

CALGRO M3 HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2005/027663/06)

JSE Share code: CGR

ISIN: ZAE000109203

Company Alpha Code: CGRI1

LEI: 3789003B0859E9438F25

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



AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2024 AND DIVIDEND DECLARATION

1. SALIENT FEATURES

1 794 units handed over in the current year

1 748 units under construction with 1 100 planned to start on a staggered basis

Gross profit margin increased to 27.25%.

Earnings per share ("EPS") increased to 192.01 cents per share (February 2023: 153.37 cents per share)

Headline earnings per share ("HEPS") increased to 189.87 cents per share (February 2023: 153.18 cents per share)

Net debt to equity level stable at 0.63 (February 2023: 0.62)

Loan to value of 31.97% (2023: 31.04%)

Share buyback of 25.91 million shares (18.5 %) at an average price of R2.92 per share and to the amount of R73.02 million

Maiden dividend declaration of 9.49350 cents per share

Highest ever net asset value ("NAV") per share increasing by 40.60% to R13.37 (2023: R9.51) with assets valued at lowest of cost or net realisable value

Residential Property Development

The Residential Property Development sector remains the largest contributor to Group performance. The increase in gross profit margin counters the decrease in revenue, thereby providing an even greater contribution to Group profits. With nine active projects, primarily in Gauteng and the Western Cape, all contributing to revenue and profitability, our products range from fully subsidised housing to premium homes above R3 million. This diversity is strategic, allowing us to navigate current economic and market conditions effectively.

The 2024 financial year experienced a decrease in revenue across our projects. The overall segment gross profit improved to R330.63 million or 26.62%, a noteworthy increase from the previous year's 23.15%. We have also made commendable progress in increasing other income, achieving a 28% increase due to higher bond commissions

ascribable to the focus on open market housing. These gains reflect our commitment to revenue diversification, ensuring stable customer handovers and consistent cash flow.

In relation to construction, 1 794 opportunities have been handed over, with 1 748 opportunities currently under construction and nearing completion for hand-over and related revenue recognition. Included within the serviced opportunities are 1 100 opportunities which are commencing construction in the first six months of the 2025 financial year and more than 2 970 opportunities are being serviced. Major banks continue to support the industry, recognising the need for housing and its role in job creation and societal wellbeing, despite the tough market. Additionally, we increased our pipeline in existing projects by 2 182 opportunities. This increase was driven by an additional 804 opportunities from the acquisition of strategic land next to our Belhar project with the remaining opportunity increase stemming from more efficient designs in an effort to improve our product offering.

Bankenveld District City adds, at minimum R18 billion to the revenue pipeline through the delivery of between 20,000 and 30,000 opportunities over a 15 to 20-year period.

Memorial Parks

Reflecting on the 2024 financial year, we are proud to present significant growth within the Memorial Parks segment. This growth is not only seen through the 50.94% increase in gross profit but also a significant increase in cash receipts of 40.7%, reaching our highest cash collections since the segment's formation in 2017.

This industry, inherently linked to the certainties of life, demands not just a business acumen but also a profound sense of empathy and responsibility. In this spirit, we have navigated the complexities of the market and the evolving needs of our customers, ensuring that growth aligns with our commitment to service excellence. The active lay-by book amounts to R36.4 million, reflecting consumer confidence and the successful implementation and positioning of flexible payment options. The revenue recognition policy on these lay-by's remains conservative, ensuring we maintain financial integrity by recognising sales only upon the successful collection of the full purchase amount.

The Group also acquired a new memorial park in Rustenburg, adding approximately 25,533 burial opportunities to the pipeline. This additional memorial park was acquired but not yet transferred at the end of the financial year.

2. 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 annual financial statements ("**AFS**") and does not contain full or complete details. The AFS can be found on the JSE cloudlink at: <https://senspdf.jse.co.za/documents/2024/JSE/ISSE/CGRE/FY2024.pdf>

Copies of the AFS are also available for viewing on the Company's website at <https://www.calgrom3.com/index.php/investors/annual-reports>.

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

The AFS have been audited by the Company's auditors, Mazars, who expressed an unmodified audit opinion thereon.

3. DIVIDEND

A maiden cash dividend of 9.49350 cents per share (2023: nil cents per share), in respect of the year ended 29 February 2024, was declared by the board on Monday 13 May 2024. The net cash dividend payable to shareholders subject to dividend tax is 7.59480 cents per share (2022: nil cents per share).

4. DIVIDEND DECLARATION

Notice is hereby given that the board of directors of Calgro ("Board") has approved and declared a maiden, final gross cash dividend of 9.49350 cents per ordinary share, from income reserves, in respect of the year ended 29 February 2024. The dividend was approved and declared on Monday 13 May 2024.

As at the date of this announcement, the Company has 114 381 575 shares in issue, of which 18 322 449 are held in treasury. The total dividend payable is R10.86 million (2022: nil million).

The Board has confirmed that the solvency and liquidity test as contemplated by the Companies Act, No. 71 of 2008, has been duly considered, applied and satisfied. This is a dividend as defined in the Income Tax Act 58, 1962, and is payable from income reserves. The dividend is subject to a South African dividend withholding tax rate of 20%, resulting in a net dividend of 7.59480 cents per ordinary share, unless the shareholder is exempt from paying dividend tax or is entitled to a reduced rate of dividend tax in terms of an applicable double-taxation agreement.

The income tax number of the Company is 9613501155.

Relevant dates to the final dividend are as follows:

Publication of declaration date	Monday, 13 May 2024
Last day to trade cum dividend	Monday, 27 May 2024
Commence trading ex-dividend	Tuesday, 28 May 2024
Record date	Friday, 31 May 2024
Dividend payable	Monday, 3 June 2024

Share certificates may not be dematerialised and rematerialised between Tuesday, 28 May 2024 and Friday, 31 May 2024, both dates inclusive.

By order of the Board

Wikus Lategan
Chief Executive Officer

Hatla Ntene
Chairperson

Johannesburg
13 May 2024

Equity and Debt Sponsor
PSG Capital



PSG CAPITAL