Summarised audited consolidated financial results

For the year ended 29 February 2024





CALGRO M3
Group

Building legacies. Changing lives

Our Integrated Annual Report Suite 2024

Calgro M3 Holdings Limited ("Calgro M3") is a committed, responsible corporate citizen producing an Integrated Annual Report 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 and notice of annual general meeting



Consolidated and separate audited annual financial statements



ESG report
(including our approach to governance and King IV™ Application Register)

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Our business

CALGRO M3

Calgro M3 consists of the following two operating segments, focusing operations in Gauteng, Western Cape and the Free State:



Residential Property Development

The business builds integrated housing developments consisting of subsidised, social, GAP ("Grassroots Affordable People's") or FHF ("First Home Finance") and Affordable Housing and these homes are provided in developments which include 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 integrated developments, we also develop mid-to-high end retirement and cluster developments.



Memorial Parks

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 sectors 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.

Performance metrics

1 794 units handed over in current year

Gross margin of **27.25%**

Earnings per share ("EPS") increased to **192.01 cents**
(February 2023: 153.37 cents per share)

Headline earnings per share ("HEPS") increased to **189.87 cents per share**
(February 2023: 153.18 cents per share)

Net debt to equity level stable at **0.63**
(February 2023: 0.62)

Loan to value of **31.97%**
(February 2023: 31.04%)

Share buyback of **25.91 million shares** (18.5%) at an average price of **R2.92 per share** and to the amount of **R73.02 million**

Maiden dividend declaration of **9.49350 cents** per share

Highest net asset value ("NAV") per share increasing by **40.60%** to **R13.37** (2023: R9.51) valued at lowest of cost or net realisable value

Retained **level 1** B-BBEE accreditation

46.7% of the workforce are female (target: 50%)



Overview and achievements of the year

CALGRO M3

The year 2024 stands out in Calgro M3's storied history as another year where we not only lived up to our guiding phrase of "Building legacies. Changing lives" but also set new benchmarks in excellence and innovation. This year we further embraced our role as architects of lifestyle, security, and high-specification offerings that have become the standard in both our residential developments and memorial parks, yielding an above average gross profit margin of 27.25% (normal range 20% to 25%). By delivering unmatched quality and value to the open bonded market, we have cemented our reputation as a leader in creating environments where legacies are built. Our offerings are so transformative that they could seamlessly transcend from more modest neighbourhoods to the most affluent ones – such is the calibre of our product. This relentless pursuit of perfection continues to earn us support from major banks and financial institutions, ensuring that 100% home loans remain accessible for our clients. This is a further testament to stakeholders' trust and confidence in our projects.



Building legacies. Changing lives

We take pride in reporting not only satisfactory results but a record-breaking performance of earnings of 192.01 cents per share, headline earnings of 189.87 cents per share and net asset value growth of 40.60% per share, driven by our strategic initiatives and focused effective capital deployment which includes share repurchases. These achievements in a challenging market underscore our deep understanding of the Living Standards Measure ("LSM") markets we serve, the prioritisation of long-term sustainability, expanding market share, whilst rolling out the existing pipeline opportunities in a controlled but adaptable manner, and navigating the complex terrain of property development and memorial parks management. This has been instrumental in supporting and optimising our robust future development pipeline of 23 370 opportunities, equating to approximately R16.4 billion of future revenue un-escalated, excluding our new Bankenveld District City ("Bankenveld") project (previously known as Frankenwald). Bankenveld adds a minimum of R18 billion to the revenue pipeline through the delivery of between 20 000 and 30 0000 opportunities over a 15 to 20-year period. Furthermore, the Memorial Parks business offers in excess of 120 000 burial opportunities (approximate revenue of R2.6 billion). Implemented strategic efforts have enhanced open market sales and generated consistent cash flows, getting us ever closer to the goal of covering Group overheads and interest expense from the Memorial Parks cash flows. The Group also acquired a new memorial park in Rustenburg, adding approximately 25 533 burial opportunities to the pipeline. This additional memorial park was acquired but not yet transferred at the end of the financial year.

We serviced 2 970 additional residential opportunities and partially completed 1 748 residential opportunities, some of which were close to completion at year-end. The revenue from these opportunities will be recognised in the next financial year.

A testament to our strategic foresight in capital allocation was the repurchase of 25.91 million shares at an average price of R2.92 per share, showcasing our confidence in the inherent value of our Group and aligning with our commitment of enhancing shareholder value. This move, while immediately accretive to our earnings per share, underscores our precision in capital deployment, with the nuanced impact on EPS and HEPS expected to be more pronounced in the 2025 financial statements due to the weighted average share calculation.

The balance sheet remains robust, characterised by stable liabilities and a net debt-to-equity ratio holding steady at 0.63 compared to 0.62 the previous year. Our liquidity position is strong, supported by undrawn overdraft and borrowing facilities.

Our operational excellence extends beyond financial metrics, reflecting in the superior quality and affordability of the homes and memorial parks we develop. This is a direct result of our relentless pursuit of innovation in building design, efficiency in project execution, and an unwavering focus on margin improvement. Our ability to maintain margins within our target range while driving HEPS growth speaks volumes about our strategic discipline and operational efficiency. We believe it is not about driving revenue only, but also about the value that can be unlocked from the revenue.

The Group is committed to fostering harmonious relationships and actively engages with communities to minimise project disruptions, resulting in minimal to no site interruptions during this period across our projects. We prioritise skills development and education, with new initiatives in progress. Female representation is constantly increasing and now accounts for 47% of the workforce. We are aiming for 50% across all levels. Our empowerment plan has increased employment of historically disadvantaged individuals from 73% in 2023 to 75% in the 2024 financial year.

Residential Property Development Performance

The Residential Property Development sector remains the largest contributor to Group performance. The increase in gross profit margin counters the decrease in revenue, thereby providing an even greater contribution to Group profits.

With nine active projects, primarily in Gauteng and the Western Cape, all contributing to revenue and profitability, our products range from fully subsidised to premium homes above R3 million. This diversity is strategic, allowing us to navigate current economic and market conditions effectively. Our focus is on delivering value-for-money homes in integrated developments and lifestyle estates, reaching a wide spectrum of different market segments with a keen focus on those in dire need of housing. This focus on delivery mix and the shift to greater open market sales has significantly contributed to the Group's highest profit since inception.

We continuously explore opportunities to offer more affordable housing without compromising quality, adhering to our guiding phrase of ***"Building legacies. Changing lives"***. With a robust pipeline valued at R16.4 billion, we are addressing the housing shortage with 23 370 opportunities secured at the end of the financial year. This excludes between 20 000 and 30 000 opportunities on our newly acquired Bankenveld project. The development presents a significant opportunity for the Group, being positioned in close proximity to the Sandton hub as well as bordering Alexandra and the Marlboro Gautrain station, it represents the last large-scale undeveloped property in the Sandton area. The first phase of infrastructure installation is expected to commence in the fourth quarter of 2024.



Fleurhof



Revenue pipeline

	Breakdown of opportunities					
Projects	Units under construction	Fully serviced opportunities	Number of opportunities currently being serviced	Number of additional opportunities partially serviced	**Total remaining opportunities**	Revenue pipeline (R)
Belhar	222	916	968	804	**2 910**	1 392 267 337
Fleurhof	182	332	1 074	3 916	**5 504**	4 278 842 017
Jabulani	361	748	–	–	**1 109**	877 808 364
La Vie Novelle	11	66	–	–	**77**	174 616 522
Scottsdene	533	293	–	–	**826**	389 947 354
South Hills	416	470	138	4 477	**5 501**	3 589 460 533
Umhlanga Hills (if developed)	–	–	–	720	**720**	562 852 174
Vredehoek	–	–	–	263	**263**	819 038 261
Mid-to-high	23	–	–	334	**357**	1 066 209 073
Witpoortjie	–	–	790	5 313	**6 103**	3 036 072 191
KwaNobuhle	–	–	–	–	**–**	165 000 000
	1 748	2 825	2 970	15 827	**23 370**	16 352 113 826

The 2024 financial year experienced a decrease in revenue across our projects. The overall segment gross profit amounted to R330.63 million with margin improvement to 26.62%, a noteworthy increase from the previous year's 23.15%. We have also made commendable progress in increasing other income, achieving a 28% increase due to higher bond commissions supporting the focus on open market housing. These gains reflect our commitment to revenue diversification, ensuring stable customer handovers and consistent cash flow.

In relation to construction, 1 794 opportunities have been handed over, with 1 748 opportunities currently under construction and nearing completion for hand-over and related revenue recognition. Included within the serviced opportunities are 1 100 opportunities which are commencing construction in the first six months of the 2025 financial year and more than 2 970 opportunities are being serviced. Major banks continue to support the industry, recognising the need for housing and its role in job creation and societal wellbeing, despite the tough market. Additionally, our pipeline increased on existing projects by 2 182 opportunities. This increase was driven by an additional 804 opportunities from the acquisition of strategic land next to our Belhar project with the remaining opportunity increase stemming from more efficient designs in an effort to improve our product offering.

Focus remains on securing additional land parcels in strategic areas within our current projects where the majority of infrastructure work has been completed. Consequently, we have secured additional land in Fleurhof that will transfer and be added to the pipeline when town planning is completed during the following two years. We invested R314.58 million in infrastructure in Jabulani, Fleurhof, South Hills, and Belhar projects during the year impacting the net cash from operations but creating long term value from a capital allocation perspective.



Jabulani Junction

Housing demand and price trends

The demand for affordable housing in South Africa remains strong, underpinned by a substantial portion of the population comprising first-time homebuyers and low-to-middle-income earners. Despite various economic challenges, including high interest rates and a challenging unemployment landscape, the residential real estate market is expected to grow. In 2024, the South African Residential Real Estate Market size is estimated to reach R397 billion, with a forecast to grow significantly by 2029. It is worth noting that on a R500 000 home mortgage bond, a 1% decrease in the interest rate results in a R313.81 per month saving on the client's bond repayments.

Current market dynamics indicate modest price increases in the property sector. Notably, building plans for residential developments in the Western Cape significantly increased from the previous year, which points to a strong pipeline for housing in the region.

While the market faces certain economic pressures, the property sector also presents opportunities, particularly in areas like the Western Cape and Gauteng, with people moving to formal job opportunities. This attracts attention from both local and international buyers due to its unique offerings and potential for growth. We are seeing more investors buying two, three and four bedroom units to rent out, and even "crowd funded" models investing in our developments.

As consumer preferences evolve, there has been a notable shift towards remote working, prompting a demand for homes with dedicated workspaces and greener surroundings. Properties that offer a blend of nature and urban living are seeing an uptick in demand and becoming more popular.

Outlook

Despite the economic climate impacting interest rates and potentially tightening lending, we remain optimistic. The housing market we serve views formal shelter as a necessity, ensuring continued demand. As a Group we are continuously exploring ways to capitalise on this housing shortfall and in turn deliver more units into the market faster. One way this is being explored is by broadening our current LSM target to include lower LSM levels which in our view is not sufficiently serviced in the market. This will enhance our client base and in turn allow us to deliver a larger quantity of units in a shorter period of time with the benefit of limited to no additional capital requirements.

The Residential Property Development segment's outlook demonstrates our continued commitment to our guiding phrase of ***"Building legacies. Changing lives"*** with a clear strategy to continue delivering sustainable growth, enhancing shareholder value, and making a positive impact within the communities we serve. Our foundation remains strong, and our pipeline robust, positioning Calgro M3 for continued success and prosperity.

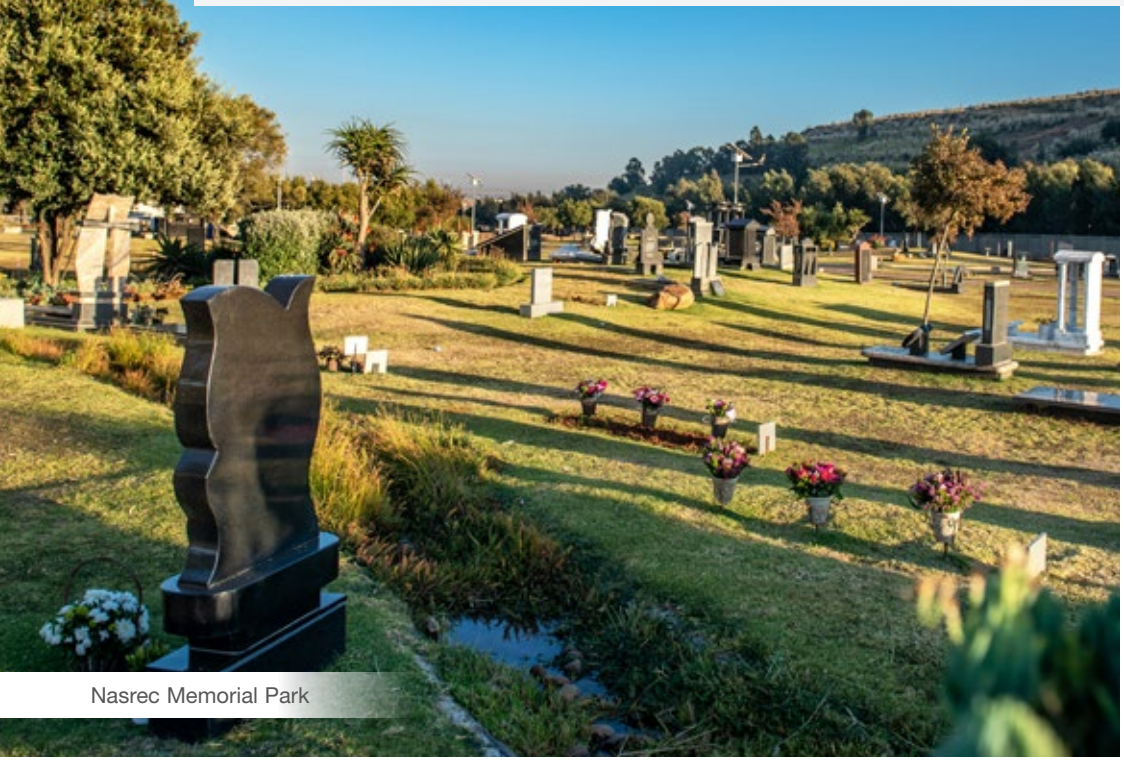


Grand Views

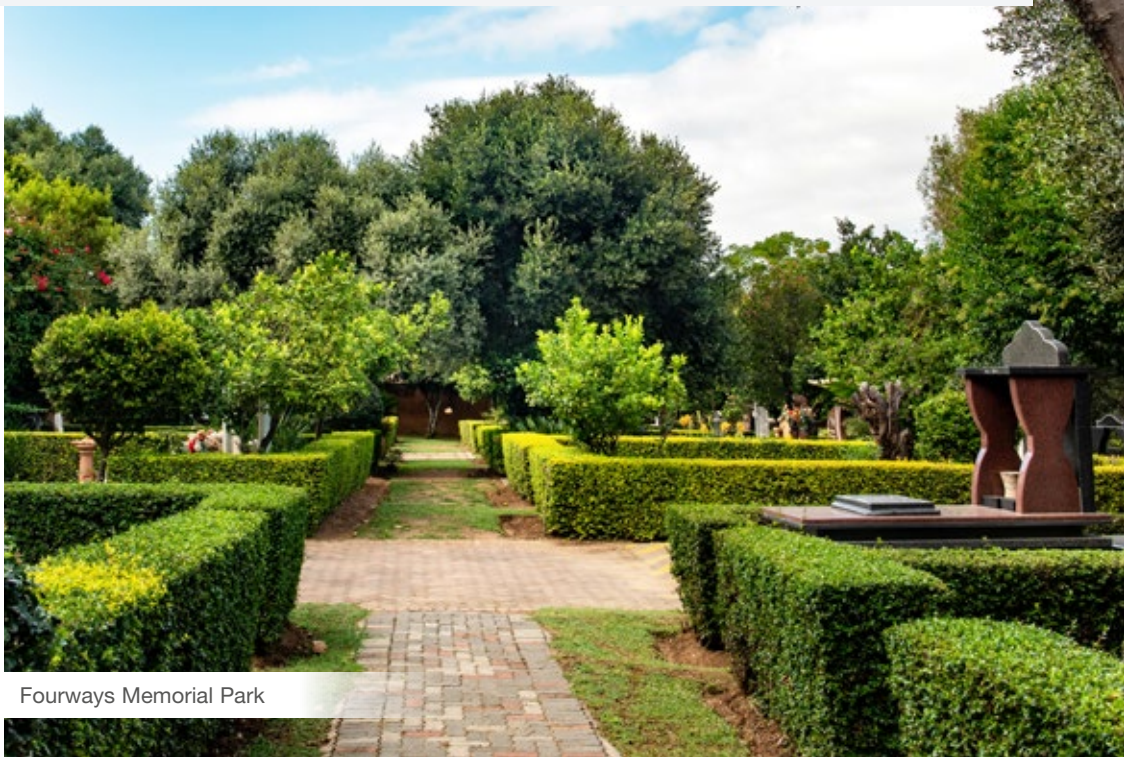
Memorial Parks

Reflecting on the 2024 financial year, we are proud to present significant growth within the Memorial Parks segment. This growth is not only seen through the 50.94% increase in gross profit but also a significant increase in cash receipts of 40.7%, reaching our highest cash collections since the segment's formation in 2017.

This industry, inherently linked to the certainties of life, demands not just a business acumen but also a profound sense of empathy and responsibility. In this spirit, we have navigated the complexities of the market and the evolving needs of our customers, ensuring that growth aligns with our commitment to service excellence. The active lay-by book amounts to R36.4 million, reflecting consumer confidence and the successful implementation and positioning of flexible payment options. The revenue recognition policy on these lay-by's remains conservative, ensuring we maintain financial integrity by recognising sales only upon the successful collection of the full purchase amount.



Nasrec Memorial Park



Fourways Memorial Park

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

(R million)	2024 FY	2023 FY	2022 FY	2021 FY	2020 FY
Nasrec (Gauteng)	**25.3**	20.2	25.8	24.5	17.3
Fourways (Gauteng)	**25.1**	14.5	23.5	16.3	8.2
Enokuthula (Gauteng)	**1.9**	1.2	1.7	1.3	0.4
Bloemfontein (Free State)	**1.3**	0.3	0.4	0.3	0.2
Durbanville (Western Cape)	**14.6**	11.7	13.3	11.2	8.1
	68.2	47.9	64.7	53.6	34.1
Movement	**42.3%**	(26.0%)	20.7%	57.2%	18.5%
CAGR (five-year)	**28.8%**				

The gross profit margin is strong at 45.74% and reflects cost containment efforts and operational efficiencies. These figures are indicative of a solid operational model and financial prudence that should provide comfort for long-term viability and profitability. The compounded annual growth rate ("CAGR") of this business over the past five years remains in excess of 28%, illustrating its resilience and the growth opportunities that the robust pipeline represents.

Memorial Parks pipeline

Project/Park	Region/City	Province	Grave quantity	Anticipated project turnover (Rand)
Nasrec Memorial Park	City of Joburg	Gauteng	**28 033**	**855 548 405**
Fourways Memorial Park	City of Joburg	Gauteng	**6 112**	**328 041 230**
Enokuthula Memorial Park	City of Ekurhuleni	Gauteng	**9 661**	**147 416 182**
Bloemfontein Memorial Park#	Mangaung	Free State	**45 987**	**750 630 662**
Durbanville Memorial Park	City of Cape Town	Western Cape	**5 002**	**149 060 684**
Platinum City Memorial Park	Rustenburg	North West	**25 553**	**426 452 528**
Total			**120 348**	**2 657 149 690**

 # Anticipated total grave density and turnover once second phase burial rights have been approved.

Affordability and new partnerships

The affordability of products continues to be a priority, and flexible payment options through a lay-by offering continues to be a success. Customers increasingly choose to purchase products on lay-by basis to decrease the burden of outlaying a large once-off capital sum. The cancellation/default rate on lay-by's remain fairly stable at 6% of total sign-up value. Total cash receipts during the year from the lay-by book was R15.6 million (February 2023: R4.0 million), indicating a 290% increase in cash received. The expansion of this offering remains a strategic objective due to its stable and predictable nature, which corresponds with the strategic objective of the Memorial Parks segment within the broader Group.

The contracting of an external specialist sales organisation in February 2024 marks an exciting chapter for this segment. The hybrid sales approach, combining the reach of digital platforms with the efficacy of direct customer engagement, is currently under a three-month pilot programme to measure its success and sustainability. We are extremely positive that the programme will gain momentum and unlock a new sales channel for the business and thereby further bolstering performance in future periods.

Outlook

Looking forward, we are preparing our 2024 marketing initiatives, learning from last year's improvements. The South African funeral industry is rapidly evolving, with our memorial parks embracing sustainable, customisable, and tech-forward approaches. As in the Residential Property Development business, we believe the market in the Memorial Parks business is endless, the question is how we can target it better and make it even more affordable than what we already have.

We have strategically expanded our national footprint to six parks, the latest of which is expected to open in Rustenburg in the third quarter of 2024. The future looks promising, focusing on three strategic pillars: increasing annuity income, launching new parks efficiently, and pioneering the use of technology within the sector. This vision underpins our confidence in sustaining growth and value for customers and stakeholders alike.

Financial performance

Statement of comprehensive income

In this financial year, the Group's profit after tax reached R196.80 million, increasing from the previous year's R186.29 million. The improved performance is due to a 3.80% improvement in the gross profit margin coupled with a 4.18% reduction in administrative expenses. Despite these gains, total revenue fell by 15.79% to R1 284.54 million (2023: R1525.32 million). The increased focus on open market sales, coupled with delays in unit transfers and challenging economic conditions, all played a part in the decrease in revenue.

The Group has achieved a record gross profit margin of 27.25% (2023: 23.45%). This notable increase can be attributed to diligent cost control strategies and effective project management within both reportable segments. Additionally, the mix of units sold this year, which were predominantly in the open market, also played a crucial role. These factors collectively pushed the gross profit margin beyond the Group's anticipated range of 20% to 25%. While this performance is exceptional, we maintain that the 20% to 25% target range remains a suitable benchmark for assessing the Group's financial health.

Administrative expenses decreased by 4.18% to R98.14 million (2023: R102.43 million), with continuous monitoring of overhead expenditure and cost management positively contributing to this reduction.

The increase of 75.05% in share of profits from joint ventures is as a result of open market construction activity completed within the South Hills integrated development.

The Group recorded net finance income of R2.5 million, a significant shift from the net finance costs of R10.56 million reported in 2023. This turnaround can largely be ascribed to a substantial 79% surge in finance income, stemming from higher interest earned and accrued on cash investments and loans.

Earnings per share

EPS saw an increase to 192.01 cents (2023: 153.37 cents), while HEPS climbed to 189.87 cents (2023: 153.18 cents). This growth underscores the astute strategic capital allocation by the Group, which included the repurchase of 25.91 million shares at an average price of R2.92 per share. This share buy-back has resulted in an immediate accretive value on both EPS and HEPS, highlighting the judicious approach to capital management. The full effect of this action on both EPS and HEPS is anticipated to be even more significant in the 2025 financial statements, due to the influence of the weighted average number of shares in the current financial year calculation.

Statement of financial position and cash flow

The increase in current assets, excluding cash and cash equivalents, totalled R227.51 million, with the construction contracts providing R192 million of this increase. This net change in construction contracts correlates with the number of units under construction at the close of the financial year, and the substantial infrastructure investment in Fleurhof, Belhar and South Hills, to ensure fully serviced opportunities are available in the upcoming financial year.

The Group's trade and other payables decreased to R290.92 million (2023: R360.50 million), with R49.50 million of this reduction attributable to trade payables. This decrease primarily stems from reduced construction activities towards the financial year end, as most units were close to completion in the final quarter.

Cash and cash equivalents at the end of the year decreased to R122.64 million (2023: R172.61 million), with the decrease largely being attributed to cash invested in near completed units which are expected to be handed over, and revenue accounted for, in the next six months. Additional liquidity in the form of a R100 million undrawn overdraft facility as well as a R100 million undrawn facility from another local South African debt provider, will enable the Group to execute on short to medium-term goals. The previously reported DFC/OPIC facility of USD20 million was cancelled in the current financial year due to foreign exchange challenges experienced in finalising the deal. All breakage costs have been appropriately captured and expensed in the financial statements.

Borrowings and covenants

The Group's balance sheet remains robust, reflected in a net debt to equity ratio of 0.63:1 (2023: 0.62:1). This ratio not only sits comfortably beneath our stated target of 0.75:1 for February 2024 but also well under the regulatory covenant threshold of 1.5:1. Consistent with previous results disclosures, there was a 6.67% increase in the Group's borrowings this year. As previously indicated, the strategy was to keep the net debt to equity ratio stable, while also securing extra liquidity to fortify the Group amidst the prevailing political and economic unpredictability.

During the current financial year, the Group successfully paid off R232.8 million in debt and, in response to the cyclical working capital needs of the business, has raised an additional R288.0 million. These debt levels are deemed sustainable within the context of the Group's operations.

Dividend

A maiden cash dividend of 9.49350 cents per share (2023: nil cents per share), in respect of the year ended 29 February 2024, was declared by the board on Monday 13 May 2024. The net cash dividend payable to shareholders subject to dividend tax is 7.59480 cents per share (2022: nil cents per share). The total dividend for the year amounts to 9.4350 cents per share (2022: nil cents per share).

Dividend declaration

Notice is hereby given that the board of directors of Calgro ("Board") has approved and declared a maiden, final gross cash dividend of 9.49350 cents per ordinary share, from income reserves, in respect of the year ended 29 February 2024. The dividend was approved and declared on Monday 13 May 2024.

As at the date of this announcement, the Company has 114 381 575 shares in issue, of which 18 322 449 are held in treasury. The total dividend payable is R10.86 million (2022: nil million).

The Board has confirmed that the solvency and liquidity test as contemplated by the Companies Act, No. 71 of 2008, has been duly considered, applied and satisfied. This is a dividend as defined in the Income Tax Act 58, 1962, and is payable from income reserves. The dividend is subject to a South African dividend withholding tax rate of 20%, resulting in a net dividend of 7.59480 cents per ordinary share, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate of dividend tax in terms of an applicable double-taxation agreement.

The income tax number of the Company is 9613501155.

Relevant dates to the final dividend are as follows:

Publication of declaration date	Monday, 13 May 2024
Last day to trade cum dividend	Monday, 27 May 2024
Commence trading ex-dividend	Tuesday, 28 May 2024
Record date	Friday, 31 May 2024
Dividend payable	Monday, 3 June 2024

Share certificates may not be dematerialised and rematerialised between Tuesday, 28 May 2024 and Friday, 31 May 2024, both dates inclusive.

Dividend policy

We are proud to announce the introduction of our inaugural Dividend Policy, a landmark move aimed at enhancing shareholder value and demonstrating our commitment to financial discipline and sustainable growth. This policy establishes a clear framework for distributing profits to our shareholders, ensuring they benefit directly from our success.

The essence of our Dividend Policy is to pay dividends annually, calculated at a minimum of 5% of the HEPS.

Dividends will be declared by the Board of Directors post-approval of the annual audited financial statements, with all registered shareholders eligible. This approach not only provides a consistent income stream for our shareholders but also ensures that Calgro retains sufficient capital to fuel future growth and investment opportunities.

Our Board of Directors is dedicated to overseeing the implementation and annual review of this Dividend Policy, aligning it with our strategic goals and the broader economic landscape. This policy reflects our ongoing commitment to building a sustainable business model and rewarding our shareholders for their continued trust and investment in our journey.



32 on Pine

Where to from here

Calgro M3 has established a foundation of consistent and successful project delivery, bolstered by a robust pipeline that has underpinned our record of generating positive outcomes in both profit and cash flow. Our established history of performance illustrates our Calgro M3 family's capability of adeptly navigating risks and achieving goals to the benefit of all our stakeholders. Much like South Africa as a country, Calgro M3 has proven that the hallmark of our strength is our resilience as we have the ability of thriving amidst uncertainty, by continually seeking out and capitalising on the opportunities that are presented in uncertain times.

Calgro M3's journey going forward is characterised by positive cash flows expected from revenue and profitability growth. With sustainable debt levels now effectively managed and the expertise of our seasoned management teams in both businesses, we believe we are well-equipped to overcome any hurdles. Our potential new product offering targeting lower LSM groups for affordable housing and memorial services intends capturing the current market demand. This coupled with diverse revenue streams across various market segments in both businesses, positions us to make the most of the considerable housing deficit and robust memorial services sector demand. This multifaceted approach not only hedges risk but also ensures consistent financial stability, empowering us to seize diverse market opportunities and adapt to changes in the economic landscape.

Innovation and technological advancement are at the heart of our strategy to ensure that Calgro M3 remains a leader in efficiency and profitability, irrespective of difficult market conditions, as illustrated in the current financial year results.

Our commitment to sustainability is unwavering, seen in our endeavours to forge sustainable communities through the provision of affordable housing, comprehensive amenities, and the dignified memorial parks we create. ***"Building legacies. Changing lives"*** isn't just our motto – it is a reflection of our dedication to making a lasting social impact.

As such Calgro M3's proven performance, keen focus on a burgeoning market sector, diversified revenue streams, strategic collaborations, commitment to societal contributions and last but not least strict capital allocation renders it a compelling proposition for those looking to invest in South Africa's property market.

Appreciation

We would like to thank our employees, their families as well as our clients and shareholders for their continued support. Thank you to all management team members for remaining committed and loyal to the Group.

A further thank you to the Non-Executive Board members for their continued guidance, wisdom and support, for which we are grateful.

Calgro M3 will thrive – ***"Building legacies. Changing lives".***

Wikus Lategan
Chief Executive Officer

Sayuri Naicker
Financial Director

13 May 2024



Fourways Memorial Parks

Summarised Consolidated Statement of Financial Position

for the year ended 29 February 2024

	2024	2023
Assets		
Cash and cash equivalents	**122 638 021**	172 614 330
Trade and other receivables	**140 409 757**	164 010 749
Current income tax assets	**212 247**	362 290
Construction contracts	**1 355 384 620**	1 162 393 952
Loans to joint ventures	**402 422 283**	371 472 316
Investment in joint ventures	**68 321 244**	51 991 549
Inventories	**503 385 249**	498 540 794
Investments	**16 769 513**	14 894 959
Property, plant and equipment	**29 188 675**	16 684 459
Investment property	**22 147 091**	19 947 022
Intangible assets	**159 650 534**	159 650 534
Deferred income tax asset	**15 681 504**	26 500 218
Total assets	**2 836 210 738**	2 659 063 172
Equity and liabilities		
Equity		
Equity attributable to owners of the parent		
Stated capital	**31 610 096**	102 080 971
Share-based payment reserve	**363 152**	10 454 589
Retained income	**1 251 252 682**	1 040 813 265
	1 283 225 930	1 153 348 825
Non-controlling interests	**665 676**	689 262
Total equity	**1 283 891 606**	1 154 038 087
Liabilities		
Trade and other payables	**290 924 698**	360 504 294
Current income tax liabilities	**581 106**	633 442
Borrowings	**934 796 142**	876 362 327
Deferred income tax liability	**326 017 186**	267 525 022
Total liabilities	**1 552 319 132**	1 505 025 085
Total equity and liabilities	**2 836 210 738**	2 659 063 172

Summarised Consolidated Statement of Comprehensive Income

for the year ended 29 February 2024

	2024	2023
Revenue	**1 284 539 758**	1 525 316 550
Cost of sales	**(934 510 643)**	(1 167 622 753)
Gross profit	**350 029 115**	357 693 797
Other income	**11 538 164**	8 983 344
Administrative expenses	**(98 139 169)**	(102 425 094)
Other expenses	**(64 106)**	(1 065 960)
Expected credit losses on financial and contract assets	**(5 595 247)**	(5 657 460)
Finance income	**59 799 809**	33 481 456
Finance costs	**(57 300 560)**	(44 038 188)
Share of profit of joint ventures – net of tax	**9 429 695**	5 386 925
Profit before tax	**269 697 701**	252 358 820
Taxation	**(72 896 505)**	(66 071 284)
Profit after taxation	**196 801 196**	186 287 536
Other comprehensive income	**–**	–
Total comprehensive income	**196 801 196**	186 287 536
Profit after taxation and total comprehensive income attributable to:		
– Owners of the parent	**196 640 694**	186 194 542
– Non-controlling interests	**160 502**	92 994
	196 801 196	186 287 536
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in cents per share)		
– basic	**192.01**	153.37
– diluted	**188.86**	147.43

Summarised Consolidated Statement of Changes in Equity

for the year ended 29 February 2024

	Stated capital	Share-based payment reserve	Retained income	Total	Non-controlling interests*	Total equity
Balance at 1 March 2022	102 080 971	10 645 975	850 362 620	963 089 566	596 268	963 685 834
Share-based payments	–	(191 386)	4 413 541	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 1 March 2023	**102 080 971**	**10 454 589**	**1 040 813 265**	**1 153 348 825**	**689 262**	**1 154 038 087**
Shares repurchased	**(73 016 275)**	**–**	**–**	**(73 016 275)**	**–**	**(73 016 275)**
Share-based payments	**2 545 400**	**(10 091 437)**	**13 798 723**	**6 252 686**	**–**	**6 252 686**
Dividend declared#	**–**	**–**	**–**	**–**	**(184 088)**	**(184 088)**
Comprehensive income						
Profit for the period	**–**	**–**	**196 640 694**	**196 640 694**	**160 502**	**196 801 196**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income	**–**	**–**	**196 640 694**	**196 640 694**	**160 502**	**196 801 196**
Balance at 29 February 2024	**31 610 096**	**363 152**	**1 251 252 682**	**1 283 225 930**	**665 676**	**1 283 891 606**

* *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, Calgro M3 Contractors (Pty) Ltd and CTE Consulting (Pty) Ltd.*

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

Summarised Consolidated Statement of Cash Flows

for the year ended 29 February 2024

	2024	2023
Cash generated from operating activities		
Cash generated from operations	**149 245 922**	89 638 658
Finance income received	**56 905 547**	8 003 346
Finance cost paid	**(111 400 297)**	(90 374 618)
Tax paid	**(3 487 918)**	(5 197 841)
Net cash generated from operating activities	**91 263 254**	2 069 545
Cash flows (invested in)/received from investing activities		
Purchase of property, plant and equipment	**(722 708)**	(1 199 014)
Proceeds from the sale of property, plant and equipment	**–**	455 864
Increase of investments in joint venture	**(6 900 000)**	–
Loans advanced to joint ventures	**(202 241 767)**	(65 124 839)
Loans repaid by joint ventures	**88 989 815**	13 172 134
Net cash invested in investing activities	**(120 874 660)**	(52 695 855)
Cash flows advanced/(repaid in) financing activities		
Proceeds from borrowings	**288 000 000**	230 000 000
Capital repayment of borrowings	**(232 800 000)**	(194 800 000)
Shares bought back	**(73 016 275)**	–
Repayment of capital portion on leases	**(2 548 628)**	(3 073 609)
Net cash (repaid in)/advanced from financing activities	**(20 364 903)**	32 126 391
Net (decrease)/increase in cash and cash equivalents	**(49 976 309)**	(18 499 919)
Cash and cash equivalents at the beginning of the year	**172 614 330**	191 114 249
Cash and cash equivalents at the end of the year	**122 638 021**	172 614 330

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 are provided by management of the different operational activities within the Group.

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



The operation of the Residential Property Development segment encompasses the following product range: mid to high income housing and the development of integrated developments.

Integrated developments comprise affordable housing, Grassroots Affordable People's homes ("GAP"), First Home Finance ("FHF") and rental housing, 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 29 February 2024 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).

Summarised Segment Report of the Group (continued)

Statement of comprehensive income

	Residential Property Development	Memorial Parks	Holdings and other	Total
2024				
Total segment revenue	**1 242 134 443**	**42 405 315**	**–**	**1 284 539 758**
Fleurhof	**566 405 388**	**–**	**–**	**566 405 388**
Jabulani	**127 711 109**	**–**	**–**	**127 711 109**
Scottsdene	**51 241 515**	**–**	**–**	**51 241 515**
South Hills	**187 759 105**	**–**	**–**	**187 759 105**
Belhar	**231 284 959**	**–**	**–**	**231 284 959**
Mid to high projects	**65 697 694**	**–**	**–**	**65 697 694**
Other projects	**12 034 673**	**42 405 315**	**–**	**54 439 988**
Combined revenue*	**1 340 506 235**	**42 405 315**	**–**	**1 382 911 550**
Total segment revenue	**1 242 134 443**	**42 405 315**	**–**	**1 284 539 758**
Revenue of joint ventures	**98 371 792**	**–**	**–**	**98 371 792**
Witpoortjie Calgro M3 Development Company (Pty) Ltd	**26 561 361**	**–**	**–**	**26 561 361**
South Hills Development Company (Pty) Ltd	**71 810 431**	**–**	**–**	**71 810 431**
Gross revenue	**1 242 134 443**	**42 405 315**	**–**	**1 284 539 758**
Point in time	**412 777 229**	**42 405 315**	**–**	**455 182 544**
Over time	**829 357 214**	**–**	**–**	**829 357 214**

* *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)

	Residential Property Development	Memorial Parks	Holdings and other	Total
Revenue	**1 242 134 443**	**42 405 315**	**–**	**1 284 539 758**
Cost of sales	**(911 501 595)**	**(23 009 048)**	**–**	**(934 510 643)**
Gross profit	**330 632 848**	**19 396 267**	**–**	**350 029 115**
Other income	**3 338 944**	**8 199 220**	**–**	**11 538 164**
Administrative expenses	**(80 943 797)**	**(12 795 451)**	**(4 399 921)**	**(98 139 169)**
Other expenses	**(64 106)**	**–**	**–**	**(64 106)**
Expected credit losses on financial and contract assets	**(5 611 094)**	**15 847**	**–**	**(5 595 247)**
Finance income	**56 088 750**	**260 335**	**3 450 724**	**59 799 809**
Finance costs#	**(57 136 890)**	**(163 670)**	**–**	**(57 300 560)**
Share of profit of joint ventures – net of tax	**9 429 695**	**–**	**–**	**9 429 695**
Profit/(loss) before tax	**255 734 350**	**14 912 548**	**(949 197)**	**269 697 701**
Taxation	**(74 702 691)**	**1 353 949**	**452 237**	**(72 896 505)**
Profit/(loss) after taxation	**181 031 659**	**16 266 497**	**(496 960)**	**196 801 196**
Other comprehensive income	**–**	**–**	**–**	**–**
Total comprehensive income	**181 031 659**	**16 266 497**	**(496 960)**	**196 801 196**
Profit/(loss) after taxation and other comprehensive income attributable to:				
– Owners of the parent	**180 871 157**	**16 266 497**	**(496 960)**	**196 640 694**
– Non-controlling interests	**160 502**	**–**	**–**	**160 502**
	181 031 659	**16 266 497**	**(496 960)**	**196 801 196**

\# *In the current year only, the Group reassessed the borrowings and finance costs allocation between the segments. This change has resulted in the allocation of Group borrowings to the Memorial Parks segment aligning to the capital injections made into the segment less repayments thereof. The prior year was not restated.*

Summarised Segment Report of the Group (continued)

Statement of financial position

	Residential Property Development	Memorial Parks	Holdings and other	Total
Assets				
Cash and cash equivalents	**118 996 304**	**2 473 227**	**1 168 490**	**122 638 021**
Trade and other receivables	**134 930 999**	**5 453 860**	**24 898**	**140 409 757**
Current income tax assets	**212 247**	**–**	**–**	**212 247**
Construction contracts	**1 355 384 620**	**–**	**–**	**1 355 384 620**
Loans to joint ventures	**402 422 283**	**–**	**–**	**402 422 283**
Investment in joint ventures	**68 321 244**	**–**	**–**	**68 321 244**
Inventories	**335 780 574**	**167 604 675**	**–**	**503 385 249**
Investments	**–**	**16 769 513**	**–**	**16 769 513**
Property, plant and equipment	**21 062 489**	**8 126 186**	**–**	**29 188 675**
Investment property	**–**	**22 147 091**	**–**	**22 147 091**
Intangible assets	**158 955 730**	**694 804**	**–**	**159 650 534**
Deferred income tax asset	**1 533 736**	**14 147 768**	**–**	**15 681 504**
Total assets	**2 597 600 226**	**237 417 124**	**1 193 388**	**2 836 210 738**
Liabilities				
Trade and other payables	**212 265 456**	**61 998 281**	**16 660 961**	**290 924 698**
Current income tax liabilities	**247 567**	**317 002**	**16 537**	**581 106**
Borrowings[#]	**932 126 034**	**2 670 108**	**–**	**934 796 142**
Deferred income tax liability	**326 017 186**	**–**	**–**	**326 017 186**
Total liabilities	**1 470 656 243**	**64 985 391**	**16 677 498**	**1 552 319 132**

\# *In the current year only, the Group reassessed the borrowings and finance costs allocation between the segments. This change has resulted in the allocation of Group borrowings to the Memorial Parks segment aligning to the capital injections made into the segment less repayments thereof. The prior year was not restated.*

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

	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	1 489 772 517	35 544 034	–	1 525 316 551
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
Point in time	452 231 607	35 544 034	–	487 775 641
Over time	1 037 540 909	–	–	1 037 540 909

* *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)

	Residential Property Development	Memorial Parks	Holdings and other	Total
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/(loss) 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.

Statement of financial position

	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.

Notes to the Summarised Consolidated Annual Financial Statements

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 IFRS® Accounting 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 29 February 2024, 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 13 May 2024. 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 2023.

2. Accounting policies

The accounting policies applied are consistent to the policies applied for the year ended 28 February 2023.

3. Construction contracts

	2024	2023
Net statement of financial position balance for ongoing contracts – opening balance	**1 145 654 749**	861 178 458
The aggregate costs incurred and recognised profits for the current year	**1 206 267 010**	1 141 608 069
Less: Progress billings for the current year	**(999 867 635)**	(857 131 778)
Net statement of financial position balance for ongoing contracts – closing balance	**1 352 054 124**	1 145 654 749
Excess billings over work done classified under trade and other payables	**13 704 800**	23 636 344
Provisions for expected credit losses on contract assets	**(10 374 304)**	(6 897 141)
Gross statement of financial position balance for ongoing contracts – closing balance	**1 355 384 620**	1 162 393 952
Disaggregated construction contracts – gross of expected credit loss provisions		
Infrastructure – contract assets	**393 568 766**	129 543 535
Fully and partially subsidised units – contract assets	**400 324 429**	440 402 318
Non-subsidised units – contract assets	**61 916 585**	113 790 968
Serviced land – contract assets	**3 555 250**	21 948 825
Contract assets	**859 365 030**	705 685 646
Future contract asset costs		
Development cost for future contract assets	**506 393 894**	463 605 447
	1 365 758 924	1 169 291 093
Reconciliation of construction contracts		
Contract assets	**859 365 030**	705 685 646
Expected credit loss allowance	**(10 374 304)**	(6 897 141)
Development cost for future contract assets	**506 393 894**	463 605 447
Statement of financial position balance for construction contracts	**1 355 384 620**	1 162 393 952

The expected aggregate revenue still to be recognised on the contract asset balance is currently in excess of R1 355 384 620.

Borrowing costs to the value of R60 547 379 (2023: R38 575 456) have been capitalised.

4. Inventories

	2024	2023
Memorial park land costs	**166 403 018**	173 251 224
Completed units	**–**	2 340 792
Other land costs for future development	**336 982 231**	322 948 778
Total inventories	**503 385 249**	498 540 794

5. Stated capital

	Number of shares		Rand amount	
	2024	2023	**2024**	2023
Authorised				
Ordinary no par value shares	**500 000 000**	500 000 000		
Issued				
Shares in issue to the public	**121 400 069**	121 400 069	**102 080 971**	102 080 971
Shares held by Calgro M3 Employee Benefit Trust	**5 212 909**	5 212 909	**104 239 627**	104 239 627
Shares held by Calgro M3 Empowerment Trust	**5 212 909**	5 212 909	**104 239 627**	104 239 627
Shares held by Calgro M3 Developments Limited	**8 468 631**	8 468 631	**163 190 199**	163 190 199
Total shares in issue	**140 294 518**	140 294 518	**473 750 424**	473 750 424
Treasury shares in issue	**(18 322 449)**	(18 894 449)	**(369 124 053)**	(371 669 453)
– Balance at the beginning of the year	**18 894 449**	18 894 449	**371 669 453**	371 669 453
– Issued to share scheme participants*	**(572 000)**	–	**(2 545 400)**	–
Shares repurchased#	**(25 912 943)**	–	**(73 016 275)**	–
Balance at end of the year	**96 059 126**	121 400 069	**31 610 096**	102 080 971

* *Shares issued in terms of Calgro M3 Executive Share Scheme*
During the current year, shares were issued to the participants of the "Calgro M3 Executive Share Scheme – FY24". In terms of the scheme rules, the participants elected a net settlement option, under this option the Group settled the tax liability on behalf of the participant with the remaining value issued in shares. The gross number of shares vested was the 1 040 000 shares, with an associated tax liability equating to 468 000 shares. The remaining 572 000 shares were transferred to the participants out of the available treasury shares held by Calgro M3 Developments (Pty) Ltd at a value of R4.45 per share.

\# *Specific repurchase of shares*
During the current year, ordinary shares were repurchased in line with the general authority granted to the Board of Directors as per the special resolution passed during the 2022 and 2023 Annual General Meetings. From 15 March 2023 to 4 December 2023, a total of 25.9 million shares were repurchased for a total value of R73 million at an average of R2.92 per share, representing 18.5% of the issued ordinary share capital before any repurchases were made. These repurchased shares were cancelled, delisted and reverted to authorised and unissued shares.

6. Borrowings

	Interest rate	Expiration date	2024	2023
Floating rate note – CGR 42	JIBAR plus 4.5%	3 August 2023	**–**	45 000 000
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
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
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**	50 000 000
Floating rate note – CGR 53	JIBAR plus 3.95%	28 February 2027	**40 000 000**	40 000 000
Floating rate note – CGR 54	JIBAR plus 4.5%	28 February 2028	**40 000 000**	40 000 000
Floating rate note – CGR 55	JIBAR plus 3.9%	2 October 2026	**50 000 000**	–
Floating rate note – CGR 56	JIBAR plus 3.9%	2 October 2026	**33 000 000**	–
Transaction cost amortisation*			**(396 078)**	(527 425)
Total bond exchange			**370 603 922**	415 472 575
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
Term loan 1	JIBAR plus 5%	12 October 2027	**100 000 000**	100 000 000
Term loan 2	JIBAR plus 4.5%	25 April 2028	**155 000 000**	–
Term loan 3	JIBAR plus 4.25%	15 November 2028	**100 000 000**	–
Transaction cost amortisation*			**(5 807 780)**	(8 910 248)
Other borrowings			**564 192 220**	460 889 752
Total borrowings			**934 796 142**	876 362 327

* *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.*

6. Borrowings (continued)

	2024	2023
Borrowings cash flow reconciliation		
Opening balance	**876 362 327**	839 067 772
Repayments of borrowings	**(232 800 000)**	(194 800 000)
Amortised expense through the statement of comprehensive income – non-cash	**6 358 040**	5 594 911
Borrowings raised – CGR 55 raised to repay CGR 48 (non-cash item)	**50 000 000**	–
Borrowings (repaid) – CGR 48 repaid by CGR 55 (non-cash item)	**(50 000 000)**	–
Transaction costs paid	**(3 124 225)**	(3 500 356)
Proceeds from borrowings	**288 000 000**	230 000 000
Closing balance	**934 796 142**	876 362 327
Interest paid on borrowings	**111 400 297**	90 374 618
Total interest paid on borrowings	**111 400 297**	90 374 618

7. Revenue

	2024	2023
Disaggregated revenue		
Residential Property Development segment		
Infrastructure	**604 866 654**	469 869 029
Fully and partially subsidised units	**480 652 426**	439 599 945
Non-subsidised units	**124 618 124**	468 359 673
Serviced land sales	**31 997 239**	56 943 868
Commercial land sales	**–**	55 000 000
	1 242 134 443	1 489 772 515
Memorial Parks segment		
Memorial parks burial rights	**42 405 315**	35 544 035
	42 405 315	35 544 035
Total revenue	**1 284 539 758**	1 525 316 550

8. Cost of sales

	2024	2023
Disaggregated cost of sales		
Residential Property Development segment		
Infrastructure	**381 929 534**	257 916 737
Fully and partially subsidised units	**385 600 109**	303 165 088
Non-subsidised units	**118 208 586**	510 242 910
Serviced land sales	**25 623 871**	36 438 561
Commercial land sales	**139 495**	37 195 521
	911 501 595	1 144 958 817
Memorial Parks segment		
Memorial parks cost of burial plot	**8 956 525**	7 695 678
Memorial parks other costs	**14 052 523**	14 968 258
	23 009 048	22 663 936
Total cost of sales	**934 510 643**	1 167 622 753

9. Earnings reconciliation

	2024	2023
Determination of basic, diluted, headline and diluted headline earnings:		
Attributable profit to shareholders – basic and diluted earnings	**196 640 694**	186 194 542
Profit on disposal of property, plant and equipment and computer software	**–**	(236 179)
Fair value adjustment in Investment properties	**(2 200 069)**	–
Headline and diluted headline earnings	**194 440 625**	185 958 363
Determination of basic and diluted weighted average ordinary shares		
Weighted average ordinary shares	**102 409 678**	121 400 069
Fully diluted weighted average ordinary shares	**104 122 546**	126 292 238
Determination of basic, diluted, headline and diluted headline earnings per share:		
Basic earnings per share (cents per share)	**192.01**	153.37
Fully diluted earnings per share (cents per share)	**188.86**	147.43
Headline earnings per share (cents per share)	**189.87**	153.18
Fully diluted headline earnings per share (cents per share)	**186.74**	147.24

10. Related parties

	2024	2023
Compensation paid to key employees and personnel	**48 954 744**	49 716 868
Finance income from related parties	**44 382 725**	23 923 989
Contract revenue received from joint ventures	**165 241 126**	172 216 526

11. Ratio calculations

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).

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.

	2024	2023
Net debt		
Borrowings	**934 796 142**	876 362 327
Other Interest bearing borrowings	**–**	4 281 756
Less: Cash and cash equivalents	**(122 638 021)**	(172 614 330)
	812 158 121	708 029 753
Equity		
Stated capital	**31 610 096**	102 080 971
Retained income	**1 251 252 682**	1 040 813 265
	1 282 862 778	1 142 894 236
Net debt/equity ratio	**0.63**	0.62

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.

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.

	2024	2023
Available cash flow		
Cash generated from operating activities	**149 245 922**	89 638 658
New financial indebtedness incurred	**288 000 000**	230 000 000
Cash and cash equivalent – beginning of year	**172 614 330**	191 114 249
Capex	**(120 874 660)**	(52 695 855)
	488 985 592	458 057 052
Debt service requirement		
Interests and fees	**(111 400 297)**	(90 374 618)
Principal repayments	**(232 800 000)**	(194 800 000)
	(344 200 297)	(285 174 618)
Debt service cover ratio ("DSCR")	**1.42**	1.61

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

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

11. Ratio calculations (continued)

	2024	2023
Current assets		
Cash and cash equivalents	**122 638 021**	172 614 330
Trade and other receivables	**140 409 757**	164 010 749
Current income tax assets	**212 247**	362 290
Construction contracts	**1 355 384 620**	1 162 393 952
Loans to joint ventures	**402 422 283**	371 472 316
Inventories	**503 385 249**	498 540 794
	2 524 452 177	2 369 394 431
Current liabilities		
Trade and other payables	**290 624 698**	360 504 294
Current income tax liabilities	**581 106**	633 442
Borrowings	**934 796 142**	876 362 327
	1 226 301 946	1 237 500 063
Liquidity ratio	**2.06**	1.91

Funding requirements

The Group monitors capital from funders on the basis of its debt service cover ratio and its net debt/equity ratio (as above). The minimum allowed debt service cover ratio for the Group is 1.2 and the maximum net debt/equity ratio is 1.5:1. The Group is in compliance with the above ratios as at the reporting date.

12. Financial instruments

The carrying value of all financial instruments is equal to the fair value of those instruments at 29 February 2024 with the exception of borrowings. The carrying value of borrowings as at 29 February 2024 was R934.8 million, with a corresponding fair value of R939.5 million. The difference is attributable to the bonds trading on the bond exchange and is classified as level 2 in the IFRS 13: *Fair Value Hierarchy*.

13. Dividends

The Board announced the introduction of the inaugural dividend policy in the current financial year. The policy provides for dividends to be paid annually, calculated at a minimum of 5% of the HEPS.

A maiden dividend of 9.49350 cents per share (2023: nil cents per share) for the year was declared on 13 May 2024.

The net dividend payable to shareholders subject to dividend tax is 7.59480 cents per share (2023: nil cents per share).

14. Going concern

Based on the latest results for the year ended 29 February 2024, the latest Board approved budget for the 2025 financial year, as well as the available bank facilities and cash-generating capability, Calgro M3 satisfies the criteria of a going concern.

15. Events after reporting period

Subsequent to the end of the financial year Calgro M3 Land (Pty) Ltd ("Calgro M3") and Eris Property Group (Pty) Ltd ("Eris") exercised the option to purchase the Frankenwald property from The University of the Witwatersrand. This option was exercised through the Bankenveld District City (Pty) Ltd joint venture ("Bankenveld") which is 50% owned by both Calgro M3 and Eris. This strategic land purchase on the doorstep of Sandton is poised to deliver 20 000 to 30 000 housing units alongside significant commercial, retail and industrial spaces. The Bankenveld joint venture agreement provides for both shareholding companies to share the cost of the infrastructure installation. After which Calgro M3 will be responsible for the residential components development, while Eris will be handling the commercial, retail, industrial, educational and healthcare components for their own benefits.

Upon exercising the option on 1 March 2024, the Bankenveld joint venture is required to settle the option fee of R200 million which is equally contributed by Calgro M3 and Eris.

The timing of this payment remains uncertain and awaits the final approval from the Competition Commission.

16. JSE Listings Requirements

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

17. 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 2024 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.

General information

Calgro M3 Holdings Limited
Incorporated in the Republic of South Africa

Registration number
2005/027663/06

Share code
CGR

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ZAE000109203

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2024

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Transfer secretaries
Computershare Investor Services

Bankers
First National Bank
Standard Bank
Nedbank

Auditor
Mazars
Registered Auditor

Debt and equity sponsors
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
GS Hauptfleisch	Independent Non-Executive
H Ntene	Independent Non-Executive Chairman
ME Gama	Independent Non-Executive
RB Patmore	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
These financial statements have been audited by our external auditor Mazars in accordance with the applicable requirements of the Companies Act 71 of 2008.

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Fleurhof

CALGRO M3
Group

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