CALGRO M3 HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2005/027663/06)
JSE Share code: CGR
ISIN: ZAE000109203
("**the Company**" or "**the Group**")

TRADING STATEMENT

In terms of the JSE Limited Listings Requirements, a listed company is required to publish a trading statement as soon as it becomes reasonably certain that the financial results for the next period to be reported on will differ by more than 20% from the financial results for the previous corresponding period.

The Company hereby advises that a reasonable degree of certainty exists that for the period ended 31 August 2020:

- headline losses per share will be between 26.00 cents and 26.60 cents, compared to the headline loss per share of 3.24 cents for the period ended 31 August 2019; and

- losses per share will be between 30.31 cents and 30.61 cents, compared to the loss per share of 1.46 cents for the period ended 31 August 2019.

The suspension of construction activities in the residential property development sector for in excess of 3 months due to the COVID-19 pandemic and lockdown regulations was unprecedented. It not only impacted revenue but resulted in sunk costs being incurred to ensure future sustainability and liquidity. COVID-19-related expenses and the associated standing time amounted to R35.8 million and the costs associated with the closure of the construction division amounted to an additional R12.9 million. The decision to close the construction division is a strategic decision taken in 2019 which, in future, will result in a slight additional contribution to margin.

Cash generated from operations, despite the difficult trading conditions, has placed the Group in a strong liquidity position.

The financial information on which this trading statement is based has not been reviewed or reported on by the auditor of the Company. The unaudited results for the period ended 31 August 2020 are expected to be published on or about 19 October 2020.

Johannesburg
29 September 2020

Sponsor
PSG Capital