

CALGRO M3 HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2005/027663/06)

JSE Share code: CGR

ISIN: ZAE000109203

("Calgro M3" or "the Company" or "the Group")



CALGRO M3 SECURES INTERNATIONAL FUNDING TO THE VALUE OF USD20 MILLION

Shareholders are advised that Calgro M3 has secured its second international funding facility to the value of USD20 million ("**the funding facility**"), on an unsecured basis, with a capital and interest rate swap to hedge the foreign exchange movements for the duration of the loan period.

The funding is provided by United States International Development Finance Corporation, an agency of the United States of America ("**DFC**"). The DFC partners with the private sector to finance solutions to the most critical challenges facing the developing world today. Furthermore, the DFC makes America a stronger and more competitive leader on the global development stage with greater ability to partner with allies on transformative projects.

The funding facility has been secured for a period of seven years, with an initial anticipated interest rate of 9.12% and such further interest rates which shall be finalised on date of each drawdown. Capital repayments are to be made in seven equal instalments commencing in the fourth year of the loan.

There shall be no more than one disbursement in each fiscal quarter and no more than four total disbursements throughout the duration of the funding facility. Each disbursement shall be in an amount of not less than USD5 million. Calgro M3 has 30 months to fully draw on the funding facility with the first disbursement required to be made within the first 12 months.

The capital will contribute to the Group's funding requirements to deliver low-income housing units on its secured pipeline in priority urban development areas. The Group's current pipeline stands at R27.7 billion.

Currently, 62.8% of Calgro M3's borrowings comprise of funding obtained from local and international development finance institutions with loan terms of between 4 and 6 years, respectively, with the balance derived from the issuance of floating rate notes through Calgro M3's Debt Capital Markets Programme. Once the funding facility has been fully drawn down, this percentage increases to approximately 71.4% of the Group's total borrowings.

The Company has undertaken a major debt restructuring drive to ease balance sheet pressure resulting in debt being repaid in the past 12 months amounting to R507 million, with the bulk of the R507 million redeemed early. Correspondingly, it raised R396 million in new debt (excluding the funding facility).

Johannesburg
16 February 2021

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