Results presentation

Final results for the year ended
28 February 2019

CALGRO M3
Group

www.calgrom3.com

Building legacies. Changing lives

Agenda



Calgro M3 is a property and property related investment company

that is a market leader in the development of Residential Property Developments, Residential Rental Investments as well as the development and management of Memorial Parks

1. Overview of year | 2. Operations | 3. Responsible corporate

4. Financial review | 5. Looking forward | 6. Appendix

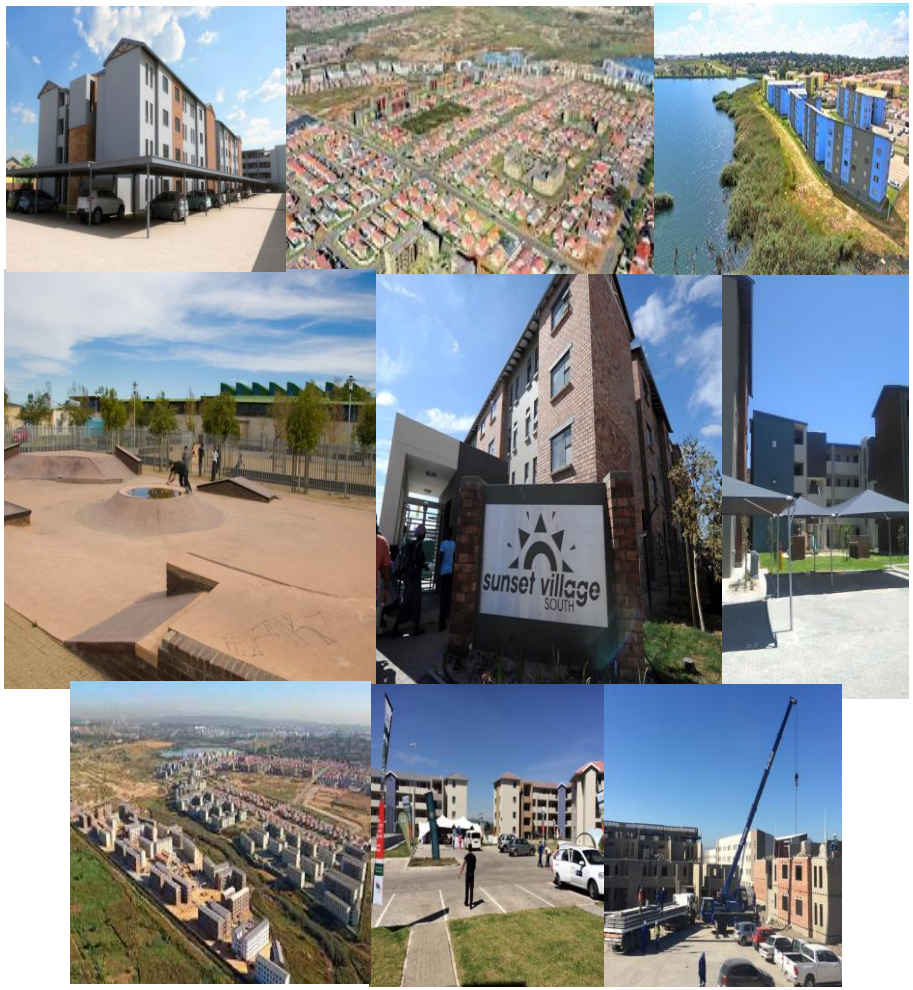


1

OVERVIEW OF YEAR

Residential Property Developments as biggest revenue driver ……. Then!

March 2018



The rest of the year



Some impacts that marked the year

Impact	Amount (Rm)
Scottsdene land invasion security cost and damages	R27.9
Fleurhof land invasion security cost and damages	R43.1
Fleurhof electrification standing time cost	R23.3
Cancellation and settlement of the Executive Share Scheme	R69.3
IFRS 15 and IFRS 9 impact	R56.2
La Vie Nouvelle net realisable value write-down	R54.0



Pro-active project reviews

Development / area	Volume	Amount (Rm)
Belhar student housing private institution sale	2 200 beds	R411.0
Belhar units to Afhco Calgro M3 Consortium	1 000 rental units	R447.3
Scottsdene units to Afhco Calgro M3 Consortium	844 units	R317.1
Fleurhof units to Afhco Calgro M3 Consortium	828 units	R321.9
Fleurhof shopping centre land to the value of		R50.0
Various open market sales	Circa 250 units	R100.0

And now



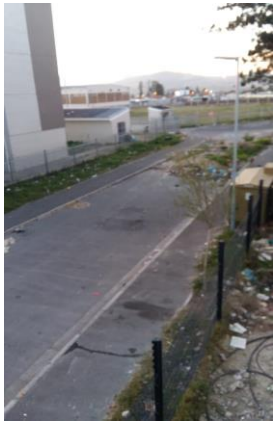


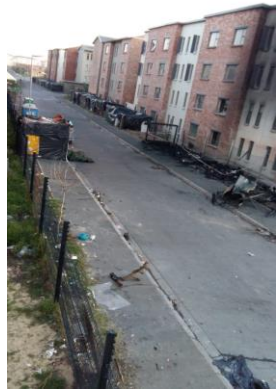






- Fleurhof first 900 units proceeding
- Balance close to being resolved





No new invasions pre-elections

New transactions structured

Development	New structure	Amount (Rm)
Belhar	• Improved student housing, 2 700 beds	R520
Belhar	• ± 300 units originally sold to Afhco Calgro M3 Consortium sold on open market (13% higher)	R156
Scottsdene	• Negotiations on various transactions ongoing • 178 units complete with 332 at 95% • Possible conservative estimated nett value in excess of R170m • Balance of 336 only 26% complete	-
Fleurhof	• 828 units originally sold to the Afhco Calgro M3 Consortium sold to Gauteng DoHS	R286 (zero-rated)
Fleurhof	• Negotiation under way on shopping centre stand at an estimated 30% more • In excess of R1 500 bulk m^2	-

DoHS – Department of Human Settlements



2

OPERATIONAL OVERVIEW

Residential Property Developments

CALGRO M3 Group



Residential Project Pipeline

CALGRO M3 Group

Projects	Total	Completed historically	Trans-ferred/ handed over in 2019 FY	Currently under con-struction	Serviced oppor-tunities	Services under way	Part/ unserviced	Total available stands
Belhar CBD	4 189	629	102	1 069	2 389	–	–	3 458
Bridge City	356	–	–	–		356	–	356
Fleurhof	11 322	6 277	1 169	1 151	2 131	594	–	3 876
Jabulani CBD	672	–	288	–	384	–	–	384
Jabulani Hostels	620	295	–	128	197	–	–	325
Jabulani Parcel K	1 410	–	–	–	696	–	714	1 410
La Vie Nouvelle	293	72	96*	21	104	–	–	125
Mid to high cluster land	255	–	–	–	–	–	255	255
Scottsdene	2 791	1 826	36	748	181	–	–	929
South Hills	5 845	341	1 084	45	1 631	566	2 178	4 420
Summerset	32	–	–	32	–	–	–	32
Tanganani Ext 14	11 624	–	–	–	–	–	11 624	11 624
Umhlanga Hills	1 376	–	–	–	–	–	1 376	1 376
Vista Park Ext 3	5 320	–	–	–	–	–	5 320	5 320
Vredehoek	260	–	–	–	–	–	260	260
Witpoortjie	5 039	174	32	27	220	–	4 586	4 833
	51 404	9 614	2 807	3 221	7 933	1 516	26 313	38 983

* *87 units relate to the sale of the La Vie Nouvelle Lifestyle and Wellness Estate Frail Care Centre.*

Residential Property Developments

2019	Subsidised	GAP/FLISP	Rental	Affordable	Mid to high	Total
Units handed over	1 542	140	908	121	96	**2 807**
Units under construction	788	1 525	748	107	53	**3 221**
Units sold – construction commenced	2 050	656	1 059	665	6	**4 436**

10 projects operational

- **South Hills**
- **Fleurhof**
- **Witpoortjie**
- **La Vie Nouvelle**
- **Summerset**
- **Jabulani Hostels**
- **Jabulani CBD**
- **Jabulani Parcel K**
- **Belhar**
- **Scottsdene**

Multiple projects in ground for **risk mitigation**

Residential Property Developments

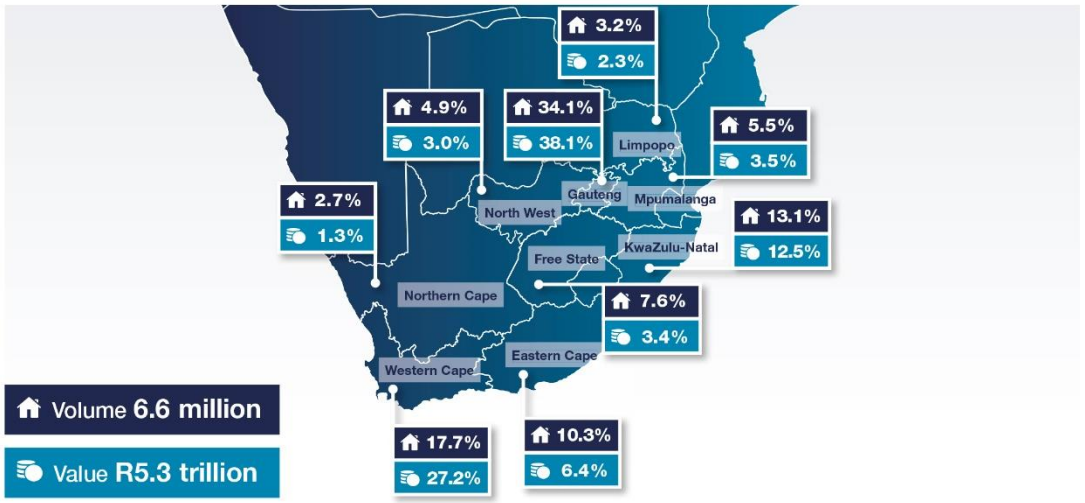
Residential Property Development

Working capital requirement

Activity	The numbers
Current secured, unescalated pipeline	±R19.1 billion (based on sale of the KwaNobuhle project to a third party)
Working capital currently invested	R2.2 billion
Historic gross profit target range	20% to 25%
Total estimated additional working capital requirements over the next five years	±R1 billion

- Potential factors that could reduce additional working capital:
  - Availability of infrastructure funding from public sector
  - Bulk deals structured with progress payment principles
  - Due diligence and option fees for potential new projects

Disparity in the residential property market



Residential Property Developments

- Housing shortfall estimated between 5.2m - 6.3m
- Operate in lower-end where demand is high
- Maximise cash flows and roll-out of existing project pipeline
- Refocused business for exposure to three/four provinces
  - Strategic exit of Eastern Cape
  - Funds re-deployed to possible new strategic project close to Sandton
    - Commence in ± 4 years
- Additional pipeline projects added if no impact on current operations
- Unlikely that government will spend in short-term
- Stable economic and political landscape important
- The big land question!

Integrated Residential Developments

Focus:

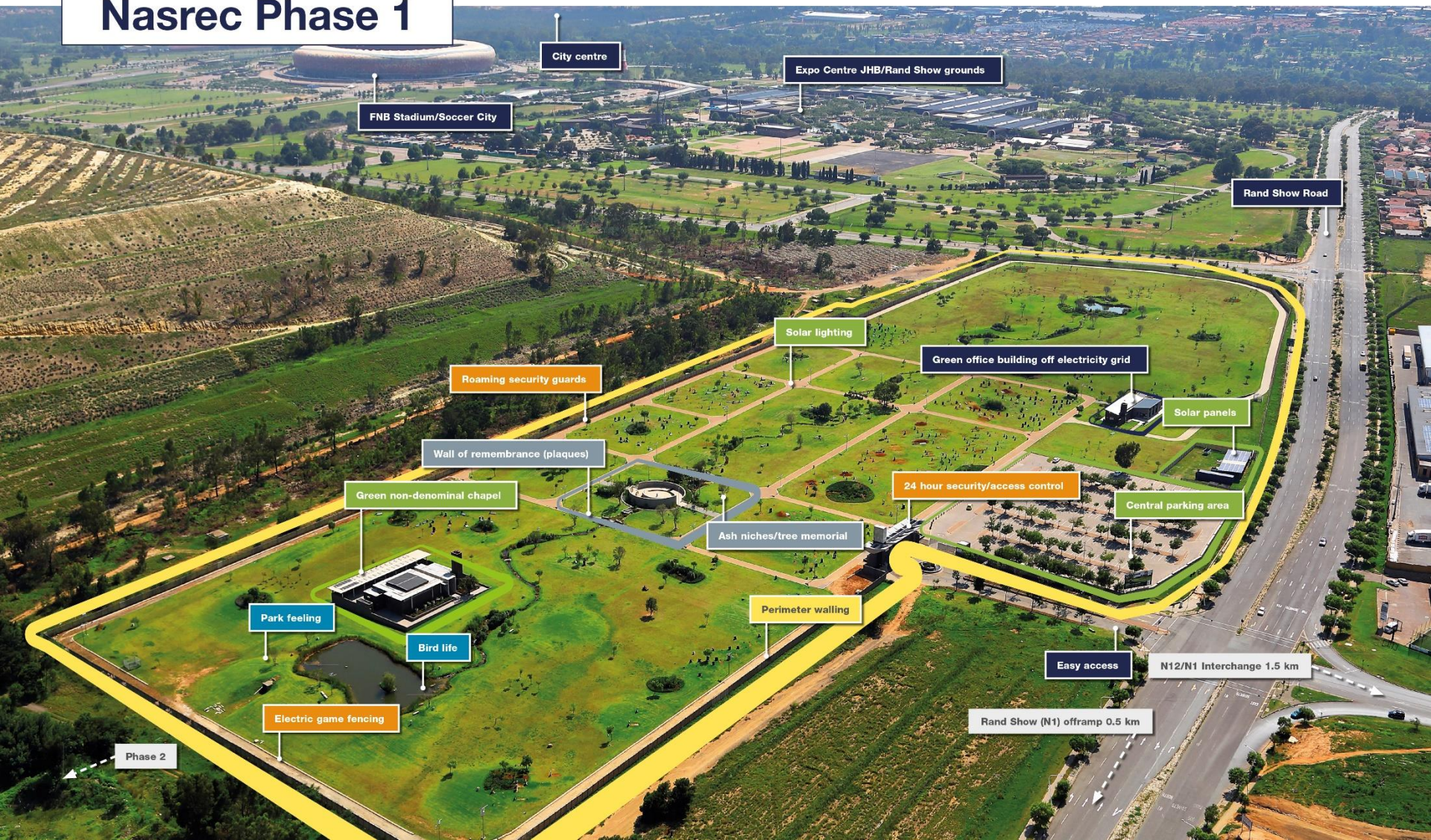
- Trade with caution in current times
- Increased focus on pipeline roll-out (not new projects) while unlocking value locked in balance sheet
- Balance exposure between clients and projects
- Realising retail, commercial and industrial sites on developments
- Provincial focus - Gauteng, Western Cape, KwaZulu-Natal and Free State
- Variable costing model and improved efficiencies



Memorial Parks

CALGRO M3 Group

Nasrec Phase 1



Memorial Parks

Memorial Parks pipeline

Project	Region – City	Region – Province	Number of units	Anticipated project turnover (Rand)
Nasrec	City of Joburg	Gauteng	41 649	1 036 429 719
Fourways	City of Joburg	Gauteng	13 043	429 162 685
Enokutula	Springs	Gauteng	12 103	140 600 435
Avalon	Bloemfontein	Free State	46 422	503 958 333
Durbanville	City of Cape Town	Western Cape	20 490	203 746 122
Total			**133 707**	**2 313 897 294**

Witpoortjie, Fleurhof and KwaNobuhle Memorial Parks are not included above due to the product offering still being finalised.

- Potential factors that could reduce additional working capital:
  - Land availability instead of upfront land purchases
  - Utilising land that is already owned and paid for (e.g. Witpoortjie, Fleurhof and KwaNobuhle)
  - Reduction of infrastructure cost of parks into smaller phases

Memorial Parks

Working capital requirement

Activity	The numbers
Current secured, unescalated pipeline	±R2.3 billion
Working capital currently invested	±R200 million
Historic gross profit target range	> 60%
Total estimated additional working capital requirement over the next five years	±R500 million (current project life cycle is estimated at 10 years, but for purposes of this calculation, an estimated 15-year lifespan was used)

Pipeline is expected to grow to R7.7 billion with the above working capital investment

Memorial Parks

Current status of provinces

Johannesburg

City Parks in Johannesburg is encouraging residents to consider other options of committal. Of Johannesburg's **35 cemeteries, 28 are full**

Ekurhuleni

Investigating alternatives with grave space becoming scarce



Bloemfontein

Only three of the **12 cemeteries** in Bloemfontein and Botshabelo still have burial space

eThekwini

Three of the city's cemeteries are already full and the expectation is that they will run out of burial space soon

Cape Town

Opening two new cemeteries:

Metro South-East Cemetery in Mfuleni with a capacity of **24 800 graves**

New cemetery located between Somerset West and Firgrove with a capacity of **26 000 graves**

Memorial Parks

- Estimated grave shortage - 8m over next 15 years
- Overcrowding, lack of sufficient security and maintenance of government cemeteries provides opportunities
- Restoring dignified burials
- Average sales price 59% higher in last year
- Maximise cash flows and roll-out of existing memorial parks to enable the development of further land parcels
  - Estimated first phase cost:
    - R10m each at Witpoortjie, Fleurhof and KwaNobuhle
- Witpoortjie rights granted – determine correct product mix
- Economic and political landscape
- The big land question!

Memorial Parks

Focus:

- Target short to medium-term revenue growth of ±100%
- Future roll-out of Witpoortjie (16 000), Fleurhof (22 000) and KwaNobuhle (48 000)
- National roll-out plan developing rapidly – target:
  - Tshwane
  - KwaZulu-Natal
- Increased marketing and sales campaigns
- Innovative use of big data analytics
- Annuity income model with insurance flavour

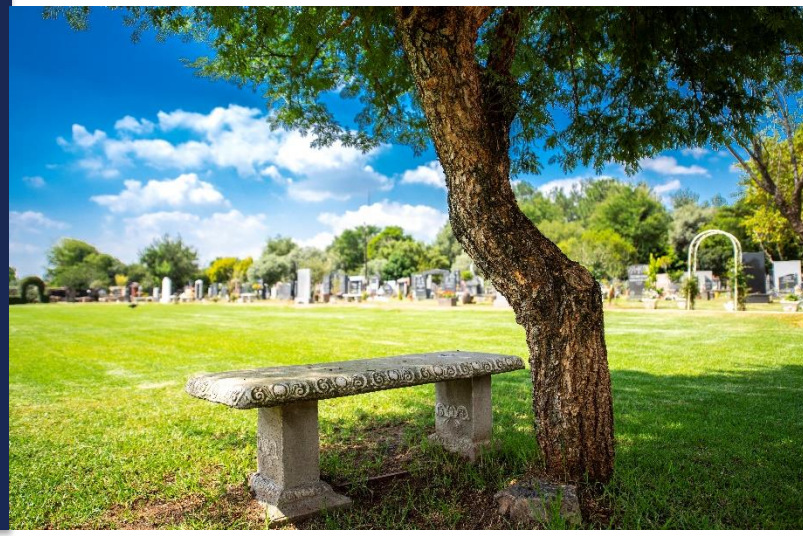
Bloemfontein Memorial Park

Durbanville Memorial Park

Enokuthula Memorial Park

Fourways Memorial Park

Nasrec Memorial Park



Residential Rental Investments

CALGRO M3 Group

South Hills



Residential Rental Investments

Residential Rental Investments pipeline

Project	Region – City	Region – Province	Number of units	Anticipated project turnover (Rand)
South Hills	City of Joburg	Gauteng	152	163 551 707
Belhar CBD	City of Cape Town	Western Cape	300	134 190 000
Scottsdene	City of Cape Town	Western Cape	176	66 128 086
Ruimsig	City of Joburg	Gauteng	480	420 200 000
Total			**1 108**	**784 069 793**

- Potential factors that could reduce additional working capital:
  - Faster roll-out of other businesses resulting in additional free cash flow
  - Above expected yields, requiring less capital to be invested

Residential Rental Investments

Working capital requirement

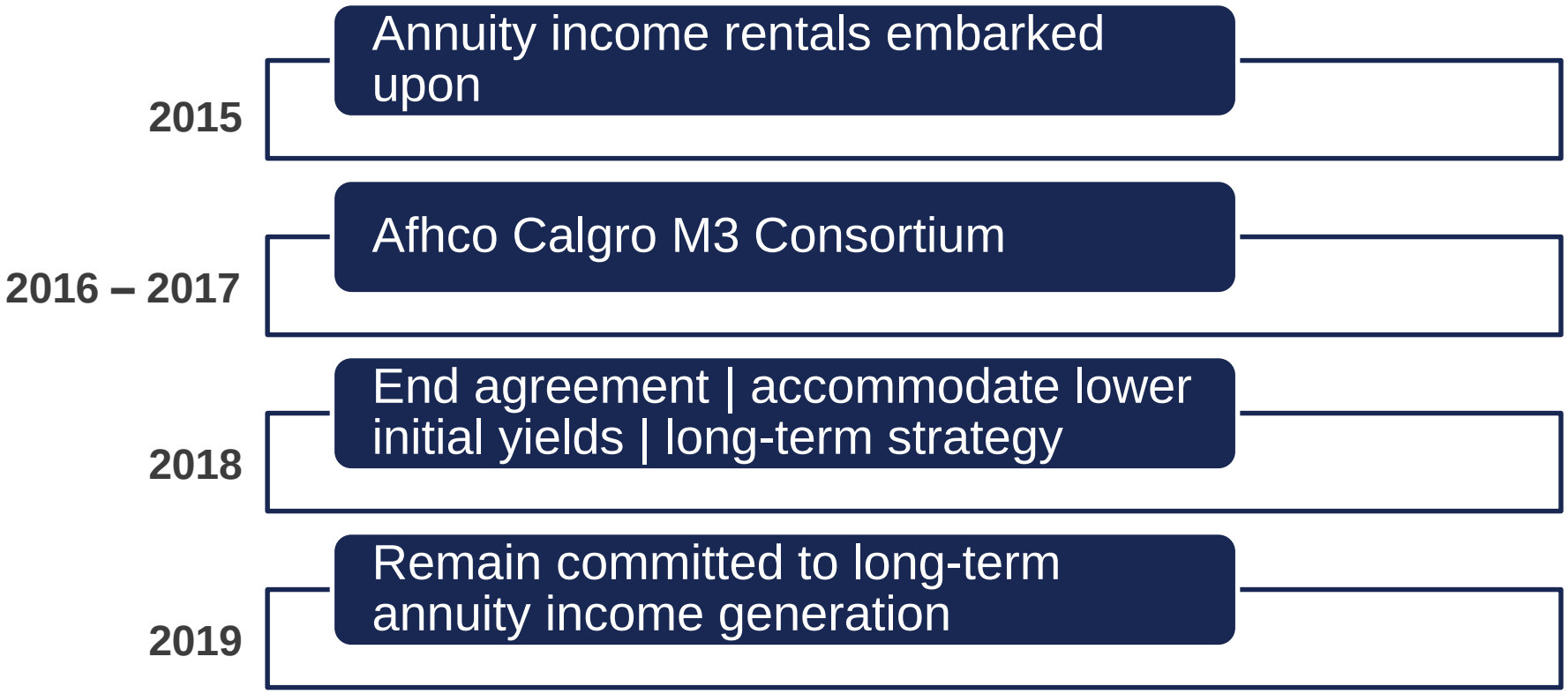
Activity	The numbers
Capital currently invested	±R400 million
Target ROE of 20.5%	▸ 10.5% cash yield ▸ 10.0% capital appreciation based on an actual 4% estimated capital growth that equates to 10% on equity based on 60% gearing
Gearing of all properties	60% LTV
Total estimated capital investment over the next five years	±R5 billion
Equity	±R2 billion
Total additional equity required	R1.6 billion (R2 billion less R400 million currently invested)
Direct, limited recourse debt	R3 billion (60% gearing)

The intention is for this to be funded from the Residential Property Development business' cash from operations. Since the cash flow timing on the Residential Property Development business is weighted towards the end, the estimation is that the additional working capital will have to be raised over time, but then repaid/settled as cash becomes available in four to five years' time.

Residential Rental Investments

- 50% of Ruimsig tenanted in first 3-months
- Increase South Hills house tenanting from 6% to 42% in first 2-months
- Scottsdene renegotiation with tenants begun
- Belhar units decreased from 1 000 AFHCO-bought
  - First phase sold to enhance cashflow in new year
  - Rental waiting list

Dissolution of rental unit agreement



2020+ Dissolution concluded in March 2019, accounted for in 2020

Residential Rental Investments

- Growing business to risk reduction & annuity income remains priority
- Estimated shortage of 1.5m affordable residential rental units
- Investigating other developments for acquisition opportunities
- Data illustrate rentals between R5 000 - R12 000 pm
  - Experienced highest level of demand
  - Tenants “in good standing” are highest on average across categories – above 87% of all tenants
- Expect trend to continue in 2019
- Differentiate and identify strong tenants from financially pressured tenant
- Anticipated capital growth 4%
- Current year total return hampered by ungeared “old Afhco” portfolio
- All rental and estate management subcontracted
- Economic, political and land questions

Dissolution of rental unit agreement

Take back completed and partly completed units:

- **South Hills**
  - **152 houses**
- **All of Fleurhof, Scottsdene and Belhar**

Effectively repay R155m outstanding deposit

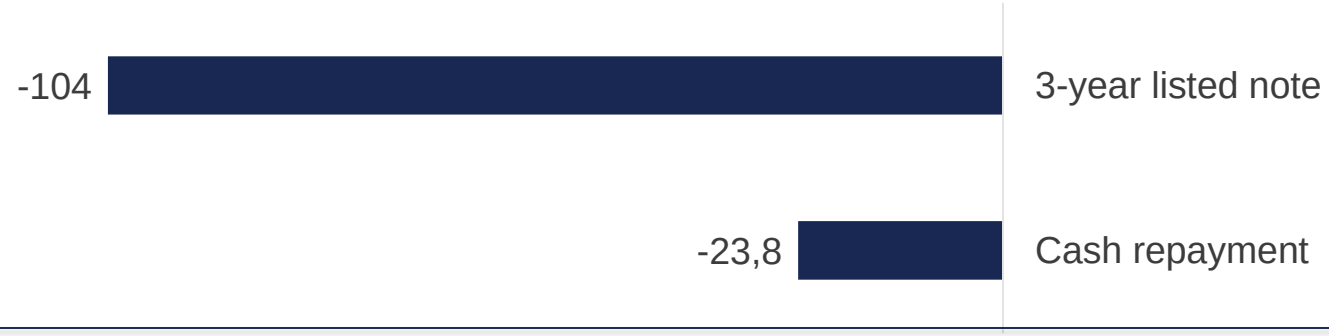
SA Corporate Real Estate exit

Calgro M3's 49% interest in JV

and retain:

- **752 South Hills units**
- **288 Jabulani Units**

Effective net cashflow (Rm) vs a estimated outflow of R155m in next 12 months



Residential Rental Investments

Focus:

- Enhanced product offering for take-up and longer term tenants
  - Free uncapped fiber data
  - Free gardening service
  - Environmentally and technologically advanced units in demand
- First 95% take-up of current stock before new stock introduced
- Gearing current ungeared portfolio to enhance property equity returns back to 20.5%
- Diversification across markets and geographic locations





RESPONSIBLE CORPORATE

3

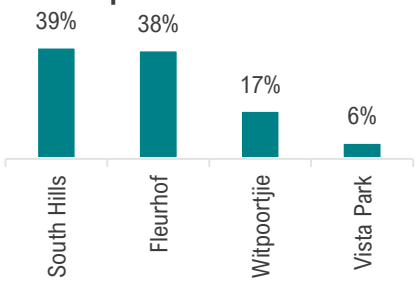
ESG

Environment

Water
- Save a Flush
- Rain water harvesting
- Water rehabilitation and natural water sources

Energy
- Heat pumps
- Gas
- Induction geysers
- Solar and solar geysers

Green spaces





Signatory to the
UN Global Compact Principles

Health, Safety and Environmental ("HSE") Management System implemented (awaiting certification)

HSE
- ISO 14001:2015
- ISO 45001:2018

Quality Management System
- ISO 9001:2015 (started)

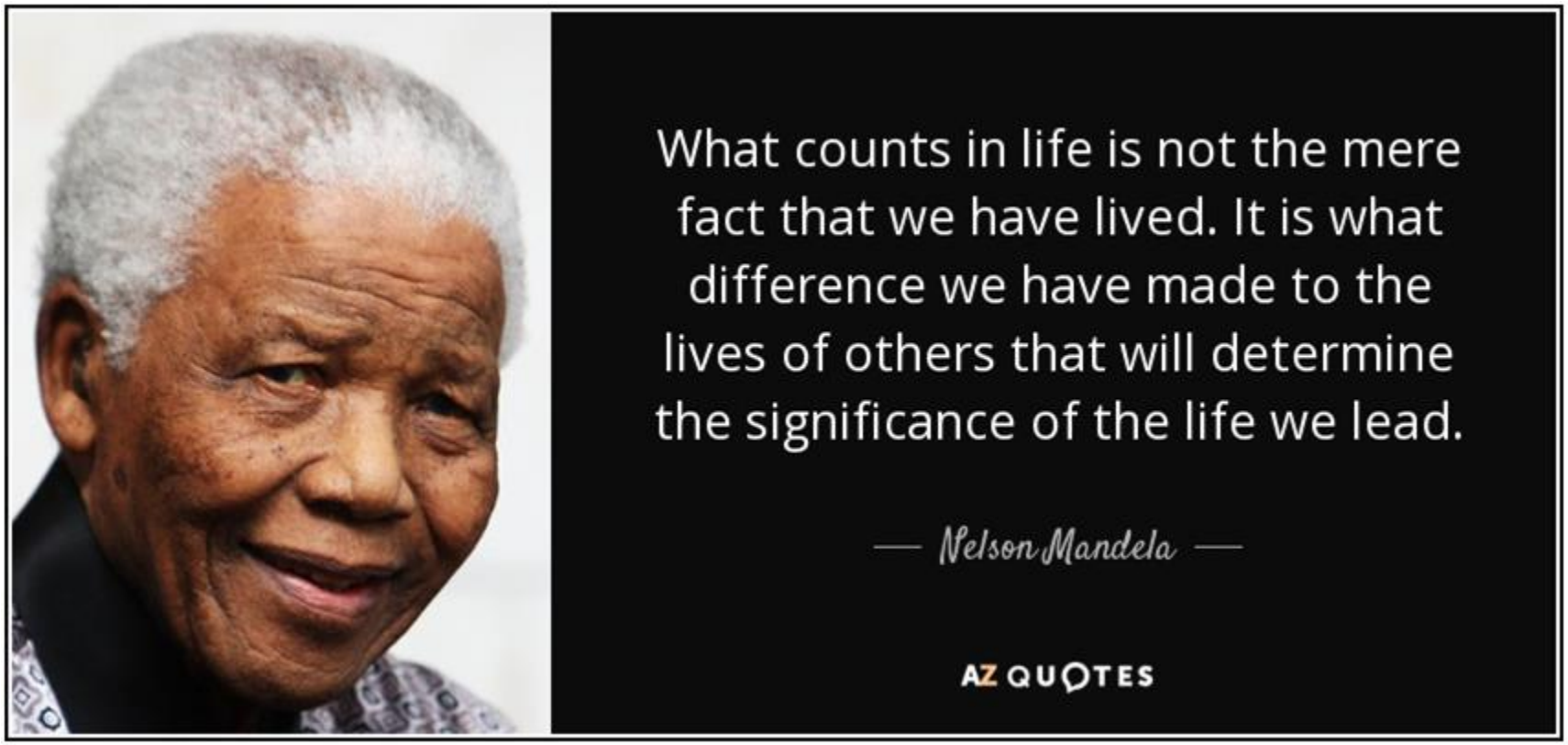
Fatality-free and free of serious injury in the workplace

A robust Health, Safety and Environmental management system based on the following principles:

"ZERO INJURY" mindset	No repeats	Simple, non-negotiable standards and procedures



A sense of responsibility



Education and Training

Education/schooling

Educational Trust Initiatives

Youth training and development programmes

Early childhood development centres ("ECD") and initiatives



South Hills creche



Cell C Bring a Girl Child to Work

Hosted 10 grade 11 learners as part of Cell C Take a Girl Child to Work Day campaign

2 251 direct and indirect beneficiaries in education

14 846 high school learners reached through Smart Bucks initiative



Smart Bucks – Mind your Mula



Fleurhof Primary School



Kutlwanong graduation ceremony

Infrastructure

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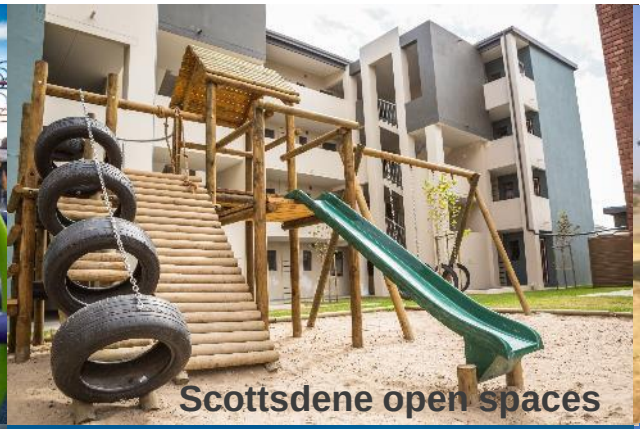
Community park and recreational facilities

Maintenance of open spaces and facilities

Improving community facilities

Sporting facilities





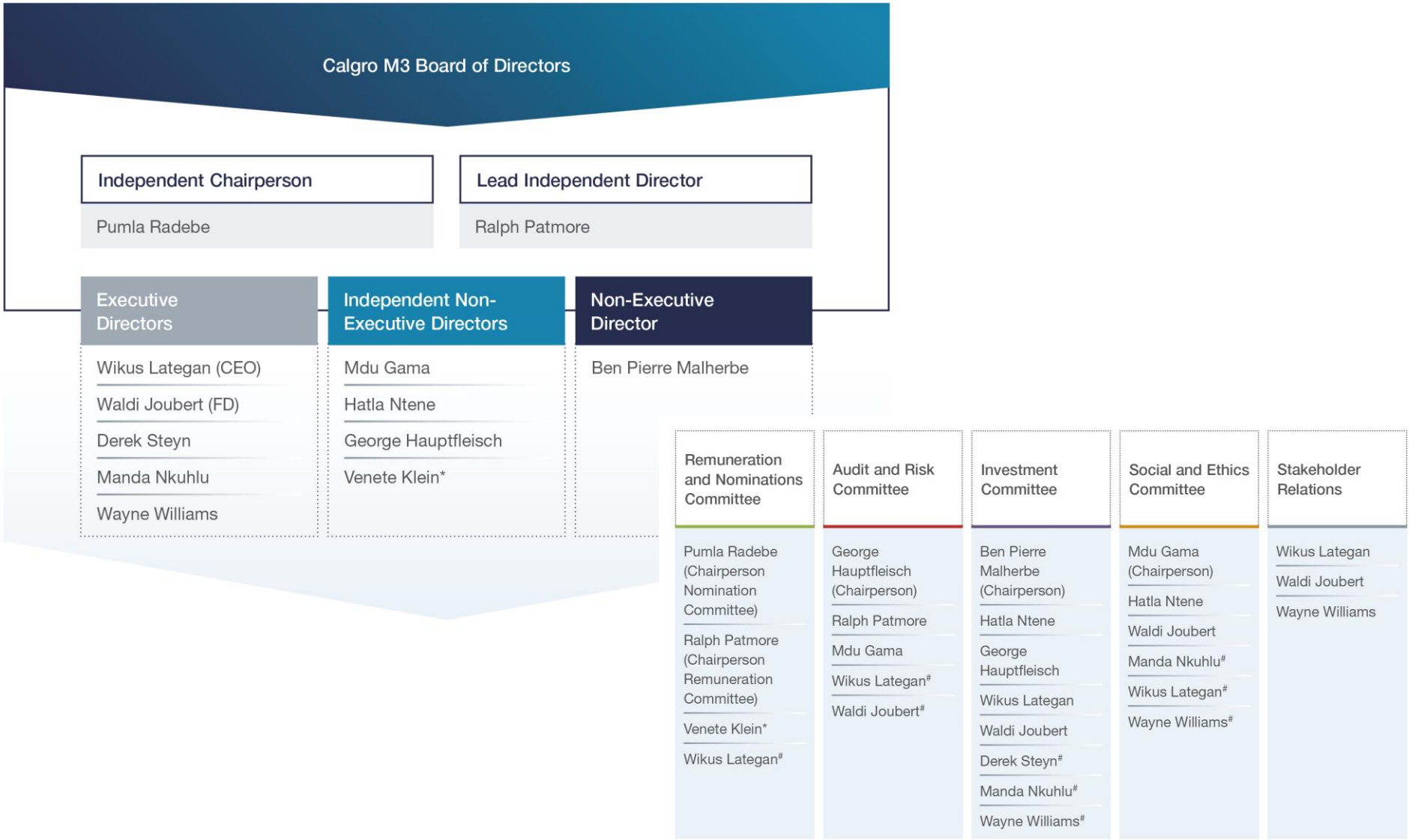






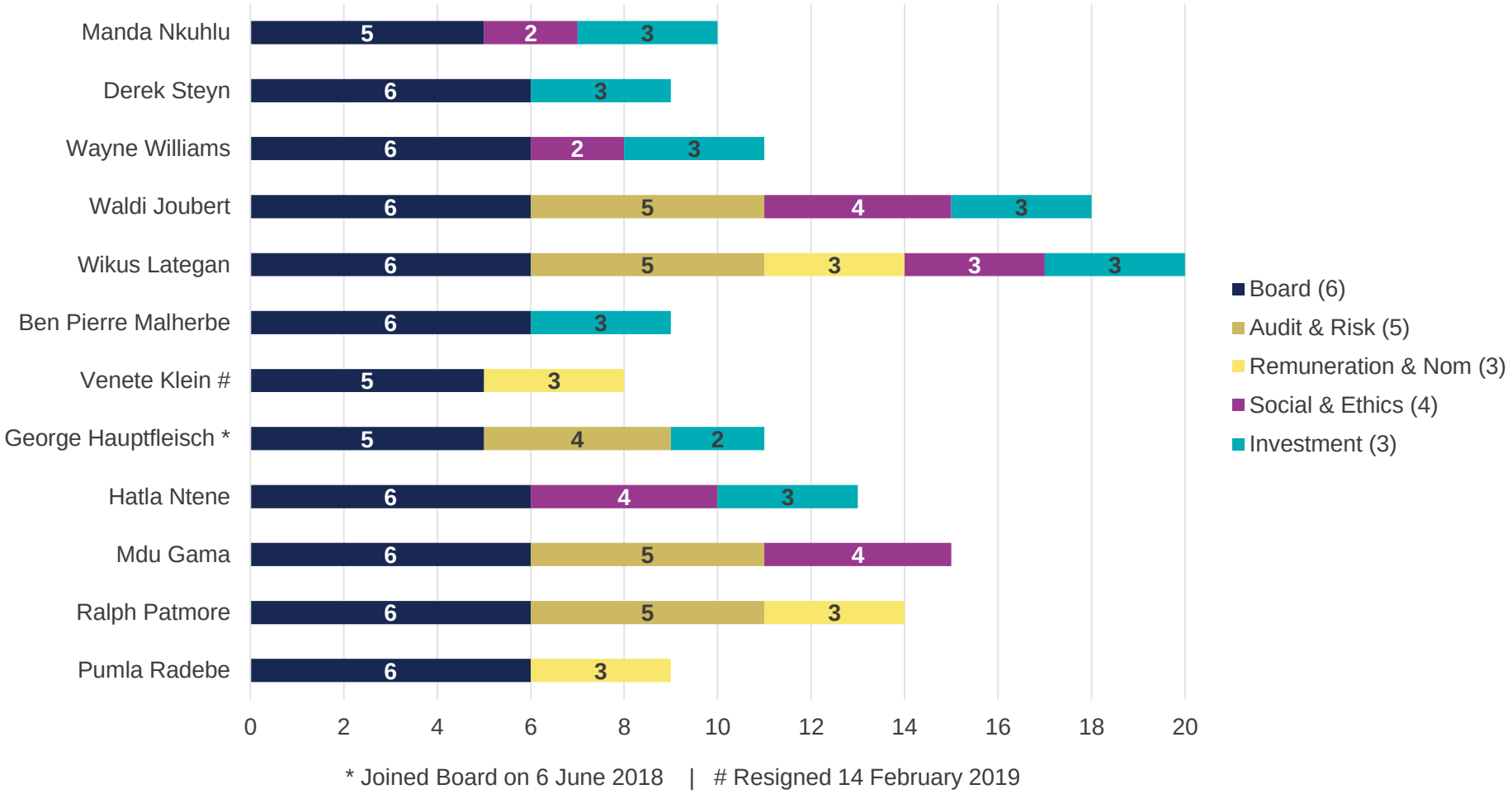


Board structure



Board attendance

Effective Board structure with qualified Directors
Scope of authority, responsibilities and functions of the Board are reviewed on an annual basis



* Joined Board on 6 June 2018 | # Resigned 14 February 2019

AGM results

	Resolutions	% vote - For
Ordinary	Re-election of PF Radebe as non-exec director	100,00
	Re-election of H Ntene as non-exec director	100,00
	Appoint PricewaterhouseCoopers as independent auditors	100,00
	Appoint RB Patmore to Audit Committee	100,00
	Appoint ME Gama to Audit Committee	100,00
	General payments to shareholders	100,00
	Control of authorised but unissued shares	96,53
	General authority to issue shares for cash	96,53
Special	General authority to repurchase shares	100,00
	Remuneration of non-executive directors, board appointment, chairman	100,00
	Remuneration of non-executive directors, board appointment, non-executive directors	100,00
	Remuneration of non-executive directors - audit and risk, chairperson	100,00
	Remuneration of non-executive directors - audit and risk, non-executive directors	100,00
	Remuneration of non-executive directors - remuneration com, chairperson	100,00
	Remuneration of non-executive directors - remuneration com, non-executive directors	100,00
	Remuneration of non-executive directors - social & ethics com, chairperson	100,00
	Remuneration of non-executive directors - social & ethics com, non-executive directors	100,00
	Remuneration of non-executive directors - investment com, chairperson	100,00
	Remuneration of non-executive directors - investment com, non-executive directors	100,00
	Authorising general financial assistance	100,00
	Amendment of rules to share scheme	100,00
	Specific assistance in respect of Calgro M3 Executive Scheme	100,00
	Non-binding endorsement of Remuneration Implementation Report	100,00



4

FINANCIAL REVIEW

IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments – 1 March 2018

	1 March 2018 As reported	IFRS 15 Opening balance adjustment	IFRS 9 Opening balance adjustment	1 March 2018 Adjusted
Assets				
Investment in joint ventures and associates	41 908 822	(17 224 746)	(2 244 953)	22 439 123
Loans to joint ventures and associates	143 422 183	–	(3 322 651)	140 099 532
Construction contracts	1 820 973 990	(417 749 502)	(34 470 843)	1 368 753 644
Trade and other receivables	293 739 145	–	(3 554 086)	290 185 059
Equity and liabilities				
Retained income	977 014 965	(318 004 388)	(32 945 553)	626 065 024
Deferred income tax liability	354 283 263	(116 969 861)	(10 646 980)	226 666 422

Statement of Comprehensive Income

	Residential Property Development	Memorial Parks	Residential Rental Investments	Holding Company/ unallocated	Total
Combined revenue	1 260 672 162	20 919 743	–	–	1 281 591 905
Revenue	976 144 785	20 919 743	–	–	997 064 528
Gross revenue	943 037 635	20 919 743	–	–	963 957 378
Reversal of unrealised profit realised adjustment	41 956 195		–	–	41 956 195
Reversal of unrealised profit adjustment	(8 849 044)	–	–	–	(8 849 044)
Cost of sales	(861 396 492)	(6 977 988)	–	–	(868 374 480)
Gross profit	114 748 293	13 941 755	–	–	128 690 048
Operating (loss)/profit	(16 722 818)	8 816 576	(17 500)	(20 980 323)	(28 904 065)
Profit after taxation	4 532 448	1 721 265	1 667 645	(6 693 646)	1 227 712
Contribution between the three businesses	57.22%	21.73%	21.05%		

	February 2019	February 2018
Basic earnings per share (cents per share)	2.53	93.91
Headline earnings per share (cents per share)	(19.01)	90.12

Statement of Comprehensive Income analysis

CALGRO M3 Group

Operational analysis	Revenue	Cost of sales	Gross profit/(loss)	Unrealised/ (realised) profits	Adjusted profit/(loss)
Total	**997 064 528**	**868 374 481**	**128 690 047**	**(33 107 150)**	**95 582 897**
Extraordinary items:					
Fleurhof VO Negotiated	(93 322 491)	–	(93 322 491)	–	–
La Vie Nouvelle NRV write-down		(54 452 744)	54 452 744	–	–
IAS 11 Adjustment	70 489 999	15 034 596	55 455 403	–	–
Additional Security and cost for repairs	–	(71 021 832)	71 021 832	–	–
Standing time cost - Fleurhof	–	(23 304 036)	23 304 036	–	–
Total	974 232 036	734 630 465	239 601 571	(33 107 150)	206 494 421
Adjusted GP %			24.59%		21.20%

Statement of Comprehensive Income analysis

CALGRO M3 Group

	February 2019	February 2018
Adjusted gross profit	**206 494 421**	270 089 275
Other income	**36 538 480**	12 921 627
Extraordinary items:		
– Bargain purchase (Memorial Park)	**(27 600 377)**	–
Administrative expenses	**(186 013 859)**	(131 774 832)
Extraordinary items:		
– Executive share scheme acceleration – cancellation	**43 992 366**	–
– Once off settlement amount	**25 344 000**	–
Other expenses	**(929 221)**	(1 310 074)
Impairment losses on financial and contract assets	**(7 189 512)**	–
Extraordinary items:		
– Reversal of IFRS 9 charge	**7 189 512**	–
Operating profit	**97 825 810**	149 925 996
Finance income	**50 005 032**	28 956 566
Finance costs	**(59 365 719)**	(16 687 428)
Share of profit of joint ventures and associates – net of tax	**14 188 053**	9 560 505
Profit before tax	**102 653 176**	171 755 639
Taxation	**25 304 411**	(50 948 964)
Extraordinary items:		
– Adjustment on tax for extraordinary amounts	**(52 482 473)**	–
Profit after taxation	**75 475 115**	120 806 675

Statement of Financial Position - Assets

	2019	2018
ASSETS		
Non-current assets		
Investment property	**14 019 768**	8 878 835
Property, plant and equipment	**12 173 346**	6 162 697
Intangible assets	**159 676 781**	159 663 860
Investments	**11 089 608**	–
Investment in joint ventures and associates	**153 006 235**	41 908 822
Deferred income tax asset	**43 354 750**	23 999 056
	393 320 488	240 613 270
Current assets		
Loans to joint ventures and associates	**311 393 438**	143 422 183
Inventories	**568 498 000**	554 397 497
Current tax receivable	**2 538 268**	16 599 506
Construction contracts	**1 279 072 872**	1 820 973 990
Trade and other receivables	**233 818 424**	293 739 145
Cash and cash equivalents	**122 632 997**	156 722 935
	2 517 953 999	2 985 855 256
Total assets	**2 911 274 487**	3 226 468 526

Statement of Financial Position - Equity and Liabilities

	2019	2018
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the parent		
Stated capital	**116 255 971**	116 255 971
Share-based payment reserve	**–**	74 056 311
Retained income	**690 054 102**	977 014 965
	806 310 073	1 167 327 247
Non-controlling interests	**277 638**	355 011
Total equity	**806 587 711**	1 167 682 258
Liabilities		
Non-current liabilities		
Deferred income tax liability	**214 300 153**	354 283 263
	214 300 153	354 283 263
Current liabilities		
Borrowings	**969 195 006**	889 596 522
Loans from joint ventures and associates	**23 000 000**	–
Current income tax liabilities	**1 912 518**	22 652
Trade and other payables	**896 279 099**	814 883 831
	1 890 386 623	1 704 503 005
Total liabilities	**2 104 686 776**	2 058 786 268
Total equity and liabilities	**2 911 274 487**	3 226 468 526

Statement of Cashflows

CALGRO M3 Group

	2019	2018
Cash generated from/(utilised in) operating activities		
Cash generated from/(utilised in) operations	**298 290 312**	(205 838 542)
Finance income received	**10 647 074**	6 686 410
Finance cost paid	**(115 459 090)**	(75 746 785)
Tax refunded/(paid)	**8 604 779**	(1 478 278)
Net cash generated from/(utilised in) operating activities	**202 083 075**	(276 377 195)
Cash flows invested in investing activities		
Purchase of investment property	**(50 946)**	(2 360 135)
Purchase of property, plant and equipment	**(2 802 835)**	(1 579 093)
Purchase of intangible assets	**(38 760)**	(6 941)
Proceeds on disposals of property, plant and equipment	**–**	242 748
Investments in joint venture and associates	**(119 793 746)**	(10 000 000)
Acquisition of business	**(25 500 000)**	(2 500 000)
Acquisition of subsidiary	**–**	51 933
Loans advanced to joint ventures and associates	**(149 974 273)**	(113 381 108)
Net cash invested in investing activities	**(298 160 560)**	(129 532 596)
Cash flows from financing activities		
Proceeds from borrowings	**273 000 000**	516 000 000
Repayment of borrowings	**(193 000 000)**	(192 000 000)
Loans received from joint ventures and associates	**23 000 000**	–
Equity paid back*	**(25 112 453)**	(2 132 431)
Transactions with non-controlling interest#	**(15 900 000)**	–
Net cash from financing activities	**61 987 547**	321 867 569
Net (decrease)/increase in cash and cash equivalents	**(34 089 938)**	(84 042 222)
Cash and cash equivalents at the beginning of the year	**156 722 935**	240 765 157
Cash and cash equivalents at the end of the year	**122 632 997**	156 722 935

* *Cash paid back to participants for the subscription of shares issued under the Calgro M3 Executive Share Scheme.*

\# *Cash paid for the purchase of the remaining portion of shares in Calgro M3 Memorial Parks Nasrec (Pty) Ltd.*

Covenants

	Audited year ended 28 February 2019	Audited year ended 28 February 2018
Net debt to equity ratio	1.09	0.70
Covenant	1.5	1.5
Debt service cover ratio (“DSCR”)	1.47	1.57
Covenant	1.2	1.2



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LOOKING FORWARD

Highlights

Category recognises gender-strong organisations involved in the innovative, sustainable and efficient enhancement of infrastructure development





Level 1 B-BEE Contributor

We still managed to achieve

Cash generated from operations (post interest of R115m)	**R 202m**
Units sold, construction to commence	**4 436 / R 1,7 bn (exc VAT)**
Management valuation (unlock in tangible assets in b/s ex-commercial / retail)	**R1,4 bn**

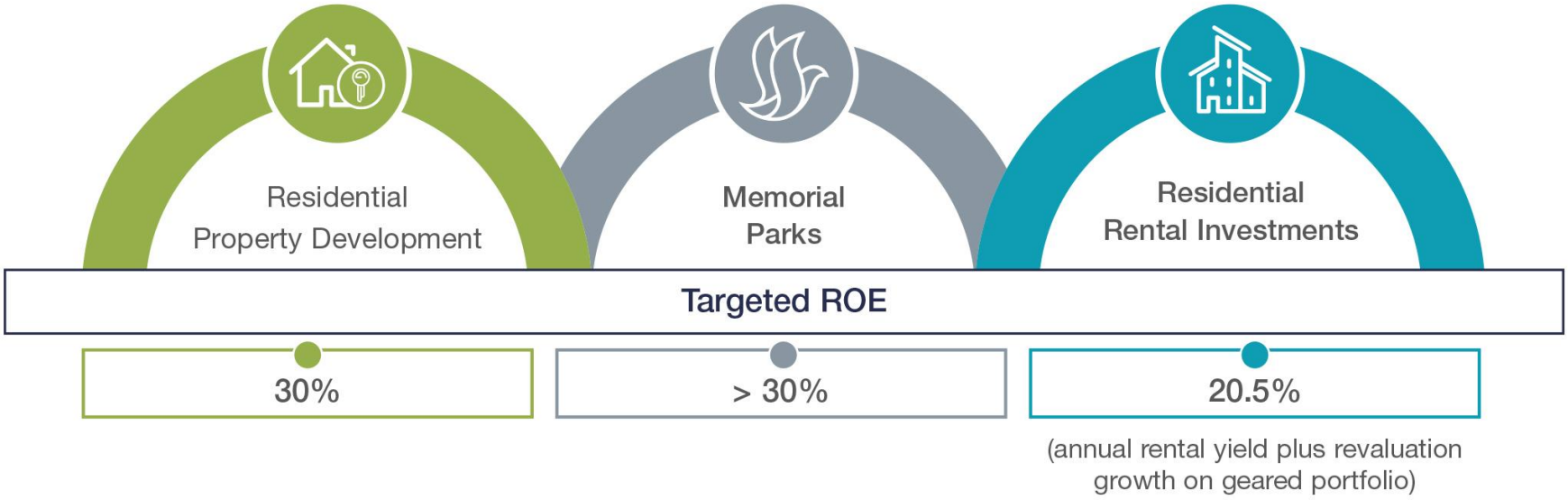
Opportunities	Total No.	Effective No.	Selling price to external party (including VAT)	Total Rand
Mid to high-end portfolio – serviced & unserviced land	640	640	373 729	239 186 560
Low to mid-market portfolio – serviced opportunities	11 029	10 006	119 670	1 197 418 020
Low to mid-market – partially serviced & unserviced	27 314	18 816	56 000	1 053 696 000
Total	**38 983**	**29 461**		**2 490 300 580**
KwaNobuhle development to be sold (BV R86m)				175 000 000
Total value in property portfolio			(A)	2 665 300 580
Less: Balance sheet costs of property (land) portfolio			(B)	1 275 230 395
Management estimate additional value (not account for / locked in balance sheet)			(A) – (B)	1 390 070 185

- Memorial Parks and Residential units at cost
- 630 000 m^2 retail, commercial and industrial land at R0 on balance sheet
- Fleurhof mine dump being processed and moved on balance sheet at R0, with potential further 8 000 units with minimal bulk requirements

Medium to long-term strategy

CALGRO M3 Group

1 The Group is strategically aligned to ensure it remains committed to the targeted return on equity ("ROE") of 30% over the medium to long-term. The commitment is based on the following targets:



2 Equal profit contribution from each of the three businesses.

3 Securing an annuity income stream sufficient to cover all operating expenses for the Group.

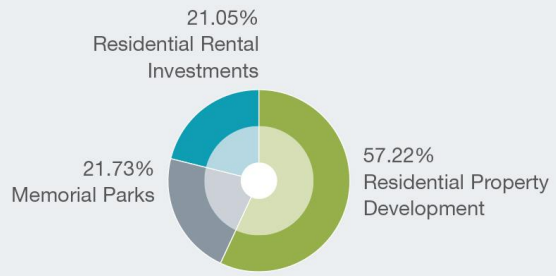
Progress

1 ROE

Ave past 8 years	26%
2019 ROE	
Residential Property Developments	1,3%
Memorial Parks	2,5%
Residential Rental Investments	0,6%

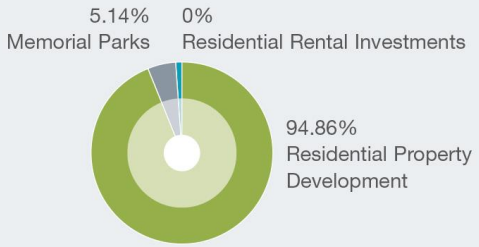
2 Contribution to group profit

Contribution for the current year (2019)



These % are somewhat misleading (and not indicative of business size yet) due to the Group experiencing a suppressed set of results.

Contribution for the previous year (2018)



3 Securing annuity income

Initially secured through the Residential Rental Investments business (still in infancy)

Memorial park funeral insurance to be added in next 12 months

Take away

- Roll out existing diversified pipeline across businesses within theme of property development
- Stabilised the Residential Property Developments business for consistent cash flow and profits
  - Sites will return to capacity towards end 2019 as uncertainty reduces
    - Belhar and Jabulani to be the first
- Memorial Parks expected to grow
- Mixed product offerings remains strategic advantage
- Government spend will return in the medium to long-term
- Cautious though optimistic given current uncertain environment and careful consideration given to best use and timing of capital

Thank you

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Available on www.calgrom3.com

- **Annual Financial Statements 2019**
- **Sustainability Report 2019**
- **King IV Application Register**
- **Integrated Annual Report 2019**
- **Corporate Governance Report 2019**



Disclaimer

Calgro M3 has acted in good faith and has made every reasonable effort to ensure the accuracy and completeness of the information contained in this presentation, including all information that may be defined as 'forward-looking statements'.

Forward-looking statements may be identified by words such as 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'intend', 'project', 'target', 'predict' and 'hope'. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or its sector to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements.

Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group's present and future business strategies and the environments in which it operates now and in the future. No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements.

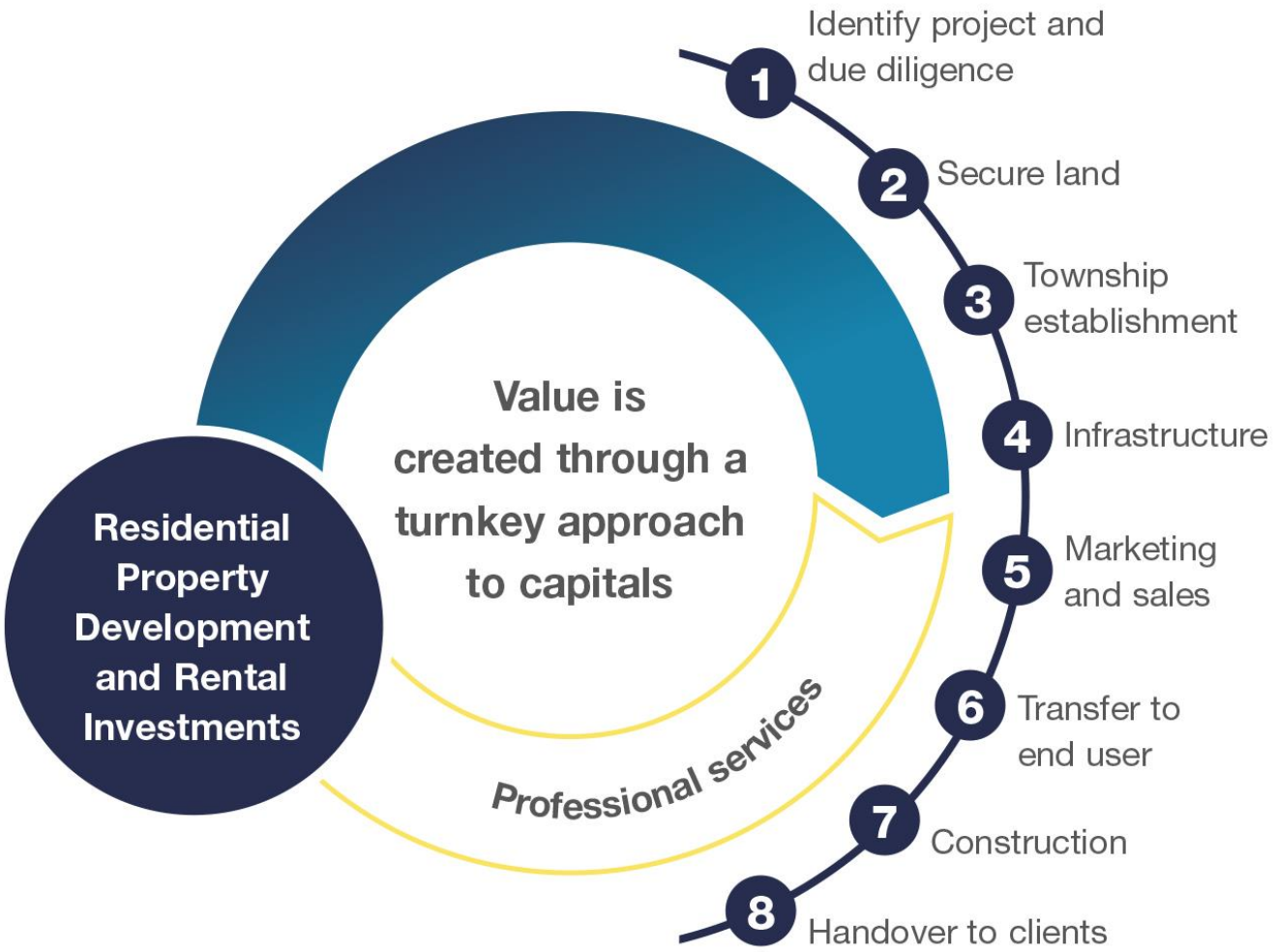
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APPENDIX

Business model



Business model

