CALGRO M3 Group

Unaudited Condensed Consolidated Interim Financial Results

For the six months ended 31 August 2020

Calgro M3 Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2005/027663/06)
Share code: CGR ISIN: ZAE000109203
("Calgro M3" or "the Company" or "the Group")

SALIENT FEATURES

Headline losses per share increased to a loss of 26.29 cents per share (August 2019: 3.24 cents loss per share)

Basic losses per share increased to a loss of 30.46 cents per share (August 2019: 1.46 cents loss per share)

Revenue decreased by 24% to R395.8 million (August 2019: R520.8 million)

Net asset value per share decreased by 4% to 610.29 cents per share (February 2020: 636.12 cents per share)

Cash generated from operations: R115.7 million

Net debt to equity 1.04 : 1.00

Cash on hand R246.0 million

No dividend has been declared for the period ended 31 August 2020 (August 2019: Nil)

The Group continued to generate positive cash from operations, despite the difficult trading conditions, resulting in the net debt to equity ratio of 1.04:1, which is consistent with 29 February 2020. Cash resources remained strong with R246.0 million in cash on the balance sheet at 31 August 2020. Liquidity was further enhanced in September 2020 by securing and drawing on a new six-year, unsecured facility from the NHFC for R215 million. Remaining Bond Exchange maturities up to January 2023 is R185 million, which will, once the Group's debt restructuring efforts are complete, reduce to R85 million.

After concluding 12 to 18 months of rigorous restructuring initiatives, the internal construction division has been successfully closed. Management believes that the leaner business, together with little pressure to invest in capital intensive projects over the short term and enhanced levels of liquidity, has positioned the business extremely well to deliver much stronger results once trading conditions post-Covid-19 have normalised.

Memorial Parks

Acting as a risk diversifier against the traditional lumpy and cash intensive Residential Property Development business, the Memorial Parks business has illustrated its potential in the first half by increasing cash revenue by 65.7% to R25.8 million and accounting revenue by 75% to R19.3 million (August 2019: R11.0 million).

Residential Property Development

No construction in the Residential Property Development segment took place for two months due to the pandemic. This was unprecedented and resulted in once-off costs incurred to ensure future sustainability and liquidity. Covid-19 costs and the associated standing-time amounted to R35.8 million and the costs associated with the closure of the construction division amounted to R12.9 million. The closure of the construction division is a strategic decision which in future will result in a slight additional contribution to margin.

Short-form announcement

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the information in the full announcement ("Full Announcement") and does not contain full or complete details. The Full Announcement is available through the link on the short-form announcement released on SENS.

Copies of the Full Announcement are also available for viewing on the Company's website at www.calgrom3.com or may be requested in person, at the Company's registered office or the office of the Sponsor, at no charge, during office hours.

Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement, as a whole.

These interim results have not been audited or reviewed by the Company's auditors, PricewaterhouseCoopers Inc.

By order of the Board

Wikus Lategan
Chief Executive Officer

Waldi Joubert
Group Financial Director

19 October 2020

Registered office
Calgro M3 Building, Ballywoods Office Park
33 Ballyclare Drive, Bryanston, 2196

Private Bag X33, Craighall, 2024

Auditors
PricewaterhouseCoopers Inc.

Secretary
I April

Sponsor
PSG Capital

Transfer secretaries
Computershare Investor Services

Directors

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

maz3x