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”**)

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 20% or more from the financial results for the previous corresponding period.

The Company hereby advises that a reasonable degree of certainty exists that for the year ended 28 February 2021:

- headline loss per share will be between 15.0 cents and 15.3 cents, compared to the headline earnings per share of 1.77 cents for the year ended 29 February 2020; and

- earnings per share will be between 14.5 cents and 15.3 cents, compared to the earnings per share of 3.84 cents for the year ended 29 February 2020.

Earnings per share was positively impacted mainly as a result of the R36.6 million profit on disposal of an investment in a subsidiary (referring to the Vista Park project disposal) in February 2021 which is excluded for purposes of calculating the headline loss per share.

After posting a loss per share of 30.46 cents in the first six-months of year, the Group recovered dramatically in the second six months to record an overall earnings per share for the full year. The recovery in the current year is underpinned by the reduction of debt and fixed costs, concluding the closure of the in-house construction division, the sale of non-core projects and residential rental units, and ultimately the improvement of liquidity. The reaction to challenges presented by the Covid-19 pandemic was swift, and now Calgro M3 has more than 4,000 residential opportunities under construction, while the Memorial Parks business continues to grow and is supporting the Group with consistent free cash flow.

The suspension of construction activities in the Residential Property Development business, due to the Covid-19 pandemic and lockdown regulations, was unprecedented and resulted in three months of production loss. It not only impacted revenue but resulted in sunken costs being incurred in support of future sustainability and liquidity.

Cash generated from operations remained strong throughout the year. The Group had cash on hand together with undrawn facilities in excess of R500 million, placing it in a strong liquidity position.

The financial information on which this trading statement is based has not been reviewed or reported on by the Company's auditors. The audited results for the year ended 28 February 2021 are expected to be published on or about 17 May 2021.

Johannesburg
07 May 2021

Sponsor
PSG Capital