

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



PROPOSED SPECIFIC REPURCHASE

1. INTRODUCTION

- 1.1. Shareholders are advised that on 19 November 2020 Calgro entered into a Sale of Shares Agreement with Snowball Wealth Proprietary Limited ("**Snowball Wealth**"), a wholly-owned subsidiary of Constantia Insurance Company Limited, which, in turn, is a wholly-owned subsidiary of Conduit Capital Limited ("**Agreement**"). Snowball Wealth currently holds 11 612 667 shares in the issued share capital of Calgro, which constitutes 8.4% of the issued share capital of Calgro (excluding treasury shares).
- 1.2. In terms of the Agreement, Calgro agreed to repurchase from Snowball Wealth ("**Repurchase**"), 6 750 000 shares in the issued share capital of Calgro ("**Repurchase Shares**") at a price of R2.10 per Repurchase Share ("**Repurchase Price**"), resulting in an aggregate repurchase amount of R14 175 000.
- 1.3. The Repurchase Price represents a discount of 8% to the volume weighted average trading price at which Calgro's shares traded on the JSE Limited ("**JSE**") over the 30 trading days up to and including 18 November 2020.
- 1.4. The Repurchase Price will be paid in cash by Calgro to Snowball Wealth.
- 1.5. The Agreement is subject to the fulfilment of the following remaining outstanding conditions precedent:
 - 1.5.1. Calgro shareholders approving the Repurchase as required by paragraph 5.69(b) of the Listings Requirements of the JSE ("**JSE Listings Requirements**") , by way of a special resolution at a meeting called for that purpose; and
 - 1.5.2. Calgro obtaining all regulatory approvals required for the implementation of the Repurchase.

2. EFFECTIVE DATE OF THE SPECIFIC REPURCHASE

In terms of the Agreement, the effective date of the Repurchase will be the first business day after the date on which the last of the conditions precedent have been fulfilled or waived, which date is anticipated to be no later than 18 February 2021.

3. REQUIRED SHAREHOLDER APPROVAL

In terms of the JSE Listings Requirements, the Repurchase constitutes a specific repurchase which requires the approval by way of a special resolution of shareholders of Calgro present or represented at a general meeting ("**General Meeting**").

4. FINANCIAL INFORMATION

- 4.1. The Repurchase will be funded through the use of cash available at the time of the Repurchase. As such, the impact of the Repurchase on the financial information of Calgro is as follows:
- 4.1.1. on the basis that cash resources will be used to settle the total Specific Repurchase consideration and associated costs, a decrease in the available cash resources of R14 175 000.00;
 - 4.1.2. a decrease in the net interest income before taxation of approximately R599 602.50 per annum, assuming a weighted average interest rate of 4.23% per annum;
 - 4.1.3. a decrease in Calgro's issued ordinary shares of 6 750 000; and
- 4.2. The Repurchase Shares will be cancelled by the Company. Accordingly, the Repurchase has no impact on the treasury shares held by the Company, which equates to 8 468 631 shares.

5. CANCELLATION AND DELISTING OF THE REPURCHASE SHARES

The Repurchase Shares represent 4.6% of the total issued share capital of Calgro at the date of this announcement. Calgro proposes, subsequent to the approval of the Repurchase at the General Meeting, that the Repurchase Shares will be cancelled and delisted.

6. CIRCULAR AND GENERAL MEETING

A General Meeting of the shareholders of Calgro will be held to consider and, if deemed fit, to pass, with or without modification, the resolutions required to approve the Repurchase. A circular containing full details of the Repurchase set out in this announcement and convening the General Meeting will be posted to shareholders in due course.

Johannesburg
20 November 2020

Sponsor and Transaction Advisor
PSG Capital

