2021
Integrated Annual Report

CALGRO M3 Group

#sustainableactions

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The following can be viewed on the Calgro M3 website www.calgrom3.com:

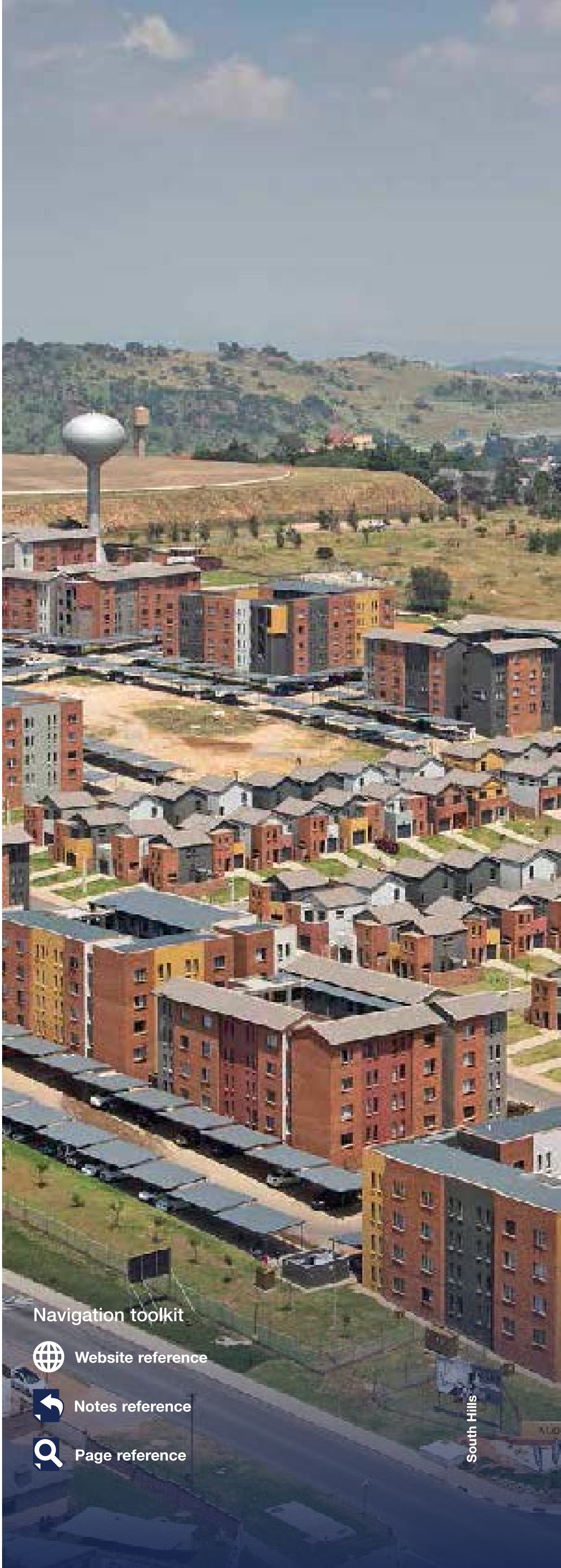
Notice of AGM 2021

Corporate Governance Report 2021

ESG Report 2021

Annual Financial Statements 2021

King IV™ Application Register



Navigation toolkit

Website reference

Notes reference

Page reference

ABOUT THIS REPORT

The report is guided by:

King IV Report on Corporate Governance™ for South Africa, 2016	Global Reporting Initiative ("GRI") G4 Sustainability Reporting Guidelines including, where possible, the Construction and Real Estate Sector Supplement*	Companies Act No. 71 of 2008 (as amended)	JSE Listings Requirements

* *The Group is a GC advanced level and signatory to the UN Global Compact Principles ("UNGC") which requires companies and their subsidiaries to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.*

The 2021 report composition

Calgro M3 is committed to be a responsible corporate citizen and in this light has chosen to break down the Integrated Annual Report into the following components, which are placed electronically on the website for ease of reference and importantly to reduce our carbon footprint by reducing the number of copies printed. The following reports are available on the Company's website for the year under review:

1. Integrated Annual Report
2. Annual Financial Statements:
   - Calgro M3 Group
   - Calgro M3 Holdings Limited
3. Corporate Governance Report
4. ESG Report
5. Notice of AGM
6. King IV™ Application Register

The financial statements are prepared and presented in accordance with International Financial Reporting Standards ("IFRS") and the Companies Act, No. 71 of 2008 (as amended).

Scope, boundary and assurance

The collective of all the documents above for the year ended 28 February 2021 provide an overview of the financial, social, environmental and governance performance of Calgro M3 Holdings and its subsidiaries.

The Integrated Annual Reporting format and application of globally recognised governance and sustainability reporting frameworks aim to offer stakeholders a clear view of how Calgro M3's strategy, governance, performance and prospects – in the context of its external environment – create value over the short, medium and long term.

Calgro M3 has acted in good faith and has made every reasonable effort to ensure the accuracy and completeness of the information contained in this report, including all information that may be defined as "forward-looking statements".

Information presented covers all operating entities of the Group, including all subsidiaries, associate companies and joint ventures, unless otherwise indicated. Please refer to pages 22 to 26 of the Annual Financial Statements for segmental information. All information, except any changes associated with the adoption of new accounting standards, is presented on the same basis as the Group's 2020 Integrated Annual Report, the measurement methods applied, and time frames used. The information provided covers all material matters relating to business strategy, risks and areas of critical importance to our stakeholders.

We aim to provide all stakeholders with a balanced, clear and transparent understanding of our business and how we create sustainable value. Stakeholders are invited to actively participate by sending questions, comments, concerns or queries to: info@calgrom3.com.

Materiality

Only material information is presented in this report. Materiality has been determined by taking both quantitative and qualitative aspects into account. The determination of materiality requires prudent judgement to be exercised.

- For financial information, materiality is based on whether the item is of such significance that it could affect financial decisions made by providers of capital to the Group (current and potential). Both the amount and qualitative nature of an item is considered.
- For non-financial information and the identification of capitals and stakeholders, materiality is based on whether an item, resource or stakeholder is of such significance that it can prevent the Group from achieving its medium to long term objectives and return hurdles.

Calgro M3's external communication philosophy is based on achieving full alignment between internal and external financial reporting in respect of both content and format. The only exception is the exclusion of detailed information that might prejudice Calgro M3's competitive position in the market.

Independent assurance

PricewaterhouseCoopers Inc. ("PwC") has been engaged to provide independent assurance on the Group consolidated financial statements. Chantal Marais Roux is the individual registered auditor who undertook the audit. PwC's audit opinion on the annual consolidated financial statements can be found in the Annual Financial Statements section on the website.

Forward-looking statements

Forward-looking statements may be identified by words such as "believe", "anticipate", "expect", "plan", "estimate", "intend", "project", "target", "predict" and "hope". By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors that may cause the actual results, performance or achievements of the Group or its sector to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements.

Forward-looking statements are not guaranteeing future performance and are based on assumptions regarding the Group's present and future business strategies and the environments in which it operates now and in the future. No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements. Calgro M3 does not undertake to update any forward-looking statements contained in this document and does not assume responsibility for any loss or damage whatsoever and howsoever arising as a result of the reliance by any party thereon.

Preparer

The financial statements were internally compiled by P Perumalswami CA(SA) under the supervision of WA Joubert CA(SA).

Level of assurance

The financial statements have been audited by our external auditors PricewaterhouseCoopers Inc. in accordance with the applicable requirements of the Companies Act 71 of 2008.

Board responsibility statement

The integrity of the Integrated Annual Report was overseen by the Board of Directors in conjunction with the Audit and Risk Committee. This was achieved by setting up appropriate teams, structures and processes to undertake the Integrated Annual Reporting process and then performing a thorough review of the resulting document.

The Board of Directors acknowledges its responsibility in ensuring the integrity of the 2021 Integrated Annual Report and has evaluated its preparation and presentation accordingly. In the opinion of the Board, the report provides a fair and balanced account of performance, strategy and value creation of the Group as well as addressing material matters pertaining to the long-term sustainability of the Group and the impacts thereof. This report was approved by the Board on 17 May 2021 and signed on its behalf by:

Hatla Ntene
Chairperson

Wikus Lategan
Chief Executive Officer (CEO)

Waldi Joubert
Financial Officer (FD)

Ralph Bruce Patmore

Dr Mdu Gama

George Hauptfleisch

Lynette Ntuli

Themba Baloyi

Tyrone Moodley

Wayne Williams

17 May 2021

Queries regarding this Integrated Annual Report or its content should be addressed to:
Wikus Lategan (CEO) (wikus@calgrom3.com); and Waldi Joubert (FD) (waldi@calgrom3.com)
Tel: 011 300 7500

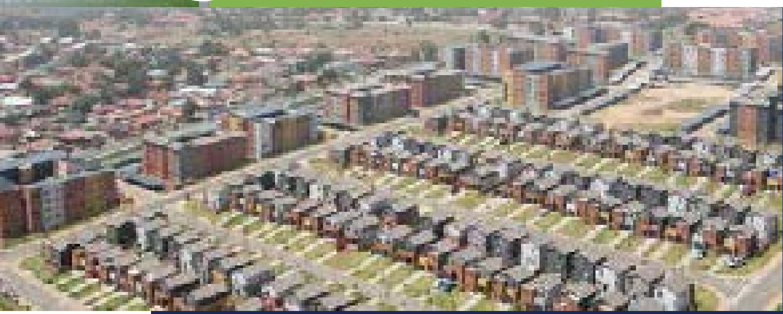
WHO WE ARE AND WHAT WE DO

Calgro M3 is a property and property-related investment company specialising in:

Residential Property Development

CALGRO M3 Group

Memorial Parks



The strategy is based on the principles of seamlessly bridging the gap between the subsidised, social housing, rental, GAP (Grassroots Affordable People's) housing and the affordable market segments by providing housing, schooling and communal facilities to all levels of income earners within one integrated community and thereby creating a dignified home for as many as possible.

The integrated development model offers homeowners a platform to improve their lifestyle and living conditions in line with their financial capability, whilst remaining in the same community.

The concept of Memorial Parks originated from the need to find alternative uses for large portions of Calgro M3-owned land, that were not suitable for residential or other commercial purposes. Calgro M3 Memorial Parks is an alternative to traditional cemeteries, adds value to existing developments, introduces an alternative burial option that is dignified, secure and which delivers a service to customers, superior to other products in the market. All Calgro M3 Memorial Parks are privately owned and professionally managed and maintained. We pride ourselves on providing safe, serene, and beautiful surroundings where family and friends can lay their loved ones to rest.

Residential Property Development

Memorial Parks

Development

Development and management

Our strategy is to enable the extraction of different sources of revenue and profits from businesses and opportunities along the property development value chain, which will result in an improved operating margin blend as well as ensuring sustainability throughout all business and economic cycles.

Our Group's positioning and business model provides us with the ability to adapt to the demands and challenges of the marketplace, including the ever-evolving social, economic, political, environmental and now also health-related issues. Our agility to navigate between areas enables us to realise our strategy of extracting different sources of revenue and profits from businesses and opportunities, which will result in an improved liquidity blend and margin over time. In the current environment we are focused primarily on the low to middle income private sector.

CALGRO M3 INVESTMENT CASE

Calgro M3 has been listed on the JSE Limited since 2007 in the Construction and Materials sector and specialises in Integrated Residential Housing Developments and Memorial Parks with sustainability at the core of the business.

Our investment case is based on the following:

- Strong pipeline of secured projects
- Responsible approach to developments, ensuring water conservation and harvesting, a concerted effort to move towards energy conserving homes, as well as greening as much of the development as possible to enhance the environment and contribute to a change in lifestyle
- Strong liquidity and cash generation
- Low fixed overheads
- Make use of the massive demand in South Africa for quality affordable housing
- Solid knowledge of development needs in line with Government's objectives of providing housing to all South Africans within a secure environment which is accessible to places of work
- Demand for quality, secure and tranquil Memorial Parks
- Passionate about sustainability and corporate governance
- Flexibility and agility to pivot between different markets

Calgro M3 product proposition:

- Making a meaningful and sustainable difference in the lives of South Africans
- Unique product offerings
- 25-year track record of quality outputs and diversification
- Committed to sustainable business growth
- Focused on meeting environmental, social, governance and financial targets to ensure a sustainable impact

VALUES, VISION AND MISSION

VALUES

Presence and quality
Calgro M3 is a market leader in the Residential Property Development and private Memorial Park industries and provides innovative solutions of exceptional quality across these product ranges.

Our leading brands are entrenched.

Strategic implementation
We are committed to high-quality outcomes across all phases of our projects – from concept to implementation. We strive to continuously raise the bar, applying what we learn on every project to improve the next and build a culture of achievement.

Our environment
We are aware of our impact on the environment and strive to minimise our impact in our businesses. We invest in eco-friendly energy and water solutions, rehabilitate disturbed land and support long-term environmental stewardship.

Relationships/partnerships
We strive to be engaged and responsive, strengthening our business networks and our relationships with stakeholders.

People
We strive to create a working environment that is non-discriminatory, safe and healthy, respectful of human dignity and fully supportive of human rights. We embrace transformation and diversity. We respect the rights and needs, and actively support the interests of the communities on whom our developments may have a direct or indirect impact.

Securing shareholder wealth through stable growth
We are committed to stable growth and creating value for our business and stakeholders. Management has built solid foundations by successfully implementing growth strategies in various market segments and we continue to expand into new markets.

VISION

To be the company of choice for investing in property and property-related businesses.

MISSION

Calgro M3 is committed to:
- Differentiating its products and services
- Delivering products and services of the highest quality and standards across our diversified property-related investment portfolio
- Developing beneficial relationships with all stakeholders
- Mentoring and uplifting of staff
- Embracing Broad-Based Black Economic Empowerment
- Realising sustainable returns for shareholders

Ever mindful that all actions taken, and strategies implemented are:

#sustainableactions

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

We are acutely aware that the actions we take and decisions we make are closely tied to the impact we make in the lives and livelihoods of all our stakeholders.

While satisfied clients and families are an important measure of our output across our product ranges, the real value lies in creating an environment in which communities can be uplifted to thrive in. Our goal is to deliver not only high-quality housing and memorial parks, but an environment that empowers and uplifts communities, thereby ***Building legacies, Changing lives***.

This is supported by our theme **#sustainableactions** and this forms the basis of our thinking now and into the future, in all that we do.

- From start to finish, across all operations, a dynamic working environment is in place which supports future success, well-being and prosperity of communities.
- We invest in the development of shared public spaces and in social, educational, sport and recreational facilities.
- We engage with stakeholders to understand their challenges and needs, incorporating their inputs into our outputs.
- We employ design principles and energy and water solutions that are affordable, eco-friendly and durable even in our most affordable product offerings.
- We create employment, encourage skills and enterprise development, and support entrepreneurship.
- We take care of the environment, rehabilitating and protecting the natural surrounds, thereby preserving them for future generations.

We do this without taking our eye off the ball in terms of creating business value and ensuring profitability. We are not seduced by opportunity and risk management is key in our business. Our day-to-day focus is firmly on achieving consistent quality outputs, ensuring excellence in the management of our operations and capital, balancing our risk exposure, and nurturing our relationships with financiers, investors and partners.

King IV™ emphasises the critical role of stakeholders in the governance processes of an organisation. However, at Calgro M3 we have for many years understood that engaging our stakeholders is an imperative to conducting our business in a way that is both sustainable and ethical, and even more importantly, is key to understanding how we better deliver value to all our stakeholders, including those communities we provide homes and memorial parks for, so that we fulfil our ***Building legacies, Changing lives*** promise.

Calgro M3's investment in social initiatives is aligned to its philosophy of community development, upliftment and empowerment. We favour the support of projects in the areas that we operate in, identifying opportunities where we can make a tangible difference, supporting the growth and development of individuals, nurturing vulnerable or needy groups, or strengthening the community. The Group constructs crèches, clinics, parks and community centres within its developments. In all instances, Calgro M3's investment in chosen initiatives is voluntary, not mandatory, knowing that the creation of these facilities vastly improves lives. Please refer to the full ESG Report 2021 on the website: www.calgrom3.com.

The Group was quick to react to the Covid-19 pandemic. A summary of what we did and our ongoing commitment in support of our stakeholders in need is outlined in the Covid-19 section on pages 19 to 20 of this section of our integrated annual report.

Calgro M3 has successfully implemented a formal Health, Safety and Environment ("HSE") management system based on international standards that included initiatives such as learning from incidents, a change in safety culture and behaviour, leadership commitment and accountability. Developing a safe and responsible safety culture requires strong leadership, effective supervision and engaged workers and we are proud that we are now ISO 45001 and ISO 14001 certified, making us one of only a few developers in South Africa that embraces these standards in residential construction. The Group remains compliant with the Occupational Health and Safety Act 85 of 1993 and its regulations. The development and enforcement of policies and procedures is undertaken by the health and safety manager with assistance from the environmental manager and their departments.

Calgro M3 is committed to promoting good sustainability practices within the organisation to minimise negative environmental impacts of its activities, thereby creating opportunities to have a positive impact on the environment.

Please refer to the Corporate Governance Report for information on how the Group approaches governance matters as well as the Remuneration Report for a detailed analysis of executive and non-executive remuneration and the remuneration philosophy for the Group. The report is available on our website: www.calgrom3.com or on pages 49 to 61 of this integrated annual report.

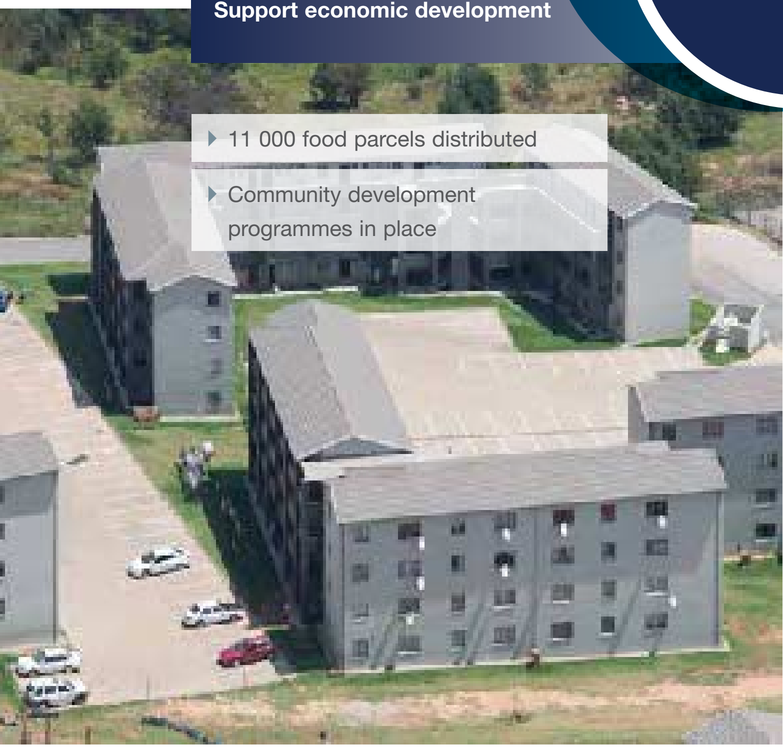
Social impact of integrated developments

Training and skills development

- >50% local labour across projects undergo significant training
- Skills attained at a development enable people to generate income for their family
- On average one in three people Calgro M3 trains, continue to work for the Group

Well located integrated developments:

- Social integration and upliftment
- Better communities and schooling for all
- Cost and time saving on travelling
  - Covid-19 reduced this benefit but highlighted the need for good living conditions where people can enjoy a work/life balance
- Better services for all due to cross subsidisation between different housing typologies



Support economic development

- 11 000 food parcels distributed
- Community development programmes in place

Job creation (estimated 2.55 jobs per opportunity)

- Direct
- Indirect
- Operational

1

LETTER TO STAKEHOLDERS FROM THE CEO AND FD ON #SUSTAINABLEACTIONS


Fourways Memorial Park

This section will provide the reader with an oversight of strategy, events and rationale for actions taken that impacted the Group and our financial performance during the past year.

The Group faced immense challenges in the financial years 2016 to 2018, hard decisions were made and executed upon across the following two years of 2019 to 2020. This led to the reduction of debt and fixed costs, the sale of non-core projects and residential rental units, and ultimately the improvement of liquidity. The reaction to the challenges presented by the Covid-19 pandemic was swift and now Calgro M3 has in excess of 4 500 residential opportunities under construction, while the Memorial Parks business continues to grow, albeit from a low base, it is supporting the Group with good cash flow.

We will continue driving balance sheet strength by reducing debt in the medium-term but will retain sufficient facilities to support operations and to ensure sufficient cash flow and liquidity during challenging times.

The markets in which we operate, continues to present huge opportunity for Calgro M3 and we must ensure that we reap the benefits of these glaring gaps. Our theme for this ever-changing environment is **#sustainableactions**, where we endeavour to ensure decisions and actions are taken so that we remain sustainable while supporting ***Building legacies, Changing lives***.

OVERVIEW OF THE YEAR AND OUR CURRENT POSITIONING

#sustainableactions

Strategic successes

- Disposal of the Ruimsig rental portfolio
- Disposal of the non-core project, Vista Park, for R49 million
- Share buy-back amounting to 4.6% of the issued share capital
- Debt restructured – only R70 million remains in Debt Capital Market ("DCM") maturities in the next 24 months
- Successful closure of the in-house construction division

Performance overview

- **Group net asset value ("NAV") increased by 7.2% to R6.82 per share**
- **Profit after tax of R18.5 million (2020: R5.3 million)**
- **Memorial Parks revenue increased by 65.2%**
- **4 654 units under construction compared to 2 393 units a year ago**

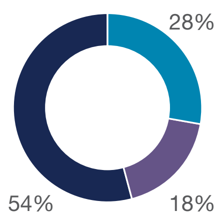
Cash flow, liquidity and liabilities

Positive cash generated from operations of R114.8 million to support the #sustainableactions strategy

Decreased total liabilities by 15.5% from R1.94 billion to R1.64 billion

Net debt to equity improved to 0.99 : 1 (2020: 1.04 : 1)

Liquidity of R555 million available:



- Cash on hand R155 million
- Available overdraft R100 million
- Development Finance Corporation facility R300 million*

* *$20 million USD.*

ESG

Retained United Nations Global Compact advanced level status

ISO 14001:2015 and ISO 45001:2018 certification retained

Challenges and opportunities

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STRATEGY

Our strategy is aimed at enabling the extraction of multiple sources of cash flow from businesses and opportunities within the property development value chain, which will result in an improved operating margin blend as well as the creation of annuity income. This will then enable us to fulfil our mantra of ***Building legacies, Changing lives***.

Two years ago, after emerging from a three-year period riddled with challenges, the Group embarked on a drive to ensure it remains both sustainable and fit for purpose through implementing **#sustainableactions**. This is how our thinking has evolved over the past two years:

How we think about strategy and positioning

The past and the realities

- From roughly 1994 to 2016 Government invested vast amounts on housing for the nation. According to a piece by Adrian Gore at the World Economic Forum, formal housing has increased by 131% from 1996 to 2016
- Despite Government continuing to spend on housing, the quantum has decreased over the years
- In the past, Government assisted with funding infrastructure required at integrated developments and in return for this investment, Calgro M3 would supply a certain amount of serviced opportunities for housing to Government to disburse through its programmes
- Across Calgro M3's integrated housing developments it would ensure a spread of both public and private sector housing as well as amenities such as crèches, schools, day care centres, shopping centres, places of worship, filling stations, access to transportation routes, green belts, parks and recreation areas
- In order to diversify further towards the private sector and improved liquidity blend and margin, Calgro M3 diversified into property rental and Memorial Parks
- During the past three years Calgro M3 has fought against power shortages, land invasions, constrained liquidity, a high cost base and a shortage of back-up funds

Now, and into the future

Given a structural change in the marketplace, Calgro M3 undertook the following:

- Divested from the rental property portfolio
- In line with capital allocation priorities the Group will focus predominantly on the Gauteng and Western Cape provinces
- Selling of non-core assets, making funds available for debt reduction and capital allocation to current operational projects
- Bought back and will continue to buy back shares if the share price remains undervalued and cash flow strong
- Restructured debt maturities
- Concluded the closure of the construction division with related fixed cost cutting, thereby refocusing expertise on property development
- Calgro M3 strives to be in a position where it can trade effectively, with focus on what can be controlled to ensure shareholder returns
- Housing backlog remains glaring in South Africa at 5.6 million units
- Total available residential opportunity pipeline of 32 590 in place
- Increased demand for memorial parks burial space as municipal burial grounds are at capacity
- Looking forward, the business now has:
  - Strong cash flow
  - Lean overhead structure
  - Ample serviced opportunities
  - Strong sales across markets

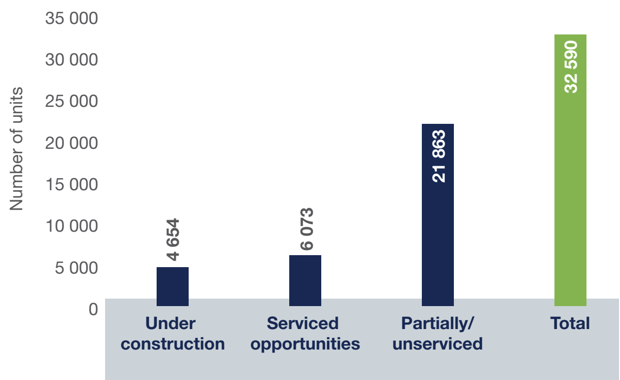
Building legacies. Changing lives

Residential Property Development and the pipeline

- Make use of the massive demand that exists in South Africa for quality affordable housing
- Limit reliance on public sector spend for infrastructure*
- Sufficient serviced opportunities to unlock growth
- Funding accessed primarily via
  - Long-term infrastructure funding options from development finance institutions
    - NHFC – R215 million drawn
    - DFC ±R300 million ($20 million available)
  - Sale of non-core projects (R49.2 million from sale of Vista Park)
  - Sale of rental portfolio (in progress)
- Effective and efficient capital allocation
- Ensure strong cash generation to maintain liquidity and to pay down debt

** Typical infrastructure: water and sanitation, electricity, access roads, lighting, security.*

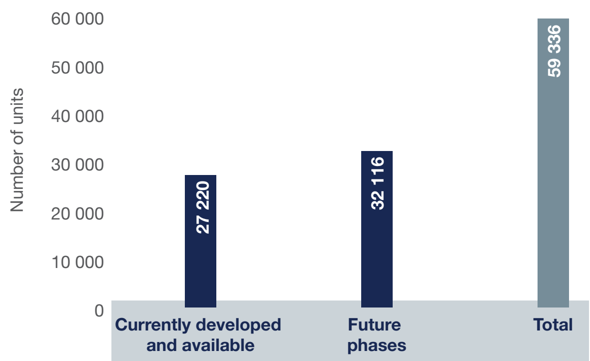
Completed units in current year
1 542 (2020: 1 495)



Memorial Parks and the pipeline

- Strong demand due to municipal cemeteries reaching capacity
- Public sector still developing cemeteries but slower than demand requires
- High-quality products in safe and tranquil environment
- No additional capital required – development to be funded by operations
- Sales channel enhancement through market and brand awareness to grow market share further
- Continual enhancement of product offering
- Careful expansion into additional provinces with large metro area

Total grave sales this year
1 769 (2020: 1 057)



Short to medium-term goals

Short to medium-term goals have remained in line with the previous year. Below is a summary of how Calgro M3 measures up against goals previously set. These goals have been retained for the new financial year and management will continue driving actions towards achieving these goals in a manner befitting **#sustainableactions**.

Goals over the short-term

What we said	How we have performed
Cash preservation and liquidity of balance sheet	Total available liquidity of R555 million ▸ Cash on hand R155 million ▸ Available overdraft R100 million ▸ New DFC facility R300 million ($20 million USD)
Debt maturity restructuring	Please refer to debt capital restructuring information on page 13.
Maximising cash generation and roll-out of the existing project pipeline	This proved challenging as roughly three months of construction production time was lost due to Covid-19 lockdowns. Projects generate positive cash flow on the transfer of units, which Calgro M3 will continue to maximise through the sale and transfer of units on current projects.
Continued focus on variable cost model	The successful closure of the construction division and associated cost cutting initiatives has left the Company with a lean overhead structure.
Greater brand awareness and the creation of an aspirational brand	This is well underway with both open market residential sales and burial site sales showing signs of improvement.
Ensure the Calgro M3 team remains passionate about serving the people of South Africa by ***Building legacies, Changing lives*** while staying true to our core principles.	

Goals over the medium-term

What we said	How we have performed
Consistent, predictable cash flow from the Memorial Parks business to stabilise lumpy cash flows originating from the Residential Property Development business	Memorial Parks' total cash revenue increased by 52.9% in the current financial year, contributing R55.9 million in free cash flow to support the funding of overheads and interest.
Continuous reassessment to determine optimal timing to reinvest in the Residential Rental Investment business	No intention to re-enter this market over the short to medium term due to better opportunities that exist across the current two business segments.
Ensure long-term sustainability	▸ Retain strong pipeline ▸ Focus on less projects in two core provinces ▸ Strong liquidity and back-up facilities of R555 million
Secure additional pipeline projects with no or limited immediate impact on the Group's liquidity	Frankenwald remains secured by limited option fee for a further three years. Secured a small project in Maitland, Cape Town that will go to ground during the first six months of the financial year, with limited to zero capital exposure.

Debt capital restructure

<table>
<tr><th>What we said</th><th>How we have performed</th></tr>
<tr><td>Restructure debt with limited to no capital maturities in the next 24 months</td><td>Successfully restructured debt:
▸ Maturities in 2021/2022 and 2023 financial years reduced from R809.2 million to R302.2 million after accounting for repayments already made. Of this amount R232.2 million is related to Proparco that is in the process of being restructured.

Exposure split:
▸ South African (“SA”) Bond Market – 37.16%
▸ NHFC (SA-based DFI) – 22.44%
▸ Proparco – French-based DFI – 40.40%

The Group has secured an additional facility from DFC, a US-based DFI for $20 million that will serve as back-up liquidity.</td></tr>
<tr><td>Decrease net debt to equity to:
Date — Target
by 28 February 2021 — 0.90:1
by 28 February 2022 — 0.75:1
by 28 February 2023 — 0.60:1</td><td>This was delayed due to the impact of Covid-19 on construction capacity, and which subsequently led to delays in handing over and transfer of units.

Net debt to equity improved to 0.99 : 1.

In view of the above, the debt reduction targets have been adjusted to:
Date — Target
by 28 February 2022 — 0.90:1
by 28 February 2023 — 0.80:1
by 28 February 2024 — 0.75:1

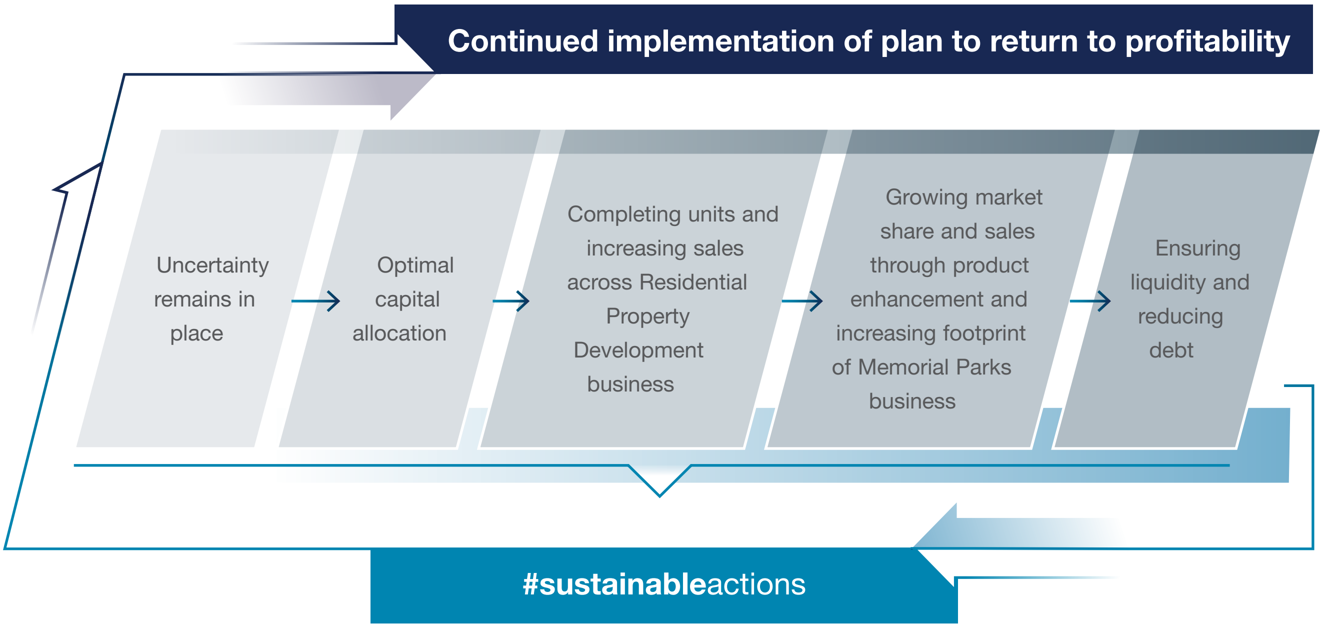
Directors’ short-term incentive scheme has been linked to these targets.</td></tr>
<tr><td>Cash liquidated from the following to be utilised for decreasing debt:
▸ The sale of various commercial and retail stands;</td><td>Sale of various commercial and retail stands:
▸ First two sales were signed for a combined amount of R70 million. Transfer and cash flow is expected during August 2021.</td></tr>
<tr><td>▸ Sale of the residential rental portfolio; and</td><td>Sale of Residential Rental portfolio:
▸ Ruimsig sale successfully concluded
▸ South Hills units being sold in the open market, with the first transfers having taken place</td></tr>
<tr><td>▸ Partnering with third-party developers to fast track cash conversion on the mid-to-high cluster portfolio.</td><td>No material progress as yet.</td></tr>
<tr><td>Any additional capital available, once these targets have been achieved, will be utilised for:
▸ Creation of a larger cash flow buffer for unforeseen events;
▸ Working capital; and
▸ Opportunity capital should extraordinary opportunities arise.</td><td>Sustainable liquidity buffer in place.

No additional capital currently available for opportunities.</td></tr>
</table>

Variable cost structure

The Calgro M3 variable cost model has always been one of the Group's strengths. Cost containment continued as a major focus area for the year. The focus was to reduce the fixed cost base, at the same time ensuring better efficiencies. Given the economic downturn, severely impacted by Covid-19, deficiencies in the model were exposed which required corrective action which management deemed to be necessary to ensure sustainability.

What we said	How we have performed
Outsourcing of construction (this has reduced fixed monthly cost by approximately R5 million, with a further reduction of R1 million once the last in-house construction projects close).	Successfully concluded.
Reduction in overheads	Monthly overhead cost and interest reduced.
Professional departments outsourced, and only key talent retained internally to manage external consultants.	Concluded.
Closure of Cape Town office and City of Johannesburg CBD sales office to ensure centralisation of functions.	Concluded.



OPERATIONS

Residential Property Development and pipeline

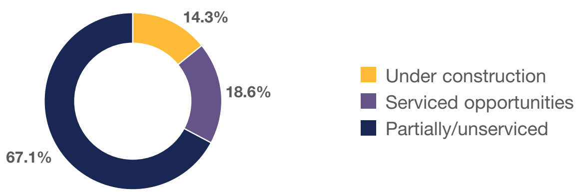
- Two months with no construction and slow start-up, therefore, effectively losing three months' production
- Meticulous capital allocation to high yielding projects
- Successful closure of the construction division, reducing fixed overheads and increasing cash flow predictability
- No need for investment in "long-term" infrastructure as sufficient serviced stands available
- Substations funded and underway on the Fleurhof and South Hills projects
- Enhance product offering while keeping sales prices low
- Consistent monthly hand over of units to enhance stability of cash flows and reduce capital exposure

Our clientele are becoming more discerning so our focus remains on enhancing the product offering, while keeping sales prices as low as possible. We strive to deliver products and services to customers that are superior in the market and which hold good value-for-money. Encouragingly, South African banks are still approving 100% bonds, which is allowing Calgro M3 to continue selling existing units, thereby ensuring the business remains operational.

With 4 654 opportunities under construction, compared to 2 393 a year ago, and a pipeline of 32 590 opportunities, the Group is well positioned with sufficient capital and liquidity to return to activity levels within the next few years that were last seen five years ago. With 6 073 serviced opportunities available, the commencement of installation of new infrastructure should be forthcoming once the required Government funding is made available, but no immediate capital pressures exist in this regard. The electrification budget for the Fleurhof substation was approved and the construction thereof (funded by the City of Johannesburg) is well underway. Construction of the South Hills substation (funded by The Standard Bank of SA Limited, joint venture partner to Calgro M3 and the City of Johannesburg on the project) is also nearing completion.

Total pipeline units

32 590 total available opportunities



Major project contributors to the pipeline are Belhar CBD, Fleurhof, Jabulani Precinct in Soweto (three projects), Scottsdene, South Hills, Tanganani and Witpoortjie.

Covid-19 effect

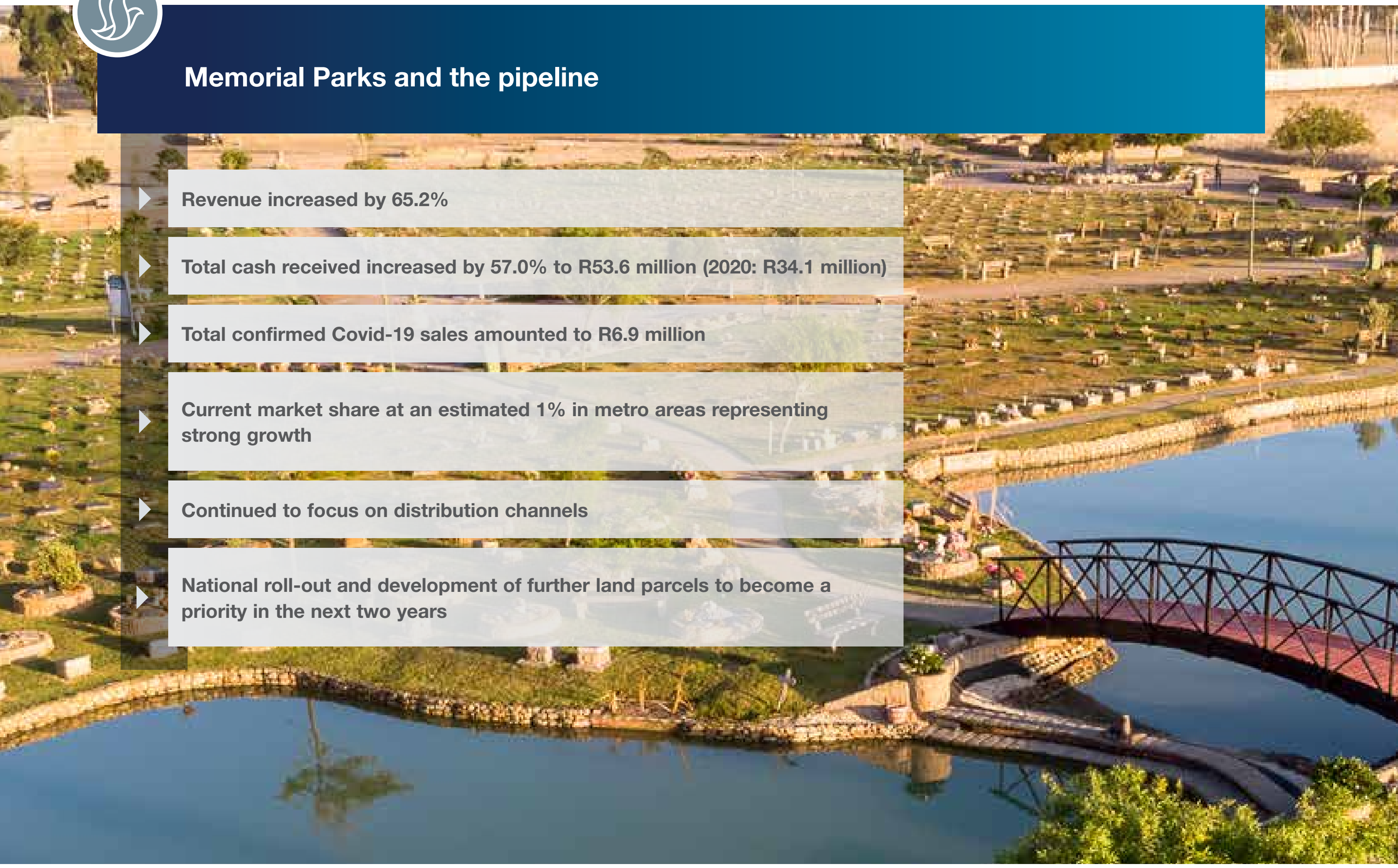
- Reduction in revenue from already low base
- Standing time costs (R35.8 million)

Restructure cost

- Construction division successfully closed (R12.9 million)

"The Operations of Calgro M3" section on page 35 contains a detailed project pipeline

The Residential Property Development business remains the largest contributor to Calgro M3's operations. Despite Covid-19 the banking sector continues to provide end-user funding with FNB Home Finance indicating that, "the affordable housing market remained resilient and attractive to home buyers." Calgro M3 can confirm that the same trend is visible in our developments.



Memorial Parks and the pipeline

- Revenue increased by 65.2%
- Total cash received increased by 57.0% to R53.6 million (2020: R34.1 million)
- Total confirmed Covid-19 sales amounted to R6.9 million
- Current market share at an estimated 1% in metro areas representing strong growth
- Continued to focus on distribution channels
- National roll-out and development of further land parcels to become a priority in the next two years

NASREC **MEMORIAL PARK**

FOURWAYS **MEMORIAL PARK**

ENOKUTHULA **MEMORIAL PARK**

DURBANVILLE **MEMORIAL PARK**

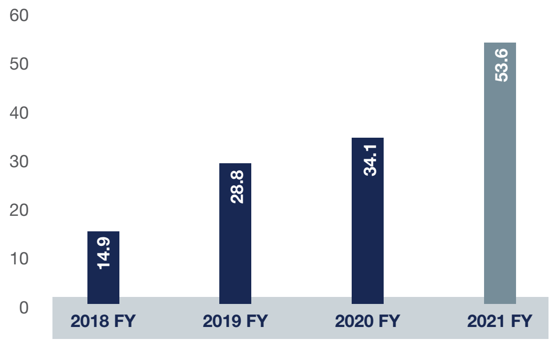
BLOEMFONTEIN **MEMORIAL PARK**

Durbanville Memorial Park

Memorial Parks is a key expansion area for the Group

With 1 769 burial opportunities sold in the year (compared to 1 057 a year ago), and a remaining pipeline of 59 366 burial opportunities as well as other products at current parks, the Group is well positioned and remains bullish on growth opportunities in this business segment. Our ability to match the profitability of the property development business in the medium to long term remains a focused goal. The current strategies, to achieve this goal, include establishing a national footprint and enhancing sales distribution through various channels.

Total cash received (including VAT) (all products excluding rental income) (R million)



"The Operations of Calgro M3" section on page 40 contains a detailed project pipeline

Emphasis on sales distribution channels to ensure increased sales momentum and active targeting of potential customers will be maintained. Various alternative sale opportunities are being investigated to enhance market share as well as to make our products more affordable across all product ranges which include amongst others: extended payment options offered to clients (at no interest or additional fees), with up to 12 months to pay via debit order and making burial opportunities available through funeral policies.

Enokuthula Memorial Park, located in Springs, was fully operational from mid-February 2020, after the last development hurdle was resolved. Sales however remained slow and various corrective measures have been implemented. The Bloemfontein Memorial Park has been operating at a minimum capacity while awaiting the approval of burial rights, which are expected later this year. Currently, the park may only sell ash niches, which does not warrant a full marketing and sales effort. The adjacent property of 24 hectares that will be able to accommodate a further circa 40 000 graves was acquired during the year, which will, once burial rights are acquired, make the Bloemfontein Memorial Park one of the largest parks operated and managed by Calgro M3 and will provide for the greater need of dignified burial space in Bloemfontein and surrounding areas. The roll-out of the Witpoortjie Memorial Park was delayed by the drive to get sales momentum across other parks. Obtaining burial rights on Witpoortjie will now be part of the focus for the next year.

Town planning processes relating to Fleurhof (with an estimated potential of 22 000 graves) and KwaNobuhle (estimated 48 000 graves) were delayed in the previous year. This decision will be reviewed later in the year, after a more specific roll out decision regarding Witpoortjie and Bloemfontein Memorial Parks is made, so as to not place too much pressure on capital requirements. The granting of these rights will create substantial value for the Group from land which is currently carried at zero value on the balance sheet. Further memorial park acquisitions in places such as the Eastern Cape, Tshwane, and KwaZulu-Natal will be capital dependent at the time when possible land is identified.

KEY OPERATIONAL CHALLENGES

63 to 66: A detailed Risk Management section is provided which contains further details

Key operational challenges	Impact	Response
Covid-19	Details of Covid-19 interventions are listed and summarised in the tables on pages 19 and 20.	
Funding and cash generation		▸ Calgro M3's ability, reputation and pipeline strength in place to raise funding from international funders such as Proparco and DFC (Development Finance Corporation) ▸ Sale of non-core projects to use proceeds to reduce debt as well as allocate a portion to infrastructure requirements at current developments if needed to enhance private sector delivery
Housing shortages together with a call for land expropriation without compensation	Illegal land and unit invasion/grabs	▸ Currently no illegal invasions ▸ Security in place and assisting local and provincial government to eradicate the housing shortage ▸ Closer working relationships between Calgro M3, security and police to avoid illegal invasions ▸ Enhancing communication of the Group's positive impact on communities during and after development
Skills shortage	Delivery of products and services	▸ Skills development, subcontractor incubator programme ▸ Internal coaching at management level ▸ Nurturing relationships with small contractors to grow alongside the Group as well as the mentoring and training of young individuals ▸ Human capital management to ensure succession and availability of resources to facilitate Group growth ▸ Our target across the Group is to employ more than 50% of our on-site workforce from local communities with associated training. We are currently achieving more than 70% across the Group
Energy and water shortage	▸ Availability of these critical services impact lifestyle ▸ Rising prices have an impact on development costs and client affordability ▸ Construction is a heavy user of water in a country where it is scarce	▸ Saving water and energy and reducing carbon footprint, throughout the life cycle from preferential procurement through construction activities and client education at handover ▸ Use of alternative water and energy solutions supports the future sustainability of developments, in conjunction with our focus towards environmentally friendly designs ▸ Finding a balance between the cost of "green products" vs selling price of products ▸ ISO 14001:2015 certification
Health and safety	Ensuring a safe and healthy work environment	▸ Enforce international health and safety best practices ▸ Ensuring a safe work environment for staff ▸ Ensuring safety of all stakeholders/communities on our projects ▸ ISO 45001:2018 certification
Government assistance	Acceptance of our integrated model and granting the associated regulatory approvals	▸ Through relationship building, delivering on our partnerships with the public sector and proving the effectiveness of integrated development, we build awareness and acceptance
Empowerment		▸ Continue to focus on empowerment aside from B-BBEE status
Aspiration and affordability	Allowing communities from different social and economic backgrounds to live in harmony with one another in a pleasant environment	▸ Social acceptance of Calgro M3 products ensure: – Race and class integration – Building role models within society ▸ Creation of aspirational products and spaces where communities can live, socialise and relax

Covid-19

Calgro M3 reacted quickly to ensure it complied with all Covid-19 protocols and stepped up to ensure our people as well as the communities in the areas we operate in, were provided with sanitising products. Since the start of the pandemic and continuing through the various lockdown phases, Calgro M3 has undertaken the following actions to ensure we look after our people:

We reacted quickly

- Concerns about financial and psychological impact of Covid-19 were addressed
- Staff and executive management able to work from home and where required Calgro M3 carried infrastructure and communication costs
- Contingencies and succession plan was put into place for each key executive
- No-travel policy instituted
- Offices regularly sanitised
- Staff had access to:
  - Unlimited counselling
  - Financial advice
  - Legal advice
  - Comprehensive trauma response
  - Interactive health portal
- Social distancing and mask wearing is mandatory
- Increased staff communication and education
- Greater focus on balancing needs and expectations of Calgro M3 with those of employees
- Paid salaries, contractors and suppliers in full during hard lockdown

Covid-19 (continued)

Residential Property Development

- All construction suspended during lockdown. Effective three months' production lost
- Deeds office closed or operating with skeleton staff, causing delays in transfers
- Annual house sales price increases will not be implemented, to assist with affordability

Memorial Parks

- Considered an essential service and remained operational throughout the financial year
- Price reductions of graves and services implemented

Social responsibility

- Donated hand sanitiser, and other safety disposables to our staff and their families
- Donated hand sanitiser to the Fleurhof community
- Kept the Florida (Fleurhof), Scottsdene (Cape Town) and Diepkloof (Nasrec) police stations and officers stationed there, healthy with a regular supply of masks, gloves and hand sanitiser
- Donated hand sanitiser and masks to MES (a charitable organisation operating in the Johannesburg inner city) to assist with their work amongst the homeless

Ongoing interventions

- Offices regularly sanitised
- Social distancing and mask wearing mandatory
- Hand sanitiser and masks readily available
- Ongoing, consistent staff communication and education

FINANCIAL PERFORMANCE

Statement of comprehensive income

Revenue and gross profit recovered in the second six months of the year, delivering much stronger results and assisting the Group to return to profitability. The first six months were enveloped by Covid-related costs amounting to R35.8 million and the closure of the construction division which accounted for R12.9 million. Overall revenue for the year decreased by 10.7% to R879.1 million (2020: R984.1 million), after being down 24.0% at August 2020 when construction was stopped during the months of April and May 2020. Interest capitalisation was stopped during these months and was fully expensed, resulting in an increase in finance cost expensed for the year to R72.9 million (2020: R64.7 million).

The gross profit margin recovered to 12.3% (2020: 10.2%) from a level of 7.9% at August 2020.

Financial metric	February 2021	H1 (August 2020)	H2 (February 2021)	Change from H1
Revenue (R'million)	879.1	395.8	483.3	+22.1%
Gross profit (R'million)	108.0	31.3	76.7	+145.1%
Gross profit %	12.3%	7.9%	15.9%	+101.3%
Administrative expenses (R'million)	(87.1)	(47.7)	(39.4)	(17.4%)
Share of profit/(loss) of joint ventures and associates – net of tax (R'million)	3.3	1.2	2.1	+73.5%

The increase in other income is primarily attributable to the disposal of a non-core project namely the Vista Park development in February 2021 for a consideration of R49.2 million, resulting in a profit of R36.6 million.

Limited movement in the balances of loans to joint venture and associates, construction contracts and trade and other receivables resulted in the movement in the expected credit loss provision being minimal.

Earnings per share

Basic earnings per share ("EPS") increased to 14.88 cents per share (2020: 3.84 cents per share). Headline earnings per share ("HEPS") decreased to a loss of 15.17 cents per share (2020: 1.77 cents profit per share).

Statement of financial position and cash flow

The movement in investment in joint venture and associates decreased by R119.8 million, resulting from the sale of the Ruimsig rental units to AFHCO Holdings Proprietary Limited. The transaction became unconditional on 17 September 2020. Please refer to Category 2 SENS announcements on 29 June 2020 and 15 September 2020 for details pertaining to the transaction. R104.0 million in borrowings from SA Corporate Real Estate Limited was settled in September 2020 as part of this transaction.

Current assets (excluding cash and cash equivalents) decreased by R72.4 million due to the completion and transfer of completed units to end-users. Inventory, construction contracts and trade and other receivable balances will fluctuate depending on the specific phase that a development is in at the reporting date. The net movement is a function of new units under construction compared to units completed and transferred to end-users during the year. The Group continued to generate positive cash from operations of R114.8 million (2020: R464.2 million) for the year. More than 4 500 opportunities are currently under construction, with the majority of those units already sold to customers.

The outstanding balance of the Vista Park project sale at year-end, accounted for the majority of the R68.3 million increase in trade and other receivables. The remaining portion of the increase is normal trade receivables that will be settled in the ordinary course of business, with none of the balance being overdue.

R90.0 million in deferred land purchase liabilities were settled during the year. This, together with the decrease in operational trade payables, resulting in the decrease in trade and other payables to R486.9 million (R656.8 million).

Cash and cash equivalents at the end of the year decreased to R154.6 million (2020: R255.1 million). This balance together with available overdraft facilities (R100 million), has positioned the Group well for robust delivery in the 2022 financial year.

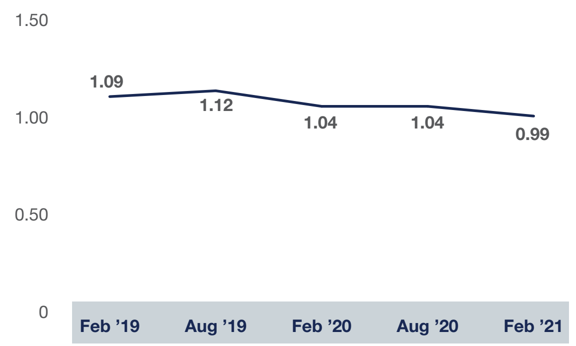
Borrowings and covenants

The Group restructured most of its debt within the year as well as secured a new R215 million facility from the National Housing Finance Corporation ("NHFC") in September 2020. A summary of the debt restructuring and maturities is as follows:

	Rand
Opening balance 1 March 2020 (gross)	**1 069 000 000**
New debt	**396 000 000**
Debt repaid	**(507 000 000)**
Closing balance – 28 February 2021	**958 000 000**

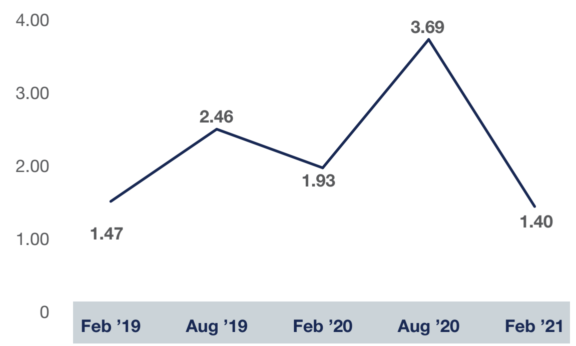
Maturity profile	Rand
FY 2022	107 400 000
FY 2023	194 800 000
FY 2024	282 800 000
FY 2025	211 750 000
FY 2026	107 500 000
FY 2027	53 750 000

Net debt to equity ratio



The maximum allowed net debt/equity ratio for the Group is 1.5:1.

Debt service cover ratio ("DSCR")



The minimum allowed DSCR ratio for the Group is 1.2.

MANAGEMENT VALUATION

The Board believes that the business is undervalued and have actively begun a process to repurchase shares. During the year 6 750 000 shares (4.6% of issued share capital) were bought back. Please refer to detailed management valuations on the tangible asset value locked up in the balance sheet in the 2018 and 2019 Integrated Annual Report that is available on the Company's website: www.calgrom3.com.

WHERE TO FROM HERE?

- Both the Residential Property Development and Memorial Park businesses will be carefully managed to ensure liquidity is sufficient to weather more Covid-19 woes and the current depressed economic climate
- Retain higher cash levels despite lazy balance sheet in the short-term
- Balance end-user sales with bulk monthly progress payment-based sales where cash flow is less lumpy
- Allocate working capital to increase top structure construction of sold units with profit to follow on transfer to clients across 12 to 18 months
- Continue to drive Memorial Park growth and possible locational expansion
- Ongoing management of unit numbers under construction to preserve cash flow and liquidity

Continued implementation of plan to return to profitability

Uncertainty remains in place → Optimal capital allocation → Completing units and increasing sales across Residential Property Development business → Growing market share and sales through product enhancement and increasing footprint of Memorial Parks business → Ensuring liquidity and reducing debt

#sustainableactions

As we write this letter, the first and second waves of Covid-19 infections have passed, a third wave is seemingly on its way, but the vaccine roll-out is gaining momentum. Although many statisticians and economists are running numbers and making forecasts and predictions, it is very difficult to predict what the long-lasting effect of Covid-19 or a similar pandemic might be on South Africa. The challenges are not only Covid-19 related but extend to the downgrades to sub-investment grade by rating agencies paving the way for an almost certain prolonged recessionary or even digressionary period and all this underpinned by massive unemployment in our country.

Considering this uncertainty, we will continue to demonstrate that the business is resilient and able to withstand the challenges of a suppressed economy, policy uncertainty, international health crisis and any other uncontrollable factors that might come our way. We believe the Group has increased liquidity sufficiently over the past two years to be able to weather further challenges. We will continue focusing on cash flow generation without expensing same and in doing so, will remain dedicated to revenue and profit generation.

The optimal application of capital between new opportunities, working capital, risk capital and share buybacks will remain an important strategic decision. Management places emphasis on cash flow generation from projects by increasing sales, and sale of non-core assets, as well as the preservation thereof for future use. The Group remains cautious in the current uncertain environment and careful consideration will be given to what the best use of cash is on each project, to ensure a sustainable long-term return and value for shareholders.

Memorial Parks is set to benefit from an even bigger market share with our value offering now entrenched at a level above other cemeteries in South Africa.

We remain committed to the long-term goal of equal profitability from each of the businesses, but over the short term the focus will remain on ensuring sustainability of the Group. We will remain hands-on in our approach and will ensure optimal capital allocation at all times. We will continue to focus on smaller transactions at lower margins in the property development business, where capital invested can be turned around in nine to 12 months, rather than major bulk turnkey projects/transactions where the hand-over periods are often in excess of 24 to 30 months and capital is tied up for too long.

We will continue to investigate alternative uses for some of the mid to high-end land parcels to improve cash generation. The sale of non-core projects and the retail and commercial properties within our projects will remain a focus area.

THANK YOU

First and foremost, we would like to thank each employee, client and stakeholder for their continued support. Even during the Covid-19 pandemic, you as our staff did not shy away from your responsibilities and have contributed immensely to the Group through this trying time. We also wish to thank our management teams for remaining committed and loyal despite the challenges. Their dedication enabled us to withstand the challenges of an exceptionally difficult year. We would also like to thank the Board members for their continued guidance, wisdom and support.

To our shareholders, we trust that this letter provides clarity and comfort in the business' ability to carry itself through difficult times, without having to lean on shareholders for assistance or having to resort to "fire-sale" processes.

Lastly, we would like to thank the family members of all Calgro M3 employees for their support and understanding, without which the continued progress that the Group is making would not have been possible.

We as the Calgro M3 team will survive and thrive again – ***"Building legacies. Changing lives"***.

Wikus Lategan
Chief Executive Officer

Waldi Joubert
Financial Director

17 May 2021

2

THE OPERATIONS OF CALGRO M3

Calgro M3 specialises in Residential Property Development and Memorial Parks, providing innovative, cost efficient solutions of the highest quality across these businesses.

These two businesses are operated along the same turnkey and variable business model that allows for the extraction of value from multiple areas while mitigating risk throughout the process.

The operations and the risks associated with these businesses are discussed in this section, together with their respective pipelines.

As a reminder, the Residential Rental Investments business was exited, however Calgro M3 remains interested in a rental portfolio and will only buy back in, when economic fundamentals improve.

BUSINESS MODEL AND OUR CAPITALS

Establishing sustainable business practices begins by recognising the broader social and environmental responsibilities as an organisation within society and the communities we operate in. We will continue to strive to enhance our product offering, setting new standards for sustainable Residential Property Development and Memorial Parks that will benefit all stakeholders along the value chain. *"Building legacies. Changing lives"*.

Our turnkey and variable approach affords Calgro M3 the opportunity to manage each aspect of the Residential Property Development and Memorial Parks businesses and in this way, trapping margin within the business, while ensuring high-quality end products and services at an affordable price to the customer. We provide end-to-end solutions, through specialist business units and dedicated management that focus on high growth, niche markets and ensure a deep pool of expertise.

Inputs

Financial capital
- Retain profit for growth
- Debt funding
- Subsidies
- Centralised treasury

Intellectual capital
- In-house professional teams
- In-house market specialists
- Brands and intellectual property

Human capital
- Community development and involvement
- Skills development, training and education
- Culture of making a difference
- Values and ethics

Social and relationship capital
- Stakeholder relationships
- Health and safety
- Skills and enterprise development
- Project focused CSI initiatives

Manufactured capital
- Land development
- Construction oversight capacity
- Infrastructure development

Natural capital
- Land
- Water conservation
- Energy source

Value creation

Residential Property Development

Value is created through a turnkey approach to capitals

Professional services

1. Identify project and due diligence
2. Secure land
3. Township establishment
4. Top structure planning and design
5. Infrastructure (outsourced)
6. Marketing and sales
7. Transfer to end-user (erven for houses and bulk deals)
8. Construction (outsourced)
9. Transfer to end-user (multi-storey units)
10. Handover to clients

Memorial Parks

Value is created through operating in strategic locations and providing superior products and customer service

- Land identified/ acquisition
- Landscaping and infrastructure development (outsourced)
- Marketing and sales
- Holistic burial and remembrance services
- Maintenance

Outputs

Products
- Residential Property Development
- Memorial Parks

In order to ensure
- Housing delivery
- Assisting Government in service delivery
- Providing a dignified final resting place
- Community development
- Client satisfaction
- *"Building legacies. Changing lives."*

Outcomes

Zero fatalities

Health and safety ISO certification in place

Memorial Parks and Residential Property Development pipeline R18.3 billion

Reduced debt

Sold non-core projects

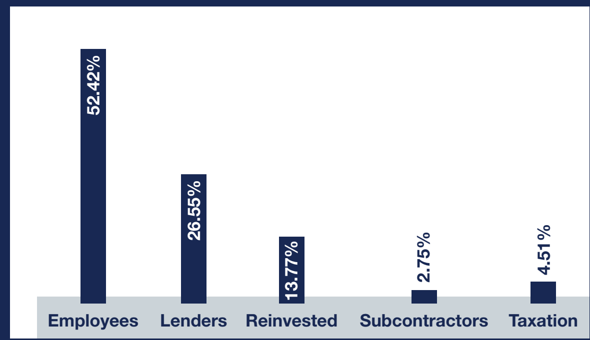
4 654 housing opportunities under construction

6 073 serviced housing opportunities

59 336 burial opportunities available

Diversified products offering

Distribution of wealth 2021



Changes to the Residential Property Development business model during the year in support of #sustainableactions

The major restructuring process that the Group commenced with approximately 24 months ago to realise a risk-based though profitable structure has been completed, with the in-house construction division having been closed in October 2020, in line with initial planning. We are confident that this is the correct decision as cash flow and liquidity management has steadily improved since the inception of the restructuring process.

Guiding principles that set us apart

Building legacies, Changing lives

Calgro M3 has operated as a residential property developer since 1995. In 2015 the Group ventured into the development of Memorial Parks. Calgro M3's market is driven by the need for housing and burial sites. For all of the above there is a dire shortage in South Africa. Across the spectrum of products there is an underlying fundamental that Calgro M3 will ensure delivery of quality products in a professional and dignified manner.

What does this mean?

Calgro M3 is driven in its purpose to deliver quality products and services to South Africans in segments where there are fundamental shortages. By building truly integrated developments which have access to transport, clinics, shopping centres, education, day care, rainwater harvesting and many more benefits and making available safe, secure and well-maintained burial sites, the lives of people are improved and dignity restored.

Social consciousness

In all that we do, we ensure that our social consciousness is in the right place. Our homes for sale are quality built, in areas where housing shortages exist, close to modes of transport, with access to educational facilities, with sufficient green areas and walkways and play areas for children. Importantly, our homes also conform to various environmental standards where we install water reticulation and rainwater harvesting, gas and solar for heating geysers with a final build that is as socially conscious as possible.

What does this mean?

At Calgro M3 our mantra of ***Building legacies, Changing lives***, rings true and is the foundation of all that we do. It is not only ourselves that are proud of our achievements, but external recognition for what we do abounds.

Positioned for growth

We are positioned to grow the developments and memorial parks businesses in the medium term. Although the establishment of the rental business is being suspended for the short to medium term, we believe that we remain well positioned to grow a business of this nature in future.

What does this mean?

All funding on balance sheet is unsecured and managed through a central treasury function. Our gearing has to adhere to strict covenant levels imposed by external funders as well as internal tolerance levels. All funding raised on the debt capital markets or elsewhere are done from reputable financial organisations.

Sustainability through a comprehensive project pipeline

Our pipeline is R18.3 billion, made up as follows: 89.3% Residential Property Development and 10.7% Memorial Parks. These properties and memorial parks are located across provinces in South Africa and provides a good risk mix.

What does this mean?

Our footprint is able to support our underlying principle of reducing the housing and burial shortage in South Africa.

RESIDENTIAL PROPERTY DEVELOPMENT

Fleurhof Illustration of a typical Calgro M3 project

South Hills

Calgro M3 provides homes, not merely houses, in a constant drive to change lives and provide South Africans with an asset and a lifestyle to support economic dignity.

Witpoortjie

Calgro M3's Residential Property Development business operates mainly within a sector of the market where there is a dire shortage of housing. This is in line with the Constitution of South Africa which provides a right to shelter for all. In 1994 the Government endeavoured to eradicate the housing backlog based on a housing code that was aimed at providing housing to previously disadvantaged South Africans.

Other than unemployment, for which no coherent or politically feasible solution is offered, the struggle for housing continues to be highlighted as one of the biggest challenges facing the poor in South Africa.

The Residential Property Development model is based on the principles of seamlessly bridging the gap between the subsidised, social housing, rental, GAP (Grassroots Affordable People's) housing and the affordable market segments by providing housing, schooling and communal facilities to all levels of income earners within one integrated community and thereby creating a dignified home for as many as possible.

The integrated development model offers homeowners a platform to improve their lifestyle and living conditions in line with their financial capability, whilst remaining in the same community. This enhances social upliftment within communities by retaining role models in those communities, resulting in more sustainable, integrated suburbs.

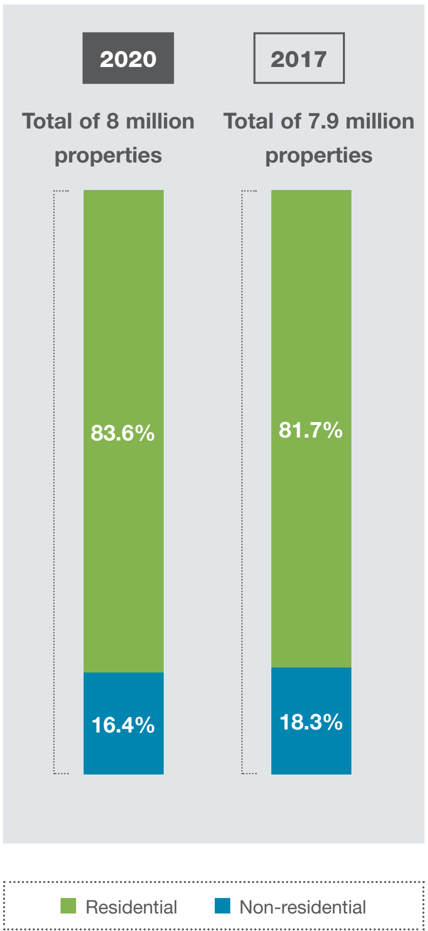
Social integration is a highly desirable outcome that reflects the existence of social cohesion and a strong culture of acceptance. Societies are better off if social integration is promoted through inclusive policies and human settlements that reduce economic inequality and poverty and which support sustainable and equitable development. This was the base of a study by Amartya Sen in 1999, "The Process of Expanding Human Freedoms", that was endorsed by the United Nations in 2008. Due to the qualitative nature of human settlements, social integration can be proxied by using variables that capture and measure how much social integration exists in a community at any given point in time. The Group will strive to succeed with social integration and this is more viable when societies move toward sound economic goals and there are key non-economic elements that exist, for instance schools, parks, and the likes of community centres, that form the foundation of building integrated and cohesive societies.

The market and conditions we operate in

Calgro M3 will remain cautious with regard to market recovery and strength as there is a 12 to 18 month capital exposure period from commencement of construction on sectional title units, to the day that the unit is handed over. The largest segment of our clients are first-time home buyers who are and will continue to benefit from low interest rates, which we anticipate will remain low for at least the rest of the calendar year. To fully understand the effect of the low interest rate one needs to understand that a family qualifying for a R30 000 FLISP allowance can acquire a house for as much as R750 000 with a combined family income of below R20 000 per month. This alongside end-user finance is of course an important part of our business and the market demand and appetite for residential units below R1 million, especially at the 100% bond level even more so. Calgro M3 is encouraged by the appetite from all major banks and how they have continued to support the residential development industry, which is critical in not only providing much needed dignified accommodation, but which is also a major contributor to job creation. Calgro M3 further believes that Government has a renewed realisation, in the wake of the Covid-19 pandemic, that the formalisation of housing must move up the priority spending list. The President of South Africa is making progress with the infrastructure fund, from which new housing initiatives will also benefit.

From a construction cost perspective, Calgro M3 remains confident that it has made major strides in containing costs and will continue working on making building design and layouts more efficient, and in so doing, is able to contain building costs which impact margins and will also be able to contain sales prices.

The graph below is an illustrative summary, compiled by Lightstone Property Research, of the current residential property market, containing information from 2017 to 2020, showing evidence that there are increases in sectional title and estates, with a national decrease in freehold properties. Not all these properties would have been constructed during the past year as construction timeframes on estates and sectional title developments are between 18 and 30 months.



Source: Lightstone Property Research.

Land expropriation without compensation remains a concern. We strongly believe that our sites are less susceptible to this risk due to proactive security measures being in place coupled with community feedback and interaction, the nature of the primary market and the fact that most of our developments are under construction. This strong belief of course excludes the pure gangster and criminal elements that highjack projects and buildings for personal financial gain. To alleviate this risk the Group has additional security in place at sites susceptible to possible invasions. The Group is confident that this risk is now better managed. Numerous interactions with different levels of Government proposing various initiatives to fast-track housing delivery, has further reduced risk in this regard. There are, of course, no guarantees and continuing engagement with Government and communities on this matter remain in place.

With a South African population of more than 57 million people and only 6.7 million formal residential opportunities we believe the housing shortage is undisputable and while only delivering an estimated 75 000 new opportunities per year on average for the last few years, developers are not making a dent in this backlog, and this is not considering population growth. Based on research and information obtained from Stats SA, the four major banks in South Africa, the Centre for Affordable Housing South Africa, as well as Lightstone Property Research, Calgro M3 estimates the housing backlog to be more than 5.5 million houses. If the reader requires more information on our views and research in this regard, you are welcome to contact us, and we will gladly assist.

The result of this valuable research is that good housing makes for good economies and healthy families, and the need in South Africa is significant.

The Calgro M3 Residential Property Development operational model contains three key elements:

- Key professional services;
- Internal marketing and sales capacity that are being enhanced at the time of writing this report; and
- Specialist external contractors used for construction and infrastructure development to ensure a variable cost model.

The above functions ensure a practical and cost-effective turnkey solution for clients. Flexibility across all lines of business ensures that a cost-effective model is maintained. The model further provides for dedicated enterprise development, on-site training and the use of more than 50% (with this number being even higher on some of our sites) local labour on sites by contractors. Through the delivery of quality affordable products, Calgro M3 remains a preferred development partner for the private and public sector, maximising value creation for stakeholders. A hands-on flexible business approach provides the framework for the Group's strategy, facilitating a swift response to market demand and providing the Group with the ability to cater for the changing needs of clients and development partners.

Renewed commitments have been made by Government to ensure that developments include all social classes to promote this social cohesion. The Group is in the fortunate position of being responsive and flexible between markets in these integrated developments, thereby reducing development risk when affordability declines in any one of the market segments. Integrated developments offer consumers a wide range of ownership and rental opportunities. The housing types cater for various income levels, targeting income earners from below R3 500 up to R30 000+ per month in combined income.

The Group focuses not only on infrastructure, construction of homes and the physical environment – it assists in building communities by providing people with the tools to prosper.

Calgro M3 housing segments

Public sector		Private sector			
Subsidy of the day	Subsidy as per national community residential units ("CRU") policy	Up to R400 000 (Institutional subsidy from public sector of R272 000 included)	Up to R520 000 (Reviewed consistently to enhance value offering and ensure affordability)	Up to R900 000	R900 001 up to R3 000 000+
Breaking new ground ("BNG") fully subsidised ownership	**Community residential units** ("CRU") (subsidised rentals – council)	**Social housing** (subsidised rentals)	**GAP, FLISP and private rental housing segment**	**Affordable housing**	**Mid to high income housing**
Providing fully subsidised units to qualifying South Africans (updated version of Reconstruction and Development Programme ("RDP") housing) Targets income earners < R3 500 pm Move into CRU if monthly earnings > R3 500 pm	The community residential unit ("CRU") programme comprises subsidised rental units owned by the public sector Targets income earners < R7 500 pm Move to next housing segment depending on increased income level > R7 500	Social housing is a rental or cooperative housing option of subsidised rentals owned by non-profit social housing institutes Targets income earners < R15 000 pm Move to next housing segment if monthly earnings > R15 000 Subsidy risk taken by social housing company, not Calgro M3	Grassroots affordable people's ("GAP") homes cater for people excluded from the subsidised programme but with incomes too low to qualify for traditional affordable homes Finance linked individual subsidy programme ("FLISP"). The product was introduced when the affordability level to qualify for subsidised housing was removed, allowing people previously disqualified based on income, to qualify for a partly subsidised home Subsidies to the individual ranging from R27 960 to R121 626, depending on income level Targets income earners < R22 000 pm	Full and sectional title residential units aimed at homeowners in the bonded market regulated by the Financial Services Charter ("FSC") Targets income earners > R22 001 pm	Full and sectional title residential units aimed at homeowners in the bonded market, outside the FSC Targets income earners > R30 000 pm

Highlights, challenges and outlook

Please refer to the Letter to stakeholders from the CEO and FD on #sustainableactions **on** **page 8** **for a detailed analysis of highlights and challenges experienced by the Residential Property Development business in the 2021 financial year.**

The main projects making up the Residential Property Development pipeline

Project	Municipality	Region – Province	Government/ Private	Progress update	Number of units/ remaining units	Anticipated turnover for remaining units (Rand)
Belhar CBD	City of Cape Town	Western Cape	Private/Public	Under development	4 621	1 720 579 635
Bridge City – Fixed price contract	eThekwini	KwaZulu-Natal	Private	Under development	356	132 665 217
Fleurhof	City of Joburg	Gauteng	Private/Public	Under development	2 979	2 358 541 240
Jabulani (Soweto precinct)	City of Joburg	Gauteng	Private/Public	Under development	1 728	730 204 516
La Vie Nouvelle and mid to high cluster land	City of Joburg	Gauteng	Private	Under development	502	877 440 918
Scottsdene	City of Cape Town	Western Cape	Private/Public	Under development	1 025	385 898 297
South Hills	City of Joburg	Gauteng	Private/Public	Under development	4 130	2 429 632 324
Tanganani Ext 14	City of Joburg	Gauteng	Private/Public	Delayed	11 624	4 321 326 661
Umhlanga Hills	eThekwini	KwaZulu-Natal	Private	Land to be sold		50 000 000
Vredehoek	City of Cape Town	Western Cape	Private	Awaiting town planning approval	263	816 956 522
Witpoortjie	City of Joburg	Gauteng	Private/Public	Under development	5 362	2 301 682 552
KwaNobuhle	Nelson Mandela Bay Metropolitan Council	Eastern Cape	Private/Public	To be sold to third party (excluding memorial park)		175 000 000
Total					32 590	16 299 927 882

Frankenwald, situated next to Alexandra and the Marlboro Gautrain station, is the last remaining large-scale property in the greater Sandton area and on which Calgro M3 holds an option to acquire in partnership with a major third-party commercial property developer, has been excluded from all of the above numbers. Other than the annual option fee, no material financial commitments are planned for this project for the next two years, while the Group executes on its current pipeline.

MEMORIAL PARKS

Durbanville

Fourways

Nasrec

All Calgro M3 Memorial Parks are privately owned and professionally managed and maintained. We pride ourselves on providing safe, serene, and beautiful surroundings where family and friends can lay their loved ones to rest.

The concept of Memorial Parks originated from the need to find alternative uses for large portions of Calgro M3-owned land, that is not suitable for residential or other commercial purposes within the property development portfolio. Calgro M3 Memorial Parks provides an alternative to traditional cemeteries, adds value to existing developments, introduces an alternative burial option that is dignified, secure and which delivers a service to customers, superior to other products in the market.

Customer service is a key function of a memorial park business, going hand-in-hand with marketing and sales. Our community initiatives and advertising campaigns are creating an aspiring brand, associated with the preferred final resting places for clients and their families. Potential clients have a constantly growing list of options to choose from and for Calgro M3 Memorial Parks to offer the most effective and compelling products and customer service, the wishes of potential clients and the community at large must be understood. Similarly, with the funeral industry being sensitive in nature, how Calgro M3 Memorial Parks is perceived in the public space is of utmost importance and with that, constant research and the consideration of public needs and opinions have become part of the day-to-day management of the memorial parks business. Given this, the sales and marketing function is focused on word-of-mouth, fully fledged marketing campaigns, trained call centre agents and sales consultants, bulk marketing agreements and relationships with funeral homes and funeral directors.

There is a reason why they call this industry “the funeral SERVICE industry”. It is true. Great customer service has always been and will always be one of the most important competitive advantages in any industry and at Calgro M3 we strive to set the benchmark in the funeral service industry. Our parks are filled with symbolism, olive trees resembling life, water creating tranquillity and peace, and green technology and buildings, all environmentally friendly and bringing us closer to mother earth. The parks have fully functional administration and sales offices, 24-hour security with roaming security guards, manicured gardens, a non-denominational chapel in certain parks, as well as tranquil dams and streams with abundant bird life to ensure a peaceful and serene atmosphere.

To date, the Group has established and acquired five memorial parks of the same or similar standard being Nasrec, Enokuthula, Fourways, Durbanville and Bloemfontein Memorial Parks. The Group is working on achieving a national footprint, investigating opportunities in KwaZulu-Natal, Tshwane and Ekurhuleni.

Lawn graves


Durbanville Memorial Park


Nasrec Memorial Park


Fourways Memorial Park

Prices range from R13 000 (headstone only) to R50 000 (full memorial in an exclusive location within the park).

Family estates

Fourways Memorial Park

Durbanville Memorial Park

Prices range from R85 000 for a two-plot estate to R328 000 for an eight-plot estate.

Ash graves

Fourways Memorial Park

Durbanville Memorial Park

Prices range from R8 000 to R60 000 for a private ash grave estate (ten interments).

Please note: All products and prices illustrated above are indicative and not available at every Calgro M3 Memorial Park. Product offerings and prices are unique for each park. Please refer to the Memorial Parks website for up-to-date prices and product offerings per park.

www.memorialparksbycalgro.com

Total cash received (including VAT) (All products excluding rental income) (R million)

	2021 FY	2020 FY	2019 FY	2018 FY
Nasrec (Gauteng)	**24.5**	17.3	14.7	9.0
Fourways (Gauteng)	**16.3**	8.2	7.9	5.9
Enokuthula (Gauteng)	**1.3**	0.4	0.1	–
Bloemfontein (Free State)	**0.3**	0.2	0.2	–
Durbanville (Western Cape)	**11.2**	8.1	5.9	–
	53.6	34.1	28.8	14.9
Growth	**57.2%**	18.5%	93.3%	

Highlights, challenges and outlook

Please refer to the Letter to stakeholders from the CEO and FD on #sustainableactions on page 8 for a detailed analysis of highlights and challenges experienced by the Memorial Parks business in the 2021 financial year and what the plans for the future are.

The market we operate in

Burials in South Africa are very much a cultural tradition and a celebration of the life of the loved one, family member or friend that has passed away. It's not just about saying goodbye, but rather an occasion for family and friends to get together to celebrate what that person has meant for them as well as spending some time together. The South African Cemeteries Association ("SACA") claims municipalities and the Government are not effectively communicating on the lack of burial land. At the second Pan African Conference, it was said that the world's population was more than seven billion and accordingly if burials were the only option, then it would require as many graves within 50 to 80 years. If that same logic is applied to the South African population, which is more than 57 million and growing, then the country is faced with the same situation of having to find 57 million graves within the next 50 to 80 years, while the current shortage is estimated at 8 million graves over the next 15 to 20 years. Several alternative options do exist and have been considered over the years, but which is currently just not acceptable traditionally, and it is not expected to change soon. As for this reason people save up, take out funeral insurance (on average more than two to three policies per family) and will always pool resources to pay for any shortfall that might still occur.

With the shortage of burial space and operational cemeteries around the country, a slight increase in demand for cremation has been experienced over the last two or three years. Memorial Parks is an alternative to traditional cemeteries, adds value to existing developments, introduces an alternative burial option that is dignified, caters for ash internment in the same secure environment and delivers a service to customers superior to other products in the market.

The reality is, however, that every person will at a point in time go through the process, and as a result, death has become a global industry worth billions of dollars annually.

Besides funerals, there is a flourishing funeral insurance industry growing at an estimated 12% per year, driven by the relative affordability and the great need people have to provide a dignified burial for their loved ones and themselves. The average South African takes out between three to four funeral policies in their lifetime in terms of research undertaken by OUTsurance.

Memorial Parks pipeline

			Other products*		Graves		
Project/Park	Region/City	Province	Quantity	Anticipated project turnover (Rand)	Quantity	Anticipated project turnover (Rand)	Total
Nasrec Memorial Park	City of Joburg	Gauteng	1 251	21 510 435	29 025	1 070 302 168	1 091 812 603
Fourways Memorial Park	City of Joburg	Gauteng	3 713	47 428 143	8 865	301 195 651	348 623 794
Enokuthula Memorial Park	City of Ekurhuleni	Springs	514	8 939 467	9 491	140 581 663	149 521 130
Bloemfontein Memorial Park#	Mangaung	Free State	31 468	135 813 775	4 938	62 458 435	198 272 209
Durbanville Memorial Park	City of Cape Town	Western Cape	2 414	25 065 012	7 017	144 827 799	169 892 811
			38 847	229 817 365	59 336	1 719 365 717	1 958 122 548

** Other products include: various ash interment solutions, tree memorials and columbarium products.*
 # Anticipated grave density and turnover once burial rights application is approved. No burial rights currently.

FIVE-YEAR FINANCIAL REVIEW

	2021	2020	2019	2018	2017
Group income statement					
Revenue	**879 146 585**	984 130 486	997 064 528	1 742 602 162	1 554 679 657
Gross profit	**108 023 284**	100 609 332	128 690 047	270 089 275	334 162 888
Gross profit %	**12.29%**	10.22%	12.91%	15.50%	21.49%
Operating profit/(loss)	**67 404 720**	47 976 828	(28 904 065)	149 925 996	228 964 661
Share of profit of joint ventures and associates – net of tax	**3 345 892**	(732 541)	14 188 053	9 560 505	6 269 280
Profit/(loss) before tax	**26 066 297**	13 327 604	(24 076 699)	171 755 639	233 309 325
Basic earnings per share	**14.88**	3.84	2.53	93.91	133.06
Headline (loss)/earnings per share	**(15.17)**	1.77	(20.30)	90.12	133.08
Net asset value per share	**682.09**	636.12	629.41	911.18	798.35
Tangible net asset value per share	**550.58**	511.54	504.81	786.59	673.73
Group balance sheet					
Inventories	**643 573 871**	719 305 469	568 498 000	554 397 497	595 989 480
Construction contracts	**840 695 306**	945 948 487	1 279 072 872	1 820 973 990	1 383 647 602
Net cash position	**154 561 255**	255 069 163	122 632 997	156 722 935	240 765 157
Retained income	**718 881 468**	693 734 868	690 054 102	977 014 965	846 079 473
Borrowings	**944 161 828**	1 062 842 931	969 195 006	889 596 522	571 645 578
Trade and other payables	**486 875 046**	656 832 209	896 279 099	814 883 831	847 661 692
Group cash flows					
Cash generated from/(utilised in) operations	**114 768 074**	464 208 719	298 290 313	(205 838 542)	292 068 464
Tax (paid)/refunded	**(17 878 456)**	(17 817 929)	8 604 779	(1 478 278)	(7 444 473)
Net cash (utilised in)/generated from operating activities	**(3 007 782)**	343 376 868	202 083 075	(276 377 195)	238 183 518
Net cash invested in investing activities	**(51 566 633)**	(158 201 444)	(298 160 560)	(129 532 596)	(116 890 703)
Net cash from financing activities	**(45 933 493)**	(52 739 258)	61 987 547	321 867 569	39 401 537
Net (decrease)/increase in cash and cash equivalents	**(100 507 908)**	132 436 166	(34 089 938)	(84 042 222)	160 694 352
Cash and cash equivalents at the beginning of the year	**255 069 163**	122 632 997	156 722 935	240 765 157	80 070 805
Cash and cash equivalents	**154 561 255**	255 069 163	122 632 997	156 722 935	240 765 157
Financial ratios					
Return on average shareholders’ funds	**2.31%**	0.61%	0.33%	14.56%	25.53%
Return on net assets	**2.29%**	0.66%	0.15%	10.35%	16.63%
Return on net tangible assets	**2.83%**	0.82%	0.19%	11.98%	19.71%
Current ratio	**1.51**	1.36	1.33	1.75	1.79
Market capitalisation at year-end – ordinary shares	**R230 660 131**	R512 600 276	R1 121 313 104	R1 591 623 857	R2 332 331 256

3

STATUTORY REPORTS

This chapter includes feedback from our Chairperson, including his views on the business and the wider industry, followed by the Remuneration Report, which contains important information on remuneration structures and performance requirements, furthermore, taking into consideration and actioning changes requested by shareholders.

The critical area of risk management is also discussed, along with details pertaining to the probability, impact and total risk weighting assigned to major risks. The chapter concludes with the segmentation of wealth distribution between employees, lenders, the portion which is reinvested, the portion paid out to subcontractors, as well as the portion spent on tax.

CHAIRPERSON'S REPORT

Despite the terrible impact Covid-19 has had on the world, we are seeing pockets of encouraging news, and across the world, as well as in South Africa, the demand for housing remains encouraging, particularly in light of a lower interest rate environment.

This is a watershed year where our **#sustainableactions** must ensure that the Group takes advantage of the high level of demand in both integrated housing and memorial parks, albeit in a responsible manner.

Introduction

This is my maiden report and I am encouraged to provide you with an update of achievements of the Group for the 2021 financial year. As you will have gathered, our theme for this reporting period is **#sustainableactions**, the meaning of which is to ensure that across the Group, each decision is considered and made with sustainability in mind. This approach also supports the growth initiatives that are currently in place, and which are positioned to take advantage of the high level of demand in both integrated housing and memorial parks alike, although it is imperative we do this in a responsible manner.

The background to the current year's performance, which is starting to show positive signs of recovery, is that between 2016 and 2018, the Group faced many challenges. Tough decisions were made and then executed on in order to set much-needed change in motion. The outcomes of this hard work became apparent during 2019 and 2020, when the changes, revolving primarily around reducing debt, improving liquidity, and reducing fixed costs, started to bear fruit.

In terms of the latter, fixed costs were minimised mainly by outsourcing the construction division and selling non-core projects as well as the residential rental portfolio. With regard to the residential rental portfolio, we will only consider re-entering this market once the Residential Property Development and Memorial Parks businesses are stable, and the decision therefore is justifiable.

I need to commend the executive management team for making some hard decisions in order to ensure a sustainable future for Calgro M3. Being faced with economic, pandemic-related and operational challenges, as well as having to deal with land invasions and the destruction of property, their skill in guiding the Company through this time has been outstanding.

The high unemployment rate, low economic growth and the severe impact the Covid-19 pandemic has had on South Africa and its people has made the operating environment even more precarious. However, we remain encouraged by the Department of Human Settlements' statement, for having 19 "*integrated implementation plans for priority development areas completed*".

While Calgro M3 always makes itself available to Government to ensure it can hand over affordable housing to the people of South Africa, the Group is no longer banking on this. We are instead ensuring that we are able to trade without the expectation of large spend from Government while at the same time making a meaningful difference in people's lives by providing them with access to affordable housing and dignified burial sites.

Despite the terrible impact Covid-19 has had on the world, we are seeing pockets of encouraging news, and across the world, as well as in South Africa, the demand for housing remains encouraging, particularly in light of a lower interest rate environment.

All the actions we have taken and implemented during the past few years are starting to come through in this most recent set of financial results, with margin recovery evident and profit before tax nearly double what it was in the previous financial year, albeit still much lower than we would like. The Memorial Parks business increased revenue by 65.2% and Calgro M3 has in excess of 4 500 units under construction compared to 2 393 units in 2020.

I am pleased with the manner in which Calgro M3 quickly intervened to assist our people and the communities in which we operate to cope with the impact of Covid-19. The infographic on pages 19 to 20 of the integrated annual report summarises our actions well. Our total Covid-19 related expenses amounted to R2.1 million, which included ensuring that employees were able to work from home and had access to the necessary infrastructure and communication tools. When people returned to the office, our premises were regularly sanitised and desks were spaced according to social distancing requirements – of course, these arrangements continue to remain in place. Employees also comply with social spacing norms and mask wearing is mandatory. In addition to this Calgro M3 has ensured that there is a consistent flow of employee communication and education regarding the virus.

Board changes during the year

On 23 March 2020, Lynette Ntuli and Themba Baloyi were appointed as Independent Non-executive Directors to the Board. Both came with a wealth of experience in the sectors that Calgro M3 services. They have made a valuable contribution to Calgro M3 and their input is extremely constructive.

Tyrone Moodley joined the Board on 9 July 2020 as a Non-Executive Director. His expertise of more than 15 years in investment-related activities, business development and corporate finance is extremely valuable to Calgro M3.

Commitment to governance

Calgro M3 is committed to the highest levels of governance and continues to apply the 16 principles of King IV™. Our King™ Application Register can be found on the Calgro M3 website www.calgrom3.com.

Commitment to Environment, Social Impact, Governance ("ESG")

A detailed ESG Report as well as Corporate Governance Report is available on the website. The elements of ESG – environment, social and governance impacts – are ingrained across the business. The Group has successfully completed the external audit process of its internally-developed HSE Management System and has maintained its certification for ISO 45001:2018 and 14001:2015.

I am also proud to report that Calgro M3 has maintained its UN Global Compact status of GC Advanced level, which "*recognises companies that strive to be top reporters and declare that they have adopted and report on a broad range of best practices in sustainability, governance and management*".

In compliance with requirements the Notice of the Annual General Meeting will be posted to shareholders together with the necessary abridged audited financial results.

At the 2020 AGM held on 26 June 2020, both non-binding advisory votes relating to the remuneration policy and the remuneration implementation report received 99.87% approval from shareholders.

As the non-binding advisory votes were passed by the requisite majorities, no further engagement with shareholders was required.

Appreciation and what we expect going forward

As mentioned earlier in this report, it has not been an easy path for the executive management and their supporting teams to travel, but they have accepted it and successfully navigated it despite very difficult circumstances.

To our customers, contractors, suppliers and employees, I, together with the Board and the executive team, thank you for your continued support of Calgro M3. Thank you to my fellow Board members for your support, input and wise counsel.

I am pleased that the business is now somewhat more stable and able to execute on the strategy in a manner that will support ongoing sustainability as we supply affordable integrated homes, and places of dignified burials to the people of South Africa.

Hatla Ntene

17 May 2021

BOARD OF DIRECTORS

Calgro M3 Board of Directors

Independent Chairperson

Hatla Ntene◇

Lead Independent Director

Ralph Patmore

Executive Directors

- Wikus Lategan (CEO)
- Waldi Joubert (FD)
- Wayne Williams

Independent Non-Executive Directors

- Mdu Gama
- George Hauptfleisch
- Lynette Ntuli
- Themba Baloyi

Non-Executive Director

- Tyrone Moodley✚

Remuneration and Nomination Committee

- Hatla Ntene (Chairperson Nomination Committee)
- Ralph Patmore (Chairperson Remuneration Committee)
- Themba Baloyi
- Wikus Lategan#

Audit and Risk Committee◇

- George Hauptfleisch (Chairperson)
- Ralph Patmore
- Mdu Gama
- Wikus Lategan#
- Waldi Joubert#

Social and Ethics Committee

- Mdu Gama (Chairperson)
- Hatla Ntene■
- Lynette Ntuli◆
- Urvash Kissoon-Singh
- Waldi Joubert#
- Wikus Lategan#
- Wayne Williams#

Stakeholder Relations

- Wikus Lategan
- Waldi Joubert
- Wayne Williams

\# *Invited to Committee meetings in FY2021.*

\- *The Board resolved to dissolve the Investment Committee. Matters normally dealt with by this committee are now dealt with by the Audit and Risk Committee and the Board of Directors.*

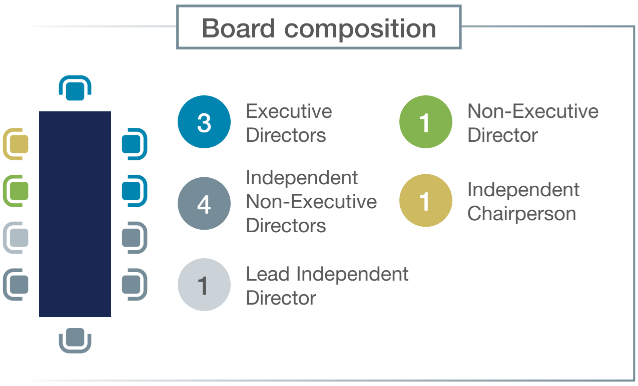
* *Hatla Ntene was appointed as Chairman of the board on 26 June 2020.*

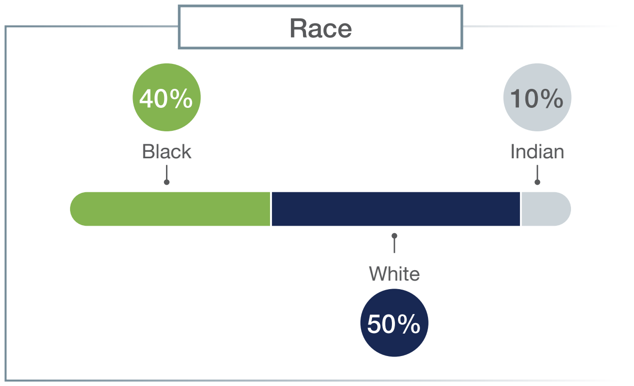
◇ *Appointed as Chairperson on 26 June 2020.*

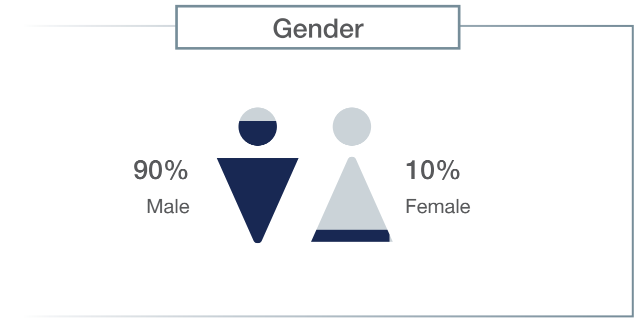
■ *Hatla Ntene resigned as a member of the Committee on 26 June 2020.*

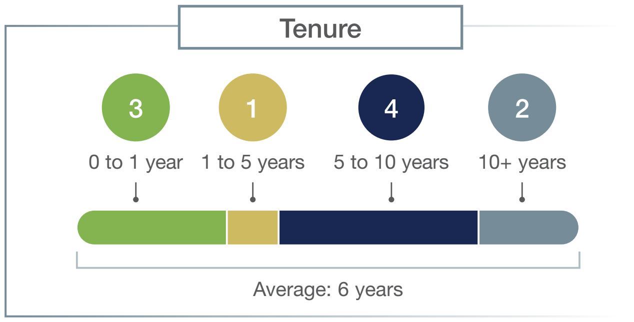
◆ *Lynette Ntuli was appointed as a member of the Committee on 15 May 2020.*

✚ *Appointed 9 July 2020.*









Chairman – Independent Non-Executive Director

Hatla Ntene (66) BSc (QS), Dip. Con. Econ, Dip. Civ. Eng, PRQS, PMAQS, Pr.CPM

Hatla's qualifications include a Bachelor of Science (Quantity Surveying) degree from the University of Dublin, a diploma in Construction Economics from the Bolton Street College of Technology in the Republic of Ireland and a diploma in Civil Engineering, Lerotholi Polytechnic. Hatla is currently Executive Chairman of Mvua Property Partners and Pulaprop. He is a Non-Executive Director of a listed retail property fund company. Hatla was previously a partner in Farrow Laing Ntene, one of the largest quantity surveyor firms in South Africa. Hatla was also the Property Executive Manager of Propnet (Property Division of Transnet) for three years.

Skills set

Finding a person with 30 years of experience in the property industry is rare and the insight which Hatla provides to the Board is highly regarded. Potential pitfalls are pointed out early to avoid wastage of time and money.

Lead Independent Non-Executive Director

Ralph Bruce Patmore (69) BCom, MBL (SBL)

Ralph brings a valuable 10 years' experience in building materials distribution as former CEO of Iliad, as well as a wealth of industrial manufacturing experience, as a former director of Everite Holdings Limited and Group Five Limited. Ralph currently serves as a non-executive director on the boards of ARB Holdings Limited, Mustek Limited and Trellidor Holdings Limited.

Skills set

With his vast industry experience, including, but not limited to, being a former executive director of Everite, Group Five, Illiad and subsidiaries in Unihold and Malbak, comes a valuable approach to specific industry thinking and expertise.

Independent Non-Executive Directors

Dr Mduduzi Edward (Mdu) Gama (52) PhD (Finance)

Mdu holds a PhD (Finance) degree and various management qualifications from South African, US and UK universities. Mdu is currently CEO of Resultant Finance Proprietary Limited. He is a founder, director and a significant shareholder of various other companies.

Skills set

A doctorate in finance combined with an entrepreneurial flair blends exceptionally well with Calgro M3.

George Hauptfleisch (64) CA(SA)

George is a Chartered Accountant and was a partner at PwC for 30 years. He brings with him a wealth of experience as a registered auditor of listed companies in sectors such as manufacturing, engineering, construction and chemicals, fast moving consumer goods and agriculture. George is a member of the Institute of Directors in South Africa.

Skills set

George joined the Board in 2018, adequately taking on the Chairmanship of the Audit and Risk Committee. His wealth of expertise attained in three decades in the audit profession is extremely valuable to Calgro M3.

Lynette Ntuli (37) BCom Acc, CSCM, ACSCL, PDP Real Estate Programme, University of Oxford, UK

Lynette was appointed to the Board on 23 March 2020. She is the Founding Director and Chief Executive Officer of Innate Investment Solutions Proprietary Limited, a professional services firm in the built environment providing property and infrastructure development services and enterprise asset management solutions. Over a 15-year period, Ms Ntuli has gathered diverse experience and specialisation in property and infrastructure development and management; asset management planning and maintenance; strategy and operational development and implementation; real estate transactional and due diligence advisory; and the commercialisation and rationalisation of portfolio assets. Her obvious passion for the property sector, and her entrepreneurial flair will add tremendous value to Calgro M3.

Skills set

A rare find, Lynette has vast practical and academic experience and qualifications to add tremendous input into strategic proposals from executive management.

Themba Baloyi (44) MBA, ACIS, ND CMA, IoDSA

Themba was appointed to the Board effective 23 March 2020. He is an innovative and entrepreneurial business leader who founded Discovery Insure Limited (“Discovery Insure”), a short-term insurance company launched in 2011. The Discovery Insure work propelled him to win the 2018 All Africa Business Leaders “Entrepreneur of the Year Award”. Currently he serves as Chairman on the board of Constantia Insurance Group Limited and is a board member of Curro Holdings Limited, the Allan Gray Orbis Foundation and Cube Capital, amongst others.

Skills set

His knowledge of the insurance and financial sectors, parallels with aspects of Calgro M3’s own business model, particularly the Memorial Parks business, where Calgro M3 foresees good product diversity and growth opportunities.

BOARD OF DIRECTORS (CONTINUED)

Non-Executive Directors

Tyrone Moodley (35) BCom (UJ)

Tyrone is the co-founder of Midbrook Lane, a private investment company which was sold to Conduit Capital. He served as interim CEO of JSE listed Taste Holdings ("Taste") during the 2018/2019 financial year working closely with Domino's Pizza Inc. and Starbucks Corp. in order to redefine the long-term strategy of Taste. As of April 2019 he moved back into a non-executive director role. His early career started at Sasfin Securities as a Research Analyst before leaving to start Midbrook. Mr Moodley obtained a Bachelor of Commerce degree from the University of Johannesburg. He is a partner at Protea Asset Management LLC.

Skills set

His expertise in over 15 years in investment-related activities, business development and corporate finance is extremely valuable to Calgro M3.

Executive Directors

Willem Jakobus (Wikus) Lategan (40) CA(SA)

Wikus joined Calgro M3 in 2008 as Financial Director and was subsequently appointed as Group Managing Director with effect from 1 June 2015, responsible for the overall operational activities of the Group. Wikus served as a member of the SAICA National Members on the Business Executive and is also Chairperson of the SAICA Northern Region and Business Council. He has vast experience in business restructuring and management and became CEO March 2017.

Willem Adolph (Waldi) Joubert (35) CA(SA)

Waldi was appointed as Financial Director with effect from 1 June 2015. He is a qualified chartered accountant, having completed his articles with PricewaterhouseCoopers, where he gained vast experience in a variety of industries including manufacturing, construction, insurance and fast-moving consumer goods. Waldi joined the Group in January 2012 as Group Financial Manager.

Wayne Williams (52) BProc

Wayne joined Calgro M3 in 2012 and was appointed as Executive Director with effect from 1 June 2015. He is a qualified attorney who was in private practice for 20 years, specialising in commercial and corporate law where he obtained extensive experience in commercial transactions and property-related negotiations and acquisitions. Wayne leads all acquisition negotiations.

Company Secretary

Tumi April (38) LLB (NWU)

Tumi was appointed as the Group Company Secretary with effect from 11 May 2016. She assists with various legal matters within the Company and is a qualified attorney with 13 years' experience in commercial and company law, and seven years' company secretarial experience.

REMUNERATION REPORT

Summary of pertinent remuneration information

Committee

Ralph Patmore (Chairperson)

Hatla Ntene

Themba Baloyi

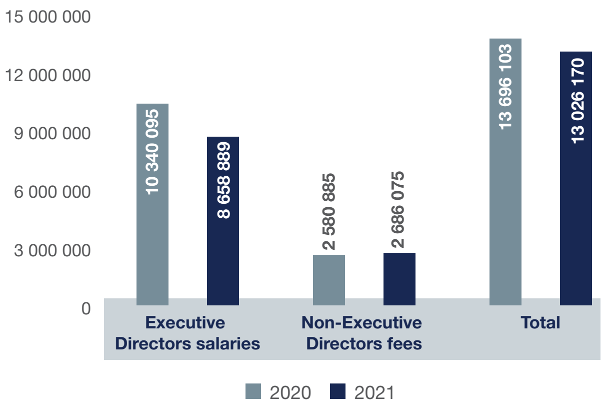
Wikus Lategan#

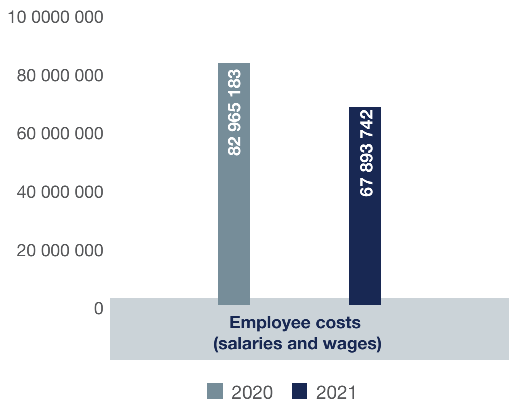
 # Invited to committee meetings in FY2021.

No salary increases for senior management team members and executive management September 2018 to date of this report.

Key features of Calgro M3 remuneration	Page	Notes
Remuneration strategy	50	
Background to remuneration and the Covid-19 impact	50	
Shareholder engagement and voting	50 – 51	
Remuneration policy	51	Requires vote Ordinary Resolution No: 12
The remuneration policy covers: ▸ Components of remuneration; ▸ Guaranteed remuneration; ▸ Variable remuneration; ▸ Short-term incentives; and ▸ Long-term incentives, for Group executive management, senior management and other employees and non-executive directors	51 – 56	
Long-term Executive Share Incentive Rights Scheme, with amendments	53 – 54	Requires vote Ordinary Resolution No: 14
Remuneration implementation report	57 – 61	Requires vote Ordinary Resolution No: 13
Executive Directors' remuneration	59	
Non-Executive Directors' fees 2022	60	Special Resolution No 2: to 11
Pledged securities	61	

Rand





Part 1

Remuneration background, philosophy and strategy

Calgro M3's remuneration philosophy is designed to attract, develop and retain passionate, committed and talented people, with the necessary industry expertise, who are required to effectively implement the overall Calgro M3 strategy to create value for shareholders.

Over many years, the Group has refined its remuneration policy and practices to support our aim of being a thriving, growing Group which is highly dependent on the motivation of its people. As the 2021 financial year was severely impacted by Covid-19, there was minimum refinement or enhancement of the current remuneration structures. To ensure long-term sustainability and retention of key personnel a proposal (detailed below) will be presented to shareholders at the AGM to extend the current long-term executive scheme to include a broader base of senior management.

The Group's remuneration practices are in line with the King IV™ remuneration governance principles, and these principles underpin the achievement of its business objectives, its ethical culture and an overriding philosophy of "pay for performance".

The backbone of any company is its employees, if the employees are not motivated and driving the business in the chosen direction, Calgro M3, as with any other company, will not be sustainable or successful. Employee compensation has been one of the largest items in the value-added statement distribution of wealth section annually, but due to the Group now outsourcing construction work to external contractors, employee compensation in terms of the above mentioned "distribution of wealth" section will decrease over time. This, however, does not affect the importance of Calgro M3's employees. During the 2021 financial year, employees received 52.42% (2020: 65.34%) of the total wealth created by the Group.

In line with previous years, the remuneration strategy takes local and industry specific remuneration best practices into account to ensure that the Group attracts and retains the appropriate skills and talent. The Remuneration Committee considers a holistic compensation model when approaching the remuneration of all employees, members of the management teams of each business, Executive Directors, prescribed officers and fees paid to Non-Executive and Independent Non-Executive Directors.

Covid-19 effect on remuneration strategy

The Covid-19 pandemic focused the Group's attention on the benefits available to employees and assisting them in understanding the resources available to help them to cope with the new dynamics in play. Some of the factors taken into account were:

- Flexibility to work from home;
- Increased flexibility for leave to be taken; and
- Introduction of new benefits to ensure employees understood that the Group had their best interests at heart.

Benefits were added to our mental health plans and employee assistance programmes to ensure assistance was available for anxiety and depression. Financial assistance was introduced for employees and families that experience extreme financial strain. Although Calgro M3 paid full salaries, we understood that families are reliant on family income and many of our employees lost their second income.

Shareholder engagement and voting

Understanding and being responsive to the interests of various stakeholders, including shareholders, is critical to delivering on Calgro M3's core business strategy. In line with best practice (notably King IV™) and the JSE Listings Requirements, the remuneration policy together with the implementation report (as contained in the annual Remuneration Report) will be tabled for two separate non-binding advisory votes by shareholders. In the event of 25% or more of the shareholders voting against either or both the remuneration policy and implementation report, the Company will issue an invitation to those shareholders who voted against the applicable resolutions to engage with the Company.

At the 2020 AGM the result of the non-binding advisory votes on the remuneration policy and the remuneration implementation report was:

	Remuneration policy %	Remuneration implementation report %
For	99.87	99.87
Against	0.13	0.13

As the non-binding advisory votes were passed by the requisite majorities, no further engagement with shareholders was required.

Calgro M3 will take the necessary steps to engage with shareholders to ascertain the reasons for their dissenting votes. Should this occur the following actions will be taken:

Calgro M3 will:

- extend an invitation to dissenting shareholders to engage with Calgro M3 around their reasons for voting against the relevant resolution/s; and
- ensure that the invitation will reveal the manner and timing of the engagement,

Calgro M3 will ascertain the reasons for dissenting votes and respond with constructive feedback to shareholders' questions, queries and concerns. Where appropriate (in the case of legitimate and reasonable concerns) Calgro M3 may consider amending elements of the remuneration policy to align it further to market practice and shareholder value creation.

The Remuneration Committee shall disclose the results of its shareholder engagement. In the event that one or more of the remuneration-related resolutions are voted against by 25% or more of the shareholders, this disclosure will also include:

- with whom Calgro M3 engaged;
- the manner and form of the engagement that took place; and
- the nature of the steps taken by Calgro M3 to address legitimate and reasonable objections and concerns raised by dissenting shareholders.

Part 2

Remuneration policy

Group Executive Management

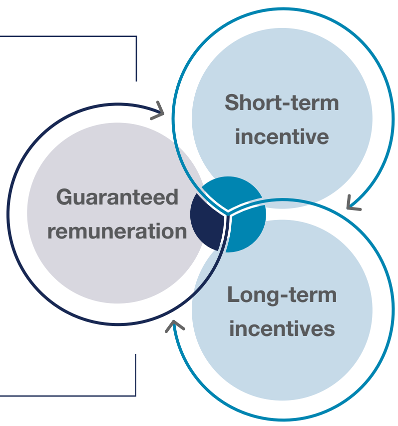
The remuneration strategy is based on principles of retention of key and critical skills and to drive performance in alignment with shareholders' interests, through guaranteed remuneration and short and long-term incentives. A significant portion of an executive's total potential remuneration is performance-related in order to encourage the right behaviour to optimise performance. Targets are set annually in the context of prospects of the Calgro M3 Group and the prevailing economic environment in which it operates.

COMPONENTS OF GROUP EXECUTIVE REMUNERATION

The Remuneration Committee ensures that the components of remuneration include:

Guaranteed remuneration

Benchmarked to between the 50th and 75th percentile



Variable remuneration

Up to double guaranteed annual remuneration, if specific targets are achieved

Calculated at four times the individual's guaranteed annual remuneration at the time of the allocation, with vesting occurring over a five-year period if targets are met

The above is developed and implemented to ensure achievement of the Group's strategy and performance objectives. To assist the committee, benchmarking was performed by PE Corporate Services, an independent consultant, in August 2017 and again by Willis Towers Watson in March 2021.

Benefits

Calgro M3 makes provision for employee retirement funding by means of a defined contribution fund, which is compulsory for all salaried employees. The Group also provides employees with death, disability and funeral cover benefits as part of its Group risk policy taken out with Discovery Insurance. In 2020, the Group increased the funeral policies for all salaried staff to R50 000 at no additional cost to employees.

Guaranteed remuneration

Increases for all management levels as well as staff, are considered and adjusted at the annual increase cycle which has now been changed to May every year (previously September). The Group will continue to provide an additional increase to lower earning staff members to promote distribution of wealth to this income bracket.

The Group utilises a total "cost to company" approach which encompasses a cash component, and retirement funding contributions. This year Willis Towers Watson was appointed by the Remuneration Committee to conduct a market benchmarking exercise on executive remuneration levels. This was done in order to remain competitive in the current economic climate. The executive guaranteed pay will be compared to the benchmark report and adjustments will be made in the coming year to bring them into line with the market. The executive has not been awarded increases since September 2018 and the Group is at risk of losing them.

The principle of the benchmarking had both an internal equity focus, assessing the relative value of each job within the organisation and allowed for accurate external market comparison, especially where there is job sharing, blended or unique roles. The Willis Towers Watson Global Grading System was designed specifically to underpin surveyed job matching on a consistent worldwide basis. This methodology compares positions from country to country and has its roots in job ranking and job evaluation methodologies. The Global Grading System is built on a 25-grade structure which can be applied by companies of all sizes, from the global multinational conglomerate to the small sales company operating in one territory. One of the key elements of the Global Grading System is the so-called "Scope Data Matrix". The matrix serves as an objective assessment tool for determining the grade of the Chief Executive/Business Unit Manager of the organisation.

Global Grading Sizing

The Company Grade or CEO Grade is calculated by averaging the following three key measures:

1. Business size – sales turnover
2. Organisational size – employment numbers
3. Business and organisational complexity

Variable remuneration

All Group executive management qualify for short-term incentives and long-term incentives.

Short-term incentives

The objectives of the short-term incentive ("STI") policy are:

- To motivate executives to manage and lead the business successfully and to drive strong long-term growth in line with strategy and business objectives;
- To provide competitive and balanced, performance-related remuneration;
- To ensure that the interests of the executives are aligned with those of shareholders by linking remuneration directly to the Company's bottom line profit and strategic and operational objectives; and
- To ensure that there is transparency and responsible remuneration of executives.

The 2022 financial year short-term bonus pool and vesting conditions are as follows:

- The bonus pool has been designed to motivate executives to return the Group to sustainable profit levels.
- The bonus pool will be calculated in increments, based on the earnings achieved (after the bonus payment is taken into account).

The STI bonus pool will be calculated as follows based on the profit after tax of the Group:

1. 0 – R50 million – 7%
2. R50 – R100 million post bonus accrual – R3.5 million plus 8% on everything above R50 million
3. R100 million – R150 million post bonus accrual – 10% from R1
4. Above R150 million post bonus accrual – R15 million plus 12% on everything above R150 million

In line with the King IV™ principles, the bonus pool has sub-parameters to ensure that executives focus on all elements and aspects of the Group's businesses and not only profit. This should benefit all stakeholders as it ensures that the businesses are managed on sustainability principles.

Once the STI bonus pool is calculated in terms of the above methodology, the allocation is made as follows:

20% Financial targets – Statement of comprehensive income

Payable based on achieving the above pool calculations.

20% Financial targets – Statement of financial position

- Net debt to equity to reduce to 0.9 : 1 for February 2022
- Net debt to equity to reduce to 0.8 : 1 for February 2023
- Net debt to equity to reduce to 0.75 : 1 for February 2024

20% Risk mitigation and sustainability

Risk mitigation and sustainability – all risks equal to or above a level 12 based on probability and impact to be managed to not increase.

20% Empowerment targets

Remain or restore the rating as per the empowerment scorecard to at least a level 3.

20% Board discretion

The Board will use its discretion in assessing the efforts and contribution of each member in achieving the various targets set.

General discretion

No general discretion exists going forward, as the Group has now traded through the most challenging years and now has to return to its former profit levels and beyond.

Long-term Executive Share Incentive Scheme

A new Executive Share Incentive Scheme was approved by shareholders, commencing 1 March 2019 as a long term incentive to remunerate Executive Directors over the long-term if they return a higher than average market return to investors.

The implementation of this scheme should ensure that the interests of the Executive Directors are aligned with those of shareholders as the share-based remuneration to be received by the Executive Directors is determined by the growth in value of the Company's shares. If the compounded total shareholder return ("TSR") is not reached by each vesting date, then the vesting can be deferred by one year. If at that point a compounded 15% TSR is not reached, the following year the reward will lapse.

Background to the 2019 long-term executive share scheme

The long-term executive share incentive scheme was approved by shareholders at the Group's Annual General Meeting held on 28 June 2019.

In terms of the scheme, the participants, whom are all Group Executive Directors, will be remunerated over the long term when the Group shows a return higher than the average market return for investors. It is currently a share-based remuneration scheme, with share appreciation rights being allocated in favour of participants and Calgro M3 shares then being issued if certain compounded share price growth targets per share are achieved.

The scheme will ensure that the interests of the Executive Directors are aligned with those of shareholders, as the share-based remuneration will be determined by the growth in value of Calgro M3's shares.

It is a five (5)-year scheme, commencing on 1 March 2019, with the allocated share appreciation rights vesting in four (4) yearly tranches on 1 March in each of 2021, 2022, 2023 and 2024.

The number of allocated share appreciation rights is based on a year-on-year TSR of at least 15% and return for participants based on four (4) times the guaranteed annual salary of each participant as at 1 March 2019.

The current participants and their allocated share appreciation rights are as follows:

Participant	Maximum number of share appreciation rights that can be awarded
WJ Lategan	**3 500 000**
W Williams	**2 541 306**
WA Joubert	**2 435 361**
MN Nkuhlu*	**2 646 844**
Forfeited share appreciation rights in 2021 financial year	**(2 646 844)**
Allocated share appreciation rights at 28 February 2021	**8 476 667**

* *Resigned on 31 August 2020, with his shares not vesting.*

Share appreciation rights vest if a minimum year-on-year TSR increase has been achieved in the year of vesting and will be measured against a base price of R7.95, being the 30-day VWAP of Calgro M3 shares at the close of business on 28 February 2019.

The number of share appreciation rights that vest on a vesting date will depend on the achievement of the different TSR milestones. TSR milestones required for vesting of the allocated share appreciation rights are as follows:

	TSR targets	
1.	First vesting year two	50%: 15% compounded TSR
2.	Second vesting year three	50%: 15% compounded TSR
		50%: 20% compounded TSR
3.	Third vesting year four	33.3%: 15% compounded TSR
		33.3%: 20% compounded TSR
		33.3%: 25% compounded TSR
4.	Fourth vesting year five	33.3%: 15% compounded TSR
		33.3%: 20% compounded TSR
		33.3%: 25% compounded TSR

In terms of the scheme, shares are allocated to employees, which are linked to employment and no rights or rewards of these rights will vest prior to any vesting date. This gives rise to an effective lock-in period.

To determine whether the allocated share appreciation rights are in the money on the vesting date, the base price (R7.95), compounded annually for the above targets to be achieved each year, shall be measured against the 30-day VWAP of Calgro M3 shares at the end of business on 28 February of the year in which a vesting is determined.

The value of vested share appreciation rights will be determined by taking the difference in value between the base price of R7.95 and the 30-day VWAP of Calgro M3 shares at the end of business on 28 February of the year in which a vesting is determined and multiplying this with the number of share appreciation rights allocated for each TSR milestone reached.

The remuneration to which a participant becomes entitled, will be paid through the issuing of ordinary Calgro M3 shares at the 30-day VWAP price as at 28 February of each year.

The Calgro M3 shares will vest on the vesting date but will only be issued on 30 June of each vesting year.

For purposes of clarity, herewith a synopsis of how the remuneration and number of shares to be issued, will be determined:

Example:

- Total share appreciation rights allocated = 1 000 000
- Base price = R7.95
- Vesting tranche = 250 000
- Vesting date = 1 March 2021 (the first vesting date)
- The minimum TSR for vesting to take place at the first vesting date (1 March 2021) is R10.51, being R7.95 compounded by 15% over two years
- At the first vesting date (1 March 2021) the 30-day VWAP of the share price is R10.95, and therefore the minimum TSR has been achieved (it being more than the minimum TSR of R10.51)
- Increase in share price from = R3.00 (ie R10.95 current price – R7.95 base price)
- Calculation of value of share appreciation rights and number of shares to be issued:
  - 250 000 share appreciation rights x R3.00 = R750 000 ÷ R10.95 per share (being the share value at that stage) = 68 493 shares

Therefore 68 493 Calgro M3 shares will be issued to settle the vested share appreciation rights.

If the minimum TSR for a specific year is not met, then the vesting for that year will be deferred by one year. If the respected compounded TSR target is also not reached the following year (as per the following year's targets), the award for the year that has been deferred will lapse.

In terms of the scheme, Calgro M3 shares will be issued in favour of a participant, only if the participant is still in the employ of the Company on the issue date (30 June each year). This gives rise to an effective lock-in period.

Proposed change in scheme

Currently, the maximum total number of share appreciation rights available for issue in terms of the scheme is 11 123 511, with a maximum of 3500 000 share appreciation rights that can be allocated to any one individual. These limits remain unchanged, however the following changes are being proposed to the rules of the scheme:

(1) Subject to the above limitations, the Board will be authorised to issue share appreciation rights to further senior management and executive participants at its discretion (Currently only four participants have been identified in terms of the scheme rules).

(2) That the base price of the new share appreciation right awards shall be the volume weighted average price per Calgro M3 share as quoted on the JSE for the 30 trading days immediately preceding the allocation date of the right.

(3) That the settlement of the net appreciation of vested share appreciation rights shall, at the discretion of the Board, either be through issuing of the requisite number of Calgro M3 shares or a payment in cash, in favour of the relevant participant (previously only the allocation of shares was permitted).

(4) If a Participant ceases to be employed by Calgro M3 for any reason whatsoever, any unvested or vested but un-settled allocated share appreciation rights shall revert back to the scheme.

Please refer to ordinary resolution number 14 in the Notice of AGM for further details of the proposed amendment to the Executive Share Incentive scheme rules.

Senior Management and other employees

The Company's target is to remunerate all performing employees between the 25th and 90th percentile when short and long-term incentives are included. This is to ensure that these employees are properly benchmarked (refer to guaranteed remuneration below) within their respective disciplines. Further to this we also differentiate between bonuses and targets for different businesses and departments in the Group. This is to ensure that staff are financially motivated.

COMPONENTS OF REMUNERATION

The Remuneration Committee ensures that the components of remuneration, being annual guaranteed remuneration, short-term bonus structures and long-term service rewards are linked in such a way as to achieve the Group's strategy, and drive performance objectives.

In the case of management in each of the underlying businesses, the Group has identified that each entity requires a different combination of the elements of remuneration. Group executives believe that no senior management member should be motivated by money alone, but also by the contribution to the purpose of Calgro M3 – ***Building legacies, Changing lives***.

Benefits

Calgro M3 makes provision for employee retirement funding by means of a defined contribution fund, which is compulsory for all salaried employees. The Group also provides employees with death, disability and funeral cover benefits as part of its Group risk policy taken out with Discovery Insurance. In 2020, the Group increased the funeral policies for all salaried staff to R50 000 at no additional cost to employees.

Guaranteed remuneration

The Group utilises a total "cost to company" approach which encompasses a cash component, and retirement funding contributions. The Company considers benchmarking remuneration surveys which enables reliable comparisons of remuneration to similar disciplines in the sector.

Variable remuneration

All permanent employees qualify for short-term incentives. The compensation of all Group staff is determined by industry benchmarking done by PwC's Remchannel platform for the Group, together with oversight from the Remuneration Committee. A long service award to show appreciation for long-term serving staff members was implemented in the 2019 financial year.

Short-term incentives

Permanent employees

- A bonus pool is calculated annually based on Group profit for all general and administrative staff that do not have specific individual performance measurements;
- The total bonus pool is a percentage of the profit after tax;
- The bonus pool is divided by the total average staff payroll to determine the average number of monthly pay "cheques" per employee;
- A minimum allocation per employee is determined by Group Exco;
- Any surplus bonus amounts are allocated to highly committed, top performing employees;
- Bonuses are payable in December of that year;
- An employee **will not qualify** for a bonus if the employee:
  - is in a probation period
  - is under performance management
  - has received a final written warning during the period
- An employee will only qualify for 50% of an allocated bonus if the employee received any general written warnings during the period.

Sales agents

Sales agents are remunerated through a fixed remuneration component as well as variable commission structure based on a sliding scale and volume of transactions. This commission is payable quarterly if various sales and closing milestones are reached. These structures are revisited from time to time to ensure maximum sales performance. Sales agents do not qualify for any other short-term incentives.

Contract managers

Contract managers are rewarded and receive a bonus based on the performance of their respective sites.

Memorial Parks

Memorial park staff are rewarded in several ways from quarterly to annual bonus depending on how accurate and over which period of time their performance can be measured.

Long-term incentives

Long-term incentive scheme for senior management

The scheme was cancelled as it was worth less than its notional value. At this stage management believes that the short-term incentive is sufficient to keep managers committed and motivated.

Long-term service incentive for staff

A long-term service incentive to remunerate staff committed to the Group for a period longer than five years was implemented during the 2019 financial year (see "Long-term service incentive").

Period of service	Leave days	Additional	Total
5 years	15	2	17
10 years	17	2	19
15 years	19	2	21

- Monetary compensation of two months' salary at the prevalent salary at the date of payment.
- Monetary compensation of three months' salary at the prevalent salary at the date of payment for every five (5)-year increment after 15 years.

Non-Executive Directors' Fees 2022

Non-Executive Directors are remunerated for their membership to the Board and the various Board committees. As recommended in the Notice of the AGM, shareholders are requested to ratify the Non-Executive Directors' fees for the year at the Calgro M3 AGM.

To comply with the recommended practices of King IV™, the Board has instituted rulings that Non-Executive Directors' fees are split between an annual retainer and an attendance component. The weighting per meeting and per committee has been revised after input from shareholders. After there was no fee escalation for the 2021 financial year, the proposed fees for the 2022 financial year have been escalated by 5% and are as follows:

Director	Annual retainer fee 2021/2022 R	Board Chair R	Audit Committee Chair R	Any other committee Chair R	Audit Committee meeting attendance R	Remuneration Committee, Investment Committee, and Social and Ethics Committee meeting attendance R	Board meeting attendance R
H Ntene (Chairperson)	275 000	44 000		33 000		22 000	26 500
RB Patmore	220 000			33 000	24 000	22 000	26 500
ME Gama	185 000			33 000	24 000	22 000	26 500
GS Hauptfleisch	185 000		38 500	33 000		22 000	26 500
SL Ntuli	185 000			33 000		22 000	26 500
TP Baloyi	185 000			33 000		22 000	26 500
TC Moodley	185 000			33 000		22 000	26 500

The proposed fees have been benchmarked against the PWC non-executive report. The average fee earned by the NEDs is around the 50th percentile of the small cap industrial sector. However, the Chairman fee is around the 30th percentile which we will endeavour to correct over the next couple of years.

The fees listed above are excluding value added tax, as may be applicable.

Part 3

Remuneration implementation report

Details pertaining to Non-Executive and Executive Directors' remuneration earned during the year are contained in the tables below and can be referenced in the Annual Financial Statements to note 36 which can be found on the Company's website.

Guaranteed remuneration

With Covid-19 having had a severe impact on the Company, there were no increases for any staff, senior management or executive in the 2021 financial year taking into account CPI and economic conditions as a result of the pandemic.

Short-term incentives

2021 Financial year bonus pool and vesting conditions

The bonus pool was calculated in increments, based on the percentage growth in headline earnings ("HE") (after the bonus payment is taken into account). The calculation of the pool was in line with the calculation method of the previous four (4) years.

Payments in terms of the bonus pool was calculated, paid and reported on, based on the IFRS requirements in place at the time of setting the targets at the beginning of each financial year.

The 2021 Group executive management STI bonus pool was calculated as follows:

If current year headline earnings is:						
< 10%	= equal	> 20%	> 40%	> 60%	> 80%	> 100%
compared to previous financial year headline earnings, then the bonus pool is:						
3% – if Group is still profitable after payment of bonus	**6%**	**7%**	**8%**	**9%**	**10%**	**12%**
of the current financial year headline earnings						

In line with the King IV™ recommended practices, the bonus pool had sub-parameters to ensure that executives focus on all elements and aspects of the Group's businesses and not only profit. This would benefit all stakeholders as it ensures that the businesses are managed on sustainability principles.

Once the STI bonus pool is calculated in terms of the above methodology, the allocation was made as follows:

40% Financial targets

Targets were based on return on equity ("ROE"), as outlined below. The calculation excluded any IFRS adjustments on equity, as IFRS adjustments do not give rise to additional equity deployed in the businesses.

Equity deployed in each of the businesses was based on the segmental report. All businesses were funded in the same debt to equity proportions to avoid any interpretation requirements or bias.

Equity was calculated as: Opening capital available to be deployed (as per the segmental report).

The following minimum targets were applicable for three (3) financial years:

1. **Residential Property Development business – 25% ROE (HEPS/Equity)**
2. **Memorial Parks business – A sliding scale building up to 25% ROE (HEPS*/Equity)**
   (i) 2020 financial year: 17.5%
   (ii) 2021 financial year: 20%
   (iii) 2022 financial year: 25%
   * Due to the disparity between cash generated and accounting profit recognised in the Memorial Parks business, the ROE for Memorial Parks would not be calculated on the traditional ROE principles, but based on the following two principles:
     (i) Cash generated from operations after interest and taxation, divided by equity invested
     (ii) A minimum of 50% cash gross profit margin must be achieved
3. **Residential Rental Investments business – 20% ROE (Total return (including revaluation)/Equity)**
   The Residential Rental Investments business targets applied is suspended due to the suspension of the implementation of the Residential Rental Investments business in line with the Group's strategic initiative to liquidate its current rental portfolio to settle debt, thereby ensuring sustainability in the current poor economic climate.

Until such time as the Residential Rental Investments business is reinstated, financial targets would be measured against the Residential Property Development business and Memorial Parks business targets only.

Should the ROE target be reached for each of the businesses, then the full 40% allocation of the STI pool would be granted. Should any of the individual businesses' targets not be reached, then a proportionate allocation would have been done based on equity deployed to each of the businesses.

From year four (4) (effective in the 2023 financial year), the following targets applied:
Consolidated Group numbers – 25% ROE (HEPS/Opening equity)

20% Risk mitigation and sustainability

All risks equal to or above a level 12 scoring (based on impact and probability (1-5)) on the Group's risk register to be managed, to remain consistent or reduce. The weighting remained high to align with the Group's main driver of risk mitigation to ensure sustainability.

20% Empowerment targets

Retain or improve the current level. If the scoring elements on the scorecard changed, a recalculation by a reputable consultant based on the previous scorecard would be performed.

20% Board discretion

The Board would use its discretion in assessing the efforts and contribution of each member in achieving the various targets set.

General discretion

Where no pool is available for allocation, the Board could award an individual with a discretionary bonus of up to 20% of his/her annual guaranteed remuneration in recognition of exceptional performance, while operating in a difficult environment/under difficult circumstances outside his/her control.

Given the financial performance for the 2018, 2019 and 2020 financial years, short-term incentive bonus payments to executives were zero. An increase in earnings was achieved in the current financial year, but hurdle rates were not achieved as a result of not achieving the required increase in headline earnings. However, Remco and the Board have decided to award executives with a STI equal to 20% of their guaranteed remuneration in line with the current STI scheme as an incentive for the successful turnaround and execution of strategic objectives achieved in the current year (ie closure of the construction division, sale of non-core assets, restructure of debt maturities and navigation of Covid-19).

Long-Term Executive Share Incentive Scheme

The long-term executive share incentive scheme options that could have vested on 1 March 2021, have not vested due to the necessary hurdle rates not being achieved.

The Executive Director remuneration noted below is for services rendered in connection with the carrying on of affairs of the business within the same group of companies, joint ventures and associates in the 2020 and 2021 financial years.

Executive Directors Remuneration

Remuneration and other benefits	Guaranteed remuneration R	Short-term incentive R	Total R
2021			
WJ Lategan	**2 694 033**	**694 196**	**3 388 229**
WA Joubert	**2 276 961**	**482 999**	**2 759 960**
W Williams	**2 376 433**	**504 011**	**2 880 444**
MN Nkuhlu#	**1 311 462**	**–**	**1 311 462**
Total Executive Directors Remuneration	**8 658 889**	**1 681 206**	**10 340 095**
2020			
WJ Lategan	3 376 365	–	3 376 365
FJ Steyn*	293 951	–	293 951
WA Joubert	2 388 318	–	2 388 318
W Williams	2 493 477	–	2 493 477
MN Nkuhlu	2 563 107	–	2 563 107
Total Executive Directors Remuneration	11 115 218	–	11 115 218

 # MN Nkuhlu resigned on 31 August 2020.
** FJ Steyn resigned on 30 June 2019.*

Non-Executive Directors' remuneration

The remuneration tabled below is approved at the AGM annually and in line with best corporate governance practices of splitting remuneration between an annual retainer and an attendance component.

Director	Annual retainer fee 2020/2021 R	Board Chair R	Audit Committee attendance Chair R	Other committee attendance Chair R	Audit Committee meeting attendance R	Remuneration, Investment and Social and Ethics Committee meeting R	Board meeting R
H Ntene	175 350	–	–	31 500	–	21 000	25 200
RB Patmore	210 000	–	–	31 500	23 100	21 000	25 200
ME Gama	175 350	–	–	31 500	23 100	21 000	25 200
GS Hauptfleisch	175 350	–	36 750	31 500	–	21 000	25 200
SL Ntuli	175 350	–	–	31 500	–	21 000	25 200
TP Baloyi	175 350	–	–	31 500	–	21 000	25 200

Total remuneration

	2021 R	2020 R
PF Radebe (resigned 26 June 2020)	129 150	558 300
BP Malherbe (resigned 27 June 2019)	–	109 667
H Ntene	425 950	421 367
RB Patmore	434 700	515 767
ME Gama	494 550	513 167
GS Hauptfleisch	423 150	462 617
SL Ntuli (appointed 23 March 2020)	303 538	–
TP Baloyi (appointed 23 March 2020)	282 538	–
TC Moodley (appointed 9 July 2020)	192 500	–
Total Non-Executive Directors	**2 686 075**	2 580 885
Summary		
Executive Directors	10 340 095	11 115 218
Non-Executive Directors	2 686 075	2 580 885
Total Directors	**13 026 170**	13 696 103
Employee costs		
Salary and wages	67 893 742	82 965 183
Executive share scheme expense	7 711 586	4 499 565
Share appreciation rights (gain)/expense	(76 838)	76 838
Directors' emoluments	13 026 170	13 696 103
Executive Directors*	10 340 095	11 115 218
Non-Executive Directors	2 686 075	2 580 885
Salary and wages	**88 554 660**	101 237 689
Less: Amounts allocated to qualifying assets (construction contracts)	(39 256 036)	(54 346 714)
Total employee costs and share appreciation rights settlement	**49 298 624**	46 890 975

* *The Executive Directors' emoluments include only the guaranteed remuneration and any short-term incentive.*

Directors' interest in shares

At the date of this report the Directors held the following direct and indirect interests in the Company:

	Direct 2021 R	Direct 2020 R	**Indirect 2021 R**	Indirect 2020 R
Ordinary shares				
WJ Lategan	**6 695 631**	6 566 264	**–**	–
WA Joubert	**16 000**	16 000	**313 490**	313 490
W Williams	**1 110 944**	378 667	**86 666**	86 666
MN Nkuhlu*	**–**	100 828	**–**	–

** MN Nkuhlu resigned on 31 August 2020.*

There were no changes to the Directors' interest in shares between year-end and the date that the financial statements were approved.

Restraint of trade

All Executive Directors and senior management participating or have previously participated in a long-term incentive schemes have a restraint of trade on their appointment, to the effect that for a period of two years from termination of employment, they are not allowed to provide employment services for any competitor that specialises in mixed-use/integrated developments.

Independent external advice

The Calgro M3 Remuneration Committee makes use of external advice on matters pertaining to remuneration and benchmarking.

Pledged securities

As at 28 February 2021, the following Directors and Non-Executive Directors have pledged securities as collateral for loan facilities:

Director	**Ordinary shares pledged**	**Total facility value (R)**	**Facility expiry date**
WJ Lategan	**6 459 494**	**894 864**	**29 November 2024**

No other Directors or prescribed officers within Calgro M3 have pledged securities as guarantee/collateral during the reporting period or at the present date. Should securities be pledged the necessary announcement will be made to the market.

RISK MANAGEMENT

Effective risk management processes and procedures are vital for the Group to achieve its strategic and operational goals, particularly in the current environment of change and uncertainty. The Board recognises that risk is intrinsic to the Group's operations. There is, however, a balance to be struck between managing risk and exploiting opportunities.

An outline of six key risks identified by the Group as well as mitigation of the risks are summarised below.

Risk management process

The Board assesses the Group's operational and strategic business risks with a view to eliminating, minimising or mitigating such risks and their effects on the Group's strategies and operations. Group Exco is responsible for managing risk through the day-to-day roll-out of effective risk management processes that it delegates to the various management committees.

The Board defines acceptable risk tolerance levels and has tasked the Audit and Risk Committee to continually identify key risks and ensure acceptable risk tolerances through the executive risk control processes across business-specific risk areas. This sets the matrix for regular and extraordinary reporting, if required, by management to the Audit and Risk Committee and the subsequent reporting to the Board.

The Audit and Risk Committee oversees risk management in the Group and relies on the internal and external auditors as well as systems of internal control, to obtain comfort that risks are reduced to tolerable levels. Furthermore, the Audit and Risk Committee oversees cooperation between the internal and external auditors and serves as a link between the Board and these functions.

The systems of internal control are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the Annual Financial Statements, to safeguard and maintain accountability of the Group's assets and to identify and minimise fraud, potential liability, loss and material misstatement while complying with applicable statutory laws and regulations. There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. The system is therefore designed to effectively manage rather than eliminate risk.

The Board receives feedback on the effectiveness of internal controls to mitigate risk via the following:

- Quarterly operational risk management reporting from Exco;
- Assurances provided by the various Board committees on certain or specific risks and actions taken to mitigate these risks;
- Audit and Risk Committee feedback from internal and external auditors; and
- Management feedback on the reliability and efficiency of the systems of internal control.

The Board believes the systems of internal control have continued to improve during the reporting period and are enough to minimise the risk of material loss and to provide accurate and reliable reporting. The Board is satisfied that systems of control have provided reasonable but not absolute assurance, and nothing has come to their attention during the year to indicate a material breakdown in the systems of internal control.

Further details on financial risk management, including the Group's exposure to interest rate risk, credit risk and liquidity risk, are contained in note 3 to the Annual Financial Statements.

Management of key risk

Calgro M3 classifies risks that could have a material impact on the Group into the categories of operations, financial, reputation and strategic. The risks listed below are scored according to probability, impact and control effectiveness resulting in the residual risk within the Group. Below is a summary of company-specific actions implemented to mitigate these risks to acceptable levels.

RISKS AND MITIGATION STRATEGIES

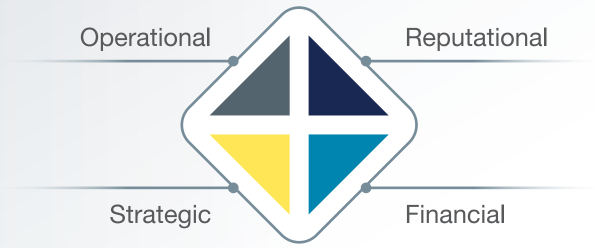
Risks are part of a business and at Calgro M3 risks that could impact operations are carefully and actively monitored in the short, medium and long term. As a management team we remain cognisant of the impact of the broader operational environment and the vital role it plays in performance objectives.

Risks are monitored and updated regularly to help, not only the Board, but also the executive management team, in guiding day-to-day decision making.

In this feedback to stakeholders, we report on the top six most poignant risks. Given the severe and immediate risk that the Covid-19 pandemic poses, this is included in the risk register.

Calgro M3 stakeholder key

Nature of risk



Covid-19, an immediate and long-lasting threat

O R S F

The effects of Covid-19 have been widely publicised and both the Board and management acknowledge the seriousness of the current situation and the threat the pandemic holds for the Group. Due to the initial nationwide hard lockdown ordered by the President, all of Calgro M3's residential development operations came to a standstill. The Memorial Parks business however remained operational as it is considered an essential service. The risks associated with the pandemic have and will continue to have a direct impact on operations, financial outlook and strategic planning going forward. While the severity of the lockdown has gradually been alleviated, the country is a long way from returning to "business as usual".

The Calgro M3 response

Our immediate response to the pandemic was to reduce and minimise the immediate challenges faced by staff, contractors, and clients, by issuing health and safety products and procedures and protocols to these groups. The Calgro M3 health and safety team worked tirelessly to align health and safety measures to this specific challenge and guidance from health authorities continues to be closely monitored. A work from home environment was then created for all qualifying employees at the expense of the Company to ensure that those operations that could continue could do so with as little interference as possible. Although many of our staff have subsequently returned to the office following relaxation of lockdown restrictions, health and safety protocols continue to be strictly enforced.

We continuously address the short-term cash flow management challenges and cash resilience issues for the immediate future and will continue to do so until forecast ability improves. As a management team, we accept that the new-normal for business will be vastly different from what we were used to. We have in place a risk-based plan on how business operations can return to full capacity as circumstances evolve and the after-effects of the virus become clearer.

While this is a precarious time for the South African economy, opportunities arise in every scenario and we believe that the pandemic has given us a new way of reassessing business and operations to benefit from working more effectively and efficiently.

Stakeholders impacted

Cash flow and liquidity

O F

The Group has experienced working capital constraints mainly due to standing time costs for developments brought about by the Covid-19 pandemic and from the further attempted land invasions which has led to additional security costs and damages at our Fleurhof and South Hills sites.

A further financial risk is bond providers not refinancing funding that matures. Uncertainty and sustainability concerns of the construction sector, the impact of Covid-19 on the country, coupled with the country downgrade by rating agencies are all factors causing uncertainty in the funding space and making bond holders reassess refinancing.

The Calgro M3 response

Calgro M3 has strict budget control, cash flow monitoring and working capital preservation measures in place. We prioritise the completion of existing projects over that of securing new projects and have implemented and continue to review prudent cash allocations between businesses and projects that have different cash flow cycles.

Furthermore a centralised cash flow control function is in place to allow for flexible allocation across the various projects.

Stakeholders impacted

A housing shortage with land invasion implications

Due to an ever-present shortage of housing in South Africa the risk for not only land invasions but also illegal squatting in completed units remains present. Unfortunately, this has a direct impact on operations and profitability, when sites are closed, work halted and the invasions legally dealt with, before work and legal occupations and handovers are able to resume.

Following on the 2019 and 2020 financial years during which Calgro M3 dealt with numerous attempted illegal invasions of RDP and CRU units in Fleurhof, half-built units in Scottsdene and an attempt of land invasion at South Hills, there were further attempted invasions of completed RDP units in Fleurhof and South Hills during the 2021 financial year. Fortunately though, proactive legal steps and the ongoing contracting of security teams specialising in land invasions ensured that these invasion attempts were unsuccessful.

The Calgro M3 response

We pride ourselves on our vision of ***Building legacies, Changing lives*** and one way to mitigate land invasions in our developments is to further enhance the communication and relations with the surrounding communities to share the positive impacts of our developments with these communities through job creation and a safer environment for families to flourish and grow in.

In partnership with local government and the private sector, we are actively working to eradicate the housing shortage which will decrease exposure to land invasions. Exposure to fewer areas creates the ability to better focus on the specific needs of the particular communities we operate in and reduces possible invasions while at the same time, positively impacting the communities through the developments and amenities Calgro M3 puts into place.

The safety of our people on site as well as the community is of utmost importance to us. We have retained increased security and surveillance on the respective sites.

Stakeholders impacted

Impact of macro environment

While Covid-19 has severely impacted the global and South African economy, it is not the only factor to consider when dealing with the macro environment. This, along with the continued political and policy uncertainty and the recent downgrade to junk status will place further strain on the economy, creating not only economic pressure but also consumer pressure, directly impacting Calgro M3. The main threat to our business is the effect these macro-economic factors will have on the availability of end-user finance.

The Calgro M3 response

While many of the risks are outside of management's control, regular reviews and updates of economic and affordability data are closely monitored with respect to any considerations made for new business and project investments. We are very aware of the impact the macro-economic conditions have on our operations and the considerations of these conditions are always top of mind.

Stakeholders impacted

B-BBEE compliance

Calgro M3 is committed to the empowerment of previously disadvantaged groups, with the goal not only to comply with empowerment laws but to go above and beyond the minimum requirements. Our biggest challenge is the identification of suitably qualified senior empowerment management candidates.

The Calgro M3 response

Empowerment is a standard agenda item at every management meeting and is part of our internal culture. As positions in the Group become available and in light of succession planning, the appointment of qualified empowerment candidates on all levels is pursued. In line with this, as a management team, we are committed to the enhancement of training existing staff members and the continuous enhancement of skills and enterprise development.

From a procurement perspective all existing suppliers are expected to be properly empowered and future procurement will be undertaken within specific groups in line with this empowerment plan.

Stakeholders impacted

Public vs private sector exposure in stringent economic times

Calgro M3 has always maintained a good balance between public and private sector work, however the "too much too quickly" conversion from public to private sector work in the past, along with various delays that have been experienced, placed the Group in a position where it had to rely on Government payments to ensure continued operations.

The Calgro M3 response

Senior management along with Group Exco, will maintain the hands-on approach of continuously measuring the Group's exposure to public sector work. This will be done against the Board approved tolerance levels and in accordance with the Risk Tolerance Policy.

Stakeholders impacted

GENERAL INFORMATION

Calgro M3 Holdings Limited
Incorporated in the Republic of South Africa
Registration number: 2005/027663/06
Share code: CGR
ISIN: ZAE000109203

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2024

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Transfer secretaries
Computershare Investor Services

Bankers
First National Bank
Standard Bank
Nedbank

Auditors
PricewaterhouseCoopers Inc.

Sponsor
PSG Capital

Secretary
I April

Directors

W Williams	Executive
WA Joubert	Executive
WJ Lategan	Executive
GS Hauptfleisch	Independent Non-Executive
H Ntene	Independent Non-Executive Chairman
SL Ntuli	Independent Non-Executive
ME Gama	Independent Non-Executive
TP Baloyi	Independent Non-Executive
RB Patmore	Lead Independent Non-Executive
TC Moodley[1]	Non-Executive

1. Appointed 9 July 2020

Preparer
The financial statements were internally compiled by P Perumalswami CA(SA) under the supervision of WA Joubert CA(SA).

Level of assurance
These financial statements have been audited by our external auditors PricewaterhouseCoopers Inc. in accordance with the applicable requirements of the Companies Act No. 71 of 2008.

CALGRO M3

www.calgrom3.com

Building legacies. Changing lives