities in two distinct segments, namely:

Residential Property Development

Memorial Parks

The operation of the Residential Property Development segment encompasses mainly integrated developments and to a lesser extent mid to high income housing.

An integrated development comprises affordable housing, Grassroots Affordable People's homes ("GAP"), Finance Linked Individual Subsidy Programme ("FLISP"), social housing, Community Residential Units ("CRU") housing, as well as Breaking New Ground ("BNG") fully subsidised housing. The Group's customer base includes the government, financial institutions and the general public.

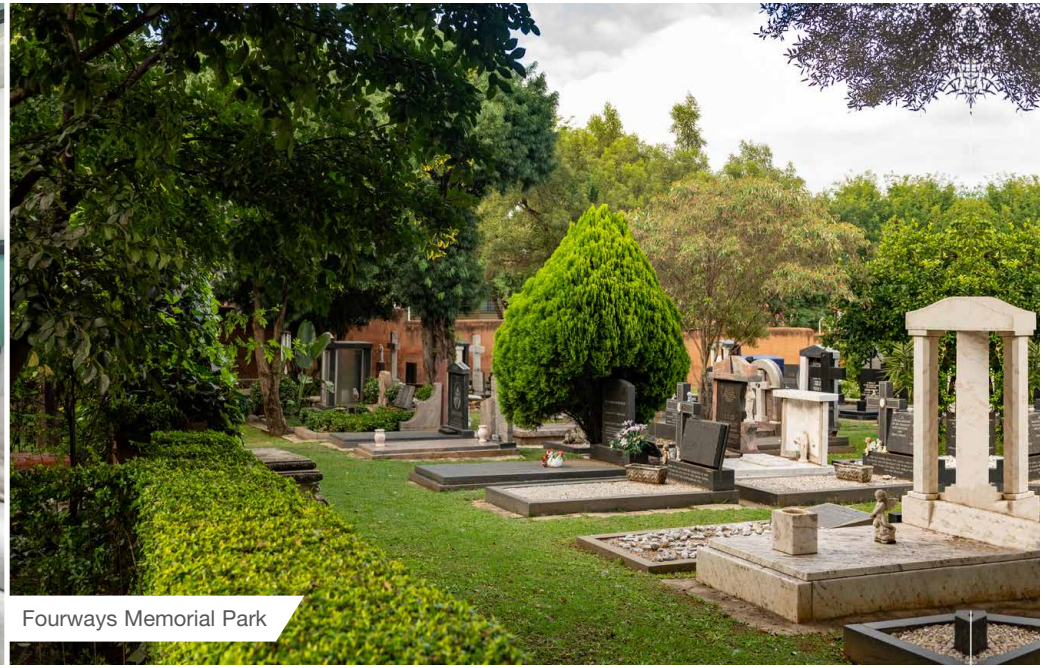
The Group's products relating to the Memorial Parks segment consist of burial rights and the associated burial and maintenance services.

The segmental information provided to Exco for the year ended 28 February 2023 has been provided below. The table indicates from where the Group's revenue has been earned, including its joint ventures.

The CODM assesses the performance of the operating segments based on two measurement methods, firstly a fully consolidated statement of comprehensive income per segment (including the elimination of inter-segmental transactions) and secondly a statement of financial position per consolidated segment (transactions between segments have not been eliminated for the statement of financial position).



Jabulani



Fourways Memorial Park

Summarised segment report of the Group (continued)

Statement of comprehensive income

Rand	Residential Property Development	Memorial Parks	Holdings and other	Total
2023				
Total segment revenue	**1 489 772 516**	**35 544 034**	**–**	**1 525 316 550**
Fleurhof	587 819 293	–	–	587 819 293
Jabulani	161 884 587	–	–	161 884 587
Scottsdene	73 298 718	–	–	73 298 718
South Hills	201 939 105	–	–	201 939 105
Belhar	202 434 778	–	–	202 434 778
Bridge City	139 816 576	–	–	139 816 576
Other projects	122 579 459	35 544 034	–	158 123 493
Combined revenue*	**1 630 942 779**	**35 544 034**	**–**	**1 666 486 813**
Total segment revenue	1 489 772 516	35 544 034	–	1 525 316 550
Revenue of joint ventures	141 170 262	–	–	141 170 262
Witpoortjie Calgro M3 Development Company (Pty) Ltd	22 656 388	–	–	22 656 388
South Hills Development Company (Pty) Ltd	118 513 874	–	–	118 513 874
Gross revenue	**1 489 772 516**	**35 544 034**	**–**	**1 525 316 550**

* *Combined revenue is the total segment revenue plus the total revenue of joint ventures. The revenue included represents the gross revenue of each joint venture and does not include any inter-group eliminations.*

Statement of comprehensive income (continued)

Rand	Residential Property Development	Memorial Parks	Holdings and other	Total
Point in time	452 231 607	35 544 034	–	487 775 641
Over time	1 037 540 909	–	–	1 037 540 909
Revenue	1 489 772 516	35 544 034	–	1 525 316 550
Cost of sales	(1 144 928 818)	(22 693 935)	–	(1 167 622 753)
Gross profit	**344 843 698**	**12 850 099**	**–**	**357 693 797**
Other income	4 354 745	4 628 599	–	8 983 344
Administrative expenses	(85 445 512)	(12 080 508)	(4 899 074)	(102 425 094)
Other expenses	(1 065 960)	–	–	(1 065 960)
Expected credit losses on financial and contract assets	(5 650 955)	(6 505)	–	(5 657 460)
Finance income	33 244 204	54 553	182 699	33 481 456
Finance costs#	(36 737 359)	(7 300 829)	–	(44 038 188)
Share of profit of joint ventures – net of tax	5 386 925	–	–	5 386 925
Profit/(loss) before tax	**258 929 786**	**(1 854 591)**	**(4 716 375)**	**252 358 820**
Taxation	(68 745 107)	2 830 911	(157 088)	(66 071 284)
Profit/(loss) after taxation	**190 184 679**	**976 320**	**(4 873 463)**	**186 287 536**
Other comprehensive income	–	–	–	–
Total comprehensive income	**190 184 679**	**976 320**	**(4 873 463)**	**186 287 536**
Profit/(loss) after taxation and other comprehensive income attributable to:				
– Owners of the parent	190 091 685	976 320	(4 873 463)	186 194 542
– Non-controlling interests	92 994	–	–	92 994
	190 184 679	976 320	(4 873 463)	186 287 536

\# *The Group allocated borrowings and finance costs proportionally to each segment based on the total assets per segment.*

Summarised segment report of the Group (continued)

Statement of financial position

Rand	Residential Property Development	Memorial Parks	Holdings and other	Total
Assets				
Cash and cash equivalents	**169 181 246**	**2 379 844**	**1 053 240**	**172 614 330**
Trade and other receivables	**157 644 457**	**6 366 292**	**–**	**164 010 749**
Current income tax assets	**329 083**	**33 207**	**–**	**362 290**
Construction contracts	**1 162 393 952**	**–**	**–**	**1 162 393 952**
Loans to joint ventures	**371 472 316**	**–**	**–**	**371 472 316**
Investment in joint ventures	**51 991 549**	**–**	**–**	**51 991 549**
Inventories	**325 289 570**	**173 251 224**	**–**	**498 540 794**
Investments	**–**	**14 894 959**	**–**	**14 894 959**
Property, plant and equipment	**8 466 075**	**8 218 384**	**–**	**16 684 459**
Investment property	**–**	**19 947 022**	**–**	**19 947 022**
Intangible assets	**158 955 730**	**694 804**	**–**	**159 650 534**
Deferred income tax asset	**16 950 949**	**9 549 269**	**–**	**26 500 218**
Total assets	**2 422 674 927**	**235 335 005**	**1 053 240**	**2 659 063 172**
Liabilities				
Trade and other payables	**300 833 096**	**54 747 291**	**4 923 907**	**360 504 294**
Current income tax liabilities	**169 934**	**239 742**	**223 766**	**633 442**
Borrowings#	**798 772 607**	**77 589 720**	**–**	**876 362 327**
Deferred income tax liability	**267 525 022**	**–**	**–**	**267 525 022**
Total liabilities	**1 367 300 659**	**132 576 753**	**5 147 673**	**1 505 025 085**

\# *The Group allocated borrowings and finance costs proportionally to each segment based on the total assets per segment.*

Segments are measured in the same way as in the financial statements. All line items above are allocated based on the operations of the segments.

Statement of comprehensive income

Rand	Residential Property Development	Memorial Parks	Holdings and other	Total
2022				
Total segment revenue	1 269 325 468	52 267 788	–	1 321 593 256
Fleurhof	402 933 636	–	–	402 933 636
Jabulani	67 020 084	–	–	67 020 084
Witpoortjie	26 727 976	–	–	26 727 976
South Hills	219 561 716	–	–	219 561 716
Belhar	464 442 896	–	–	464 442 896
Other projects	88 639 160	52 267 788	–	140 906 948
Combined revenue*	1 639 880 132	52 267 788	–	1 692 147 920
Total segment revenue	1 269 325 468	52 267 788	–	1 321 593 256
Revenue of joint ventures	370 554 664	–	–	370 554 664
Witpoortjie	47 273 396	–	–	47 273 396
South Hills	323 281 268	–	–	323 281 268

* *Combined revenue is the total segment revenue plus the total revenue of joint ventures. The revenue included represents the gross revenue of each joint venture and does not include any inter-group eliminations.*

Summarised segment report of the Group (continued)

Statement of comprehensive income (continued)

Rand	Residential Property Development	Memorial Parks	Holdings and other	Total
Gross revenue	1 269 325 468	52 267 788	–	1 321 593 256
Point in time	301 236 465	48 680 692	–	349 917 157
Over time	968 089 003	3 587 096	–	971 676 099
Revenue	1 269 325 468	52 267 788	–	1 321 593 256
Cost of sales	(1 007 089 864)	(32 656 719)	–	(1 039 746 583)
Gross profit	262 235 604	19 611 069	–	281 846 673
Other income	11 548 616	3 794 391	–	15 343 007
Administrative expenses	(76 752 481)	(8 885 070)	(4 136 707)	(89 774 258)
Other expenses	(11 410 433)	–	–	(11 410 433)
Expected credit losses on financial and contract assets	(1 923 288)	(5 342)	–	(1 928 630)
Finance income	21 817 254	138 854	756 998	22 713 106
Finance costs#	(38 434 607)	(8 531 975)	–	(46 966 582)
Share of loss of joint venture – net of tax	9 641 933	–	–	9 641 933
Profit/(loss) before tax	176 722 598	6 121 927	(3 379 709)	179 464 816
Taxation	(46 889 359)	(269 913)	(134 942)	(47 294 214)
Profit/(loss) after taxation	129 833 239	5 852 014	(3 514 651)	132 170 602
Other comprehensive income	–	–	–	–
Total comprehensive income	129 833 239	5 852 014	(3 514 651)	132 170 602
Profit/(loss) after taxation and other comprehensive income attributable to:				
– Owners of the parent	129 473 853	5 852 014	(3 514 651)	131 811 216
– Non-controlling interests	359 386	–	–	359 386
	129 833 239	5 852 014	(3 514 651)	132 170 602

Statement of financial position

Rand	Residential Property Development	Memorial Parks	Holdings and other	Total
Assets				
Cash and cash equivalents	186 710 128	4 339 045	65 076	191 114 249
Trade and other receivables	144 043 679	3 248 966	–	147 292 645
Current income tax assets	2 228 048	144 178	–	2 372 226
Construction contracts	909 322 057	–	–	909 322 057
Loans to joint ventures	281 827 502	–	–	281 827 502
Investment in joint ventures	46 604 624	–	–	46 604 624
Inventories	439 016 764	176 803 066	–	615 819 830
Investments	–	13 927 808	–	13 927 808
Property, plant and equipment	11 441 792	8 240 378	–	19 682 170
Investment property	–	19 947 022	–	19 947 022
Intangible assets	158 955 730	694 804	–	159 650 534
Deferred income tax asset	21 099 747	10 595 479	–	31 695 226
Total assets	2 201 250 071	237 940 746	65 076	2 439 255 892
Liabilities				
Trade and other payables	364 702 790	51 018 618	6 290 913	422 012 321
Current income tax liabilities	108 013	426 880	120 085	654 978
Borrowings#	758 482 142	80 585 630	–	839 067 772
Deferred income tax liability	213 834 988	–	–	213 834 988
Total liabilities	1 337 127 933	132 031 128	6 410 998	1 475 570 059

The Group allocated borrowings and finance costs proportionally to each segment based on the total assets per segment.

Segments are measured in the same way as in the financial statements. All line items above are allocated based on the operations of the segments.

1. Basis of preparation

1.1 Statement of compliance

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: *Interim Financial Reporting*.

The summary consolidated annual financial statements should be read in conjunction with the Group annual financial statements as at and for the year ended 28 February 2023, which have been prepared in accordance with IFRS as issued by the IASB. The summary consolidated annual financial statements have been prepared on the historical cost basis, excluding investment property and financial assets held at fair value, that are measured at fair value. The consolidated financial statements were internally compiled by R van Maarleveld CA(SA) under the supervision of SU Naicker CA(SA).

The summary consolidated annual financial statements were authorised for issue by the Board of Directors on 15 May 2023. This summarised report is extracted from audited information but is not itself audited. The consolidated annual financial statements were audited by Mazars, who expressed an unmodified opinion thereon.

The audited consolidated annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office and available for viewing on the Company's website, www.calgrom3.com. The Directors take full responsibility for the preparation of the abridged report and that the financial information has been correctly extracted from the underlying annual financial statements.

1.2 Judgements and estimates

Management made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense.

Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key source of estimation uncertainty were similar to those applied to the Group annual financial statements as at and for the year ended 28 February 2022, with the exception of changes made to the accounting estimates relating to memorial parks revenue (refer to note 3).

2. Accounting policies

The accounting policies and method of computations applied are consistent with those applied for the financial year ended 28 February 2022, with the exception of changes made to the accounting treatment of memorial parks revenue (refer to note 3).

3. Revenue

Rand	2023	2022
Disaggregated revenue		
Residential Property Development segment		
Infrastructure	**469 869 029**	446 924 063
Fully and partially subsidised units	**439 599 945**	685 639 033
Non-subsidised units	**468 359 673**	124 211 217
Serviced land sales	**56 943 868**	12 551 155
Commercial land sales	**55 000 000**	–
	1 489 772 515	1 269 325 468
Memorial Parks segment#		
Memorial parks burial rights	**35 544 035**	42 265 376
Memorial parks maintenance	**–**	3 587 096
Memorial parks maintenance and other services	**–**	6 415 316
	35 544 035	52 267 788
Total revenue	**1 525 316 550**	1 321 593 256

 # In the current financial year the Group has reassessed the performance obligations relating to the memorial park segment. Where in the past three performance obligations were identified, the Group has found the burial services performance obligation to be highly inter-related to the sale of the burial right and as such is no longer seen to be a performance obligation on its own. Additionally, the period to which the maintenance revenue has been deferred is now aligned to the life of the park (i.e into perpetuity) resulting in the maintenance revenue being deferred into perpetuity. The accounting treatment has been adjusted in the current financial year to reflect this.

4. Cost of sales

Rand	2023	2022
Disaggregated cost of sales		
Residential Property Development segment		
Infrastructure	**257 916 737**	323 771 588
Fully and partially subsidised units	**303 165 088**	535 653 955
Non-subsidised units	**510 242 910**	138 950 641
Serviced land sales	**36 438 561**	8 581 975
Commercial land sales	**37 195 521**	–
	1 144 958 817	1 006 958 159
Memorial Parks segment#		
Memorial parks cost of burial plot	**7 695 678**	12 983 968
Memorial parks other costs	**14 968 258**	19 804 456
	22 663 936	32 788 424
Total cost of sales	**1 167 622 753**	1 039 746 583

 # In the current financial year the Group has reassessed the performance obligations relating to the memorial park segment. Where in the past three performance obligations were identified, the Group has found the burial services performance obligation to be highly inter-related to the sale of the burial right and as such is no longer seen to be a performance obligation on its own. The accounting treatment has been adjusted in the current financial year to reflect this.

5. Earnings reconciliation

Rand	2023	2022
Determination of basic, diluted, headline and diluted headline earnings		
Attributable profit to shareholders – basic and diluted earnings	**186 194 542**	131 811 216
Profit on disposal of property, plant and equipment and computer software	**(236 179)**	–
Gain on bargain purchase	**–**	(3 582 313)
Headline and diluted headline earnings	**185 958 363**	128 228 903
Determination of basic and diluted weighted average ordinary shares		
Weighted average ordinary shares	**121 400 069**	121 400 069
Fully diluted weighted average ordinary shares	**126 292 238**	124 722 232
Determination of basic, diluted, headline and diluted headline earnings per share		
Basic earnings per share (cents per share)	**153.37**	108.58
Fully diluted earnings per share (cents per share)	**147.43**	105.68
Headline earnings per share (cents per share)	**153.18**	105.63
Fully diluted headline earnings per share (cents per share)	**147.24**	102.81

6. Inventories

Rand	2023	2022
Memorial park land costs	**173 251 224**	176 803 066
Completed units	**2 340 792**	131 833 851
Other land costs for future development	**322 948 778**	307 182 913
Total inventories	**498 540 794**	615 819 830

7. Construction contracts

Rand	2023	2022
Net statement of financial position balance for ongoing contracts – opening balance	**861 178 458**	815 384 174
The aggregate costs incurred and recognised profits for the current year	**1 141 608 069**	615 238 854
Less: Progress billings for the current year	**(857 131 778)**	(569 444 570)
Net statement of financial position balance for ongoing contracts – closing balance	**1 145 654 749**	861 178 458
Excess billings over work done classified under trade and other payables	**23 636 344**	53 278 738
Provisions for expected credit losses on contract assets	**(6 897 141)**	(5 135 139)
Gross statement of financial position balance for ongoing contracts – closing balance	**1 162 393 952**	909 322 057

7. Construction contracts (continued)

Rand	2023	2022
Disaggregated construction contracts – gross of expected credit loss provisions		
Infrastructure – contract assets	**129 543 535**	38 970 374
Fully and partially subsidised units – contract assets	**440 402 318**	343 033 492
Non-subsidised units – contract assets	**113 790 968**	16 899 386
Serviced land – contract assets	**21 948 825**	16 744 432
Contract assets	**705 685 646**	415 647 684
Future contract asset costs		
Development cost for future contract assets	**463 605 447**	498 809 512
	1 169 291 093	914 457 196
Reconciliation of construction contracts		
Contract assets	**705 685 646**	415 647 684
Provisions for expected credit losses on contract assets	**(6 897 141)**	(5 135 139)
Development cost for future contract assets	**463 605 447**	498 809 512
Statement of financial position balance for construction contracts	**1 162 393 952**	909 322 057

The expected aggregate revenue still to be recognised on the current contract asset balances amounts to R2 033 065 128 (2022: R1 993 770 538) and will be recognised within the normal operating cycle of the business.

Borrowing costs to the value of R38 575 456 (2022: R34 713 783) have been capitalised.

8. Borrowings

Rand	Interest rate	Expiration date	2023	2022
Floating rate note – CGR 42	JIBAR plus 4.5%	03 August 2023	**45 000 000**	45 000 000
Floating rate note – CGR 46	JIBAR plus 3.95%	28 February 2023	**–**	40 000 000
Floating rate note – CGR 47	JIBAR plus 4.5%	28 February 2025	**60 000 000**	60 000 000
Floating rate note – CGR 48	JIBAR plus 4.25%	30 September 2023	**50 000 000**	50 000 000
Floating rate note – CGR 49	JIBAR plus 4.75%	30 September 2024	**50 000 000**	50 000 000
Floating rate note – CGR 50	JIBAR plus 4.25%	23 October 2023	**33 000 000**	33 000 000
Floating rate note – CGR 51	JIBAR plus 4.75%	23 October 2024	**48 000 000**	48 000 000
Floating rate note – CGR 52	JIBAR plus 4.25%	30 June 2025	**50 000 000**	–
Floating rate note – CGR 53	JIBAR plus 3.95%	28 February 2027	**40 000 000**	–
Floating rate note – CGR 54	JIBAR plus 4.5%	28 February 2028	**40 000 000**	–
Transaction cost amortisation*			**(527 425)**	(543 640)
Total bond exchange			**415 472 575**	325 456 360
NHFC loan	Prime plus 0.5%	30 August 2026	**215 000 000**	215 000 000
Proparco loan	JIBAR plus 4.9%	15 September 2023	**154 800 000**	309 600 000
Term loan	JIBAR plus 5%	12 October 2027	**100 000 000**	–
Transaction cost amortisation*			**(8 910 248)**	(10 988 588)
Other borrowings			**460 889 752**	513 611 412
Total borrowings			**876 362 327**	839 067 772

* *The transaction costs are amortised over the life of the facilities. It is expected that these costs will be fully amortised when the facilities are settled.*

8. Borrowings (continued)

Rand	2023	2022
Borrowings cash flow reconciliation		
Opening balance	**839 067 772**	944 161 828
Repayments of borrowings	**(194 800 000)**	(107 400 000)
Amortised expense through the statement of comprehensive income – non-cash	**5 594 911**	3 383 175
Transaction costs paid	**(3 500 356)**	(1 077 231)
Proceeds from borrowings	**230 000 000**	–
Closing balance	**876 362 327**	839 067 772
Interest paid on borrowings	**90 374 618**	82 300 992
Total interest paid on borrowings	**90 374 618**	82 300 992

9. Related parties

Rand	2023	2022
Compensation paid to key employees and personnel	**49 716 867**	39 608 869
Finance income from related parties	**23 923 989**	20 045 935
Net contract revenue received from joint ventures	**172 216 526**	246 289 691

10. Financial instruments

The carrying value of all financial instruments is equal to the fair value of those instruments at 28 February 2023 with the exception of borrowings. The carrying value of borrowings at 28 February 2023 was R876.4 million, with a corresponding fair value of R881.2 million. The difference is attributable to the bonds trading in an active market and is classified as level 2 in the IFRS 13: *Fair Value Hierarchy*.

11. Dividends

Management believes that cash should be retained to fund growth across the Group. Cash retention is important to ensure investment in future projects, as well as reduced reliance on debt finance.

The Board has therefore resolved not to declare a dividend for this reporting period.

12. Going concern

Based on the latest results for the year ended 28 February 2023, the latest Board approved budget for the 2024 financial year, as well as the available bank facilities and cash-generating capability, Calgro M3 satisfies the criteria of a going concern.

13. Events after reporting period

Share buy-back

At the annual general meeting ("AGM") of the Company held on 29 July 2022, shareholders, by special resolution, granted a general authority to the Board of Directors of the Company ("Board") to repurchase up to 20% of the issued ordinary share capital of the Company, on the terms and subject to the conditions specified in the notice of AGM ("General Authority").

Subsequent to the reporting period, an aggregate of 13 000 000 ordinary shares, representing 9.27% of the issued ordinary share capital of the Company as at the date on which the General Authority was granted, were repurchased. The aforementioned ordinary shares were repurchased for an aggregate value of R30.4 million, funded out of the Company's available cash resources. Should this have occurred in the 2023 financial year the effect would have improved EPS to 171.77 cents per share, HEPS to 171.55 cents per share and NAV to R10.65 per share.

The repurchases took place in accordance with a repurchase programme submitted to the JSE Limited prior to the commencement of the prohibited period, in terms of paragraph 5.72(h) of the JSE Limited Listings Requirements. The repurchases were made in terms of the General Authority and were effected through the order book operated by the JSE Limited trading system without any prior understanding or arrangement between the Company and the counterparties.

Share incentive scheme

On 5 April 2023, subsequent to the end of the financial year, the Board of Directors proposed the adoption of the Calgro Share Incentive Scheme in order attract, retain and reward certain key Group employees.

The scheme provides for shares to be granted to qualifying employees over a five-year vesting period from the initial award date.

A general meeting of shareholders was held on the 10 May 2023 where the scheme was approved.

14. JSE Listings Requirements

The unaudited summarised consolidated financial statements have been prepared in accordance with the Listings Requirements of the JSE.

15. Corporate governance

Corporate governance forms one of the foundational layers of the Calgro M3 strategy as we understand that transparency, integrity and accountability need to permeate everything that we do.

The Board of Directors endorses the principles contained in King IV™. Calgro M3's application of these principles is set out in the 2023 ESG report as well as the King IV™ application register, and is, in accordance with the JSE Listings Requirements, available on the Company's website. Please contact Mrs S van Schalkwyk of Juba Statutory Services, Group company secretary, for any additional information.

16. Ratio calculations

The Group monitors capital on the basis of its Net Debt/Equity ratio. The maximum allowed Net Debt/Equity ratio for the Group is 1.5:1.

Net Debt/Equity ratio
This ratio is calculated as Net Debt divided by Equity. Net Debt is calculated as total interest-bearing borrowings less cash and cash equivalents. Equity is calculated as the total equity per the statement of financial position (excluding share-based payment reserve).

Rand	2023	2022
Net **debt**		
Borrowings	**876 362 327**	839 067 772
Other interest-bearing borrowings	**4 281 756**	24 260 353
Less: Cash and cash equivalents	**(172 614 330)**	(191 114 249)
	708 029 753	672 213 876
Equity		
Stated capital	**102 080 971**	102 080 971
Retained income	**1 040 813 265**	850 362 620
	1 142 894 236	952 443 591
Net Debt/Equity ratio	**0.62**	0.71

The Group monitors capital repayments and interest serviceability on the basis of its Debt Service Cover Ratio ("DSCR"). The minimum allowed DSCR ratio for the Group is 1.2.

Debt Service Cover Ratio ("DSCR")
This ratio is calculated as available cash flow divided by debt service requirement. Available cash flow is calculated as cash generated from/(utilised in) operating activities plus new financial indebtedness incurred plus cash and cash equivalent at the beginning of the year less the aggregate amount spent on the purchase of property, plant and equipment, purchase of intangible assets, acquisition of businesses, acquisition of subsidiaries, and loans advanced to joint ventures for investment purposes (Capex).

Debt service requirement is calculated as interest and fees plus principal repayments.

Rand	2023	2022
Available cash flow		
Cash generated from operating activities	**89 638 658**	228 221 971
New financial indebtedness incurred	**230 000 000**	–
Cash and cash equivalent beginning of year	**191 114 249**	154 561 255
Capex	**(52 695 855)**	25 535 309
	458 057 052	408 318 535
Debt service requirement		
Interests and fees	**(90 374 618)**	(82 300 992)
Principal repayments	**(194 800 000)**	(107 400 000)
	(285 174 618)	(189 700 992)
Debt Service Cover Ratio ("DSCR")	**1.61**	2.15

16. Ratio calculations (continued)

The Group monitors capital on the basis of its liquidity ratio. The minimum allowed liquidity ratio for the Group is 1.2 : 1.

Liquidity ratio

This ratio is calculated as the ratio of Current Assets to Current Liabilities as defined.

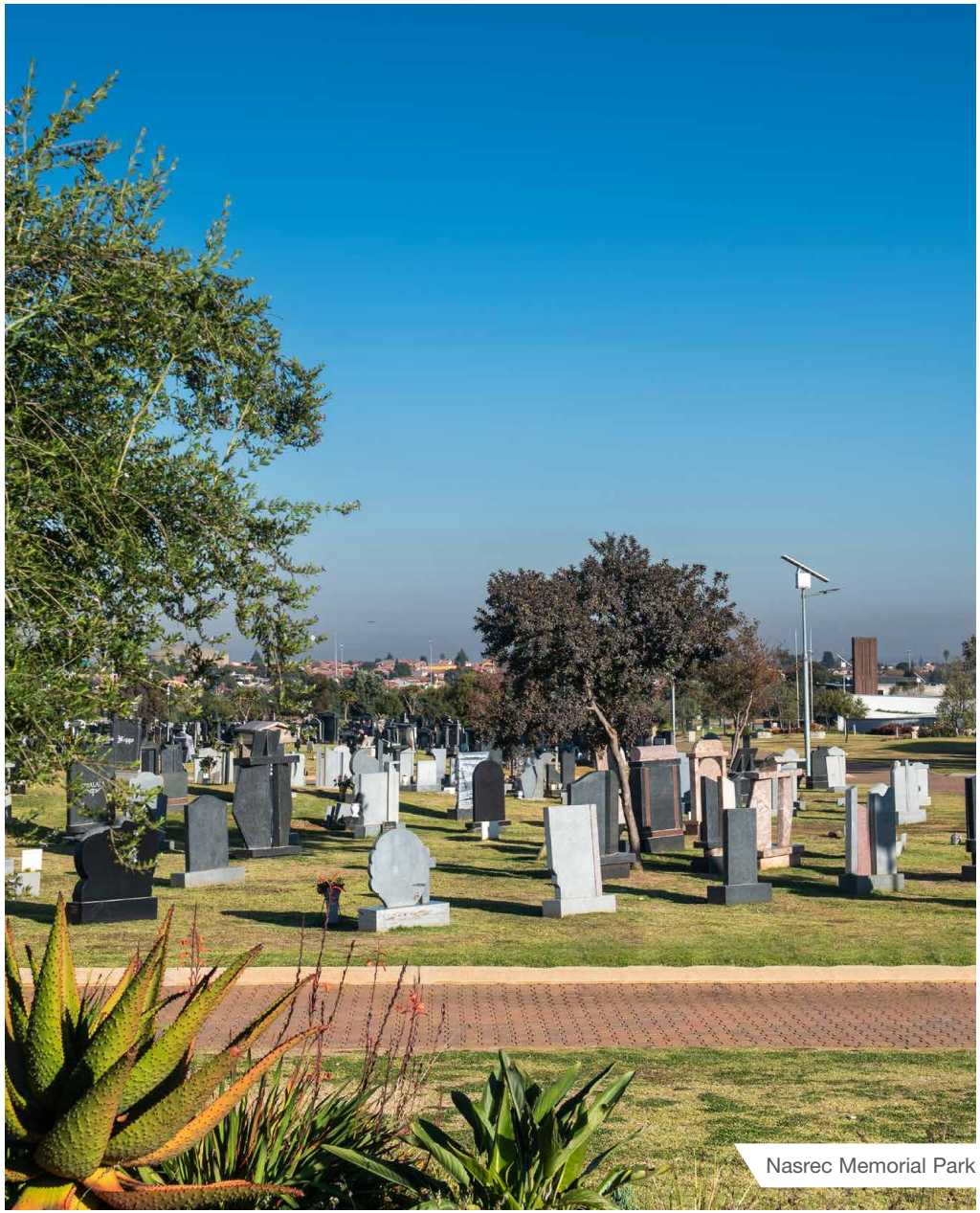
Current assets has been defined as cash and cash equivalents, trade and other receivables, work in progress, construction contracts, current tax receivable, inventories, loans to joint ventures.

Current liabilities has been defined as trade and other payables, current tax liabilities and borrowings.

Rand	2023	2022
Current assets		
Cash and cash equivalents	**172 614 330**	191 114 249
Trade and other receivables	**164 010 749**	147 292 645
Current income tax assets	**362 290**	2 372 226
Construction contracts	**1 162 393 952**	909 322 057
Loans to joint ventures	**371 472 316**	281 827 502
Inventories	**498 540 794**	615 819 830
	2 369 394 431	2 147 748 509
Current liabilities		
Trade and other payables	**360 504 294**	422 012 321
Current income tax liabilities	**633 442**	654 978
Borrowings	**876 362 327**	839 067 772
	1 127 500 063	1 261 735 071
Liquidity ratio	**1.91**	1.70

Funding requirements

The Group monitors capital from funders on the basis of its Debt Service Cover ratio, its Net Debt/Equity ratio and its Liquidity ratio (as above). The minimum allowed Debt Service Cover ratio and Liquidity ratio for the Group is 1.2 whilst the maximum Net Debt/Equity ratio is 1.5:1. The Group is in compliance with the above ratios at the reporting date.



Nasrec Memorial Park

General information

Calgro M3 Holdings Limited
Incorporated in the Republic of South Africa
Registration number: 2005/027663/06
Share code: CGR
ISIN: ZAE000109203

Registered office and business address
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2024

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15 May 2023

Transfer secretaries
Computershare Investor Services

Bankers
First National Bank
Standard Bank
Nedbank

Auditors
Mazars

Debt and Equity Sponsor
PSG Capital

Appointed Debt Officer
WA Joubert

Secretary
Juba Statutory Services, represented by
Sirkien van Schalkwyk

Directors

W Williams	Executive
WA Joubert	Executive
WJ Lategan	Executive
SU Naicker	Executive
H Ntene	Independent Non-Executive Chairperson
RB Patmore	Lead Independent Non-Executive
GS Hauptfleisch	Independent Non-Executive
ME Gama	Independent Non-Executive
TP Baloyi	Independent Non-Executive
TC Moodley	Non-Executive

Preparer
The financial statements were internally compiled by R van Maarleveld CA(SA) under the supervision of SU Naicker CA(SA).

Level of assurance
The consolidated annual financial statements have been audited by our external auditors Mazars in accordance with the applicable requirements of the Companies Act No. 71 of 2008.

CALGRO M3
Group

www.calgrom3.com