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2026

CONSOLIDATED AND
SEPARATE AUDITED ANNUAL
FINANCIAL STATEMENTS

Integrated Annual Report suite 2026

Calgro M3 Holdings Limited (“Calgro M3”, “the Group”), a committed corporate citizen, produces a digital Integrated Annual Report suite, available on our website for ease of reference. This reduces our carbon footprint by ensuring no printed copies are produced. This reporting suite consists of:

Integrated Annual Report and Notice of Annual General Meeting

Consolidated and Separate Audited Annual Financial Statements

ESG Report

(including the approach to governance and King IV™ Application Register)

Navigation toolkit



Website reference



Notes reference



Page reference

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Directors' responsibilities and approval

The Directors are responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the Group and Company financial statements, as per the index page, of Calgro M3 Holdings Limited, comprising its subsidiaries and joint ventures ("the Group").

The financial statements have been prepared in accordance with IFRS[®] Accounting standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB"), SA Financial Reporting Requirements, the JSE Limited Listings Requirements and the requirements of the Companies Act of 2008.

The Directors consider that having applied IFRS Accounting Standards in preparing the Group and Company financial statements they have selected the most appropriate accounting policies, supported by reasonable and prudent judgements and estimates, and that all IFRS Accounting Standards that they consider to be applicable have been followed.

The Directors are satisfied that the information contained in the Group and Company financial statements fairly presents the results of operations for the year and the financial position of the Group and Company at year-end.

The Directors prepared the other information included in the Group and Company financial statements and are responsible for both its accuracy and its consistency.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and Company and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and Company and all employees are required to maintain the highest ethical standards in ensuring the Group and Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group and Company is on identifying, assessing, managing and monitoring all known forms of risk across the Group and Company. While operating risk cannot be fully eliminated, the Group and Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Group and Company's Audit and Risk Committee plays an integral role in risk management as well as overseeing the Group and Company's integrated reporting.

The Code of Corporate Practices and Conduct has been integrated into the Group and Company's strategies and operations.

The Directors are responsible for the controls over, and the security of, the website and where applicable, for establishing and controlling the process for electronically distributing Annual Financial Statements and other financial information to shareholders and to the Companies and Intellectual Property Commission.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Group and Company's cash flow forecast for the year ended 28 February 2027 and, in light of this review and the current financial position, they are satisfied that the Group and Company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group and Company's annual financial statements. The consolidated and separate financial statements have been examined by the Group and Company's external auditor and their report is presented on [pages 10 to 13](#).

The external auditor was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board and committees of the Board. The Board of Directors believe that all representations made to the independent auditor during their audit are valid and appropriate.

The consolidated and separate financial statements set out on [pages 14 to 74](#) and [pages 75 to 88](#), which have been prepared on the going concern basis, were approved by the Board of Directors on 18 May 2026 and signed on its behalf by:

BP Malherbe
Chief Executive Officer

SU Naicker
Chief Financial Officer

18 May 2026

Certification by the Company Secretary

I, Sirkien van Schalkwyk, hereby confirm, in my capacity as Company Secretary of Calgro M3 Holdings Limited, that for the year ended 28 February 2026, the Company has filed all required returns and notices in terms of the Companies Act 71 of 2008 and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

Juba Statutory Services Proprietary Limited (represented by Sirkien van Schalkwyk)

Company Secretary

18 May 2026

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) responsibility statement

Each of the Directors, whose names are stated below, hereby confirm that:

- (a) the annual financial statements set out on [pages 14 to 74](#) and [pages 75 to 88](#), fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
- (b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- (c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as Executive Directors with the primary responsibility for implementation and execution of controls;
- (e) where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- (f) we are not aware of any fraud involving Directors.

BP Malherbe

Chief Executive Officer

SU Naicker

Chief Financial Officer

18 May 2026

Report of the Audit and Risk Committee

Introduction

As I step into the role of Chairperson of the Audit and Risk Committee at Calgro M3, I am pleased to present the Audit and Risk Committee (“the Committee”) report in terms of section 94(7)(f) of the Companies Act and as recommended by King IV™, for the year under review.

The Committee is constituted as a statutory committee of the Company in terms of section 94 of the Companies Act 71 of 2008, as amended (“the Act”), and a committee of the Board in terms of all other duties assigned to it by the Board.

In line with King IV™, the Committee plays an essential role in providing independent oversight on the effectiveness of assurance functions and services, as well as the integrity of the annual financial statements. The Committee’s terms of reference are formalised in a charter approved by the Board. In addition to performing this function for Calgro M3 Holdings Limited, the Audit and Risk Committee also accepted and performed the role for all the Group’s subsidiaries and joint ventures.

The Committee’s primary role is assisting the Board in discharging its duties relating to the safeguarding of assets, operation of adequate systems and control processes.

This includes the review of the principles, policies and practices adopted in the preparation of financial statements of the Company and its subsidiaries, along with ensuring that the interim and annual financial statements of the Company and any other formal announcements relating to the Company’s financial performance comply with all statutory and stock exchange requirements.

The Committee shall also review the work of the Group’s external auditors to ensure the adequacy and effectiveness of the Group’s financial, operating, compliance and risk management controls.

The Committee shall provide a forum for discussing business risk, corporate governance and control issues and review the management of risk and the monitoring of the effectiveness of governance compliance within the Group.

Composition of the Audit and Risk Committee

The Committee consists of three Independent Non-Executive Directors listed below and meets at least four times per annum. All members are independent as prescribed in section 94 of the Act.

The Board determined that the Committee members have appropriate and adequate skills and experience to contribute meaningfully to deliberations and to fulfil their responsibilities.

The Chief Executive Officer and Chief Financial Officer are permanent invitees. The Company Secretary is the statutory secretary of the Committee.

The Group’s internal and external auditors, in their capacity as assurance providers also attend all Committee meetings by invitation.

Only the official members of the Committee are allowed to exercise their respective voting rights in decision-making exercises as prescribed in the charter.

Name of Committee member	Qualifications	Years served on Committee
K Mzondeki	FCCA (UK)	11 months
ME Gama	PhD (Finance)	13 years
RB Patmore	Bcom, MBL (SBL)	14 years

Annually a session aligned with approval of annual financial results are held with both the independent external auditor and internal auditor, respectively, where management is not present, to facilitate an exchange of views and concerns to further strengthen the independent oversight by the Committee.

Meetings

Four quarterly meetings were held in the 2026 financial year.

The external and internal auditor, in their capacity as auditor to the Group, attended and reported as needed at the meetings of the Committee.

The Group risk management function, which is performed by Executive Directors, was also represented. Relevant senior managers attended meetings by invitation.

Committee meeting attendance

Member name	5 May 2025	18 July 2025	10 October 2025	13 February 2026
K Mzondeki#	–	✓	✓	✓
ME Gama	✓	✓	✓	✓
RB Patmore	✓	✓	✓	✓

Appointed 1 June 2025.

Report of the Audit and Risk Committee *(continued)*

Role and responsibilities and key focus areas for FY2026

The role of the Committee is to fulfil the statutory duties as set out in section 94(7) of the Act and to assist the Board in providing independent oversight of the following:

In terms of the Act, the Committee has an independent role with accountability to both the Board and Calgro M3's shareholders. It does not assume the functions of management, which remain the responsibility of the Executive Directors, prescribed officers and other members of senior management.

The Committee has adopted comprehensive and formal terms of reference which have been approved by the Board and are reviewed on an annual basis.

The Committee discharged all its responsibilities as contained in its terms of reference, including, but not limited to:

- ▶ monitored the proper operation of adequate and effective systems of internal controls, including receiving and reviewing reports from both internal and external auditors concerning the effectiveness of the internal control environment;
- ▶ considered and satisfied itself on the appropriateness of accounting policies and critical judgements, accounting estimates and assumptions;
- ▶ satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the independent external auditor and internal auditor, that the system of internal financial controls of all the companies included in the consolidated financial statements is effective and forms a basis for the preparation of reliable financial statements;
- ▶ ensured that appropriate financial reporting procedures exist and are working, which includes consideration of all the entities in the consolidated Group financial statements as contemplated in the JSE Limited Listings Requirements and the Debt and Specialist Securities Listings Requirements;
- ▶ monitored the reporting processes and the preparation of fairly presented financial statements in compliance with the applicable legal and regulatory requirements and accounting standards, and recommended, for adoption by the Board, the financial information that is publicly disclosed, which for the year included:
 - the interim results for the six months ended 31 August 2025;
 - the annual results for the year ended 28 February 2026;
 - the related SENS and press announcements for both interim and year-end;
- ▶ confirmed the going concern basis of preparation of the interim and annual financial statements;
- ▶ considered the JSE's proactive monitoring of financial statements report, as issued in 2025, and the applicability of the issues raised, with the view to improving disclosure where applicable;
- ▶ reviewed and recommended for approval by the Board, the Integrated Annual Report, including the disclosure of sustainability matters;
- ▶ reviewed the qualifications, experience and expertise of the Chief Financial Officer, SU Naicker, and satisfied itself that her expertise and experience is appropriate to meet the responsibilities of the position;

- ▶ the Committee also considered and satisfied itself of the appropriateness of the expertise and adequacy of resources and experience of the Group's finance function;
- ▶ considered the qualification and independence of the external auditor;
- ▶ assessed the scope and effectiveness of the external audit function;
- ▶ considered and satisfied itself that no significant weaknesses in the design, implementation or execution of the internal financial controls were identified;
- ▶ performed the functions required in terms of section 94(2) of the Companies Act on behalf of the Group's subsidiary companies; and
- ▶ assessed the risk management processes and system through oversight over key business processes being operations, finance, reporting, fraud, information technology and ethics. Based on the ongoing oversight of the Committee, nothing came to the attention of the Committee that would suggest that the prevailing system of risk management is not, in all material aspects, effective.

The Committee has resolved to undertake a self-assessment every second year, with the last assessment undertaken in February 2026. No significant areas of concern were identified.

Risk functions

The Board of Directors has assigned oversight of the Group's risk management function to the Committee. The Committee fulfils an oversight function regarding risks in the areas of operations, finance, reporting, fraud, information technology and ethics.

Based on the ongoing oversight of the Committee, it can be concluded that nothing came to the attention of the Committee and the Board that would suggest that the prevailing system of risk management is not, in all material aspects, effective.

Risks are continually being identified and mitigated in terms of a process that involves allocating responsibility, developing action plans and monitoring compliance with these action plans.

During the year under review, the Committee discharged all of its duties in respect of risk management.

Internal audit and internal controls

The Committee is responsible for ensuring that the Group's internal audit function is independent and has the necessary resources, standing and authority within the Group to enable it to discharge its responsibilities effectively. The Committee oversees cooperation between the internal and external auditor and serves as a link between the Board of Directors and these functions.

The internal audit function reports to the Committee and is responsible for reviewing and providing assurance on the adequacy of the internal control environments across all the significant areas of the Group's operations. Prozilog is responsible for reporting the progress and findings of internal audits, as conducted in terms of the Group's approved audit plan, to the Committee.

The Committee has considered and approved the internal audit terms of reference.

Report of the Audit and Risk Committee *(continued)*

The Committee:

- ▶ reviewed the internal audit charter in line with King IV™ recommendations and recommended the approval thereof to the Board;
- ▶ approved the risk-based internal audit plan for the 2026 financial year and subsequent changes thereto during the year;
- ▶ considered the effectiveness and performance of the internal audit function which was found to be satisfactory for the year under review;
- ▶ reviewed and evaluated reports relating to internal audit and risk management and the adequacy of management's responses and corrective actions;
- ▶ reviewed arrangements made by the Company to enable employees and outside whistle blowers to report any concerns about possible improprieties and received reports on the issues raised; and
- ▶ reviewed internal audit's assessment of the internal control environment.

External auditor

The Group's independent external auditor is Forvis Mazars.

The Committee:

- ▶ notwithstanding the provisions of section 90(6) of the Companies Act of South Africa, ensured that the appointment of the auditor was presented and included as a resolution at the AGM pursuant to section 61(8) of the Companies Act of South Africa;
- ▶ satisfied itself that the Forvis Mazars and Mr Miles Fisher, in their respective capacities as the independent external audit firm and lead audit partner, were accredited and independent;
- ▶ assessed the independence of the external audit firm;
- ▶ approved the auditor's terms of engagement and fees together with the review and approval the external audit plan and ensured no limitations were imposed on the scope of external audit;
- ▶ reviewed the external auditor's report and confirmed that no material unresolved issues existed between the Group and the external auditor;
- ▶ provided oversight of the external audit process;
- ▶ approved and monitored compliance with the external auditor independence policy;
- ▶ reviewed the quality and effectiveness of the external audit process and performance against the external audit plan;
- ▶ reviewed the findings and recommendations by the independent external auditor and confirmed there were no material matters to report;
- ▶ considered the independent external auditor's suitability assessment in terms of the JSE Limited Listings Requirements.

Comments on key audit matters, addressed by Forvis Mazars in its external auditor's report

The external auditor has reported on one key audit matter in respect of their 2026 audit, being construction contract revenue recognised over time.

The key audit matter related to a material financial statement line item and required judgement and estimates to be applied by management.

The Committee assessed the methodology, assumptions and judgements applied by management in dealing with the key audit matter. Furthermore, the Committee discussed the key audit matter with the external auditor to understand their related audit processes and views.

Following our assessment, we were comfortable with the conclusions reached by management and the external auditor.

Annual financial statements

The Committee reviewed the annual financial statements and the accounting policies and practices of the Group and is satisfied that they comply with IFRS Accounting standards and ensured that appropriate financial reporting procedures exist and are working, which includes consideration of all the entities in the Consolidated Group Financial Statements.

The Committee recommended the financial statements to the Board for approval. The Board concurred with this assessment.

Conclusion

The Committee, in carrying out its duties, has due regard to the principles and recommended practices of King IV™. It is satisfied it has considered and discharged its responsibilities in accordance with its terms of reference.

On behalf of the Audit and Risk Committee

K Mzondeki

Chairperson: Audit and Risk Committee

18 May 2026

Directors' report

The Directors hereby submit their report for the year ended 28 February 2026.

1. Nature of business

Calgro M3 Holdings Limited (“the Company”) and its subsidiaries and joint arrangements (together “the Group”), specialises in the development of Residential Property Developments and the development and management of Memorial Parks. The aim is to lead and assist the South African property industry to change and adapt traditional social structures hampering the delivery of sustainable housing solutions and increasing the availability of quality burial sites.

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

The Group's business strategy supports Government's proactive drive, which is expressed in the “Breaking New Ground” initiative aimed at ensuring the formation of sustainable settlements. This is achieved through the integration of various income groups, as well as the provision of socio-amenities such as schools and hospitals, within an integrated residential development.

The Calgro M3 Group has an operating cycle in excess of one year for inventories, construction contracts and work in progress. A typical integrated development generally varies between one and 10 years, depending on the project size and type, which includes different typologies and infrastructure requirements. As a result, the order of liquidity provides a more reliable and relevant reflection of the nature of the Group's assets and liabilities. Amounts expected to be recovered or settled within 12 months are included in the relevant notes to the consolidated and separate annual financial statements.

Registered office:

Calgro M3 Building
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2196

Postal address:

Private Bag X33
Craighall
2024

2. Financial results

The consolidated and separate financial statements on [pages 14 to 74](#) and [pages 75 to 88](#), set out fully the financial position, results of operations and cash flows of the Group and Company for the year ended 28 February 2026 and do not in our opinion require any further comment.

Segmental reporting is set out in [note 1](#) of the financial statements. The Group operates within two distinct segments, namely Residential Property Development and Memorial Parks.

3. Type of Company

Calgro M3 Holdings Limited is registered as a public company in terms of the Companies Act No. 71 of 2008.

4. Subsidiary and associated entities

Refer to [note 11](#), [note 34](#) and [note 39](#) for further details of the investments held in joint arrangements.

All direct and indirect subsidiary companies are South African-based and are engaged in the two core business segments of the Group.

Particulars of the joint ventures ([note 11](#)), joint operations ([note 39](#)) and the principal subsidiaries ([note 48](#)) are set out in the financial statements.

Directors' report *(continued)*

5. Directors' interest in shares

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

	Number of shares				
	Total	SU Naicker	AJ Langson	BP Malherbe	LCH Chou
Beneficial shareholding at 28 February 2025					
Direct	484 000	264 000	220 000	–	–
Indirect	7 274 075	–	–	7 274 075	–
	7 758 075	264 000	220 000	7 274 075	–
Shares held by associates					
Direct	–	–	–	–	–
Indirect	(10 000)	–	–	(10 000)*	–
	(10 000)	–	–	(10 000)	–
Shares held at point of appointment as a Director					
Direct	6 200 000	–	–	–	6 200 000
Indirect	2 274 687	–	–	–	2 274 687
	8 474 687	–	–	–	8 474 687
Shares acquired/(disposed of) during the year					
Direct	313 450	171 000	142 450	–	–
Indirect	–	–	–	–	–
	313 450	171 000	142 450	–	–
Shares held at point of resignation as a Director					
Direct	–	–	–	–	–
Indirect	–	–	–	–	–
	–	–	–	–	–
Beneficial shareholding at 28 February 2026					
Direct	6 997 450	435 000	362 450	–	6 200 000
Indirect	9 538 762	–	–	7 264 075	2 274 687
	16 536 212	435 000	362 450	7 264 075	8 474 687

* Per the JSE Limited Listings Requirements shares held by minor associates are included in the Director's share holdings, once these associates reach 18 years of age, this shareholding is no longer aggregated into the Director's shareholding. As such these shares have been removed from the above recon.

No Directors or prescribed officers within Calgro M3 have pledged securities as guarantee/collateral during the course of the reporting period or at the present date.

Should securities be pledged the necessary announcement will be made to the market. There were no changes in the shareholding of Directors and prescribed officers between the end of the financial year and the date of approval of the Annual Financial Statements.

Directors' report *(continued)*

6. Material accounting policies

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting standards and the accounting policies disclosed.

7. Authorised and issued share capital

Refer to [note 18](#) for further details of the authorised and issued share capital.

Total number of ordinary shares authorised at 28 February 2026	500 000 000
Total number of ordinary shares in issue (excluding treasury shares) at 28 February 2026	95 380 601

8. Capital expenditure

Details on capital expenditure are set out in [notes 14, 15 and 16](#) of the consolidated financial statements.

9. Dividends

Dividends of R6 592 427 were paid in the current year based on the prior year's results approved by the Board of Directors.

The Board has approved a dividend of 8.63703 cents per share (2025: 8.63703 cents per share).

10. Going concern

The Group and Company financial statements have been prepared on the going concern basis. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Board has considered the Group's cash flow forecasts for the foreseeable future, with the consideration given to the uncertainty in operational performance, Company specific risks and other wider macroeconomic environment risks.

The Group maintains sufficient liquidity throughout the period to furnish its liabilities as they fall due.

In considering the going concern assumption the following factors have a potential market impact on the Group:

- ▶ The current reduction in the interest rates has not impacted the granting of the 100% home loans in the lower to middle tier of the market.
- ▶ Government committed to the need for dignified housing in the recent budget speech held on 25 February 2026.

Our belief is that this will bring about new opportunities in the sector.

The geopolitical events currently have no impact on the Group's cash flow forecasts, this will be assessed on an ongoing basis.

11. Directors

Name	Position	Date appointed	Date resigned	Contract expiry
Ben Pierre Malherbe	Chief Executive Officer	16 September 2024		3 month notice
Wayne Williams*	Executive Director	1 June 2015	30 June 2025	3 month notice
Sayuri Urvashi Naicker	Chief Financial Officer	1 March 2022		3 month notice
Allistiar James Langson	Executive Director	6 September 2024		3 month notice
Hatla Ntene	Independent Non-Executive	12 October 2007		
Ralph Bruce Patmore	Independent Non-Executive	18 January 2011		
Mduduzi Edward Gama	Independent Non-Executive	10 January 2012		
Thembalihle Phillip Baloyi	Independent Non-Executive	23 March 2020		
Tyrone Christie Moodley	Independent Non-Executive	9 July 2020		
Kholeka Winifred Mzondeki	Independent Non-Executive	1 June 2025		
Leo Chih Hao Chou	Non-Executive	25 June 2025		

* On 30 June 2025, Calgro M3 announced the resignation of Mr Wayne Williams from the Board of Calgro M3 ("the Board"). The Board would like to thank Wayne for his years of dedicated service to the Group.

12. Secretary

Juba Statutory Services Proprietary Limited, represented by Mrs Sirkien van Schalkwyk, is the appointed Company Secretary for the Group.

As required by section 5.7(k) of the JSE Listings Requirements, the Board is satisfied that Juba Statutory Services Proprietary Limited has the appropriate qualifications, expertise and experience. In addition, Juba Statutory Services Proprietary Limited is not a Director of the Group and has an arm's length relationship with the Board.

The address of the secretary is set out below:

Business address:

Office B0103
The Park Centre
937 Barnard Street
Elarduspark
Pretoria
0047

Postal address:

PO Box 4896
Rietvalleirand
0174

Directors' report *(continued)*

13. Auditor

At the 2026 AGM to be held in June 2026, shareholders will be asked to approve the reappointment of Forvis Mazars as the Group's statutory auditor.

Miles Fisher will be the individual registered auditor who will undertake the audit for the 2027 financial year. Mandatory audit partner rotations occur every five years in line with the requirements of the Companies Act.

The Audit and Risk Committee monitors the independence of Forvis Mazars and the audit partner on an annual basis, to ensure that they remain independent.

14. Preparer

The financial statements were internally compiled under the supervision of SU Naicker CA(SA), Chief Financial Officer.

15. Liquidity and solvency

The Directors have performed the required liquidity and solvency tests required by the Companies Act No. 71 of 2008. The Directors believe that the Group has adequate financial resources and is liquid and solvent to continue in operation for the foreseeable future. Refer to [note 41](#).

16. Level of assurance

The consolidated and separate financial statements have been audited by our external auditor Forvis Mazars in compliance with the applicable requirements of the Companies Act 71 of 2008.

17. Special resolutions

At the annual general meeting held on 26 June 2025, the following special resolutions were approved:

- ▶ General authority to repurchase shares
- ▶ Remuneration of Non-Executive Directors
- ▶ Inter-company financial assistance
- ▶ Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company

No special resolution relating to the capital structure, borrowing powers or any other material matter that affects the understanding of the Group were passed by subsidiary companies during the year under review.

18. Analysis of shareholders

Shareholders' spread analysis as at 28 February 2026:

	Number of shareholders	%	Number of shares	%
Total shares in issue	7 913	100.00%	113 054 050	100%
Non-public shares	7	0.08%	34 209 661	30.25%
Public shares	7 906	99.92%	78 844 389	69.75%
Analysis of non-public shareholders				
Directors of the Company or any subsidiary	4	0.05%	16 536 212	14.63%
Calgro M3 Developments Proprietary Limited	1	0.01%	7 247 631	6.41%
Calgro M3 Employee Benefit Trust	1	0.01%	5 212 909	4.61%
Calgro M3 Educational Benefit Trust	1	0.01%	5 212 909	4.61%
	7	0.08%	34 209 661	30%

Shareholders with an interest of 5% or more in shares

	Number of shares	%
Pershing LLC	17 038 340	15.07%
Calgro M3 Developments Proprietary Limited	7 247 631	6.41%
BPM Family Trust	7 264 075	6.43%
Mr LCH Chou	8 474 687	7.50%
	40 024 733	35.40%

19. Events after reporting year

The Directors are not aware of any material events that occurred subsequent to the reporting date which require adjustment to, or disclosure in, these financial statements.

Independent auditor's report

To the Shareholders of Calgro M3 Holdings Limited

Report of the Independent Auditor on the Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Calgro M3 Holdings Limited and its subsidiaries (the group and company) set out on [pages 14 to 88](#), which comprise the consolidated and separate statements of financial position as at 28 February 2026, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Calgro M3 Holdings Limited and its subsidiaries as at 28 February 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion




We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

The scope of our audit was influenced by our applicable materiality. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

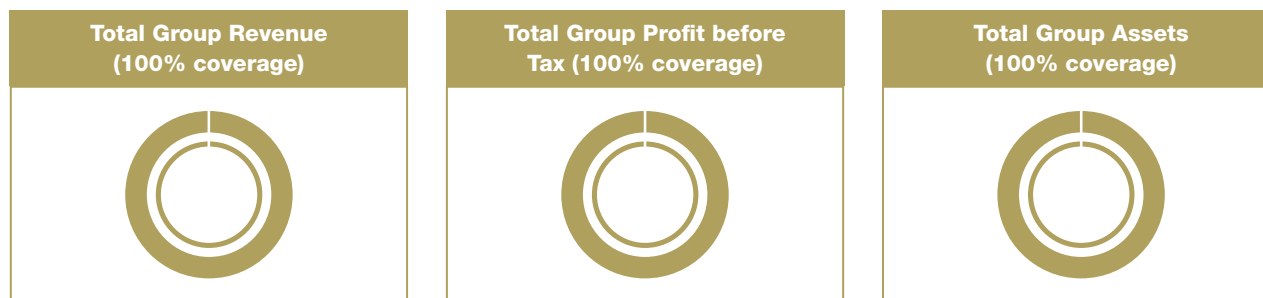
Consolidated and Separate financial statements

 Materiality	We have determined the final materialities to be as follows: <ul style="list-style-type: none"> ▶ Calgro M3 Holdings Limited: R46 387 850 ▶ Calgro M3 Holdings Company: R6 571 000
 Basis for determining materiality	We used 3% of Total Equity as the basis for final group materiality and 3.5% for the company materiality.
 Rational for the benchmark applied	We have determined that Total Equity is an appropriate quantitative indicator of materiality as Total Equity best reflects the financial performance of Calgro M3 Holdings Limited and its subsidiaries. The group is capital intensive with a substantial amount of debt and therefore equity was the most suitable benchmark. Equity has been stable and has shown growth over the past 5 years. It is considered to be the most reliable threshold to base materiality on as it does take into consideration the group's high levels of external debt as well as the entity's recent financial performance.

Group Audit Scope

The group audit scope was determined on indicators such as the contribution from each component to revenue. We have subjected all the group entities within the group to full scope audits. The group engagement partner is responsible for all audits within the group.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls and the industry in which the group operates.



■ Full scope audits ■ Specific scope audits ■ Specified audit procedures

Independent auditor's report to the shareholders of Calgro M3 Holdings Limited *(continued)*

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Matter #01	Residential Development Segment – Contract revenue recognised over time	Matter #01	Property Development Segment – Contract revenue recognised over time
<p>Description of the key audit matter</p>	<p>Refer to the following accounting policies and notes to the consolidated and separate financial statements:</p> <ul style="list-style-type: none"> ▶ Note 1: Segment information; ▶ Note 3.4: Significant estimates and judgements; ▶ Note 9: Construction contracts; and ▶ Note 23: Revenue. <p>The Group has significant long-term construction contracts within the “Residential Property Development” operating segment.</p> <p>The Group uses the input method to account for revenue over time. Under this method the Group compares the actual costs incurred to date with the forecasted cost at completion.</p> <p>Project feasibilities, which estimates future contract revenue and costs on a project, are prepared by management with the assistance of internal experts, consulting engineers and appointed contractors. Internal experts include town planners, quantity surveyors and architects.</p> <p>We have determined the accounting of these long term contracts within the Residential property development segment to be a key audit matter, due to the extensive effort and high degree of judgement and estimation involved in the preparing project feasibilities, the degree of involvement of internal experts in the process and the magnitude of the resulting revenue and costs associated with these contracts.</p>	<p>How we addressed the key audit matter</p>	<p>In response we performed the following audit procedures:</p> <p>Contract costs:</p> <ol style="list-style-type: none"> 1. We tested the occurrence and accuracy of contract costs incurred and allocated to projects by testing a sample of these, per the Forvis Mazars Audit Methodology, and agreeing the cost to supporting documentation ad confirming allocation to the relevant project. <p>Contract revenue and construction contracts:</p> <ol style="list-style-type: none"> 1. We evaluated whether the revenue recognition policy applied by the group, specifically with regards to timing and identification of performance obligations, is in accordance with the requirements of IFRS 15: <i>Revenue from Contracts with Customers</i>. 2. Using the Forvis Mazars sampling methodology, we selected a sample of contracts within the Residential Property Development operating segment, where revenue is recognised over time and performed the following: <ol style="list-style-type: none"> a. We agreed cumulative costs incurred to date and billings on the contract against current year ledgers and prior year contracts in progress calculations. b. We agreed forecasted costs and revenues used in the contracts in progress calculations to project feasibilities. c. We recalculated the following: <ol style="list-style-type: none"> i. Stage of completion (Costs incurred as a percentage of total expected costs); ii. Cumulative and year to date revenue to be recognised (Stage of completion x forecasted revenue). d. Contracts in progress balance – Cumulative revenue to be recognised less progress billings to date. We obtained the project feasibilities for these projects and performed the following procedures thereon: <ol style="list-style-type: none"> i. We confirmed that all casts and calculations were mathematically accurate.

Independent auditor's report to the shareholders of Calgro M3 Holdings Limited *(continued)*

Matter #01	Property Development Segment – Contract revenue recognised over time
	<ul style="list-style-type: none">ii. We obtained a detailed understanding of the contract deliverables, the remaining scope of works to be completed, contractors appointed as well as project specific risks.iii. We reviewed the forecast methodology and assumptions applied to create the forecast.iv. We verified the underlying data used in the cost forecast, to the extent possible, to supporting documentation which included engineers' reports, supplier agreements (contractors are appointed on a fixed cost basis) and progress reports.v. Based on our understanding of the risks associated with the project, we evaluated with reference to industry related data, whether reasonable provision for contingent costs was included in project feasibilities. The purpose of cost contingencies is to allow for unforeseen events, such as changes in design, delays or unexpected site conditions that can increase the cost of a project. The percentage chosen for the contingency will depend on various factors such as the complexity of the project, the level of uncertainty in design, the experience of the contractors and the level of risk associated with the project.vi. We evaluated whether forecasted revenue was calculated in accordance with the pricing stipulated in the contract, taking into account subsidies that can be claimed.vii. For ongoing projects, we assessed the reasonability of changes in forecast costs and revenue from the prior year. <p>3. In line with the requirements of ISA500, we assessed the competence, objectivity and capabilities of internal experts involved in preparing project feasibilities (town planners, quantity surveyors and architects) by obtaining supporting documents on their qualifications, experience and professional memberships.</p> <p>4. We assessed the adequacy of the disclosures in the financial statements to ensure compliance with the requirements of IFRS 15: <i>Revenue from Contracts with Customers</i>.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Calgro M3 Holdings Limited Consolidated and Separate Audited Annual Financial Statements 2026", which includes the Certification by the Company Secretary, the Report of the Audit and Risk Committee and the Directors' report as required by the Companies Act of South Africa. The other information does not include the consolidated or separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and company's or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the shareholders of Calgro M3 Holdings Limited *(continued)*

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

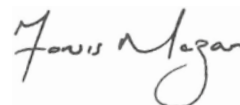
- ▶ Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group/company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/ company's to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Forvis Mazars has been the auditor of Calgro M3 Holdings Limited for 4 years.



Partner: Miles Fisher
Registered Auditor

Date: 18 May 2026

Johannesburg

Consolidated statement of financial position

	Notes	2026	2025
Assets			
Cash and cash equivalents	6	183 722 961	154 722 535
Trade and other receivables	7	159 624 687	82 703 391
Current income tax assets	8	1 743 347	288 717
Construction contracts	9	2 107 206 825	1 668 283 132
Loans to joint ventures	10	387 466 009	473 344 024
Investment in joint ventures	11	148 981 026	136 610 054
Inventories	12	456 368 002	519 568 023
Investments	13	20 669 356	19 196 470
Property, plant and equipment	14	22 798 883	25 945 117
Investment property	15	32 497 786	22 492 889
Intangible assets	16	159 650 517	159 650 517
Deferred tax asset	17	10 128 435	11 363 028
Total assets		3 690 857 834	3 274 167 897
Equity and liabilities			
Equity			
Equity attributable to owners of the parent			
Stated capital	18	28 389 249	33 909 646
Share-based payment reserve	35	(1 540 004)	485 697
Retained income		1 541 080 847	1 396 026 833
		1 567 930 092	1 430 422 176
Non-controlling interest	34	3 248 556	3 253 557
Total equity		1 571 178 648	1 433 675 733
Liabilities			
Trade and other payables	19	263 334 249	310 925 099
Current income tax liabilities	8	239 410	58 276
Borrowings	20	1 380 291 293	1 105 722 194
Maintenance provision [%]	21	66 328 209	57 720 206
Deferred tax liability	17	409 486 025	366 066 389
Total liabilities		2 119 679 186	1 840 492 164
Total equity and liabilities		3 690 857 834	3 274 167 897

[%] The Maintenance provision has been reclassified from trade and other payables (previously "Maintenance liability – Memorial Parks") to a separate line item in the current period. This presentation better reflects its nature as a provision for future maintenance obligations, rather than a payable.

The notes on [pages 17 to 74](#) are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

	Notes	2026	2025
Revenue	23	893 174 205	868 906 517
Cost of sales	24	(650 260 905)	(613 186 506)
Gross profit		242 913 300	255 720 011
Other income	25	19 054 484	9 258 389
Administrative expenses	26	(98 610 226)	(95 477 969)
Other expenses	27	(257)	(127 746)
Expected credit losses on financial and contract assets	28	7 692 016	(3 652 484)
Finance income	29	56 062 035	64 252 797
Finance costs	30	(43 493 049)	(60 303 274)
Share of profit of joint ventures – net of tax	11	23 982 406	42 874 266
Profit before tax		207 600 709	212 543 990
Taxation	31	(47 370 706)	(46 428 106)
Profit after taxation		160 230 003	166 115 884
Other comprehensive income		–	–
Total comprehensive income		160 230 003	166 115 884
Profit after taxation and total comprehensive income attributable to:			
– Owners of the parent		160 235 004	164 984 085
– Non-controlling interests	34	(5 001)	1 131 799
		160 230 003	166 115 884
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in cents per share)			
– basic	40	167.36	171.72
– diluted	40	164.94	168.02

The notes on [pages 17 to 74](#) are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Stated capital	Share-based payment reserve	Retained income	Total	Non-controlling interests	Total equity
Balance at 1 March 2024	31 610 096	363 152	1 241 892 552	1 273 865 800	665 676	1 274 531 476
Share-based payments	2 299 550	122 545	1 632 201	4 054 296	–	4 054 296
Dividend declared by Calgro M3 Holdings Limited	–	–	(10 857 999)	(10 857 999)	–	(10 857 999)
Non-controlling interest – Dividend declared [@]	–	–	1 560 744	1 560 744	(1 728 668)	(167 924)
Reclassification from retained income to non-controlling interest	–	–	(3 184 750)	(3 184 750)	3 184 750	–
<i>Comprehensive income</i>						
Profit for the period	–	–	164 984 085	164 984 085	1 131 799	166 115 884
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income	–	–	164 984 085	164 984 085	1 131 799	166 115 884
Balance at 1 March 2025	33 909 646	485 697	1 396 026 833	1 430 422 176	3 253 557	1 433 675 733
Shares repurchased	(6 662 637)	–	–	(6 662 637)	–	(6 662 637)
Share-based payments	1 142 240	(2 025 701)	10 663 817	9 780 356	–	9 780 356
Dividend declared by Calgro M3 Holdings Limited	–	–	(6 592 427)	(6 592 427)	–	(6 592 427)
Investments in joint operations [#]	–	–	(19 252 380)	(19 252 380)	–	(19 252 380)
<i>Comprehensive income</i>						
Profit for the period	–	–	160 235 004	160 235 004	(5 001)	160 230 003
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income	–	–	160 235 004	160 235 004	(5 001)	160 230 003
Balance at 28 February 2026	28 389 249	(1 540 004)	1 541 080 847	1 567 930 092	3 248 556	1 571 178 648
Notes	18	35			34	

[@] Dividends declared are payable to The Calgro M3 Educational Trust, which the Group does not exert control over. The current year dividend declared was Rnil.

[#] Please refer to [note 39](#) for the change in investment in joint venture to investment in joint operation.

The Board has approved a dividend on 15 May 2026 of 8.63703 cents per share. In the 2025 financial year the Board approved a dividend of 8.63703 cents per share which was paid in June 2025.

The notes on [pages 17 to 74](#) are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

	Notes	2026	2025
Cash (utilised in)/generated from operating activities			
Cash (utilised in)/generated from operations	32	(14 786 334)	107 900 112
Finance income received		55 243 349	63 092 531
Finance cost paid		(135 639 469)	(134 104 505)
Tax paid	33	(3 890 706)	(2 659 727)
Net cash (utilised in)/generated from operating activities		(99 073 160)	34 228 411
Cash flows invested in investing activities			
Purchase of property, plant and equipment	14	(828 063)	(972 384)
Proceeds from the sale of investment property		142 598	-
Increase of investments in joint venture		(8 000 000)	(13 200 000)
Loans advanced to joint ventures		(121 211 471)	(218 259 210)
Loans repaid by joint ventures		7 467 733	99 013 700
Net cash invested in investing activities		(122 429 203)	(133 417 894)
Cash flows received from financing activities			
Proceeds from borrowings	20	566 425 000	305 000 000
Capital repayment of borrowings	20	(297 500 000)	(158 000 000)
Repayment of capital portion on leases		(5 167 147)	(4 868 004)
Dividends paid		(6 592 427)	(10 857 999)
Shares bought back	18	(6 662 637)	-
Net cash received from financing activities		250 502 789	131 273 997
Net increase in cash and cash equivalents		29 000 426	32 084 514
Cash and cash equivalents at the beginning of the year		154 722 535	122 638 021
Cash and cash equivalents at the end of the year	6	183 722 961	154 722 535

The notes on [pages 17 to 74](#) are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Segment information

The appointed Chief Operating Decision Maker (“CODM”) within the Calgro M3 Group is the Group’s Executive Committee (“Exco”). It is Exco’s responsibility to meet on a regular basis (through weekly meetings and more frequently if required) and develop and implement the strategy for the Group, set and review budgets, which are approved by the Board of Directors. The CODM allocates Group resources to the operating segments and assesses the performance of the operating segments.

At Exco meetings, summarised feedback are provided by management of the different operational activities within the Group.

The CODM manages the Group activities in two distinct segments namely:



The operation of the Residential Property Development segment encompasses the following product range: The development of integrated housing developments and mid to high income housing projects. Integrated housing developments remains the core of the business’s operations and comprises affordable housing, Grassroots Affordable People’s homes (“GAP”), First Home Finance (“FHF”), rental housing, social housing, Community Residential Units (“CRU”) and Breaking New Ground (“BNG”) units. The Group’s customer base includes the government, financial institutions and the general public.

The Group’s products relating to the Memorial Parks segment consist of burial rights and the associated burial and maintenance services.

The segmental information provided to Exco for the year ended 28 February 2026 has been provided below. The table indicates from where the Group’s revenue has been earned, including its joint ventures. The revenue earned by the joint ventures, in their own capacities, have been disclosed in [note 11](#).

The CODM assesses the performance of the operating segments based on two measurement methods, firstly a fully consolidated statement of comprehensive income per segment (including the elimination of inter-segmental transactions) and secondly a statement of financial position per consolidated segment (transactions between segments have not been eliminated for the statement of financial position).

Notes to the consolidated financial statements *(continued)*

1. Segment information *(continued)*

	Residential Property Development	Memorial Parks	Holdings and other	Total
Assets				
Cash and cash equivalents	181 643 989	1 482 658	596 314	183 722 961
Trade and other receivables	154 412 812	4 683 282	528 593	159 624 687
Current income tax assets	1 065 226	521 839	156 282	1 743 347
Construction contracts	2 107 206 825	–	–	2 107 206 825
Loans to joint ventures	387 466 009	–	–	387 466 009
Investment in joint ventures	148 981 026	–	–	148 981 026
Inventories	285 861 840	170 506 162	–	456 368 002
Investments	–	20 669 356	–	20 669 356
Property, plant and equipment	14 645 824	8 153 059	–	22 798 883
Investment property	–	32 497 786	–	32 497 786
Intangible assets	158 955 713	694 804	–	159 650 517
Deferred income tax asset	–	10 128 435	–	10 128 435
Total assets	3 440 239 264	249 337 381	1 281 189	3 690 857 834
Liabilities				
Trade and other payables	222 146 473	35 996 157	5 191 619	263 334 249
Current income tax liabilities	239 410	–	–	239 410
Borrowings	1 380 291 293	–	–	1 380 291 293
Maintenance provision [%]	–	66 328 209	–	66 328 209
Deferred income tax liability	409 486 025	–	–	409 486 025
Total liabilities	2 012 163 201	102 324 366	5 191 619	2 119 679 186

[%] The Maintenance provision has been reclassified from trade and other payables (previously "Maintenance liability – Memorial Parks") to a separate line item in the current period. This presentation better reflects its nature as a provision for future maintenance obligations, rather than a payable

Segments are measured in the same way as in the financial statements. All line items above are allocated based on the operations of the segments.

	Residential Property Development	Memorial Parks	Holdings and other	Total (Restated) [%]
Assets				
Cash and cash equivalents	151 486 691	3 026 842	209 002	154 722 535
Trade and other receivables	77 922 785	4 253 511	527 095	82 703 391
Current income tax assets	41	210 761	77 915	288 717
Construction contracts	1 668 283 132	–	–	1 668 283 132
Loans to joint ventures	473 344 024	–	–	473 344 024
Investment in joint ventures	136 610 054	–	–	136 610 054
Inventories	344 491 202	175 076 821	–	519 568 023
Investments	–	19 196 470	–	19 196 470
Property, plant and equipment	17 656 987	8 288 130	–	25 945 117
Investment property	–	22 492 889	–	22 492 889
Intangible assets	158 955 713	694 804	–	159 650 517
Deferred income tax asset	–	11 363 028	–	11 363 028
Total assets	3 028 750 629	244 603 256	814 012	3 274 167 897
Liabilities				
Trade and other payables [%]	272 709 030	92 229 781	3 706 494	368 645 305
Current income tax liabilities	58 276	–	–	58 276
Borrowings ^{\$}	1 088 500 524	–	17 221 670	1 105 722 194
Maintenance provision [%]	–	57 720 206	–	57 720 206
Deferred income tax liability	366 066 389	–	–	366 066 389
Total liabilities	1 727 334 219	92 229 781	20 928 164	1 840 492 164

[%] The Maintenance provision has been reclassified from trade and other payables (previously "Maintenance liability – Memorial Parks") to a separate line item in the current period. This presentation better reflects its nature as a provision for future maintenance obligations, rather than a payable.

^{\$} The Group allocated borrowings and finance costs to the Memorial Parks segment aligning to the capital injections made into the segment less repayments thereof.

Segments are measured in the same way as in the financial statements. All line items above are allocated based on the operations of the segments.

Notes to the consolidated financial statements (continued)

1. Segment information (continued)

	Residential Property Development	Memorial Parks	Holdings and other	Total
2026				
Total segment revenue	806 961 601	86 212 604	–	893 174 205
Fleurhof	257 962 705	–	–	257 962 705
Jabulani	74 448 991	–	–	74 448 991
Scottsdene	135 101 308	–	–	135 101 308
South Hills	81 920 185	–	–	81 920 185
Belhar	148 627 509	–	–	148 627 509
South Hills Lifestyle Estate	33 980 973	–	–	33 980 973
Mid to high projects	74 919 930	–	–	74 919 930
Other projects	–	86 212 604	–	86 212 604
Combined revenue*	942 155 765	86 212 604	–	1 028 368 369
Total segment revenue	806 961 601	86 212 604	–	893 174 205
Revenue of joint ventures	135 194 164	–	–	135 194 164
Bankenveld District City Proprietary Limited	50 114 600	–	–	50 114 600
South Hills Development Company (Pty) Ltd	85 079 564	–	–	85 079 564
Gross revenue	806 961 601	86 212 604	–	893 174 205
Point in time	324 959 733	86 212 604	–	411 172 337
Over time	482 001 868	–	–	482 001 868

* Combined revenue is the total segment revenue plus the total revenue of joint ventures. The revenue included represents the gross revenue of each joint venture and does not include any inter-Group eliminations. Refer to [note 10](#) for details on revenue attributable to joint ventures.

	Residential Property Development	Memorial Parks	Holdings and other	Total
2025				
Total segment revenue	800 067 245	68 839 272	–	868 906 517
Fleurhof	543 285 879	–	–	543 285 879
Jabulani	44 566 900	–	–	44 566 900
Scottsdene	64 757 926	–	–	64 757 926
South Hills Lifestyle Estate	48 741 997	–	–	48 741 997
Belhar	58 535 095	–	–	58 535 095
Mid to high projects	39 567 054	–	–	39 567 054
Other projects	612 394	68 839 272	–	69 451 666
Combined revenue%	1 160 257 165	68 839 272	–	1 229 096 437
Total segment revenue	800 067 245	68 839 272	–	868 906 517
Revenue of joint ventures	360 189 920	–	–	360 189 920
Witpoortjie Calgro M3 Development Company (Pty) Ltd	83 662 705	–	–	83 662 705
Bankenveld District City Proprietary Limited	40 890 471	–	–	40 890 471
South Hills Development Company (Pty) Ltd	235 636 744	–	–	235 636 744
Gross revenue	800 067 244	68 839 272	–	868 906 517
Point in time	197 989 111	68 839 272	–	266 828 383
Over time	602 078 134	–	–	602 078 134

% Combined revenue is the total segment revenue plus the total revenue of joint ventures. The revenue included represents the gross revenue of each joint venture and does not include any inter-Group eliminations. Refer to [note 10](#) for details on revenue attributable to joint ventures.

Notes to the consolidated financial statements *(continued)*

1. Segment information *(continued)*

	Residential Property Development	Memorial Parks	Holdings and other	Total
Revenue	806 961 601	86 212 604	–	893 174 205
Cost of sales	(611 382 998)	(38 877 907)	–	(650 260 905)
Gross profit	195 578 603	47 334 697	–	242 913 300
Other income	2 746 684	16 307 800	–	19 054 484
Administrative expenses	(71 570 345)	(14 596 712)	(12 443 169)	(98 610 226)
Other expenses	(257)	–	–	(257)
Expected credit losses on financial and contract assets	7 689 668	2 348	–	7 692 016
Operating profit/(loss)	134 444 353	49 048 133	(12 443 169)	171 049 317
Finance income	52 718 698	20 189	3 323 148	56 062 035
Finance costs	(41 046 426)	(2 446 623)	–	(43 493 049)
Share of profit of joint ventures – net of tax	23 982 406	–	–	23 982 406
Profit/(loss) before tax	170 099 031	46 621 699	(9 120 021)	207 600 709
Taxation	(46 680 140)	(714 837)	24 271	(47 370 706)
Profit/(loss) after taxation	123 418 891	45 906 862	(9 095 750)	160 230 003
Other comprehensive income	–	–	–	–
Total comprehensive income	123 418 891	45 906 862	(9 095 750)	160 230 003
Profit/(loss) after taxation and other comprehensive income attributable to:				
– Owners of the parent	123 423 892	45 906 862	(9 095 750)	160 235 004
– Non-controlling interests	(5 001)	–	–	(5 001)
	123 418 891	45 906 862	(9 095 750)	160 230 003

	Residential Property Development	Memorial Parks	Holdings and other	Total
Revenue	800 067 245	68 839 272	–	868 906 517
Cost of sales	(578 827 684)	(34 358 822)	–	(613 186 506)
Gross profit	221 239 561	34 480 450	–	255 720 011
Other income	2 079 031	7 179 358	–	9 258 389
Administrative expenses	(76 204 122)	(12 930 343)	(6 343 504)	(95 477 969)
Other expenses	(127 746)	–	–	(127 746)
Expected credit losses on financial and contract assets	(3 640 311)	(12 173)	–	(3 652 484)
Operating profit/(loss)	143 346 417	28 717 292	(6 343 504)	165 720 201
Finance income	64 240 283	10 254	2 260	64 252 797
Finance costs	(57 664 778)	(2 638 496)	–	(60 303 274)
Share of profit of joint ventures – net of tax	42 874 266	–	–	42 874 266
Profit/(loss) before tax	192 796 184	26 089 050	(6 341 244)	212 543 990
Taxation	(45 344 426)	(791 544)	(292 136)	(46 428 106)
Profit/(loss) after taxation	147 451 758	25 297 506	(6 633 380)	166 115 884
Other comprehensive income	–	–	–	–
Total comprehensive income	147 451 758	25 297 506	(6 633 380)	166 115 884
Profit/(loss) after taxation and other comprehensive income attributable to:				
– Owners of the parent	146 319 959	25 297 506	(6 633 380)	164 984 085
– Non-controlling interests	1 131 799	–	–	1 131 799
	147 451 758	25 297 506	(6 633 380)	166 115 884

Notes to the consolidated financial statements *(continued)*

2. General information

Calgro M3 Holdings Limited (“the Company”), its subsidiaries and joint arrangements (together “the Group”), specialises in the development of Integrated Residential Developments and the development and management of Memorial Parks. The aim is to lead and assist the South African property industry to change and adapt traditional social structures, through the delivery of sustainable housing solutions and increasing the availability of quality burial sites.

The Company is listed on the Johannesburg Stock Exchange.

3. Material Accounting Policies

3.1 Summary of material accounting policies

The most significant accounting policies have been presented as part of the relevant notes in these financial statements. The remainder of the accounting policies not relating to a specific note is dealt with in the section below. All policies have been consistently applied to all the years presented, unless stipulated otherwise in [note 3.5.1](#).

3.2 Basis of preparation

The Group and Company financial statements have been prepared in accordance with IFRS Accounting standards, SA Financial Reporting Requirements, the Companies Act 71 of 2008 and the JSE Limited Listings Requirements. The financial statements have been prepared on the historical cost basis, except as stipulated otherwise in the material accounting policies below.

3.3 Operating cycle

The Calgro M3 Group has a operating cycle in excess of one year for inventories, construction contracts and work in progress. A typical integrated development generally varies between one and 10 years, depending on the project size and type, which includes different typologies and infrastructure requirements. As a result, the order of liquidity provides a more reliable and relevant reflection of the nature of the Group’s assets and liabilities. Amounts expected to be recovered or settled within 12 months are included in the relevant notes to the consolidated and separate annual financial statements.

3.4 Significant estimates and judgements

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. The significant judgements have been disclosed in the applicable note. These include:

- ▶ Expected credit losses on financial assets [Note 3.10.2](#)
- ▶ Fair value estimation [Note 5 and note 15](#)
- ▶ Percentage of completion method for measuring construction revenue [Note 9 and note 23](#)
- ▶ Scope of construction agreements [Note 9 and note 23](#)
- ▶ Assessment of control (subsidiaries, joint arrangements and related entities including trusts) [Note 11, note 34 and note 39](#)
- ▶ Inventories [Note 12](#)
- ▶ Property, plant and equipment [Note 14](#)
- ▶ Impairment of goodwill [Note 16](#)
- ▶ Taxation [Note 17 and note 31](#)
- ▶ Determination of performance obligations and transaction price for residential property development revenue [Note 23](#)
- ▶ Determination of performance obligations and transaction price for memorial parks revenue [Note 23](#)
- ▶ Share-based payments [Note 35](#)

Notes to the consolidated financial statements *(continued)*

3. Material Accounting Policies *(continued)*

3.5 New standards and interpretations

3.5.1 Standards and interpretations issued and not yet effective

There are a number of new standards and amendments to new standards and interpretations which will only be effective after the 2026 year-end.

Topic	Key requirements and assessment	Effective date
IFRS 9 and IFRS 7: <i>Classification and Measurement of Financial Instruments</i>	<p>The amendments to IFRS 9 and IFRS 7 clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. The amendments clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (“SPPI”) criterion adding new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of ESG targets). The amendments make updates to the disclosures for equity instruments designated at fair value through other comprehensive income (“FVOCI”).</p> <p>Early adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the consolidated and separate financial statements.</p>	1 January 2026

Topic	Key requirements and assessment	Effective date
IFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	<p>Introduction of IFRS 18: <i>Presentation and Disclosure in Financial Statements</i>. The standard will change how companies present their results on the face of the income statement and disclose information in the notes to the financial statements. This includes disclosures of certain management performance measures – which will form part of the audited financial statements.</p> <p>IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.</p> <p>The Company is currently working to identify all impacts the new standard will have on the primary financial statements and notes to the consolidated and separate financial statements.</p>	1 January 2027
IFRS 19: <i>Subsidiaries without Public Accountability Disclosures</i>	<p>IFRS 19: <i>Subsidiaries without Public Accountability Disclosures</i>. This new standard will work alongside other IFRS Accounting Standards. An eligible subsidiary will apply the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead apply the reduced disclosure requirements of IFRS 19.</p> <p>The amendments are not expected to have a material impact on the consolidated and separate financial statements.</p>	1 January 2027

The Group is in the process of assessing the potential impacts of the above new standards and amendments on future reporting periods.

3. Material Accounting Policies *(continued)*

3.5 New standards and interpretations *(continued)*

3.5.2 Standards and interpretations issued not yet effective

Impact of standards issued and effective

Amendments to IAS 21: The effects of changes in foreign exchange rates. The amendments clarify when a currency is exchangeable into another currency, and how a company estimates a spot rate when a currency lacks exchangeability. The amendments had no impact on the Group.

3.6 Basis of consolidation

The consolidated and separate audited annual financial statements incorporate the financial statements of the Group and all its subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the Group. The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity. In the case of joint ventures, these entities are equity accounted, and are presented as single line items in the statement of comprehensive income and statement of financial position (refer to [note 10](#)). Transactions and balances with subsidiaries are eliminated on consolidation. Consistent accounting policies have been applied across the Group in the preparation of the consolidated and separate audited annual financial statements.

The Group treats transactions with non-controlling interests that do not result in a loss of control as equity transactions. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3.7 Impairment of non-financial assets

The Group assesses at each end of the reporting year whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Goodwill is tested annually for impairment regardless of any indicators of such.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an individual non-financial asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

That reduction is an impairment loss and is recognised directly in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but limited to the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss. An impairment loss in respect of goodwill is not reversed.

3.8 Provisions and contingencies

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event for which it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

The Group assesses at the end of each reporting period, whether or not contingent assets require disclosure. Probable and contingent liabilities are not recognised but rather disclosed in the notes to the financial statements if an outflow of resources is not remote. No contingent assets or liabilities existed at year-end.

3.9 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated and separate audited annual financial statements are presented in South African Rand, which is the Group's presentation currency.

3.10 Financial instruments

3.10.1 Classification and measurement of financial instruments

Under IFRS 9, on initial recognition, a financial asset is classified as measured at:

- ▶ Amortised cost;
- ▶ Fair value through other comprehensive income ("FVOCI"); or
- ▶ Fair value through profit or loss ("FVPL").

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flows characteristics.

Notes to the consolidated financial statements *(continued)*

3. Material Accounting Policies *(continued)*

3.10 Financial instruments *(continued)*

3.10.1 Classification and measurement of financial instruments *(continued)*

Financial assets

At initial recognition, the Group measures a financial asset, except for trade receivables which are initially recognised at transaction price under IFRS 15, at its fair value plus, in the case of financial asset not at FVPL, transaction cost that are directly attributable to the acquisition of the financial asset and it is subsequently measured at amortised cost.

Financial assets can be measured at amortised cost if the financial asset is held where the objective is to hold the financial asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All trade receivables, contract assets and loans to joint ventures are held based on the objective to collect the contractual cash flows and all contractual terms of these financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is used to determine the amortised cost of the relevant financial assets held at amortised cost. Interest income is recognised using the effective interest method for all financial assets measured at amortised cost.

Transaction cost of financial assets carried at FVPL are expensed in profit or loss.

Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other expenses.

Financial liabilities

At initial recognition the Group measures a financial liability at fair value less any transaction cost capitalised to the financial liability at initial recognition.

All of the Group's financial liabilities are classified as "financial liabilities at amortised cost" and are therefore subsequently measured at amortised cost.

3.10.2 Impairment

The Group assesses on a forward-looking basis the expected credit losses ("ECLs") associated with its financial asset instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group considers credit risk to have increased significantly when the outstanding balances exceed the expected contractual repayment dates. ECLs are a probability weighted estimate of credit losses.

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the original effective interest rate of the financial asset.

The Group has three types of financial and contract assets that are subject to the expected credit loss model:

- ▶ Loans to joint ventures
- ▶ Contract assets relating to construction contracts
- ▶ Trade receivables

Due to the trade receivables and contract assets being linked to long-term projects, the simplified approach has been applied to determine the lifetime expected credit losses for the relevant financial assets. A life time ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial asset.

The general expected credit loss model for loans to companies outside of the Group held at amortised cost has been applied. There has been no significant increase in the credit risk since initial recognition. The Group considers credit risk to have increased significantly when the outstanding balances exceed the expected contractual repayment dates. The Group considers a financial asset in default when contractual payments are 90 days past the contractual repayment dates.

The Group takes the following into account when determining the applicable ECL rates for financial and contract assets:

- ▶ The probability of each project achieving its budget and probability of misestimating the outcome of a project thus having a negative impact on the project results.
- ▶ The relevant stage of completion of the project. If the project is at a more advanced stage of completion the certainty of revenue and cost can more accurately be determined which would lower the overall risk of default.
- ▶ The improvement/decline in the recoverability of the receivable based on historical data. If the average number of days between invoice date and receipt date improved, the probability of default would be lower.
- ▶ If the project has government exposure and relies on subsidies provided by government to install the related infrastructure and services required.
- ▶ The nature of the outstanding debtors at year-end included in each distinct category will increase/decrease the value of the expected credit loss allowance.
- ▶ The impact of a cancellation of a project. The probability of this is higher for a project where ground construction has not yet commenced.

Notes to the consolidated financial statements *(continued)*

3. Material Accounting Policies *(continued)*

3.10 Financial instruments *(continued)*

3.10.2 Impairment *(continued)*

- ▶ The sovereign rating of the South African Government as a downgrade could result in increased pressure on government spending and thus decrease government subsidy availability.
- ▶ The general impact of the economy on these developments/projects. Low to middle income earners are in most circumstances significantly impacted by interest rates and employment levels; however, this risk is mitigated by the extreme housing shortage of this target market and the limited number of housing being developed in this market.
- ▶ Moody's investor services were used in combination with historical recovery rates on sovereign and municipal debts to determine a loss rate. This was then converted into forward-looking expected credit loss rates by applying three macroeconomic forecast for South Africa – Baseline (SO), Stronger near term recovery (S1) and Moderate Recession (S3).

The Group has taken the poor state of the South African economy and the economic growth forecast, high unemployment rates and other macroeconomic factors into account when determining the ECL rates. The geopolitical events currently have no impact on the Group's cash flow forecasts, this will be assessed on an ongoing basis.

Financial assets that exhibit similar credit risk and behaviour are grouped together. Credit risk exposure on financial assets can be classified within three distinct categories.

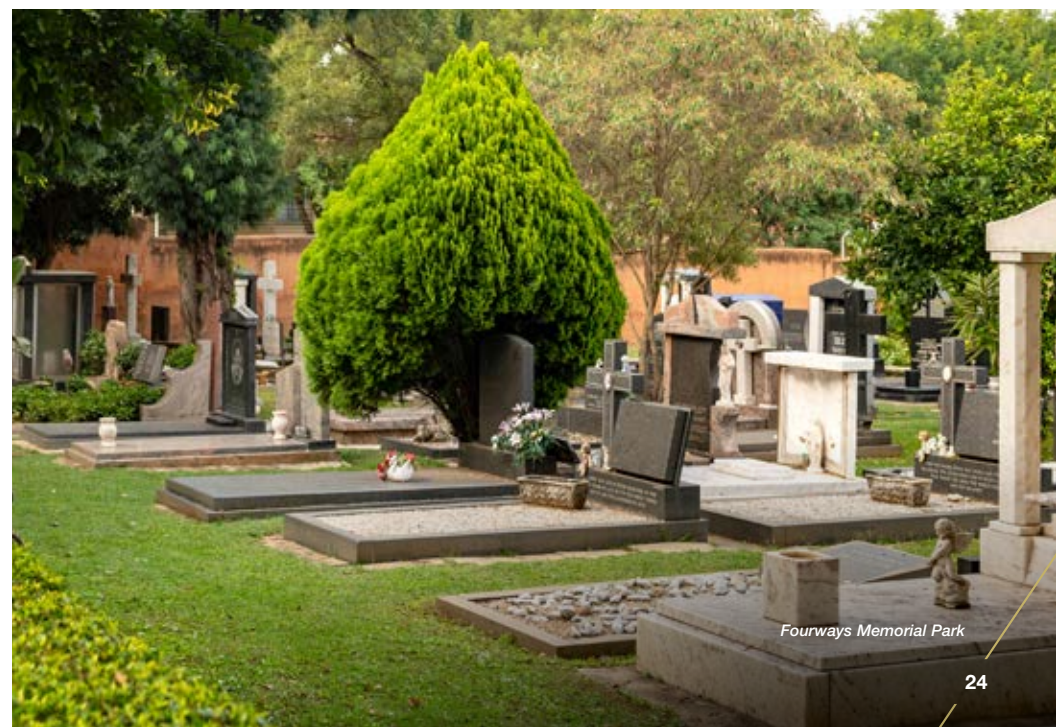
1. Government institution exposure – The exposure to Government is based on the type of project and units being constructed for Government institutions within the geographic of South Africa
2. Normal business risk exposure – The exposure to other corporate customers and businesses within the geographic of South Africa
3. Financial institution risk exposure – The exposure to local financial institutions within geographic of South Africa

The three distinct categories have been subdivided into their relevant stages of the projects within the Group for the current and prior financial year to further analyse the relevant ECLs applied to the relevant financial assets.

Based on the relevant exposures as described above all, the following expected credit loss rates have been applied:

	2026		
	1. Government institution exposure	2. Normal business risk exposure	3. Financial institution risk exposure
Rates to be utilised for the ECLs			
New projects/projects undertaken with higher exposure to government	1.19% – 1.61%		
Project at an early to advanced stage of completion	1.19% – 1.61%	1.19% – 6.19%	
Project backed by a financial institution at an early to advanced stage of completion	1.19% – 1.61%		1.91%
Specific exposure	0% – 100%	0% – 100%	0% – 100%

The relevant government institution exposure rate is determined by the exposure being of national government or a local municipality. Should the exposure be to a local municipality the relevant rate would be higher compared to national government.



Fourways Memorial Park

Notes to the consolidated financial statements (continued)

3. Material Accounting Policies (continued)

3.10 Financial instruments (continued)

3.10.2 Impairment (continued)

The concentration of gross carrying amount of financial assets relevant to the applicable ECL rates are as follows:

	1. Government institution exposure	2. Normal business risk exposure	3. Financial institution risk exposure	Total
Loans to joint ventures				
New projects with significant government exposure	-	-	-	-
Project at an early to advanced stage of completion	-	360 704 747	-	360 704 747
Project backed by a financial institution at an early to advanced stage of completion	-	-	41 053 348	41 053 348
Loans to joint ventures	-	360 704 747	41 053 348	401 758 095
Construction contracts – contract assets				
Project at an early to advanced stage of completion	149 370 126	182 786 136	-	332 156 262
Specific exposure	-	938 118 972	-	938 118 972
Construction contracts – contract assets	149 370 126	1 120 905 108	-	1 270 275 234
Trade receivables				
Project at an early to advanced stage of completion	200 149	153 023 696	-	153 223 845
Project backed by a financial institution at an early to advanced stage of completion	-	-	3 731	3 731
Specific exposure	58 678	4 040 805	-	4 099 483
Trade receivables	258 827	157 064 501	3 731	157 327 059

The rates applied in the previous financial year is as follows:

	2025		
	1. Government institution exposure	2. Normal business risk exposure	3. Financial institution risk exposure
Rates to be utilised for the ECLs			
New projects/projects undertaken with higher exposure to government	1.38% – 1.61%		
Project at an early to advanced stage of completion	1.38% – 1.61%	1.38% – 6.13%	
Project backed by a financial institution at an early to advanced stage of completion	1.38% – 1.61%		1,11%
Specific exposure	0% – 100%	0% – 100%	0% – 100%

The relevant government institution exposure rate is determined by the exposure being of national government or a local municipality. Should the exposure be to a local municipality the relevant rate would be higher compared to national government.



Notes to the consolidated financial statements *(continued)*

3. Material Accounting Policies *(continued)*

3.10 Financial instruments *(continued)*

3.10.2 Impairment *(continued)*

The concentration of gross carrying amount of financial assets relevant to the applicable ECL rates are as follows:

	1. Government institution exposure	2. Normal business risk exposure	3. Financial institution risk exposure	Total
Loans to joint ventures				
New projects with significant government exposure	165 006 545	–	–	165 006 545
Project at an early to advanced stage of completion	–	314 734 048	–	314 734 048
Project backed by a financial institution at an early to advanced stage of completion	–	–	13 378 088	13 378 088
Loans to joint ventures	165 006 545	314 734 048	13 378 088	493 118 681
Construction contracts – contract assets				
Project at an early to advanced stage of completion	174 835 340	55 765 148	–	230 600 488
Project backed by a financial institution at an early to advanced stage of completion	458 288 003	4 326 361	4 898 332	467 512 696
Specific exposure	–	393 911 487	–	393 911 487
Construction contracts – contract assets	633 123 343	454 002 996	4 898 332	1 092 024 671
Trade receivables				
Project at an early to advanced stage of completion	193 110	48 163 390	–	48 356 500
Project backed by a financial institution at an early to advanced stage of completion	9 009 686	–	–	9 009 686
Specific exposure	19 992 040	4 934 316	–	24 926 356
Trade receivables	29 194 836	53 097 706	–	82 292 542

The Group considers a financial asset to be credit impaired when one or more events have occurred:

- ▶ Financial difficulty being faced by the customer making it unlikely to receive payment;
- ▶ Liquidation or business rescue proceedings being instituted against a customer; and
- ▶ Significant downgrading of a credit rating of a customer.

Should the Group determine that a financial asset is credit impaired, it is excluded from that grouping for the purpose of calculating the ECL. A specific ECL rate is determined based on the assessment of the individual circumstances relevant to that financial asset and the events that lead to the credit impairment.

Financial assets are fully impaired when all efforts to collect the outstanding balance have been exhausted.

The Group holds the following categories of financial assets (pre ECL balance):

		2026	2025
Financial assets			
Financial assets at amortised costs			
Cash and cash equivalents	Note 6	183 722 961	154 722 535
Trade and other receivables**	Note 7	157 327 059	82 292 542
Construction contracts – contract assets	Note 9	1 270 275 234	1 092 024 671
Loans to joint ventures	Note 10	401 758 095	493 118 681
		2 013 083 349	1 822 158 429
Financial assets at fair value through profit or loss			
Investments	Note 13	20 669 356	19 196 470
		20 669 356	19 196 470

** Excluding non-financial assets.

Notes to the consolidated financial statements (continued)

3. Material Accounting Policies (continued)

3.10 Financial instruments (continued)

3.10.2 Impairment (continued)

	Gross carrying amounts 2026	ECL provision 2026	Gross carrying amounts 2025	ECL provision 2025	(Increase)/ decrease in ECL
Trade and other receivables	157 327 059	(3 124 334)	82 292 542	(9 537 498)	6 413 164
Construction contracts – contract assets	1 270 275 234	(15 192 569)	1 092 024 671	(10 988 850)	(4 203 719)
Loans to joint ventures	401 758 095	(14 292 086)	493 118 681	(19 774 657)	5 482 571
	1 829 360 388	(32 608 989)	1 667 435 894	(40 301 005)	7 692 016

2026 financial year

Reconciliation of expected credit losses on financial assets at amortised cost – 2026

		Expected credit loss model applied	Opening balance 1 March 2025	Current year movement	Closing balance 28 February 2026
Cash and cash equivalents	Note 6	General	–	–	–
Trade and other receivables	Note 7	Lifetime	9 537 498	(6 413 164)	3 124 334
Construction contracts – contract assets	Note 9	Lifetime	10 988 850	4 203 719	15 192 569
Loans to joint ventures	Note 10	General	19 774 657	(5 482 571)	14 292 086
			40 301 005	(7 692 016)	32 608 989

Reasons for the current year movements in the ECL balance

The Group has assessed that cash and cash equivalents has no ECL provision, due to the fact that cash and cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

- ▶ The main reason for the increase in trade and other receivables relates to a land sale in the Belhar Project, which is anticipated to be recovered in the short term. In addition, the receivables from sale of investment was settled in the current financial year (2025: R40.9 million), thus reducing the provision.
- ▶ Although the gross trade receivables balance increased, the expected credit loss allowance decreased due to the reassessment of ECL rates as well as a change in the underlying trade and other receivable balances.

Construction contracts – contract assets

- ▶ The overall provision increased due to the overall increase in the construction contracts balance.
- ▶ The balance of construction contracts are expected to fluctuate depending on the type of units under construction at any given stage. Large volumes of sectional title units under construction will result in the balance increasing and once the units are registered and handed over to the end-user, the balance will decrease dramatically at that point. In the current year, a number of sectional title units in Fleurhof and Jabulani still had to be transferred at year-end, which contributed to the increase in the overall balance. In addition, the gross balance increased due to significant infrastructure and internal services work being performed in the current financial year on all projects.
- ▶ The expected credit loss allowance increased due to the increase in the balance of construction contracts (before applying the expected credit loss allowance).

Loans to joint ventures

- ▶ The gross balance decreased due to the change in control in Bankenveld District City Proprietary Limited moving from a joint venture to a joint operation with the Company now being proportionately consolidated. This was countered by a loan advanced to Table View Properties Proprietary Limited.
- ▶ The expected credit loss allowance decreased due to the decrease in the balance of loans to joint ventures (before applying the expected credit loss allowance).

Notes to the consolidated financial statements *(continued)*

3. Material Accounting Policies *(continued)*

3.10 Financial instruments *(continued)*

3.10.2 Impairment *(continued)*

2025 financial year

Reconciliation of expected credit losses on financial assets at amortised cost – 2025

		Expected credit loss model applied	Opening balance 1 March 2024	Current year movement	Closing balance 28 February 2025
Cash and cash equivalents	Note 6	General	–	–	–
Trade and other receivables	Note 7	Lifetime	6 954 733	2 582 765	9 537 498
Construction contracts – contract assets	Note 9	Lifetime	10 374 304	614 546	10 988 850
Loans to joint ventures	Note 10	General	19 319 484	455 173	19 774 657
			36 648 521	3 652 484	40 301 005

Reasons for the prior year movements in the ECL balance

The Group has assessed that cash and cash equivalents has no ECL provision, due to the fact that cash and cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

- ▶ The main reason for the decrease in trade and other receivables relates to a decrease in debtors balances with government institutions exposure when compared to the prior year.
- ▶ Although the gross trade receivables balance decreased, the expected credit loss allowance increased due to the increase in ECL Rates applied to specified debtors.

Construction contracts – contract assets

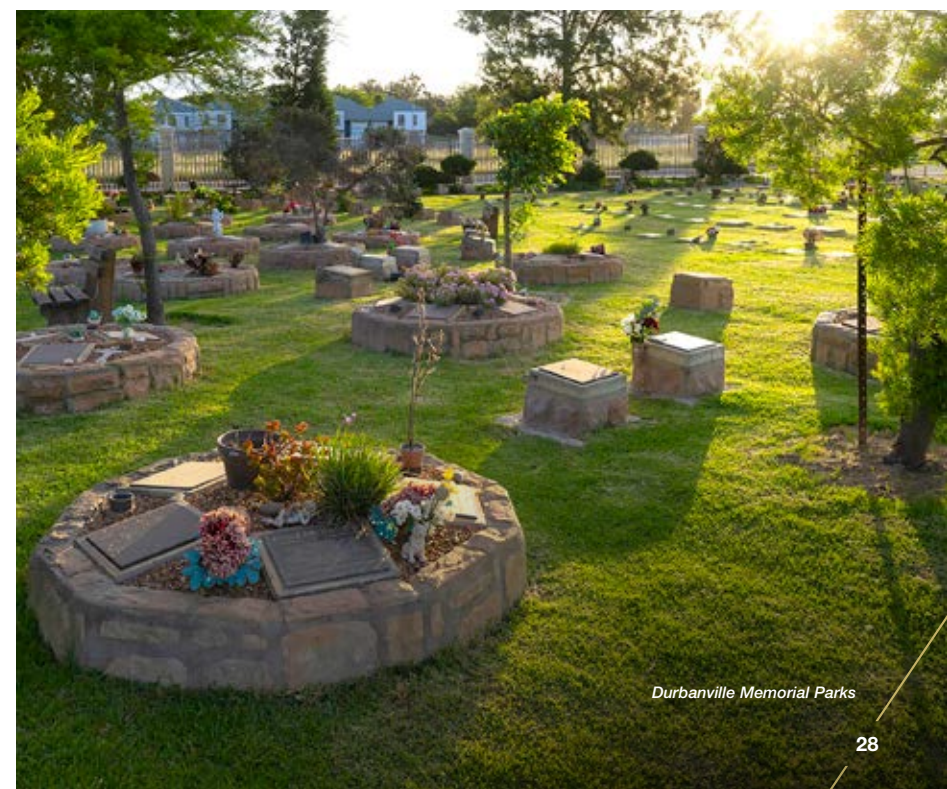
- ▶ The overall provision increased due to the overall increase in the construction contracts balance.
- ▶ The balance of construction contracts are expected to fluctuate depending on the type of units under construction at any given stage. Large volumes of sectional title units under construction will result in the balance increasing and once the units are registered and handed over to the end-user, the balance will decrease dramatically at that point. In the prior year, a number of sectional title units in Fleurhof and Jabulani still had to be transferred at year-end, which contributed to the increase in the overall balance. In addition, the gross balance increased due to significant infrastructure and internal services work being performed in the current financial year on all projects.
- ▶ The expected credit loss allowance increased due to the increase in the balance of construction contracts (before applying the expected credit loss allowance).

Loans to joint ventures

- ▶ The gross balances increased due to an increase of R110 million of the loan to Bankenveld District City Proprietary Limited. These increases are due to the exercise of land purchase liability and normal trading activities. This was partially offset by the settlement of one of the loans with Witpoortjie Calgro M3 Development Company Proprietary Limited in the prior financial year (2024: R34 million).
- ▶ The expected credit loss allowance increased due to the increase in the balance of loans to joint ventures (before applying the expected credit loss allowance).

		2026	2025
Financial liabilities			
Financial liabilities at amortised cost			
Trade and other payables**	Note 19	214 090 444	286 306 157
Borrowings	Note 20	1 380 291 293	1 105 722 194
		1 594 381 737	1 392 028 351

** Excluding non-financial liabilities.



Notes to the consolidated financial statements *(continued)*

4. Risk management

4.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the Executive Committee that identifies and evaluates financial risks, in close cooperation with the Group's Board of Directors that are responsible for overall risk management, as well as guidance that cover specific areas, such as interest rate risk and credit risk, and investment of excess funds.

(a) Market risk (cash flow interest rate risk)

The Group's interest rate risk arises mainly from its borrowings (refer to [note 20](#)) and loans to joint ventures (refer to [note 10](#)).

The interest rate exposure is monitored and managed by the Executive Committee and has not been hedged in the current year. The Executive Committee monitors the cash flows relating to borrowings, interest-bearing loans, interest-bearing trade payables and interest-bearing trade receivables, i.e. interest paid or received, more so than the changes in the interest rate. Refer to the statement of cash flows for more information on interest paid and interest received.

The impact on post-tax profit of a 2% shift in the interest rate would be a maximum increase/decrease of:

	2026	2025
2% increase/(decrease) on finance income on interest-bearing assets	9 082 872	4 846 229
2% increase/(decrease) on finance charges on interest-bearing borrowings	19 826 800	15 799 406

A 2% shift is considered appropriate by management taking into account the current economic environment in which the Group operates.

(b) Credit risk

Credit risk consist mainly of contract assets, loans to joint ventures, cash deposits and cash equivalents and trade and other receivables (including retention debtors). The Group only deposits cash with major banks with a minimum rating of "BB" and limits the exposure to any one counter party. Trade and other receivables comprise a widespread customer base. Customers include government institutions, private sector entities and individuals. Management evaluates credit risk relating to trade debtors (excluding trade receivables owing by joint ventures) on an ongoing basis taking into account their financial position, past experience and other factors. Credit

risk is limited due to the nature of trade debtors which consist of outstanding draw downs from banks and government institutions. In cases where management deems the risk level to be unacceptable, payment guarantees or collateral are insisted upon.

The Group considers its credit risk relating to the loans and trade receivables owing by joint ventures on a case by case basis. Any credit risk related to loans to joint ventures is mitigated by the fact that management has insight into the financial position of the joint ventures as a result of the joint venture relationship.

For loans to joint ventures, loan receivables, trade and other receivables (including retention debtors), and cash and cash equivalents, the maximum exposure to credit risk is limited to what is disclosed in the statement of financial position.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, as well as the availability of funding through an adequate amount of committed credit facilities.

Due to the dynamic nature of the underlying businesses, the Executive Committee maintains flexibility in funding by maintaining availability under committed credit lines.

The Group manages liquidity risk by monitoring forecasted cash flows.

The Group strives to match the maturity profile of borrowings with expected cash flows from the development projects.

A specific liquidity risk associated with the Group is the raising of loans at specified dates of repayment, against delivery of construction projects that have the same maturity profile.

The related cash inflows from these construction projects are, however, uncertain and dependent on factors not under the control of the Group.

The financial liabilities to be settled within one year will be funded by cash and cash equivalents as well as the realisation of trade and other receivables and construction contracts.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining years at the reporting year date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows which include future interest payable. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the consolidated financial statements *(continued)*

4. Risk management *(continued)*

4.1 Financial risk management *(continued)*

(c) Liquidity risk *(continued)*

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Total
2026						
Financial instruments recognised in the statement of financial position						
Borrowings (including future interest)	224 317 034	418 320 002	600 869 308	371 945 381	132 482 210	1 747 933 935
Trade and other payables	193 529 600	–	–	–	–	193 529 600
	417 846 634	418 320 002	600 869 308	371 945 381	132 482 210	1 941 463 535
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Total
2025						
Financial instruments recognised in the statement of financial position						
Borrowings (including future interest)	325 999 117	336 547 424	322 589 861	358 986 075	95 374 250	1 439 496 727
Trade and other payables	263 380 277	–	–	–	–	263 380 277
	589 379 394	336 547 424	322 589 861	358 986 075	95 374 250	1 702 877 004

The above amounts will be repaid by utilising cash generated from operations, available cash, working capital facilities and the refinancing of borrowings. Please refer to [note 22](#) for the detail on the lease liabilities.

The Group has overdraft facilities with a major South African bank to the value of R100 000 000 (2025: R100 000 000). The balance of the utilisation of the overdraft facility at the year-end was Rnil (2025: Rnil).



Notes to the consolidated financial statements *(continued)*

4. Risk management *(continued)*

4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Group monitors capital on the basis of its Net Debt/Equity ratio. The maximum allowed Net Debt/Equity ratio for the Group is 1.5:1.

Net Debt/Equity ratio

This ratio is calculated as Net Debt divided by Equity. Net Debt is calculated as total interest-bearing borrowings less cash and cash equivalents. Equity is calculated as the total equity per the statement of financial position (excluding share-based payment reserve).

		2026	2025
Net debt			
Borrowings (excluding interest accruals)	Note 20	1 350 594 405	1 082 151 089
Less: Cash and cash equivalents	Note 6	(183 722 961)	(154 722 535)
		1 166 871 444	927 428 554
Equity			
Stated capital		28 389 249	33 909 646
Retained income		1 541 080 847	1 396 026 833
		1 569 470 096	1 429 936 479
Net Debt/Equity ratio		0.74	0.65

The Group monitors capital repayments and interest serviceability on the basis of its Debt Service Cover ratio (DSCR). The minimum allowed DSCR ratio for the Group is 1.2.

Debt Service Cover ratio (DSCR)

This ratio is calculated as available cash flow divided by debt service requirement. Available cash flow is calculated as cash generated from/(utilised in) operating activities plus new financial indebtedness incurred plus cash and cash equivalent at the beginning of the year less the aggregate amount spent on the purchase of property, plant and equipment, purchase of intangible assets, acquisition of businesses, acquisition of subsidiaries, and loans advanced to joint ventures for investment purposes (Capex).

Debt service requirement is calculated as interest and fees plus principal repayments.

		2026	2025
Available cash flow			
Cash generated from operating activities	Note 32	(14 786 334)	107 900 112
New financial indebtedness incurred		566 425 000	305 000 000
Cash and cash equivalent – Beginning of year		154 722 535	122 638 021
Capex		(122 429 203)	(133 417 894)
		583 931 998	402 120 239
Debt service requirement			
Interests and fees		(82 351 366)	(72 904 681)
Finance income		55 243 349	63 092 531
Finance cost		(135 639 469)	(134 104 505)
Fees		(1 955 246)	(1 892 707)
Principal repayments		(297 500 000)	(158 000 000)
		(379 851 366)	(230 904 681)
Debt Service Cover ratio (DSCR)		1.54	1.74

Refer to the consolidated statement of cash flows for the above balances.

Notes to the consolidated financial statements *(continued)*

4. Risk management *(continued)*

4.2 Capital risk management *(continued)*

The Group monitors capital on the basis of its liquidity ratio. The minimum allowed liquidity ratio for the Group is 1.2:1.

Liquidity ratio

This ratio is calculated as the ratio of Current Assets to Current Liabilities as defined. The Group monitors capital on the basis of its liquidity ratio.

Current assets has been defined as cash and cash equivalents, trade and other receivables, construction contracts, current tax receivable, inventories and loans to joint ventures.

Current liabilities has been defined as trade and other payable, current tax liabilities and borrowings.

	2026	2025
Current assets		
Cash and cash equivalents	183 722 961	154 722 535
Trade and other receivables	159 624 687	82 703 391
Current income tax assets	1 743 347	288 717
Construction contracts	2 107 206 825	1 668 283 132
Loans to joint ventures	387 466 009	473 344 024
Inventories	456 368 002	519 568 023
	3 296 131 831	2 898 909 822
Current liabilities		
Trade and other payables*	263 334 249	310 925 099
Current income tax liabilities	239 410	58 276
Borrowings	1 380 291 293	1 105 722 194
Maintenance provision*	66 328 209	57 720 206
	1 710 193 161	1 474 425 775
Liquidity ratio	1.93	1.97

* The Maintenance provision has been reclassified from trade and other payables (previously "Maintenance liability – Memorial Parks") to a separate line item in the current period. This presentation better reflects its nature as a provision for future maintenance obligations, rather than a payable.

Liquidity ratio

Refer to the consolidated statement of financial position for the above balances.

Funding requirements

The Group monitors capital from funders on the basis of its Debt Service Cover ratio and its Net Debt/Equity ratio (as above). The minimum allowed Debt Service Cover ratio for the Group is 1.2 and the maximum Net Debt/Equity ratio is 1.5:1.

5. Fair values

Financial instruments

To determine the fair value of the financial instruments, future contractual cash flows are discounted using current market interest rates available to the Group for similar financial instruments.

With the exception of the Group's borrowings and investments, the financial instruments' carrying values approximate their fair values, due to the short-term nature of the instruments.

These investments (refer to [note 12](#)) are accounted for at fair value through profit or loss.

Fair value table

The table below analyses the valuation levels used to determine the fair values of the applicable line items in the statement of financial position.

Level no	Level definition
1.	Quoted prices (unadjusted) in active markets for identical assets or liabilities
2.	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
3.	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

Notes to the consolidated financial statements *(continued)*

5. Fair values *(continued)*

Fair value table *(continued)*

Comparison of carrying and fair values of applicable line items in the statement of financial position:

		Fair value					
		Carrying values		Level 2		Level 3	
		2026	2025	2026	2025	2026	2025
Assets							
Trade and other receivables	Note 7	157 327 059	82 292 542	–	–	157 327 059	82 292 542
Loans to joint ventures	Note 10	401 758 095	493 118 681	–	–	401 758 095	493 118 681
Investments [%]	Note 13	20 669 356	19 196 470	–	–	20 669 356	19 196 470
Investment property	Note 15	32 497 786	22 492 889	–	–	32 497 786	22 492 889
Liabilities							
Trade and other payables	Note 19	214 090 444	286 304 157	–	–	214 090 444	286 304 157
Borrowings – Bond Exchange	Note 20	393 961 370	372 763 968	393 961 370*	372 763 968*	–	–
Borrowings – other	Note 20	993 735 518	738 768 328	–	–	993 735 518	738 768 328

[%] Based on prices for Unit Trusts held by reputable financial institutions containing local equity instruments, bonds and cash.

* Based on quoted prices on the Bond Exchange.

Other borrowings are carried at amortised cost which approximates the fair value, when excluding transaction cost amortised.

The carrying values for loans to and from joint ventures, trade and other receivables and trade and other payables are a reasonable approximation of their fair value. The balances exclude any non-financial instruments. Refer to [note 3.10](#) for details on financial instruments.

Non-financial instruments

The value of investment properties as at 28 February 2026 was determined by management using the Discounted Cash Flow (“DCF”) method. This method takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to prevailing market levels. Properties are valued by discounting the expected future net income for a specific period at an appropriate discount rate to give the present value of the expected net income cash flow. The net income is determined taking into account the gross income, vacancies and lease obligations from which is deducted all normalised operating expenditure. The fair value increased from R22 492 889 in the prior year to R32 497 786 in the current year. The increase in fair value was driven by changes in the assumptions that determines the fair value of the investment property. The changes in these assumptions relate to rental growth, vacancy adjustments and capitalisation rate changes.

Sensitivity analysis

Management has assessed the impact of reasonably possible changes in capitalisation rates on the fair value of investment property:

- ▶ A 5% increase in capitalisation rates would reduce the fair value of the portfolio by approximately R1.4 million.
- ▶ A 5% decrease in capitalisation rates would increase the fair value of the portfolio by approximately R1.5 million.

Notes to the consolidated financial statements *(continued)*

6. Cash and cash equivalents

Accounting policy

Cash and cash equivalents includes cash on hand and deposits held on call with banks and are measured at amortised cost.

Cash and cash equivalents include the following for the purposes of the statement of cash flows.

	2026	2025
Cash on hand	2 900	3 153
Bank balances	183 720 061	154 719 382
	183 722 961	154 722 535

7. Trade and other receivables

Accounting policy

Trade receivables are financial assets measured at amortised cost. Refer to the financial instruments accounting policy in [note 3.10](#) for further information.

Credit terms of external trade receivables and trade receivables with related parties are generally 30 days from statement date.

Significant estimates and judgements

The Group applies an expected credit loss provision (ECL) on the financial asset balances. Refer to [note 3.10.2](#) for the relevant method and judgement applied.

	2026	2025
Financial instruments		
Trade receivables – total	153 582 002	34 808 715
Trade receivables – third parties	116 804 679	30 987 343
Third parties – trade receivables	116 804 679	30 987 343
Trade receivables – related parties	36 777 323	3 821 372
Other receivables	3 039 577	5 904 999
Receivable from sale of investment*	48 750	40 922 098
Securing deposits@	656 730	656 730
Gross financial instruments	157 327 059	82 292 542

	2026	2025
Expected credit loss allowance	(3 124 334)	(9 537 498)
Total net financial instruments	154 202 725	72 755 044
Non-financial instruments		
Value added tax	5 421 962	9 948 347
Total non-financial instruments	5 421 962	9 948 347
Total trade and other receivables	159 624 687	82 703 391
Trade and other receivables to be realised within 12 months	143 119 990	76 141 662
Trade and other receivables to be realised after 12 months	16 504 697	6 561 729
	159 624 687	82 703 391

* This relates to the outstanding receivable for the sale of MS5 Pennyville Proprietary Limited which accrues interest at 20% on a monthly basis.

@ Deposits paid to secure land for future projects in the prior years.

Trade receivables fully performing

At 28 February 2026, trade receivables of R148 779 605 (2025: R4 536 660) were fully performing. Full performing receivables are expected to be recovered within the normal operating cycle of the business.

Trade receivables from related parties

	2026	2025
South Hills Development Company Proprietary Limited	36 633 469	3 677 518
Witpoortjie Calgro M3 Development Company Proprietary Limited	143 854	143 854
Total	36 777 323	3 821 372

Trade receivables owing from related parties were granted in the normal course of business within the Group's operating cycle.

The due dates for amounts are determined specifically for each related party. The Group's management has insight into the financial position of all joint ventures as at 28 February 2026 and does not believe that there are indicators that these amounts are impaired at year-end. The Group does, however, raise expected credit loss provisions on the receivable balances. These receivables bear interest at market-related rates. Please refer to [note 10](#) for summarised financial information as well as detailed analysis of joint venture relationships.

Notes to the consolidated financial statements *(continued)*

7. Trade and other receivables *(continued)*

Trade receivables – third parties past due but not impaired

At 28 February 2026, trade receivables of R4 802 397 (2025: R30 272 055 were past due but not impaired).

A relevant expected credit loss provision has been raised for trade receivables. Refer to [note 3.10.2](#).

Ageing of trade receivables – third parties

	Other debtors	
	2026	2025
Less than 30 days	112 002 282	715 288
30 days and older	4 802 397	30 272 055
Total	116 804 679	30 987 343

The maximum exposure to credit risk for these instruments at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security for trade and other receivables. Refer to [note 3.10.2](#) for details of financial instruments.

8. Current income tax assets/(current income tax liabilities)

	2026	2025
Opening balance	230 441	(368 859)
Local income tax – current year (note 31)	(2 716 478)	(2 060 427)
Payments during the current year (note 33)	3 890 706	2 659 727
Balance from joint operations	99 268	–
Closing balance	1 503 937	230 441
Current income tax receivable	1 743 347	288 717
Current income tax liabilities	(239 410)	(58 276)
	1 503 937	230 441

9. Construction contracts

Accounting policy

The accounting policy for construction contracts needs to be read in conjunction with the accounting policy for revenue in [note 23](#).

Construction contracts consist of both contract assets and cost incurred to be allocated to future contract assets when the Group enters into an agreement with a customer.

Future cost to be allocated to contract assets are cost incurred on the development of land which includes cost such as direct labour, materials, professional/consulting services, commissions and allocation of overhead cost which relate directly to the development of the land. These costs are only allocated to the individual units when a contract is entered into with a customer to purchase the relevant unit.

Contract assets arise on the basis that cost are incurred to satisfying performance obligations, the related payment and timing is determined based on each individual contract. These costs include costs to fulfill a contract and includes costs such as direct labour, materials, professional/consulting services, commissions and allocation of overhead costs which relate directly to satisfy performance obligations of the contract. Contract assets are recovered from the customer when the relevant performance obligations are completed and payment can be obtained from the customer.

If costs are incurred on a contract without a corresponding payment received it is shown as a contract asset at the reporting period. If the customer has paid in advance for performance obligations to be satisfied it's shown as a contract liability within trade and other payables (refer to [note 19](#)).

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

Costs incurred during the year related to future activity on a contract are excluded from contract assets. They are presented as cost incurred to be allocated to future contract assets, depending on their nature that will be assessed on a case by case basis.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings that are invoiced but not yet paid by customers as well as retentions, if any, are included within "trade and other receivables" (refer to [note 7](#)).

The transaction price for each performance obligation is the contractually stipulated price and represents the stand-alone selling price at the time when the contract is entered into with the customer.

Notes to the consolidated financial statements *(continued)*

9. Construction contracts *(continued)*

Significant estimates and judgements

The Group uses the “percentage-of-completion” method (also known as the input method) in accounting for its “Over-time” construction contracts where control is transferred to a customer over a period of time. Use of the “percentage-of-completion” method requires the Group to estimate the construction services and activities performed to date as a proportion of the total services and activities to be performed. The Group performs this by comparing actual cost incurred on a unit/dwelling/project compared to the forecasted cost of the unit/dwelling/project which equates to the percentage of work completed (“percentage of completion”). The corresponding percentage of revenue is then recognised in that period.

The Group allocates non-unit specific cost (future contract costs) which includes land, infrastructure, town planning and other project-related cost based on approved feasibilities. Estimates are made by management to calculate the forecasted cost of a project which includes non-unit specific cost to be allocated to units as and when they are constructed. The estimates used are in terms of an approved feasibility study. Refer to [note 21](#) for further details on how management forecasts are prepared and approved.

The Group applies an expected credit loss provision (“ECL”) on the contract asset balances. Refer to [note 3.10.2](#) for the relevant method and judgement applied.

	2026	2025
Net statement of financial position balance for ongoing contracts – Opening balance	1 667 463 482	1 352 054 124
The aggregate costs incurred and recognised profits for the current year	1 104 371 420	929 263 370
Less: Progress billings for the current year	(664 680 872)	(613 854 012)
Net statement of financial position balance for ongoing contracts – closing balance	2 107 154 030	1 667 463 482
Excess billings over work done classified under trade and other payables	15 245 364	11 808 500
Provisions for expected credit losses on contract assets	(15 192 569)	(10 988 850)
Gross statement of financial position balance for ongoing contracts – closing balance	2 107 206 825	1 668 283 132
Construction contracts to be realised within 12 months	831 296 364	658 140 286
Construction contracts to be realised after 12 months	1 275 910 461	1 010 142 846
	2 107 206 825	1 668 283 132

	2026	2025
Disaggregated construction contracts – Gross of expected credit loss provisions		
Infrastructure – contract assets	795 999 394	605 240 808
Fully and partially subsidised units – contract assets	366 900 018	429 579 040
Non-subsidised units – contract assets	107 375 822	57 204 823
Contract assets	1 270 275 234	1 092 024 671
Future contract asset costs		
Development cost for future contract assets [#]	852 124 160	587 247 311
	2 122 399 394	1 679 271 982
Reconciliation of construction contracts		
Contract assets	1 270 275 234	1 092 024 671
Provisions for expected credit losses on contract assets	(15 192 569)	(10 988 850)
Development cost for future contract assets [#]	852 124 160	587 247 311
Statement of financial position balance for construction contracts	2 107 206 825	1 668 283 132

[#] As part of the developments, there are certain costs incurred in the current year that will only be allocated to contracts with specific performance obligations in the future. These costs are disclosed as “Development cost for future contract assets” as part of the construction contracts balance. These costs, therefore, are a form of inventory but have no related contract with a customer yet due to the long-term nature of property development. Therefore these activities have no revenue or profit impact and as such, have been excluded from the input method when calculating the percentage of completion. The costs incurred for future contract assets is accounted for as part of the construction contracts balance due to the nature of the expenses (property development), but they are not treated as contract assets on which profit and expected credit losses are recognised.

The normal operating cycle for construction contracts is considered to be longer than 12 months.

The expected aggregate revenue still to be recognised on the contract asset balance is currently in excess of R2 107 206 825 (2025: R1 668 283 132). The majority is expected to realise within the next five years.

Borrowing costs to the value of R102 143 192 (2025: R63 728 343) have been capitalised ([note 30](#)).

Notes to the consolidated financial statements *(continued)*

10. Loans to joint ventures

Accounting policy

These loans are recognised initially at fair value plus direct transaction costs and subsequently measured at amortised cost.

Significant estimates and judgements

The Group applies an expected credit loss provision (“ECL”) on the joint venture loan balances using the general approach. Refer to [note 3.10.2](#) for the relevant judgements applied.

	Interest rate	Expected repayment date	2026	2025
Loans to joint ventures				
South Hills Development Company Proprietary Limited (unsecured)	Prime plus 2%	28 February 2027	6 931 190	13 209 984
Table View Properties Proprietary Limited (unsecured)	Prime plus 2%	28 February 2029	34 122 158	168 104
Witpoortjie Calgro M3 Development Company Proprietary Limited (unsecured)	Prime plus 2%	28 February 2028	360 704 747	314 734 049
Bankenveld District City Proprietary Limited (unsecured)*	Interest free	On demand	–	165 006 544
Principal loan amounts			401 758 095	493 118 681
Expected credit loss allowance			(14 292 086)	(19 774 657)
Loans to joint ventures			387 466 009	473 344 024
Principal loan amounts				
Loans to be realised within 12 months			6 931 190	178 216 528
Loans to be realised after 12 months			394 826 905	314 902 153
			401 758 095	493 118 681

* Please refer to [note 39](#) for the change in investment in joint venture to investment in joint operations.

Please refer to [note 3.10.2](#) for ECLs (expected credit losses) provided for on loans to joint ventures. Expected credit losses take into account the expected credit losses that will result from all possible default events over the expected life of a financial asset.

11. Investment in joint ventures

Accounting policy

Joint ventures are companies in which the Group has an investment where it, along with one or more other shareholders has contractually agreed to share control of the business and where the decisions about relevant activities require the unanimous consent of the joint investment partners. In both cases, the Group equity accounts these investments resulting in the Group's statement of comprehensive income reflecting its share of the entity's profit or loss after tax and the statement of financial position records the Group's share of the net assets.

When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures, unless the transaction provides evidence of an impairment of the asset transferred.

Significant judgement and source of estimation uncertainty

The Group holds more than 50% of the shareholding in the below entities. Refer below to the judgements management exercised in determining whether or not it has joint control over the various entities.

	% voting power 2026	% voting power 2025	% holding 2026	% holding 2025	Carrying amount 2026	Carrying amount 2025
Joint ventures						
Witpoortjie Calgro M3 Development Company Proprietary Limited [^] #	50.00%	50.00%	88.33%	84.16%	3 236 888	2 133 365
South Hills Development Company Proprietary Limited [^]	50.00%	50.00%	57.50%	57.50%	107 022 234	94 664 782
Table View Properties Proprietary Limited [*]	50.00%	50.00%	60.43%	58.34%	38 721 904	31 800 000
Bankenveld District City Proprietary Limited [§]	50.00%	50.00%	50.00%	50.00%	–	8 011 907
					148 981 026	136 610 054

[§] Please refer to [note 39](#) for the change in investment in joint venture to investment in joint operations.

[^] Although the Group has majority shareholding in these entities, it does not have control of the Company as the Board comprises an equal number of representatives from both the Group as well as the minority shareholder. Both parties have equal voting rights, irrespective of the percentage shareholding or representation on the Board of Directors. Any decision regarding the relevant activities of these entities that significantly affect the returns of the entity are made with the unanimous consent of both parties.

[#] On 1 April 2025, the Group increased its shareholding in the Witpoortjie joint venture by R1 000 000. The increase in shareholding had no change in control.

^{*} On 31 March 2025, the Group increased its shareholding in the Table View joint venture by R7 000 000. The increase in shareholding had no change in control. The Group has a 60.43% (2025: 58.34%) shareholding in this entity and it does not have control of the Company as both parties have equal voting rights, and representation on the Board of Directors. Any decision regarding the relevant activities of this entity that significantly affects the returns of the entity are made with the unanimous consent of both parties.

The Group only shares in the above joint ventures' net assets, as opposed to having a direct rights to the assets and obligations for the liabilities.

The joint ventures are managed by Steering Committees that contain an equal number of representatives from both the Calgro M3 Group as well as the other shareholders.

The Steering Committees meet on a regular basis to discuss the relevant activities of the project. These activities include the authorisation of budgets, project feasibilities, cash flow forecasts, distributions, potential variation orders, cost over runs, determination of sales prices and the appointment of all contractors and professional teams. Any decisions related to the relevant activities that significantly affect the returns of the entity need to carry the unanimous consent of both joint venture partners, irrespective of the number of representatives a party has on the Steering Committee or directorate of the respective company.

Notes to the consolidated financial statements *(continued)*

11. Investment in joint ventures *(continued)*

Other than loans to joint ventures (note 10), trade and other receivables (note 7) and related party transactions (note 37) which arose in the ordinary course of business, the Calgro M3 Group has no further financial risks associated with these joint ventures.

The Group has no obligation to carry losses over and above its investment into the joint ventures.

The projects which are managed by each joint venture are as follows:

Name of Company	Name of project	Segment
Witpoortjie Calgro M3 Development Company Proprietary Limited	Witpoortjie	Residential Property Development
South Hills Development Company Proprietary Limited	South Hills	Residential Property Development
Table View Properties Proprietary Limited	Vredehoek	Residential Property Development

The place of business for all joint ventures is South Africa.

The functional currency of all joint ventures is South African Rand.

All the year-ends of joint ventures are consistent with those of the Group.

Summary of share of profit/(loss) of joint ventures – from the statement of comprehensive income below:

	2026	2025
Companies currently accounted for as joint ventures		
Witpoortjie Calgro M3 Development Company Proprietary Limited	103 523	133 365
South Hills Development Company Proprietary Limited	12 357 452	33 243 539
Table View Properties Proprietary Limited	(78 097)	–
Bankenveld District City Proprietary Limited [§]	11 599 528	9 497 362
	23 982 406	42 874 266

[§] Please refer to note 39 for the change in investment in joint venture to investment in joint operations.

	Witpoortjie Calgro M3 Development Company Proprietary Limited		South Hills Development Company Proprietary Limited	
	2026	2025	2026	2025
Statement of financial position				
Assets				
Cash and cash equivalents	765	1 041	4 739	4 739
Trade and other receivables	205 358	126 494	27 766 523	64 219 459
Current income tax asset	–	–	160	356
Inventories/construction contracts	411 264 420	363 515 581	331 652 218	271 952 375
Deferred income tax asset	17 704	61 052	–	–
Total assets	411 488 247	363 704 168	359 423 640	336 176 929
Equity and liabilities				
Equity				
Share capital	–	–	120	120
Retained income/(accumulated loss)	293 074	175 874	188 253 167	166 761 944
Total equity	293 074	175 874	188 253 287	166 762 064
Liabilities				
Bank overdraft	–	–	39 047 992	39 856 437
Trade and other payables	143 854	309 064	47 422 563	14 906 029
Current income tax liabilities	–	–	–	–
Borrowings	50 346 572	48 485 182	–	–
Loans from shareholders	360 704 747	314 734 048	13 863 680	51 766 295
Deferred income tax liability	–	–	70 836 118	62 886 104
Total liabilities	411 195 173	363 528 294	171 170 353	169 414 865
Total equity and liabilities	411 488 247	363 704 168	359 423 640	336 176 929

Notes to the consolidated financial statements *(continued)*

11. Investment in joint ventures *(continued)*

	Witpoortjie Calgro M3 Development Company Proprietary Limited		South Hills Development Company Proprietary Limited		Witpoortjie Calgro M3 Development Company Proprietary Limited		South Hills Development Company Proprietary Limited	
	2026	2025	2026	2025	2026	2025	2026	2025
Statement of comprehensive income								
Revenue	–	83 662 705	85 079 564	235 636 744				
Cost of sales	–	(83 662 705)	(55 798 547)	(142 430 078)				
Gross profit	–	–	29 281 017	93 206 666				
Other income	107 360	–	–	–				
Administrative expenses	(4 663)	(12 504)	(3 256)	–				
Net expected credit losses on financial and contract assets	57 852	–	163 476	(926 641)				
Finance income	–	1 602	–	544				
Finance costs	–	–	–	–				
Profit/(loss) before tax	160 549	(10 902)	29 441 237	92 280 569				
Taxation	(43 349)	825	(7 950 014)	(24 915 607)				
Profit/(loss) after taxation	117 200	(10 077)	21 491 223	67 364 962				
Other comprehensive income	–	–	–	–				
Total comprehensive income/(loss)	117 200	(10 077)	21 491 223	67 364 962				
Reconciliation of financial information								
Reconciliation of the information presented to the carrying amount of its interest in the joint venture.								
Summarised financial information								
Opening net assets/(liabilities) at 1 March	175 874	185 951	166 762 064	97 461 870				
Opening balance adjustment to retained earnings	–	–	–	1 935 232				
(Loss)/profit after tax	117 200	(10 077)	21 491 223	67 364 962				
Closing net assets/(liabilities)	293 074	175 874	188 253 287	166 762 064				
Interest in joint venture at 88.33%, 84.16% and 75.83%	236 888	133 365	–	–				
Interest in joint venture at 42.5%	–	–	60 132 788	60 132 788				
Interest in joint venture at 57.50% – After acquisition of rights	–	–	26 889 447	14 531 995				
Purchase of rights cession	–	–	19 999 999	19 999 999				
Increase in investment	3 000 000	2 000 000	–	–				
Carrying value	3 236 888	2 133 365	107 022 234	94 664 782				
Reconciliation of investment in joint venture								
At 1 March	2 133 365	1 000 000	94 664 782	41 421 244				
Share of opening balance adjustment to retained earnings	–	141 007	–	822 475				
Share of profit at 84.16%	–	(7 642)	–	–				
Share of profit at 88.33%	103 523	–	–	–				
Share of profit at 42.50% (1 March 2024 – 31 August 2024)	–	–	–	17 889 069				
Share of profit at 57.50% – After acquisition of rights (1 September 2024 – 28 February 2026)	–	–	12 357 452	14 531 995				
Net share of profit for the year (limited to carrying amount of investment)	103 523	133 365	12 357 452	33 243 539				
Purchase of rights cession	–	–	–	19 999 999				
Increase in investment	1 000 000	1 000 000	–	–				
Net carrying value	3 236 888	2 133 365	107 022 234	94 664 782				
The impact of the cash flows on the Group consists of the following:								
Cash (outflow)/inflow from construction activities (net movement in trade debtors)	–	–	(32 955 951)	7 304 361				
Cash outflow from investing activities	(1 000 000)	(1 000 000)	–	(6 300 000)				
Cash inflow for loans from joint ventures	42 423 487	56 341 033	7 200 887	27 672 667				
Cash outflow for loans to joint ventures	(45 970 698)	(60 459 807)	(730 274)	(34 646 976)				
Net cash flows on the Group from joint ventures	(4 547 211)	(5 118 774)	(26 485 338)	(5 969 948)				

Notes to the consolidated financial statements (continued)

11. Investment in joint ventures (continued)

	Table View Properties Proprietary Limited		Bankenveld District City Proprietary Limited ^s	
	2026	2025	2026	2025
Statement of financial position				
Assets				
Cash and cash equivalents	316	855	–	1 422 806
Trade and other receivables	9 052 577	5 000 000	–	40 282 129
Inventories/construction contracts	29 901 495	–	–	313 953 140
Deferred income tax asset	33 907	32 094	–	–
Total assets	38 988 295	5 032 949	–	355 658 075
Equity and liabilities				
Equity				
Share capital	5 000 000	5 000 000	–	200
(Accumulated loss)/retained income	(133 861)	(128 963)	–	16 023 746
Total equity	4 866 139	4 871 037	–	16 023 946
Liabilities				
Loans from Group companies	33 936 824	–	–	1 538 760
Current income tax liabilities	–	–	–	5 757 673
Loans from shareholders	185 332	161 912	–	332 337 696
Total liabilities	34 122 156	161 912	–	339 634 129
Total equity and liabilities	38 988 295	5 032 949	–	355 658 075

	Table View Properties Proprietary Limited		Bankenveld District City Proprietary Limited ^s	
	2026	2025	2026	2025
Statement of comprehensive income				
Revenue	–	–	50 114 600	40 890 471
Cost of sales	–	–	(18 481 734)	(18 836 376)
Gross profit	–	–	31 632 866	22 054 095
Administrative expenses	(128)	(3 992)	(55 171)	(59 036)
Net expected credit losses on financial and contract assets	–	–	–	–
Finance income	–	–	201 833	109 857
Finance costs	–	(8 126)	–	–
(Loss)/profit before tax	(128)	(12 118)	31 779 528	22 104 916
Taxation	35	3 272	(8 580 473)	(5 968 093)
(Loss)/profit after taxation	(93)	(8 846)	23 199 055	16 136 823
Other comprehensive income	–	–	–	–
Total comprehensive (loss)/income	(93)	(8 846)	23 199 055	16 136 823
Reconciliation of financial information				
Reconciliation of the information presented to the carrying amount of its interest in the joint venture.				
Summarised financial information				
Opening net assets at 1 March	(128 963)	(120 117)	16 024 928	545 990
Opening balance adjustment to retained earnings	–	–	–	2 295 886
(Loss)/profit after tax	(93)	(8 846)	23 199 056	16 136 823
Dividends declared	–	–	–	(2 953 771)
Closing net (liabilities)/assets	(129 056)	(128 963)	39 223 984	16 024 928

Notes to the consolidated financial statements (continued)

11. Investment in joint ventures (continued)

	Table View Properties Proprietary Limited		Bankenveld District City Proprietary Limited ^{\$}	
	2026	2025	2026	2025
Share of opening balance adjustment to retained earnings at 58.34%	(78 040)	–	–	–
Interest in joint venture at 50.00%	–	–	11 599 528	8 012 464
Profits taken upon purchase of land	–	–	–	1 484 898
Interest in joint venture at 54.17%	–	(69 860)	–	–
Interest in joint venture at 60.43%	(56)	–	–	–
Loss limitation	–	69 860	–	–
Net share of profit for the year (limited to carrying amount of investment)	(78 096)	–	11 599 528	9 497 362
Dividends declared portion attributable to Group	–	–	–	(1 485 455)
Change in control	–	–	(11 599 528)	–
Investment balance	38 800 000	31 800 000	–	–
Carrying value	38 721 904	31 800 000	–	8 011 907
At 1 March	31 800 000	25 900 000	8 011 907	–
Share of opening balance adjustment to retained earnings	(78 040)	–	–	–
Share of (loss)/profit	(56)	–	11 599 528	9 497 362
Increase in Investment	7 000 000	5 900 000	–	–
Dividends declared portion attributable to Group	–	–	–	(1 485 455)
Change in control	–	–	(19 611 435)	–
Net carrying value	38 721 904	31 800 000	–	8 011 907

	Table View Properties Proprietary Limited		Bankenveld District City Proprietary Limited ^{\$}	
	2026	2025	2026	2025
The impact of the cash flows on the Group consists of the following:				
Cash inflow/(outflow) from construction activities (net movement in trade debtors)	31 069 615	–	–	–
Cash outflow from investing activities	(7 000 000)	(5 900 000)	–	–
Cash inflow for loans from joint ventures	266 846	–	–	15 000 000
Cash outflow for loans to joint ventures	(34 203 671)	–	–	(123 152 428)
Net cash flows on the Group from joint ventures	(9 867 210)	(5 900 000)	–	(108 152 428)

^{\$} Please refer to [note 39](#) for the change in investment in joint venture to investment in joint operations.

12. Inventories

Accounting policy

Land owned by the Group which is being developed to get into a condition to start construction of the various projects is classified as inventory. The land may also be sold without any construction depending on the intention of management. Inventories are stated at the lower of cost or net realisable value. The cost of land under development held for sale includes design costs, building materials, direct labour, borrowing costs and other indirect costs.

The amount of any write-down of inventories to net realisable value is recognised as an expense in the year which the write-down occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

Individual units which do not form part of construction contracts are classified as inventory and are sold as a completed unit.

Memorial park land costs are the remaining value of unsold grave sites, which consists of the unsold portion of the original cost price of the land and any other direct and indirect costs incurred to get the land to its intended use of being sold as a grave site.

Notes to the consolidated financial statements (continued)

12. Inventories (continued)

Significant estimates and judgements

In assessing the net realisable value of land under development held for sale, valuers consider title deed information, town planning conditions, locality and improvements made to the property.

Property vacancy rates in surrounding areas realised yields on comparative sales as well as micro- and macroeconomic conditions require judgement. In assessing the net realisable value of memorial park land costs, management considers the estimated number of graves available and the average current sales value of individual burial rights.

	2026	2025
Memorial park land costs	170 506 162	175 076 821
Other land costs for future development	285 861 840	344 491 202
Total inventories	456 368 002	519 568 023
Inventories to be sold within 12 months	69 478 708	68 649 122
Inventories to be sold after more than 12 months	386 889 294	450 918 901
	456 368 002	519 568 023

The disposals for the current year for completed units and other land costs for future development amounted to Rnil (2025: R27 391 838).

Inventories transferred to construction contracts in the current year amounted to R58 629 362 (2025: Rnil).

13. Investments

Accounting policy

The investments held are carried at fair value through profit or loss ("FVPL") and relates to the invested funds for the Memorial parks maintenance fund.

The classification of the financial asset is based on the characteristics and how the contractual cash flows are managed. The financial assets have been classified based on the contractual cash flow characteristics of the financial assets, which are assessed based on whether the cash flows consist solely of payments of principal and interest, and management's business model for managing the financial asset.

	2026	2025
Investments	20 669 356	19 196 470
	20 669 356	19 196 470
Reconciliation of investments		
Opening balance at 1 March	19 196 470	16 769 513
Fair value adjustment through profit or loss (refer to notes 5 and 25)	1 472 886	2 426 957
	20 669 356	19 196 470

This investment relates to funds to be utilised for the sole purpose of the future maintenance of the memorial parks business, once the parks have been fully developed and sold.

These investments are long-term deposits invested in a diversified investment fund and are accounted for at fair value through profit or loss.

14. Property, plant and equipment

Accounting policy

The Group's long life assets mainly provide the infrastructure to enable the Group to operate. The assets are initially measured at cost. The cost of the assets are then recognised in the statement of comprehensive income over the useful lives of the assets as a depreciation charge. Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses.

The cost of the asset includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The useful lives of the assets have been assessed as follows:

Owned Item	Average useful life
– Land and buildings	Land: Unlimited, Buildings: Up to 50 years*
– Plant and machinery	5 years
– Furniture and fixtures and office equipment	6 years
– Motor vehicles	4 years
– IT equipment	3 years
– Leasehold improvements	10 years

* Where the residual value of buildings exceeds the carrying amount, no depreciation is provided.

Right-of-use asset

– Office buildings Based on the shorter of lease period or useful life of the asset

Notes to the consolidated financial statements *(continued)*

14. Property, plant and equipment *(continued)*

Significant estimates and judgements

Management uses judgement for useful life and residual values used.

	Cost 2026	Accumulated depreciation 2026	Carrying amount 2026	Cost 2025	Accumulated depreciation 2025	Carrying amount 2025
Owned						
Land and buildings	6 897 434	–	6 897 434	6 897 434	–	6 897 434
Plant and machinery	2 861 281	(1 719 272)	1 142 009	2 848 586	(1 622 965)	1 225 621
Furniture and fixtures	192 705	(177 343)	15 362	192 705	(174 914)	17 791
Motor vehicles	657 584	(156 187)	501 397	316 200	(47 430)	268 770
Office equipment	113 910	(75 206)	38 704	113 910	(52 602)	61 308
IT equipment	2 471 995	(1 767 353)	704 642	2 055 790	(1 161 400)	894 390
Leasehold Improvements	1 923 613	(1 919 526)	4 087	1 923 613	(1 838 005)	85 608
	15 118 522	(5 814 887)	9 303 635	14 348 238	(4 897 316)	9 450 922
Right-of-use asset						
Office buildings – Bryanston	33 756 803	(20 261 553)	13 495 250	33 756 803	(17 262 608)	16 494 195
	33 756 803	(20 261 553)	13 495 250	33 756 803	(17 262 608)	16 494 195
Total	48 875 325	(26 076 440)	22 798 885	48 105 041	(22 159 924)	25 945 117

	Opening balance	Additions	Disposal/ scrapping	Depreciation	Closing carrying amount
Reconciliation of property, plant and equipment – Owned – 2026					
Land and buildings	6 897 434	–	–	–	6 897 434
Plant and machinery	1 225 621	12 695	–	(96 307)	1 142 009
Furniture and fixtures	17 791	–	–	(2 429)	15 362
Motor vehicles	268 770	341 384	–	(108 757)	501 397
Office equipment	61 308	–	–	(22 604)	38 704
IT equipment	894 390	473 984	(17 176)	(646 556)	704 642
Leasehold improvements	85 608	–	–	(81 521)	4 087
	9 450 922	828 063	(17 176)	(958 174)	9 303 635

Notes to the consolidated financial statements *(continued)*

14. Property, plant and equipment *(continued)*

	Opening balance	Modifications	Disposal/scrapping	Depreciation	Closing carrying amount
Reconciliation of property, plant and equipment – Right-of-use asset – 2026					
Office buildings – Bryanston	16 494 195	–	–	(2 998 947)	13 495 248
	16 494 195	–	–	(2 998 947)	13 495 248
Gross totals of movements	25 945 117	828 063	(17 176)	(3 957 119)	22 798 883

	Opening balance	Additions	Disposal/scrapping	Depreciation	Closing carrying amount
Reconciliation of property, plant and equipment – Owned – 2025					
Land and buildings	6 897 434	–	–	–	6 897 434
Plant and machinery	1 318 529	34 904	(20)	(127 792)	1 225 621
Furniture and fixtures	50 256	–	(32)	(32 433)	17 791
Motor vehicles	1	316 200	(1)	(47 430)	268 770
Office equipment	56 171	21 717	(8)	(16 572)	61 308
IT equipment	1 115 231	599 563	(56 341)	(764 063)	894 390
Leasehold Improvements	257 914	–	–	(172 306)	85 608
	9 695 536	972 384	(56 402)	(1 160 596)	9 450 922
Reconciliation of property, plant and equipment – Right-of-use asset – 2025					
Office buildings – Bryanston	19 493 139	–	–	(2 998 944)	16 494 195
	19 493 139	–	–	(2 998 944)	16 494 195
Gross totals of movements	29 188 675	972 384	(56 402)	(4 159 540)	25 945 117

Right-of-use assets – terms greater than one year

The following office buildings were capitalised based on their committed occupation terms:

Building type	Building location	Remaining term of lease
Main head office	Johannesburg	54 months from 28 February 2026 (66 months from 28 February 2025)

Notes to the consolidated financial statements *(continued)*

14. Property, plant and equipment *(continued)*

Property, plant and equipment with a book value of R231 (Cost: R6 753 329, Accumulated depreciation: R6 753 098), was scrapped in the prior year, as they have reached the end of their economic life.

Depreciation expense of R3 957 119 (2025: R4 159 540) has been charged to “administrative expenses” in the consolidated statement of comprehensive income.

No assets as disclosed above have been encumbered or held as security during the current or previous financial year.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the Company.

15. Investment property

Accounting policy

Investment property is initially recognised at cost and subsequently measured at fair value. The fair value for the commercial properties was determined using valuation methods as described in [note 4](#). Fair value adjustments are recognised in profit or loss. These properties are included in the Memorial Parks business.

	Accumulated			Accumulated		
	Cost	fair value	Carrying	Cost	fair value	Carrying
	2026	adjustment	amount	2025	adjustment	amount
Investment property	12 520 848	19 976 938	32 497 786	12 520 848	9 972 041	22 492 889

	2026	2025
Reconciliation of investment property		
Opening balance at 1 March	22 492 889	22 147 091
Fair value adjustment	10 004 897	345 798
Closing balance	32 497 786	22 492 889

In the current year, additions to the value of Rnil (2025: Rnil) were made to the investment properties.

Investment property has a fair value of R32 497 786 (2025: R22 492 889). All investment properties held in the Group are specialised commercial properties relating to the memorial parks segment, located at the Fourways and Durbanville Memorial Parks. The value of investment properties as at 28 February 2026 was determined by management using the Discounted Cash Flow (“DCF”) method. Refer to [note 5](#) for all estimates and assumptions included in the valuation. A 5% increase/decrease in the growth rate or discount rate used in the valuations will not lead to a significant change in the fair value of the investment properties.

Rental income received in respect of investment property amounts to R4 031 126 (2025: R3 544 337). Refer to [note 25](#).

16. Intangible assets

Accounting policy

(a) Goodwill

Goodwill for the Group arose as a result of the acquisition of various subsidiaries in previous financial years.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

The cash-generating units for the Group are considered to be consistent with the operating segments that the CODM has identified.

(b) Estimates and key judgements

Management used estimates in determining the fair value and value-in-use calculation for the annual goodwill impairment test. Refer below for further detail.

Notes to the consolidated financial statements *(continued)*

16. Intangible assets *(continued)*

	Accumulated amortisation/ impairment			Cost 2025	Accumulated amortisation/ impairment		Carrying amount 2025
	Cost 2026	2026	Carrying amount 2026		2025	2025	
Goodwill	175 674 238	(16 023 721)	159 650 517	175 674 238	(16 023 721)	159 650 517	
	175 674 238	(16 023 721)	159 650 517	175 772 329	(16 121 795)	159 650 534	

There were no additions to goodwill in the current or prior year.

Impairment tests for goodwill

Goodwill is monitored at the operating segment level. The following is a summary of goodwill allocation for each operating segment:

	2026	2025
Residential Property Development	158 955 713	158 955 713
Memorial Parks	694 804	694 804
	159 650 517	159 650 517

Only the goodwill allocated to the Residential Property Development segment is considered to be significant.

The recoverable amount of the Residential Property Development segment has been determined based on a value-in-use calculation.

The Group prepares cash flows used for the assessment of goodwill impairment on an un-escalated basis. Only current selling prices and costs are taken into consideration when extrapolating the relevant cash flows.

This calculation uses real pre-tax cash flow projections based on financial budgets approved by the Board covering a five-year period and takes into account a terminal value from year six onwards. The terminal value is based on year five's cash flow projection. A growth rate of zero percent has been utilised in the model.

The key assumptions used for value-in-use calculations are as follows:

	Residential Property Development	
	2026	2025
Gross margin utilised in the cash flow forecast	23.23%	27.45%
Pre-tax discount rate (real)	15.88%	15.10%

The pre-tax discount rate increased in the current year due to changes in underlying assumptions applied in calculating the discount rate. The main driver of the increase relates to the assumptions applied in the cash flows utilised to calculate the real discount rate.

The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments. Management determined budgeted gross margins based on past performance and its expectations of market development and availability of cash for the end user.

If the budgeted gross margin used in the value-in-use calculations had been decreased by 5% (decreased to 18.23%), the Group would still not recognise an impairment of goodwill.

If the estimated discount rate applied to the cash flows had been increased by 5% (increased to 10.88%), the Group would still not recognise an impairment of goodwill.

17. Deferred tax assets/(liabilities)

Accounting policy

Deferred tax assets and liabilities represent amounts of tax that will become recoverable or payable in future accounting years. They generally arise as a result of temporary differences, where the time at which profits and losses are recognised for tax purposes differs from the time at which the relevant transaction is recorded in the accounts.

A deferred tax asset represents a tax reduction that is expected to arise in a future year. A deferred tax liability represents taxes which will become payable in a future year as a result of a current or an earlier transaction. In respect of deferred tax assets, the Group only recognises a deferred tax asset when the availability of future taxable profits necessary to support the deferred tax asset is probable, when there is a history of recent tax losses, other convincing evidence is considered.

Where a temporary difference arises in relation to the Group's investment in subsidiaries or joint ventures a deferred tax liability can only be recognised by the Group if the Group cannot control the timing of the reversal of the temporary difference or it is probable that the temporary difference will reverse in future.

Notes to the consolidated financial statements *(continued)*

17. Deferred tax assets/(liabilities) *(continued)*

Deferred tax assets and liabilities are offset if the Group has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities, but which the Group intends to settle on a net basis or realise simultaneously.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Estimates and key judgements

Management uses cash flow forecasts to determine whether deferred tax assets can be recognised in terms of IAS 12 and when the recognised deferred tax assets will be recovered.

	2026	2025
Reconciliation of deferred tax (liability)/asset		
Opening balance	(354 703 361)	(310 335 682)
Profit or loss charge	(44 654 229)	(44 367 679)
Construction contracts	(57 115 114)	(41 720 957)
Inventories	(2 291 282)	(3 946 359)
Bonus accrual	(647 296)	(5 102 904)
Tax losses available for set off against future taxable income	14 779 478	4 918 773
General accruals	(81 000)	(33 750)
Expected credit losses – trade receivables	(1 726 871)	692 389
Expected credit losses – contract assets	1 135 004	165 927
Income received in advance	353 295	270 462
Capitalised leased assets	171 155	319 453
Other	(275 285)	69 287
Closing balance	(399 357 590)	(354 703 361)

The analyses of deferred tax liabilities and deferred tax assets are as follows:

	2026	2025
Deferred tax liabilities		
Construction contracts	(437 663 706)	(381 147 320)
Inventories	(1 225 879)	(1 242 493)
Bonus accrual	2 623 115	3 270 411
Tax losses available for set off against future taxable income ^{\$}	18 774 246	5 438 661.00
Expected credit losses – trade receivables	935 299	2 618 013
Expected credit losses – contract assets	4 101 993	2 966 989
Capitalised leased assets	1 004 422	833 267
Other	920 798	1 196 083
Deferred tax liabilities*	(409 486 025)	(366 066 389)
Deferred tax assets		
Construction contracts	(19 163 247)	(18 564 519)
Inventories	2 991 288	5 299 184
General accruals	55 350	136 350
Capital losses available for future use	8 068 596	8 068 596
Expected credit losses – trade receivables	(91 729)	(47 572)
Income received in advance	12 783 352	12 430 057
Tax losses available for set off against future taxable income ^{\$}	5 484 825	4 040 932
Deferred tax assets[#]	10 128 435	11 363 028
Net deferred tax balance	(399 357 590)	(354 703 361)

^{\$} The Group has concluded that the deferred tax assets relating to tax losses will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the underlying subsidiaries.

* Included in deferred tax liabilities are the deferred tax assets of subsidiaries where their net deferred tax position is a deferred tax liability.

Included in deferred tax assets are the deferred tax liabilities of subsidiaries where their net deferred tax position is a deferred tax asset.

Notes to the consolidated financial statements *(continued)*

18. Stated capital

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where the Group purchases the Company's equity share capital, the consideration paid, including any attributable transaction costs net of income taxes, is deducted from total shareholders' equity as treasury shares until they are cancelled or re-issued.

Summary	Number of shares		Rand amount	
	2026	2025	2026	2025
Authorised				
Ordinary no par value shares	500 000 000	500 000 000		
Issued				
Shares in issue to the public	95 380 601	96 466 126	28 389 249	33 909 646
Treasury shares in issue				
Shares held by Calgro M3 Employee Benefit Trust	5 212 909	5 212 909	104 239 627	104 239 627
Shares held by Calgro M3 Empowerment Trust	5 212 909	5 212 909	104 239 627	104 239 627
Shares held by Calgro M3 Developments Limited	7 247 631	7 489 631	158 345 249	158 345 249
Total Treasury shares in issue	17 673 449	17 915 449	366 824 503	366 824 503
Less: Treasury shares in issue at year-end	(17 673 449)	(17 915 449)	(366 824 503)	(366 824 503)
Balance	95 380 601	96 466 126	28 389 249	33 909 646

Detail	Number of shares		Rand amount	
	2026	2025	2026	2025
Balance reconciliation				
Opening balances				
Shares in issue to the public	96 466 126	96 059 126	33 909 646	31 610 096
Treasury shares in issue	17 915 449	18 322 449	366 824 503	369 124 053
Shares held by Calgro M3 Employee Benefit Trust ^s	5 212 909	5 212 909	104 239 627	104 239 627
Shares held by Calgro M3 Empowerment Trust ^s	5 212 909	5 212 909	104 239 627	104 239 627
Shares held by Calgro M3 Developments Proprietary Limited	7 489 631	7 896 631	158 345 249	160 644 799
Total Treasury shares in issue	17 915 449	18 322 449	366 824 503	369 124 053
Less: Treasury shares in issue	(17 915 449)	(18 322 449)	(366 824 503)	(369 124 053)
Total shares in issue – opening balance	96 466 126	96 059 126	33 909 646	31 610 096
Movements for the year				
Shares in issue to the public	(1 085 525)	407 000	(5 520 397)	2 299 550
Issued to share scheme participants [%]	242 000	407 000	1 142 240	2 299 550
Shares repurchased and cancelled [#]	(1 327 525)	–	(6 662 637)	–
Treasury shares in issue	(242 000)	(407 000)	(1 142 240)	(2 545 400)
Issued to share scheme participants [%]	(242 000)	(407 000)	(1 142 240)	(2 545 400)

Notes to the consolidated financial statements (continued)

18. Stated capital (continued)

	Number of shares		Rand amount	
	2026	2025	2026	2025
Closing balances				
Shares in issue to the public	95 380 601	96 466 126	28 389 249	33 909 646
Treasury shares in issue				
Shares held by Calgro M3 Employee Benefit Trust [§]	5 212 909	5 212 909	104 239 627	104 239 627
Shares held by Calgro M3 Empowerment Trust [§]	5 212 909	5 212 909	104 239 627	104 239 627
Shares held by Calgro M3 Developments Proprietary Limited	7 247 631	7 489 631	157 203 009	158 345 249
Total Treasury shares in issue	17 673 449	17 915 449	365 682 263	366 824 503
Less: Treasury shares in issue	(17 673 449)	(17 915 449)	(365 682 263)	(366 824 503)
Balance at end of the year	95 380 601	96 466 126	28 389 249	33 909 646

[§] Shares issued in terms of Calgro M3 Executive Share Scheme.

2026

Shares issued in terms of Calgro M3 Executive Share Scheme.

Shares were issued to the participants of the "Calgro M3 Executive Share Scheme – FY23" (refer to [note 34](#)). In terms of the scheme rules, the participants elected a net settlement option, under this option the Group settled the tax liability on behalf of the participant with the remaining value issued in shares. The gross number of shares vested was the 440 000 shares, with an associated tax liability equating to 198 000 shares. The remaining 242 000 shares were transferred to the participants out of the available treasury shares held by Calgro M3 Developments Proprietary Limited at a value of R4.72 per share.

2025

Shares issued in terms of Calgro M3 Executive Share Scheme.

Shares were issued to the participants of the "Calgro M3 Executive Share Scheme – FY24" (refer to [note 34](#)). In terms of the scheme rules, the participants elected a net settlement option, under this option the Group settled the tax liability on behalf of the participant with the remaining value issued in shares. The gross number of shares vested was the 740 000 shares, with an associated tax liability equating to 333 000 shares. The remaining 407 000 shares were transferred to the participants out of the available treasury shares held by Calgro M3 Developments Proprietary Limited at a value of R5.65 per share.

[§] In terms of IFRS10 Consolidated Financial Statements, both trusts are consolidated into the Group, and as a result, shares owned by these entities are carried as treasury shares on consolidation.

[#] Shares were repurchased in the current year to the value of R6 662 637 at an average share price of R5.01 for 1 327 525 shares.

All issued shares are fully paid. Unissued ordinary shares are under the control of the Directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

19. Trade and other payables

Accounting policy

Trade and other payables are measured at amortised cost. Refer to the financial instruments accounting policy, [note 3.10.2](#)

	2026	2025
Financial instruments		
Trade payables	160 411 491	178 169 998
Trade payables – related parties	731 594	37 435 295
Retention creditors	5 095 625	7 845 679
Accrued expenses	11 993 526	11 134 900
Deposits held	52 000	16 985 905
Lease liability office building**	20 560 844	22 925 880
Excess billings over work done	Note 8 15 245 364	11 808 500
Gross financial instruments	214 090 444	286 306 157
Non-financial instruments		
Accrual for long service awards [§]	3 064 908	1 767 372
Accrual for leave pay	1 315 358	1 491 025
Deferred revenue – burial services	6 987 440	11 071 835
Accrued expenses	6 832 688	8 925 514
Other liabilities	774 557	631 803
Dividends payable	743	–
Value added tax	30 268 111	731 393
Total non-financial instruments	49 243 805	24 618 942
Total trade and other payables	263 334 249	310 925 099

** This amount relates to the capitalisation of long-term leases. Refer to [note 22](#).

[§] The Group has a long-term service award for its employees based on years of service (10 years – two months salary, 15 years – three months salary, every subsequent five years thereafter – three months salary). To determine the value of the accrual, the following was taken into account: The average annual salary increases, the employee attrition rate, retirement age, discount rate and mortality rate.

Refer [note 3](#) for the maturity analysis of financial instruments. For the remaining non-financial instruments, R45 129 080 (2025: R14 469 578) will be settled within the next 12 months and R6 548 543 (2025: R58 997 736) will be settled after more than 12 months.

Notes to the consolidated financial statements *(continued)*

20. Borrowings

Accounting policy

Borrowings are classified as financial liabilities at amortised cost. Refer to the financial instruments accounting policy, [note 3.10](#) for further details.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan. The fee is amortised over the life of the facility.

	Interest rate	Expiration date	2026	2025
Floating rate note – CGR 52	JIBAR plus 4.25%	30 June 2026	–	50 000 000
Floating rate note – CGR 53	JIBAR plus 3.95%	28 February 2026	–	40 000 000
Floating rate note – CGR 54	JIBAR plus 4.5%	28 February 2028	40 000 000	40 000 000
Floating rate note – CGR 55	JIBAR plus 3.9%	02 October 2026	50 000 000	50 000 000
Floating rate note – CGR 56	JIBAR plus 3.9%	02 October 2026	33 000 000	33 000 000
Floating rate note – CGR 59	JIBAR plus 3.9%	21 November 2027	70 000 000	70 000 000
Floating rate note – CGR 60	JIBAR plus 4.33%	12 December 2029	85 000 000	85 000 000
Floating rate note – CGR 61	JIBAR plus 3.90%	27 June 2028	50 000 000	–
Floating rate note – CGR 62	JIBAR plus 3.90%	29 January 2029	60 000 000	–
NHFC Loan [%]	Prime plus 0.5%	30 June 2030	215 000 000	215 000 000
Prescient [%]	JIBAR plus 5%	12 October 2027	100 000 000	100 000 000
ABSA 1 [%]	JIBAR plus 4.5%	25 April 2028	155 000 000	155 000 000
ABSA 2 [%]	JIBAR plus 4.25%	15 November 2028	200 000 000	200 000 000
Standard Bank of South Africa Limited [%]	Prime less 0.3%	26 September 2026	50 000 000	50 000 000
Stanlib [%]	JIBAR plus 4.3%	30 June 2030	250 000 000	–
Total capital outstanding			1 358 000 000	1 088 000 000
Transaction cost amortisation*			(7 405 595)	(5 848 911)
Interest accrual			29 696 888	23 571 105
Total transaction costs and interest accruals			22 291 293	17 722 194
Total borrowings			1 380 291 293	1 105 722 194

* The transaction costs are amortised over the life of the facilities. It is expected that these costs will be fully amortised when the facilities are settled.

All borrowings are unsecured.

- % The following repayment terms are applicable to these loans:
- ▶ The NHFC loan is repayable in nine instalments, starting from May 2026.
 - ▶ Prescient is repayable in one instalment in October 2027.
 - ▶ ABSA 1 is repayable in four equal instalments, starting from September 2027.
 - ▶ ABSA 2 is repayable in eight instalments, starting from March 2028.
 - ▶ Standard Bank of South Africa Limited is repayable in one instalment in May 2026.
 - ▶ Stanlib is repayable in eight equal instalments, starting from September 2028.

The following financial covenants are applicable to all borrowings:

- ▶ Debt service coverage ratio (DSCR) of higher than 1.2 at a Group level;
- ▶ A maximum Net debt to equity ratio of less than 1.5:1; and
- ▶ A minimum liquidity ratio of 1.2.

At the end of the financial year, the Group was not in breach of the above covenants or at risk of breaching the regulated covenants listed above.

Refer to [note 3.2](#) for the calculation of the debt covenants.

As at period end, all floating rate notes listed on the DMTN (Domestic Medium-Term Note) listed debt programme were in compliance with the programme memorandum.

The South African Reserve Bank has confirmed that JIBAR will cease after its final publication on 31 December 2026, and the Group is therefore transitioning its JIBAR-linked financial instruments to the new transaction-based benchmark rate, ZARONIA, which is now published daily by the SARB and required for all new contracts from March 2026; existing contracts will transition using an industry-endorsed credit adjustment spread to ensure economic neutrality, and the Group does not expect the transition to result in a substantial modification of its financial instruments or to have a material financial impact, however, this will be continuously assessed as the transition arrangements is agreed with the Group's lenders.

Notes to the consolidated financial statements *(continued)*

20. Borrowings *(continued)*

The table below provides information regarding the present value of the borrowings to be settled within 12 months and after 12 months. For the undiscounted cash flows related to borrowings, refer to [note 3](#).

	2026	2025
Borrowings to be settled within 12 months	133 000 000	140 000 000
Borrowings to be settled after 12 months	1 247 291 293	965 722 194
	1 380 291 293	1 105 722 194
Borrowings cash flow reconciliation		
Opening balance	1 105 722 194	934 796 142
Repayments of borrowings	(297 500 000)	(158 000 000)
Amortised expense through the statement of comprehensive income (non-cash item)	1 473 562	2 247 654
Transaction costs paid	(1 955 246)	(1 892 707)
Interest accrual (non-cash item)	6 125 783	23 571 105
Proceeds from borrowings	566 425 000	305 000 000
Closing balance	1 380 291 293	1 105 722 194
Interest paid on borrowings	135 639 469	134 104 505
Total interest paid on borrowings	135 639 469	134 104 505

General

The Group's incremental borrowing rate as at 28 February 2026 was 12.72% (2025: 11.76%).

The Directors have not breached the requirements of the Company's Memorandum of Incorporation in terms of their borrowing powers.

21. Maintenance provision

Accounting policy

The Group recognises additions to the maintenance liability for sales of additional grave sites in the year with the maintenance liability representing the present value of the expected future costs to maintain the memorial park associated with the sold grave. The obligation is recognised within cost of sales at the point at which revenue is recognised as the commitment to maintain the memorial park is a key promise to the customer when selling a grave.

The measurement of the maintenance liability includes estimates of future direct costs such as landscaping, security, and infrastructure upkeep, as well as a discount rate reflective of long-term, low-risk returns. The Group holds dedicated investment funds for the sole purpose of maintaining the park once the park is fully developed and sold out (refer to [note 13](#)).

	2026	2025
Maintenance provision	66 328 209	57 720 206
	66 328 209	57 720 206
Reconciliation of maintenance provision		
Opening balance at 1 March	57 720 206	47 692 523
Current year maintenance provision	8 608 003	10 027 683
Closing balance	66 328 209	57 720 206
This will be realised after 12 months.		
Reconciliation of maintenance provision		
Opening balance at 1 March	57 720 206	47 692 523
Provision charged	4 613 891	7 404 594
Interest	3 994 112	2 623 089
Closing balance	66 328 209	57 720 206

22. Lease liability

Accounting policy

The Group, as a lessee, recognises right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

Definition of a lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

As a lessee

Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases (i.e. these leases are on-balance sheet).

The Group presents lease liabilities in the statement of financial position under trade and other payables. The Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate is applied.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised.

The right-of-use asset is initially measured at an amount equal to the sum of the lease liability, initial direct costs, costs of removing and restoring the lease asset and payments made prior to the lease commencement. The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment loss and adjusted for certain remeasurements of the lease liability.

The Group will apply judgement to determine whether it is reasonably certain to exercise renewal options, as such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

As a lessor

The Group leases out its investment property and has classified these leases as operating leases.

A lessor recognises lease payments from operating leases as income on straight-line basis, unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

	2026	2025
Lease liability		
Lease agreements for office buildings	20 560 844	22 925 880
	20 560 844	22 925 880
Amount to be settled in the next 12 months	3 040 112	2 382 353
Amount to be settled after the next 12 months	17 520 732	20 543 527
	20 560 844	22 925 880
Undiscounted lease payments are due as follows:		
Within 1 year	5 484 698	5 167 147
2 to 5 years	21 938 469	24 045 618
Greater than 5 years	–	3 377 550
	27 423 167	32 590 314

Building type	Building location	Remaining term of lease
Main head office	Johannesburg	54 months from 28 February 2026 (66 months from 28 February 2025)

Notes to the consolidated financial statements *(continued)*

22. Lease liability *(continued)*

Amounts related to lease liabilities included in the statement of comprehensive income

	2026	2025
<i>Administrative expenses</i>		
Depreciation on right-of-use assets (IFRS 16)	2 998 945	2 998 944
<i>Finance costs</i>		
Lease liability	2 784 794	3 048 049

The Group does not sub-lease right-of-use assets and therefore generates no income.

No gains or losses arose from any sale and leaseback agreements.

The carrying amount of right-of-use assets is reflected in [note 13](#).

23. Revenue

Accounting policy

The Group derives revenue from contracts with customers for the supply of goods (infrastructure, fully and partially subsidised units, non-subsidised units, serviced land) and memorial park burial rights and memorial park maintenance services.

Performance obligations are identified based on the type of contract entered into with customers on an individual basis. Consideration is given to whether the goods or services are distinct from one another. Once these performance obligations are identified the below consideration is given to the satisfaction of the performance obligation:

The Group recognises revenue over time if one of the following criteria is met:

- ▶ The Group creates or enhances an asset which the customer controls as the asset is created, which is generally applicable for those contracts entered into where construction services are provided on land owned by the customer; or
- ▶ The customer simultaneously receives and consumes all of the benefits provided by the Group, which is generally the case for services, including when another entity would not need to substantially re-perform work already completed to date; or

▶ The Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for the work completed to date. In assessing this consideration the Group considered the following:

- When units/dwellings/projects are built according to customer orders/specifications the asset that is created does not have an alternative use to the Group as it is contractually restricted from directing the asset to another use. This assessment is made at contract inception.
- Even though the Group only has an unconditional right to payment at agreed-upon milestones, the Group considers there to be an enforceable right to payment when it has a legal, contractual right or it is customary business practice to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than the entity's failure to perform work as promised.

The Group recognises revenue at a point in time if the over time criteria is not met. Revenue is recognised when control is transferred, this is generally triggered by the transfer of legal ownership to the customer through title deeds and/or grave certificates being issued. This will generally coincide with the business becoming entitled to the right to payment.

The Group measures revenue based on the specifications of each individual contract with a customer, excluding any amounts received on behalf of third parties.

The Group recognises retention debtors, if any, based on certified work completed for specific contracts. It should be noted that the retention payments are not considered to be variable consideration as the full amount is payable upon satisfying performance obligations. The retention payments have no impact on the contract price and are short term in nature (usually released within three to six months).

Revenue recognised on contracts that have retention debtors are done in terms of the Group's revenue recognition policy (over time or point in time), depending on how control of the goods are transferred to the customer. Payment of any retention debtors are measured for recoverability in line with IFRS 9. Retention debtors are not considered to have a significant financing component due to the short-term nature thereof – in making this assessment the Group has applied the practical expedient as per IFRS 15.129.

The cost incurred to obtain a contract, prior to finalisation of the revenue agreement, are expensed to profit or loss as and when the cost are incurred as the Group considers these costs not to be recoverable until an agreement has been reached to recover these costs.

The transaction price for either a single performance obligation or multiple performance obligations is the contractually stipulated price and represents the stand-alone selling price at the time when the contract is entered into with the customer.

Notes to the consolidated financial statements *(continued)*

23. Revenue *(continued)*

Significant judgement and source of estimation uncertainty

Property Development Segment

With regards to revenue recognised over time, the Group makes use of the input method to measure progress towards completion of the performance obligation.

In applying the input method a “percentage of completion” calculation is used whereby the Group calculates the cost of the construction services and activities performed to date (including land) as a proportion of the total cost of the construction services and activities to be performed. The Group considers this an appropriate method for recognising revenue as it accurately depicts the progress of the underlying contract.

The Group performs this by comparing actual cost incurred on a unit/dwelling/project compared to the forecasted cost per the approved project feasibility of the unit/dwelling/project which equals the percentage of work completed (“percentage of completion”). Inputs can be reliably measured and results in the performance obligation being satisfied to the customer. The Group, therefore, has determined that this method depicts the Group’s performance in transferring control of the goods and services to the customer.

The Group uses approved feasibilities to determine the overall expected cost and attributable margin to determine the transaction price on over time construction contracts and for services to be rendered on infrastructure projects where the Group is remunerated on a cost plus basis.

Feasibilities are reviewed on a regular basis and approved by the Executive Committee (“Exco”).

The relevant costs to complete a contract is calculated by qualified industry experts, where applicable, and is based on:

- ▶ Remaining scope of work to be performed on the contract;
- ▶ Pricing agreements in place with contractors, engineers and other suppliers;
- ▶ General cost allowances for unforeseen events. This will vary dependent on the complexity in the project conditions, design uncertainty, risks in projects and project maturity.

The Group allocates non-unit specific cost which includes land, infrastructure, town planning and other project-related cost based on approved feasibilities. Estimates are made by management to calculate the forecasted cost of a project which includes non-unit specific cost to be allocated to units as and when they are constructed. The estimates used are in terms of the approved project feasibility.

The Group applies judgement in determining whether contracts for the sale of land and the construction of residential housing include separately identifiable performance obligations or whether they should be grouped together as a single performance obligation. The Group applies this judgement based on transfer requirements for the property, if the land can be transferred without construction of the relevant unit then the transfer of land and construction of unit is determined to be two separately identifiable performance obligations.

Variations on original contract prices are agreed with a customer and are accounted for as a contract modification where the original prices are modified to include the approved variation to the original contract. A cumulative catch up of revenue is performed when the variation is included for a contract where the revenue is accounted for over time. The revenue on variations for a point in time contract is only accounted for upon transfer of control of the relevant services and goods to the customer.



Nasrec Memorial Park

Notes to the consolidated financial statements *(continued)*

23. Revenue *(continued)*

The type of products and their revenue recognition within the Group for the Residential Development segment is set out below:

Terms of the contract	Revenue recognition
Fully and partially subsidised – Reconstruction and Development Programme (“RDP”)/breaking new ground (“BNG”) and Community Residential Units (“CRU”)	
<ul style="list-style-type: none"> ▶ Overall agreement between parties to construct a specified number of RDP and CRU units. ▶ Purchase order received from Government based on approved budget within the relevant department, based on Gazetted prices for RDP and CRU units at the time of contracting. ▶ Payment for work completed determined on a monthly basis (“progress draws”). ▶ Specification is based on current Government Gazetted specifications for the units. 	<p>Individual contract treatment with revenue recognised over time</p> <p>Estimated revenue is determined on the Gazetted Price per unit and the number of units ordered by Government.</p> <p>Revenue is recognised over time on the input method based on the percentage of cost incurred as a percentage of total project cost (percentage of completion) as units are built according to customer order and Group has an enforceable right to payment for work completed to date.</p> <p>All costs incurred are expensed to cost of sales when incurred.</p>
Fully and partially subsidised – Social Housing and/or Bulk Purchaser	
<ul style="list-style-type: none"> ▶ Overall agreement between third party social housing company to construct a specified number of Social Housing units/Bulk Purchaser units. ▶ Units specification is agreed upon between the parties within the contract. ▶ Payment for work completed is determined on a monthly basis or upon transfer of the units. 	<p>Individual contract treatment with revenue recognised either at a point in time or over time</p> <p>Estimated revenue determined on the contract price per unit.</p> <p>Revenue is recognised over time on the input method based on cost if control of specified units are transferred during the development and handover of units and the Group has legal or contractual rights for payment for work completed to date;</p> <p>Or revenue is recognised at a point in time basis if control is determined to transfer only upon completion of the units and there is no enforceable right to payment for work completed.</p> <p>Should revenue be accounted for over time, cost incurred is expensed to cost of sales as incurred. Should revenue be accounted for at a point in time, cost is capitalised to contract assets and recognised in cost of sales upon transfer of the units.</p>
Fully and partially subsidised – Grassroots Affordable Peoples’ Homes (“GAP”)/First Home Finance (“FHF”)	
<ul style="list-style-type: none"> ▶ Agreement between parties to purchase a single unit within a sectional title development. ▶ Payment to take place upon transfer of the unit to the customer. ▶ Specifications of the units is standard across the development. 	<p>Individual contract per customer with revenue recognised on transfer of completed unit – revenue recognised at a point in time</p> <p>Sales price determined based on the agreement between parties.</p> <p>Revenue recognised at a point in time upon transfer of the unit to the customer.</p> <p>Cost incurred is capitalised to inventory/contract assets and expensed to cost of sales upon transfer of the unit.</p>

Notes to the consolidated financial statements *(continued)*

23. Revenue *(continued)*

Terms of the contract	Revenue recognition
Non-subsidised – Affordable Housing and High-end units	
<ul style="list-style-type: none"> ▶ Agreement entered into with parties for the purchase of property and the construction of a free standing dwelling. ▶ Specification of dwelling agreed upon between parties. ▶ Payment upon transfer of the property. ▶ Payment for construction of freestanding unit based on terms of bond obtained by customer from the relevant financial institution. 	<p>Multiple performance obligations</p> <p>Individual contract per customer with two performance obligations. Revenue recognised on transfer of the land to the customer at a point in time. Revenue on construction of the unit to be recognised over time.</p> <p>Sale of Land – First performance obligation Sales price of land determined based on the agreement between parties.</p> <p>Revenue is recognised at a point in time upon transfer of the land to the customer before commencement of construction of the unit.</p> <p>Cost incurred is capitalised to inventory and expensed to cost of sales upon transfer of the land.</p> <p>Construction of Unit – Second performance obligation Estimated revenue for the construction of the dwelling based on the agreement between the parties.</p> <p>Revenue of the dwelling is recognised over time on a percentage of completion basis if control is handed over during the construction phase based on the estimated cost to construct the dwelling vs the cost incurred on the dwelling, or at a point in time if the dwelling transfers as a completed unit;</p> <p>Single Performance obligation Or revenue is recognised at a point in time if control is determined to transfer upon completion of the unit/dwelling when the property/land and dwelling is transferred as a completed unit and there is no enforceable right to payment for work completed to date. This is applicable if the customer can only accept transfer due to their funding arrangement with a financial institution or requirements of the contract.</p> <p>All cost incurred is either expensed to cost of sales if revenue is accounted for over time or capitalised to contract assets and expensed to cost of sales upon transfer of the property.</p>

Notes to the consolidated financial statements *(continued)*

23. Revenue *(continued)*

Terms of the contract	Revenue recognition
Infrastructure – Integrated residential developments (consisting of a mix of bulk, link and internal infrastructure together with a mix in unit typologies)	
<ul style="list-style-type: none"> ▶ Overarching agreement with Government to perform an integrated development for the upliftment and integration of communities. ▶ Bulk and Link Services subsidised based on the integration of subsidised and non-subsidised units and mix of unit typologies. ▶ Mixture of unit typologies to be constructed as per the agreement. ▶ Payment for services rendered determined on a monthly basis. 	<p>Every contract with a customer to be recognised and accounted for individually</p> <p>Revenue is recognised either at a point in time or over time depending on the terms and conditions contained in each of the contracts with each individual customer.</p> <p>Non-unit specific costs are allocated to each unit as and when the Group enters into a contract with the customer. The relevant cost incurred is expensed or capitalised based on the revenue recognition which is either at a specific point in time or over time.</p> <p>Subsidised infrastructure revenue is based on the estimated revenue for the work to be completed on the project and is recognised over time, as the assets that are created are specialised and have no alternative use to the Group and the Group has an enforceable right to payment for work completed to date.</p> <p>Cost incurred on subsidised infrastructure is expensed to cost of sales when incurred.</p>
Commercial and serviced land sales	
<ul style="list-style-type: none"> ▶ Agreement entered into with parties for the purchase of property ▶ Payment upon transfer of the property. 	<p>Revenue recognised on transfer of the land to the customer at a point in time</p> <p>Sale of land</p> <p>Sales price of land determined based on the agreement between parties.</p> <p>Revenue is recognised at a point in time upon transfer of the land to the customer.</p> <p>Cost incurred is capitalised to inventory and expensed to cost of sales upon transfer of the land.</p>
Memorial Parks segment	
<p>The Company generates revenues from the sale of burial rights, which includes the allocation of a specific grave site and initial interment services (i.e., excavation of the grave). The Company also has an obligation to maintain the memorial parks into perpetuity, which is recognised as a liability in accordance with IAS 37 (refer to note 21).</p> <p>The selling price for burial rights is determined based on a cost-plus-margin approach. The cost base includes the original land price and all direct development and operational costs associated with establishing and managing the memorial parks, as well as a provision for future maintenance costs.</p> <p>The Group revised the contractual terms for new customers for the interment service to be separately recognised once the service is required.</p> <p>These revisions only affected the interment services for customers. For interment services entered into in the previous financial year these services were part of the total cost of the burial.</p> <p>The Group assessed these changes in accordance with IFRS 15 as contract modifications or changes in estimates.</p> <p>These do not represent a change in the Group's revenue recognition accounting policy as the revenue continues to be recognised consistent with the principles described above.</p> <p>This change did not impact any retrospective adjustment as it relates to new customers.</p>	

Notes to the consolidated financial statements *(continued)*

23. Revenue *(continued)*

A reasonable margin is applied to ensure viability and sustainability of the parks.

Prices are reviewed periodically by management, taking into account:

- ▶ Feasibility models for each park;
- ▶ Projected development and operating costs; and
- ▶ Industry benchmarks.

The Company considers the sale of a burial plot and the associated interment service to represent two separate performance obligations under IFRS 15, based on the following:

- ▶ The burial right provides a distinct benefit to the customer, who obtains legal and transferable ownership upon full payment;
- ▶ The interment service is performed at a future date and is not required for the customer to benefit from the burial right;
- ▶ Burial site excavation services excavation can only be executed by the Company, but the timing of execution is conditional on receipt of a valid death certificate and burial order;
- ▶ The sale price only includes the burial right;
- ▶ The interment service is only charged as needed from the second year after ownership is taken of the burial right.

Control is deemed to transfer at the point of full payment, as the customer:

- ▶ Gains legal ownership of the grave site;
- ▶ Has the ability to transfer or on-sell the right;
- ▶ Receives a non-refundable burial right;
- ▶ Prevents the Company from substituting or redirecting the site.

Revenue for the burial right is recognised at a point in time, when full payment is received. Revenue for the burial (interment) service is recognised separately, at the point in time when the service is performed, based on receipt of the required regulatory documents and the execution of the burial.

The Company offers customers the option to purchase burial rights on a lay-by (instalment) basis. In these cases, the customer pays over a defined period and only receives full rights to the grave site once payment has been completed in full. Revenue is not recognised on lay-by sales until the full purchase price has been received and the burial certificate is issued, transferring control of a specific grave site to the customer. Until that point, the transaction does not meet the criteria for revenue recognition under IFRS 15, as the Company retains control of the burial right and has not yet satisfied its performance obligation.

Additional interments (e.g., second or third burials in the same grave site) are treated as separate revenue contracts/transactions and revenue is recognised at the point in time when the related services are rendered.

	2026	2025
Disaggregated revenue		
Residential Property Development segment		
Infrastructure	270 831 982	549 455 838
Fully and partially subsidised units	401 375 643	176 582 389
Non-subsidised units	128 353 581	63 097 674
Serviced land sales	6 400 395	10 931 344
	806 961 601	800 067 245
Memorial Parks segment		
Memorial Parks burial rights	85 013 214	67 419 076
Memorial Parks burial services	1 199 390	1 420 196
	86 212 604	68 839 272
Total revenue	893 174 205	868 906 517

24. Cost of sales

	2026	2025
Disaggregated cost of sales		
Residential Property Development segment		
Infrastructure	83 332 747	343 062 827
Fully and partially subsidised units	343 771 437	142 050 237
Non-subsidised units	116 557 812	48 995 520
Serviced land sales	5 332 185	2 054 681
Residential property development other costs	62 388 817	42 664 419
	611 382 998	578 827 684
Memorial Parks segment		
Memorial Parks cost of burial plot	11 335 888	10 796 729
Memorial Parks other costs	27 542 019	23 562 093
	38 877 907	34 358 822
Total cost of sales	650 260 905	613 186 506

Notes to the consolidated financial statements *(continued)*

25. Other income

	2026	2025
Bond commissions	758 668	1 283 391
Profit on disposal of property, plant and equipment	142 598	–
Rental income from commercial investment properties	4 031 126	3 544 337
Rental income residential	1 695 246	670 558
Other rental income – Memorial Parks	635 437	757 954
Fair value adjustments on assets held at fair value through profit or loss	1 472 886	2 426 957
Fair value adjustments on investment properties	10 004 897	345 798
Other	–	5 650
SETA refunds and other income	313 626	223 744
	19 054 484	9 258 389

26. Administrative expenses

	2026	2025
Advertising	9 817 492	10 129 930
Auditor's remuneration	4 640 422	4 600 000
Auditor's remuneration – non-audit	61 500	30 000
Bank charges	987 234	1 058 226
Computer expenses	6 190 014	5 781 733
Depreciation on owned property, plant and equipment and amortisation on computer software	958 174	1 160 596
Depreciation on right-of-use assets	2 998 945	2 998 944
Donations	78 531	795 813
Insurance	1 139 884	1 087 885
Internal auditor's remuneration	616 550	714 319
Motor vehicle expenses	362 611	557 981
Legal fees	748 370	1 018 181
Listing expenses	578 312	887 895
Professional fees	4 652 876	3 511 694
Rates and taxes	1 692 415	466 156
Social corporate responsibilities	80 553	30 000
Secretarial services	659 466	585 555

	2026	2025
Staff welfare	2 236 975	1 871 484
Subscriptions	373 870	459 668
Total employee and related fee costs	55 746 662	53 771 340
Directors' fees – non-executive*	3 943 908	3 582 000
Share scheme expense*	7 703 555	7 189 145
Employee costs*	44 099 199	43 000 195
Utilities	1 746 255	1 282 570
Other	2 243 115	2 677 999
	98 610 226	95 477 969

* Refer to [notes 34, 35, 36 and 37](#) for further explanation of the relevant expenses.

27. Other expenses

	2026	2025
Rental residential costs	257	127 746
	257	127 746

28. Expected credit losses/(gains) on financial and contract assets

	2026	2025
Trade and other receivables	(6 413 164)	2 582 765
Contract assets	4 203 719	614 546
Loans to joint ventures	(5 482 571)	455 173
	(7 692 016)	3 652 484

Refer to [note 3.10](#) for the reconciliation of the expected credit losses/(gains) on financial and contract assets balances.

Notes to the consolidated financial statements *(continued)*

29. Finance income

	2026	2025
Accounting policy		
Finance income is recognised on a time-proportion basis using the effective interest method.		
Bank	5 599 123	6 169 894
Trade receivables	3 556 104	9 290 773
SARS	28 729	17 829
Related parties (interest from joint ventures)	46 878 079	48 774 301
	56 062 035	64 252 797

30 Finance cost

	2026	2025
Accounting policy		
Borrowing costs that are directly attributable to the acquisition, construction or production of "land under development" (classified as inventories) are capitalised as part of its cost.		
Borrowing costs that are directly attributable to the construction of the developments are treated as part of the construction contract costs.		
The amount of borrowing costs eligible for capitalisation is determined as follows:		
<ul style="list-style-type: none"> ▶ Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings. ▶ Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining and developing a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing cost incurred. 		
All other borrowing costs are recognised as an expense in the year in which they are incurred.		
Bank	5 440 883	1 784 240
Unwinding of maintenance provision	2 446 625	2 623 089
Lease liability	2 784 794	3 048 049
Interest-bearing borrowings	134 963 939	128 740 368

	2026	2025
Finance cost	145 636 241	136 195 746
Less: Amounts capitalised on qualifying assets (inventory)	–	(12 164 129)
Less: Amounts capitalised on qualifying assets (construction contracts)	(102 143 192)	(63 728 343)
Total finance cost recognised in statement of comprehensive income	43 493 049	60 303 274

Finance costs capitalised to construction contracts have been incurred on general borrowings.

31. Taxation

	2026	2025
Accounting policy		
All of the companies within the Group are South African tax residents and will therefore pay taxes according to the rates applicable in South Africa which were enacted or substantively enacted at the reporting date. Most taxes are recorded to profit or loss and relate to taxes payable for the reporting year or any adjustment to tax payable in respect of previous years (current tax). The charge also includes benefits and charges relating to when income and expenses are recognised in a different year for tax and accounting purposes (deferred tax).		
Estimates and key judgements		
Management uses cash flow forecasts due to the complexity of taxation legislation to determine whether deferred tax assets can be recognised in terms of IAS 12 and when the recognised deferred tax assets will be recovered.		

	2026	2025
Major components of the income tax expense		
Current		
Local income tax – current year	3 163 612	2 060 427
Local income tax – recognised in current tax for prior years	(447 134)	–
	2 716 478	2 060 427
Deferred		
Current year	44 576 124	44 367 679
Underprovision for prior year	78 104	–
	44 654 228	44 367 679
	47 370 706	46 428 106

Notes to the consolidated financial statements (continued)

31. Taxation (continued)

	2026	2025
Reconciliation of the income tax expense		
Applicable tax rate	27.00%	27.00%
Items non-deductible for tax purposes	1.22%	0.66%
Non-deductible items considered capital in nature	0.21%	0.32%
Accounting adjustments not deductible	1.01%	0.34%
Items non-taxable for tax purposes	(4.30)%	(5.77)%
Accounting adjustments not deductible	(4.30)%	(5.77)%
Other items	0.13%	(0.05)%
Other	0.13%	(0.05)%
Prior year adjustments	(0.18)%	(0.00)%
Current tax	(0.22)%	0.00%
Deferred tax	0.04%	(0.00)%
Effective tax rate	23.87%	21.84%

The estimated tax losses available for set off against future taxable income within the Group is R91 971 218 (2025: R34 222 876).

32. Cash (utilised in)/generated from operations

	2026	2025
Profit before taxation	207 600 709	212 543 990
Adjustments for:		
Depreciation and amortisation	3 957 119	4 159 540
Profit on disposal/write off of property, plant and equipment and computer software	(142 598)	–
Share scheme expense	7 703 555	7 189 145
Finance income	(56 062 035)	(64 252 797)
Finance cost	43 493 049	60 303 274
Fair value adjustments on assets held at fair value through profit or loss	(1 472 886)	(2 426 957)
Fair value adjustments on investment properties	(10 004 897)	(345 798)

	2026	2025
Share-based payment – shares vested	2 025 701	(3 124 468)
Non-cash impact on change from joint venture to joint operation	1 169 223	–
Expected credit losses on financial and contract assets	(7 692 016)	3 652 484
Share of profit of joint ventures	(23 982 406)	(42 874 266)
Other	–	(121 901)
Changes in working capital:		
Inventories	63 200 021	(4 018 645)
Trade and other receivables	(70 013 832)	55 588 141
Construction contracts	(131 464 732)	(198 961 050)
Maintenance provision*	6 003 933	10 027 683*
Trade and other payables*	(49 104 242)	70 561 738*
	(14 786 334)	107 900 112

* The Maintenance provision has been reclassified from trade and other payables (previously "Deferred maintenance revenue – Memorial Parks") to a separate line item in the current period. This presentation better reflects its nature as a provision for future maintenance obligations, rather than a payable.

33. Tax paid

	2026	2025
Balance at the beginning of the year	230 441	(368 859)
Current tax for the year	(2 716 478)	(2 060 427)
Non-cash impact on change from joint venture to joint operation	99 268	–
Balance at the end of the year	(1 503 937)	(230 441)
	(3 890 706)	(2 659 727)

Notes to the consolidated financial statements *(continued)*

34. Non-controlling interest

Summary of non-controlling interest where the Group owns less than 100% of shareholding is summarised below:

	NCI %	2026	2025
Procurement companies [#]	51.00%	(12 408)	(12 278)
CTE Consulting Proprietary Limited	51.00%	3 260 913	3 265 784
Belhar Calgro M3 Development Company Proprietary Limited [*]	51.00%	51	51
		3 248 556	3 253 557

Summary financial information of subsidiary companies with non-controlling interest below:

	Total		CTE Consulting Proprietary Limited		Procurement companies [#]	
	2026	2025	2026	2025	2026	2025
Total assets	21 489 206	21 457 238	15 416 242	15 372 388	6 072 964	6 084 850
Total liabilities	15 140 419	15 077 818	9 043 081	8 968 890	6 097 338	6 108 928
Total equity	6 369 575	6 379 420	6 393 949	6 403 498	(24 374)	(24 078)
Non-controlling interest relating to equity	3 248 486	3 253 507	3 260 915	3 265 785	(12 429)	(12 278)
Statement of changes in equity movements						
Dividend distributed	–	–	–	–	–	–
Correction of CTE Consulting Proprietary Limited	–	3 184 750	–	3 184 750	–	–
Current year charge						
Non-controlling interest relating to equity	(5 001)	1 131 799	(4 871)	81 034	(130)	1 050 765

^{*} No non-controlling interest is accounted for relating to Belhar Calgro M3 Development Company Proprietary Limited. In terms of the shareholders agreement the Group has a preferential right to a share of the profits before any distributions may be made to the other shareholder.

[#] The procurement companies relate to Calgro M3 Procurement Management Proprietary Limited (holding entity), Calgro M3 Procurement Services Proprietary Limited, Calgro M3 Contractors Proprietary Limited and Calgro M3 Property Sales Proprietary Limited.

All the Directors of CTE Consulting Proprietary Limited, Belhar Calgro M3 Development Proprietary Limited and the holding entity of the procurement companies are all Directors of Calgro M3 Holdings Limited. These Directors have full decision making rights in these entities which are therefore considered to be subsidiaries of the Group.

35. Share-based payments

Accounting policy

Share-based compensation benefits are provided to employees via Share Appreciation Rights Schemes or Calgro M3 Share Schemes. Share Appreciation Rights Schemes are settled in equity, i.e. the employees receive shares or options at settlement. The year in which the employee renders services to the Group to obtain the award is the year in which the expense is recognised in the statement of comprehensive income with a corresponding increase recognised in equity. The expense is determined by measuring the fair value of the scheme on inception of the scheme and amortised over the life of the scheme.

The fair value of shares granted to Directors and employees under Calgro M3 Share Schemes are recognised as an expense over the relevant service period. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve.

If the share-based payments granted do not vest until the counterparty completes a specified period of service, the Group accounts for those services as they are rendered by the counterparty during the vesting period on a straight-line basis over the vesting period. If the share-based payments vest immediately, the services received are recognised in full.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Significant judgement and source of estimation uncertainty

Management uses generally accepted valuation methods to determine the value of the share-based payment schemes.

Summary of schemes

The Group currently has the following active share remuneration schemes, the executive share scheme – FY20 was cancelled in the previous financial year:

Executive share scheme	FY24	FY26
Participants	Group Executive Directors	Group Executive Directors
Scheme rules	Share appreciation rights being allocated in favour of participants and Calgro M3 Holdings shares then being issued in the event that service conditions are met	Share appreciation rights being allocated in favour of participants and Calgro M3 Holdings shares then being issued in the event that service conditions are met
Approval date	May 2023	August 2025
Commencement date	May 2023	October 2025
Vesting periods	Annually, in five equal tranches	Annually, in five equal tranches
First vesting date	January 2024	January 2026
Final vesting date	January 2028	January 2030
Service condition	Remain employed on each vesting date	Remain employed on each vesting date
Performance condition	None	None
Base price	R3.30	R5.26

Notes to the consolidated financial statements *(continued)*

35. Share-based payments *(continued)*

Management share scheme	FY22	FY24	FY26
Participants	Selected Management Personnel	Selected Management Personnel	Selected Management Personnel
Scheme rules	Share appreciation rights being allocated in favour of participants and Calgro M3 Holdings shares then being issued in the event that service and performance conditions are met	Share appreciation rights being allocated in favour of participants and Calgro M3 Holdings shares then being issued in the event that service and performance conditions are met	Share appreciation rights being allocated in favour of participants and Calgro M3 Holdings shares then being issued in the event that service and performance conditions are met
Approval date	August 2021	August 2023	August 2025
Commencement date	September 2021	September 2023	September 2025
Vesting periods	Annually, in four equal tranches	Annually, in four equal tranches	Annually, in four equal tranches
First vesting date	September 2023	September 2026	September 2027
Final vesting date	September 2026	September 2028	September 2030
Service condition	Remain employed on each vesting date	Remain employed on each vesting date	Remain employed on each vesting date
Performance condition	Total shareholder return of 20% per vesting period, measured against the base price	Total shareholder return of 20% per vesting period, measured against the base price	Total shareholder return of 20% per vesting period, measured against the base price
Base price	R2.72	R3.56	R4.90

Valuation of schemes

Valuation of the instruments for both schemes is achieved by performing a Monte Carlo simulation involving the CGR share, volatility, risk free rates, and certain dividend assumptions.

The process assumed is risk-neutral geometric Brownian motion. If vesting is achieved according to the vesting schedules, the number of shares issued to settle the vested share appreciation rights is calculated as:

$$N = \text{TSR} \times (S - K) / S$$

where:

S The 30-day VWAP of CGR on each vesting date

K The base price; being the 30-day VWAP of CGR on commencement date

N The number of share appreciation rights granted

TSR The percentage vesting according to the vesting schedule

The maximum number of share appreciation rights (SAR) to be issued to settle the outstanding shares at the reporting date are as follows:

	Initial number of SAR	Number of SAR vested/ cancelled/ not vested	Remaining number of SAR
Calgro M3 Share Scheme			
Executive Share Scheme – FY24	5 200 000	(4 320 000)	880 000
Executive Share Scheme – FY26	4 500 000	(900 000)	3 600 000
Management Share Scheme – FY22	2 309 307	(1 986 712)	322 595
Management Share Scheme – FY24	976 897	(423 080)	553 817
Management Share Scheme – FY26	995 000	–	995 000
Total	13 981 204	(7 629 792)	6 351 412

Notes to the consolidated financial statements *(continued)*

35. Share-based payments *(continued)*

Reconciliation of schemes

The participants, their allocated shares and intrinsic values per scheme are as follows:

Participant	Number of shares				Intrinsic value of schemes			
	Initial number of shares granted	Number of shares vested/cancelled/ not vested	Remaining number of shares at reporting date	Number of shares to be issued per vesting period if conditions are met	Intrinsic value of share scheme on commencement date	Intrinsic value of shares vested/ cancelled/ not vested	Intrinsic value of share scheme on reporting date	Intrinsic value to be released per vesting period if conditions are met
Executive – FY24[%]								
SU Naicker	1 200 000	(720 000)	480 000	240 000	3 960 000	(792 000)	4 752 000	792 000
W Williams	1 500 000	(1 500 000)	–	–	4 950 000	–	4 950 000	–
AJ Langson	1 000 000	(600 000)	400 000	200 000	3 300 000	(660 000)	3 960 000	660 000
W Joubert	1 500 000	(1 500 000)	–	–	4 950 000	–	4 950 000	–
	5 200 000	(4 320 000)	880 000	440 000	17 160 000	(1 452 000)	13 662 000	1 452 000
Executive – FY26[@]								
SU Naicker	1 000 000	(200 000)	800 000	200 000	5 090 000	(1 018 000)	6 108 000	1 018 000
AJ Langson	1 000 000	(200 000)	800 000	200 000	5 090 000	(1 018 000)	6 108 000	1 018 000
BP Malherbe	2 500 000	(500 000)	2 000 000	500 000	12 725 000	(2 545 000)	15 270 000	2 545 000
	4 500 000	(900 000)	3 600 000	900 000	22 905 000	(4 581 000)	27 486 000	4 581 000
Total Executive	9 700 000	(5 220 000)	5 380 000	1 340 000	40 065 000	(6 033 000)	41 148 000	6 033 000
Management – FY22[#]								
Other participants	2 309 307	(1 986 712)	322 595	322 595	3 602 519	(503 248)	4 105 767	503 248
Total	2 309 307	(1 986 712)	322 595	322 595	3 602 519	(503 248)	4 105 767	503 248
Management – FY24[^]								
Other participants	976 897	(423 080)	553 817	488 448	1 245 154	(649 636)	1 894 790	649 636
Total	976 897	(423 080)	553 817	488 448	1 245 154	(649 636)	1 894 790	649 636
Management – FY26[@]								
Other participants	995 000	–	995 000	497 500	925 350	(462 675)	1 388 025	462 675
Total	995 000	–	995 000	497 500	925 350	(462 675)	1 388 025	462 675
Total Management	4 281 204	(2 409 792)	1 871 412	1 308 543	5 457 209	(1 615 559)	7 072 768	1 615 559
Total Group	13 981 204	(7 629 792)	7 251 412	2 648 543	45 522 209	(7 648 559)	48 220 768	7 648 559

This share scheme was implemented in the FY22 financial year.

% This share scheme was implemented in the FY24 financial year.

& This share scheme was implemented in the prior financial year.

@ This share scheme was implemented in the current financial year.

Notes to the consolidated financial statements *(continued)*

35. Share-based payments *(continued)*

Reconciliation of share-based payments reserve

	Total reserve
2025	
Opening balance of reserve	363 152
Current year movements	122 545
Share-based payment expense recognised in equity (note 24)	7 189 145
Reclassification to retained earnings	(1 642 582)
Vesting of shares	(5 424 018)
Closing balance of reserve	485 697
2026	
Opening balance of reserve	485 697
Current year movements	(2 025 701)
Share-based payment expense recognised in equity (note 25)	7 703 556
Reclassification to retained earnings	(3 697 458)
Vesting of shares	(6 031 799)
Closing balance of reserve	(1 540 004)

36. Employee costs

Accounting policy

(a) *Defined contribution plans*

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

(b) <i>Short-term benefits</i>	The costs of short-term employee benefits include those expected to be settled wholly within 12 months after the service is rendered, such as paid vacation leave, sick leave, and bonuses.
	The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.
(c) <i>Bonus plans</i>	The Group recognises an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises an accrual where contractually obliged or where there is a past practice that has created a constructive obligation. The Group expects these liabilities to be settled within 12 months.

	2026	2025
Salary and wages	71 358 039	68 906 274
Share scheme expenses	7 703 556	7 189 145
Directors' emoluments	21 629 367	26 578 661
Executive Directors*	17 685 459	22 996 661
Non-Executive Directors	3 943 908	3 582 000
Salary and wages	100 690 961	102 674 080
Less: Amounts allocated to qualifying assets (construction contracts)	(44 944 299)	(48 902 740)
Total employee costs and share appreciation rights settlement	55 746 662	53 771 340

* The Executive Directors emoluments* includes only the guaranteed remuneration, cash-settled long-term incentive and the short-term incentive.

Notes to the consolidated financial statements *(continued)*

37. Related parties

All joint ventures are considered related parties to the Group. Refer to [note 11](#) for a detailed list of all joint ventures.

(a) Related party balances

(i) Loans to joint ventures

During the year, loans have been issued to joint ventures, refer to [note 10](#) for details.

(ii) Receivables from joint ventures

During the year, the Group issued receivables to joint ventures, refer to [note 7](#).

(iii) Trade and other payables to related parties

	2026	2025
Trade payable – Calgro M3 Educational Trust	395 170	435 295
	395 170	435 295

Calgro M3 Educational Trust is an external trust with the purpose of providing a meaningful impact on education in South Africa, through donations from donors.

The Trust was established to support the development and upliftment of communities in the areas where Calgro M3 operates. Calgro does not control Calgro M3 trust as the trustees are independent and the Trust is not reliant on specified funding from Calgro.

(b) Related party transactions

(i) Key management personnel compensation

	2026	2025
Employee expenses – Directors and prescribed officers (including cash and non-cash)	25 359 613	34 505 766
	25 359 613	34 505 766

(ii) Other transactions with joint ventures

	Finance income received		Net contract revenue received	
	2026	2025	2026	2025
Table View Properties Proprietary Limited	2 884 438	18 310	–	–
Witpoortjie Calgro M3 Development Company Proprietary Limited South Hills	42 423 488	44 023 725	–	–
Development Company Proprietary Limited	1 570 153	4 732 265	81 890 185	37 547 649
	46 878 079	48 774 300	81 890 185	37 547 649

(iii) Shares issued and expense recognised for Directors and prescribed officers with respect to the Calgro M3 Share schemes – Not cash remuneration

	Share-based payment expense for 2026*	Share-based payment expense for 2025*	Number of shares granted for 2026	Number of shares granted for 2025
Directors				
WA Joubert ^{##}	–	4 081 579	–	–
W Williams ^{##}	3 039 474	1 042 105	–	1 500 000
BP Malherbe [%]	1 223 236	–	2 500 000	–
SU Naicker [%]	1 322 979	833 684	1 000 000	1 200 000
AJ Langson [%]	1 184 031	347 368	1 000 000	1 000 000
	6 769 720	6 304 736	4 500 000	3 700 000
Prescribed officers				
AJ Langson [%]	–	347 368	–	1 000 000
	–	347 368	–	1 000 000

[%] For Directors and prescribed officers' appointments and resignations, refer to [note 38](#).

* This amount relates to the share-based payment expense recognised in the statement of comprehensive income and is not a cash consideration paid to Directors.

WA Joubert resigned on 31 December 2024 and W Williams resigned on 30 June 2025.

Refer to [note 34](#) for further details of share-based compensation benefits.

Notes to the consolidated financial statements (continued)

38. Directors' emoluments

Executive Directors

	Date appointed	Date resigned	Contract expiry
Ben Pierre Malherbe	2024/09/16		3 month notice
Wayne Williams	2015/06/01	2026/06/30	3 month notice
Sayuri Urvashi Naicker	2022/03/01		3 month notice
Allistiar James Langson	2024/09/06		3 month notice

The remuneration noted below is for services rendered in connection with the carrying on of affairs of the business within the same Group of companies and joint ventures.

	Remuneration and other benefits							
	Performance incentives [#]					Share-based payments		
	Guaranteed remuneration	Short term	Long term	Signing bonus [^]	Once off top up adjustment [*]	Total	Share-based payment awards expense	Total
2026								
BP Malherbe	5 256 000	1 051 200	525 600	–	–	6 832 800	1 223 236	8 056 036
SU Naicker	3 546 726	709 345	931 308	–	–	5 187 378	1 322 979	6 510 358
AJ Langson	3 150 000	630 000	795 529	–	225 000	4 800 529	1 184 031	5 984 560
W Williams ^{\$}	1 921 914	–	–	–	–	1 921 914	3 039 474 [◇]	4 961 388
	13 874 640	2 390 545	2 252 437	–	225 000	18 742 621	6 769 719	25 512 340
2025								
BP Malherbe [*]	2 391 333	527 565	–	3 000 000	–	5 918 898	–	5 918 898
SU Naicker	3 194 928	681 145	–	–	–	3 876 073	833 684	4 709 757
W Williams	3 498 600	730 125	–	–	–	4 228 725	1 042 105	5 270 830
AJ Langson [*]	1 350 000	561 165	–	–	–	1 911 165	347 368	2 258 533
WJ Lategan [◦]	4 154 000	–	–	–	–	4 154 000	–	4 154 000
WA Joubert [◦]	2 907 800	–	–	–	–	2 907 800	4 081 579 [◇]	6 989 379
Total Executive Directors	17 496 661	2 500 000	–	3 000 000	–	22 996 661	6 304 736	29 301 397

[#] The performance incentive relates to the expense raised in the current financial year, the amount payable in relation to the long-term performance incentive is included below.

^{\$} Resigned 30 June 2025.

[^] Signing bonus as agreed with Remuneration and Nomination Committee on joining the Group as part of negotiation of annual salary package.

^{*} Appointed 6 September 2024, the amount disclosed includes the remuneration portion applicable for services as an Executive Director of the Calgro M3 Group.

[◦] Resigned 31 December 2024.

[◇] The share-based payment expense includes the acceleration of the remaining expense of the long-term share incentive scheme for WA Joubert and W Williams. Due to his resignation in the financial year the total amount remaining under this scheme has been expensed in the respective financial year. This was a non-cash movement in the period.

Notes to the consolidated financial statements (continued)

38. Directors' emoluments (continued)

	2024 long-term performance incentive	2025 long-term performance incentive	2026 long-term performance incentive	Total long-term performance incentive	Incentive settled in FY26
2026					
BP Malherbe	–	–	525 600	525 600	–
SU Naicker	576 635	–	354 673	931 308	1 431 642
AJ Langson	480 529	–	315 000	795 529	498 706
W Williams	–	–	–	–	1 732 330
Total Executive Directors	1 057 164	–	1 195 273	2 252 437	3 662 678

2025 financial year

In the 2025 financial year, no additional allocation was made to the long-term performance incentive for Executive Management. The vesting of the previous financial years allocations will be paid upon reaching the predetermined vesting conditions.

The first tranche of the 2024 long-term performance incentive along with the second tranche of the 2023 long-term performance incentive will vest in May 2025.

	2023 long-term performance incentive ^{\$}	2024 long-term performance incentive ^{\$}	2025 long-term performance incentive	Total long-term performance incentive	Incentive settled in FY25
2025					
WJ Lategan	–	–	–	–	1 405 001
WA Joubert	–	–	–	–	1 034 141
W Williams	997 975	1 253 333	–	2 251 308	1 034 141
SU Naicker	804 055	1 074 285	–	1 878 340	833 194
AJ Langson	–	895 238	–	895 238	–
Total Executive Directors	1 802 030	3 222 856	–	5 024 886	4 306 477

^{\$} This balance includes the unwinding of the discounted value of the long-term performance incentives.

Independent Non-Executive Directors

The remuneration noted below is for services rendered as a Director of the Group.

	2026	2025
GS Hauptfleisch	18 542	506 584
H Ntene	718 892	735 417
RB Patmore	653 383	675 750
ME Gama	675 917	673 583
TP Baloyi	501 615	482 333
TC Moodley	584 567	508 333
KW Mzondeki	448 342	–
LCH Chou	342 650	–
Total Non-Executive Directors	3 943 908	3 582 000
Summary		
Executive Directors	17 685 459	22 996 661
Non-Executive Directors	3 943 908	3 582 000
Total Directors	21 629 367	26 578 661

Prescribed officers

The prescribed officers' appointment, terms of contract and remuneration for the year under review is as follows:

	Date appointed	Contract expiry
AJ Langson (appointed as an Executive Director on 6 September 2024)	2018/03/01	3 month notice

The remuneration noted below is for services rendered in connection with the carrying on of affairs of other companies in the same Group.

Notes to the consolidated financial statements *(continued)*

38. Directors' emoluments *(continued)*

2026

In the 2026 financial year, there were no Prescribed Officers.

	Remuneration and other benefits				Total	Share-based payment transaction	Total expense
	Guaranteed remuneration	Performance incentives [#]		Share-based payment expense			
		Short term	Long term [*]				
2025							
AJ Langson	1 275 000	–	–	1 275 000	347 368	1 622 368	
	1 275 000	–	–	1 275 000	347 368	1 622 368	

[#] The performance incentive included above is split between a short-term incentive payable in the 2026 financial year and a long-term incentive vesting in two tranches starting in the 2026 financial year.

^{*} Long-term performance incentive

2026 financial year

In the 2026 financial year, there were no prescribed officers.

2025 financial year

In the 2025 financial year, no additional allocation was made to the long-term performance incentive for Executive Management. The vesting of the previous financial years' allocations will be paid upon reaching the predetermined vesting conditions.

The first tranche of the 2024 long-term performance incentive along with the second tranche of the 2023 long-term performance incentive will vest in May 2026.

The first tranche of the 2023 long-term performance incentive vested in May 2024.

	2023 long-term performance incentive [§]	2024 long-term performance incentive	2026 long-term performance incentive	2026 long-term performance incentive	Total long-term performance incentive	Incentive settled in FY25
2025						
AJ Langson	–	–	–	–	–	–
	–	–			–	–

[§] This balance includes the unwinding of the discounted value of the long-term performance incentive as disclosed in the prior year.

39. Investments in joint operations

Joint arrangements are arrangements in which the Group shares joint control with one or more parties. Joint control is the contractually agreed sharing of control of an arrangement and exists only when decisions about the activities that significantly affect the arrangement's returns require the unanimous consent of the parties sharing control. Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement. In joint operations, the parties have rights to the assets and obligations for the liabilities relating to the arrangement, whereas in joint ventures, the parties have rights to the net assets of the arrangement.

Joint arrangements that are structured through a separate vehicle may be either joint operations or joint ventures depending on the specific facts and circumstances of the arrangement.

In these cases, consideration is given to the legal form of the separate vehicle, the terms of the contractual arrangement and, when relevant, other facts and circumstances. When the activities of an arrangement are primarily designed for the provision of output to the parties, and the parties are substantially the only source of cash flows contributing to the continuity of the operations of the arrangement, this indicates that the parties to the arrangements have rights to the assets and obligations for the liabilities.

These arrangements are primarily designed for the provision of output to the parties sharing joint control, indicating that the parties have rights to substantially all the economic benefits of the assets. The liabilities of the arrangements are in substance satisfied by cash flows received from the parties; this dependence indicates that the parties effectively have obligations for the liabilities. It is primarily these facts and circumstances that give rise to the classification as joint operations.

The Group holds a 50% interest in Bankenveld District City Proprietary Limited ("BDC") which operates in Johannesburg, South Africa. The nature of the activities of BDC is the installation of bulk services for the development of the mixed use residential and commercial precinct. This has historically been accounted for as a joint venture and therefore recognised using the equity method in accordance with IFRS 11: *Joint Arrangements* and IAS 28: *Investments in Associates and Joint Ventures*.

Following changes, effective 1 September 2025, the Group has obtained rights to the assets and obligations for the liabilities on the basis that the arrangement is designed to provide outputs to the parties involved in the arrangement. As a result, the joint arrangement has been classified as a joint operation under IFRS 11.

Management has exercised significant judgement in assessing the joint arrangement structure and the rights and obligations arising from the revised contractual terms (IFRS 11.15).

Based on this evaluation, the arrangement meets the definition of a joint operation because the parties now have in substance rights to assets and obligations for liabilities on the basis that the arrangement is designed to provide outputs to the parties involved in the arrangement.

From the effective date, the Group derecognised the equity-accounted investment and recognised its proportionate share of the joint operation's assets, liabilities, revenues, and expenses in accordance with IFRS 11.20–21. This change reflects a change in facts and circumstances which is accounted for prospectively.

At the date of transition, the following financial impacts are recognised (based on the latest available financial information of the arrangement):

- ▶ Cash and cash equivalents
- ▶ Trade and other receivables
- ▶ Inventories/construction contracts
- ▶ Deferred income tax asset
- ▶ Trade and other payables
- ▶ Current income tax liabilities
- ▶ Loans to joint ventures

As the arrangement is accounted for as a joint operation, the Group no longer recognise a single "share of profit of equity-accounted investees". Instead, the Group will present its proportionate share of:

1. Revenue
2. Cost of sales
3. Administration expenses
4. Finance income/expenses
5. Tax expenses
6. Rental income
7. Operating expenses

The classification change occurred from 1 September 2025, when the revised terms became binding. The change has been applied prospectively in accordance with IFRS 11.

Notes to the consolidated financial statements *(continued)*

40. Earnings per share (and other performance indicators)

Accounting policy

Basic earnings per share

Earnings per share is calculated using the weighted average number of ordinary shares in issue during the year and is based on the net profit attributable to ordinary shareholders.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the net profit attributable to ordinary shareholders, adjusted for the after-tax dilutive effect.

For the share schemes, a calculation is done to determine the number of the Group's shares that would be required at fair value to settle the monetary value of the rights, after deducting the unamortised share-based payment value. For the purposes of this calculation, the average annual market share price of the Group is used.

Headline earnings per share

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the year and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 1/2023 issued by the South African Institute of Chartered Accountants ("SAICA").

	Gross pre-tax and non-controlling interest		Net	
	2026	2025	2026	2025
(a) Basic				
Profit attributable to shareholders	207 593 763	214 115 933	160 235 004	164 984 085
Weighted average number of ordinary shares in issue	95 742 067	96 078 082	95 742 067	96 078 082
Basic earnings per share (cents per share)	216.83	222.86	167.36	171.72

	Gross pre-tax and non-controlling interest		Net	
	2026	2025	2026	2025
(b) Diluted				
Profit attributable to shareholders	207 593 763	214 115 933	160 235 004	164 984 085
Weighted average number of ordinary shares in issue	95 742 067	96 078 082	95 742 067	96 078 082
Calgro M3 Share Schemes	1 404 290	2 113 191	1 404 290	2 113 191
Fully diluted weighted average number of ordinary shares in issue	97 146 357	98 191 273	97 146 357	98 191 273
Fully diluted earnings per share (cents per share)	213.69	218.06	164.94	168.02
(c) Headline				
Headline earnings is calculated as follows:				
Profit attributable to shareholders	207 593 763	214 115 933	160 235 004	164 984 085
Profit on disposal of property, plant and equipment and computer software	(142 598)	–	(142 598)	–
Fair value adjustment in investment properties	(10 004 897)	(345 798)	(10 004 897)	(345 798)
Scrapping of property, plant and equipment	–	231	–	231
Scrapping of intangible assets	–	17	–	17
Profit used to determine headline earnings per share	197 446 268	213 770 383	150 087 509	164 638 535
Weighted average number of ordinary shares in issue	95 742 067	96 078 082	95 742 067	96 078 082
Headline earnings per share (cents per share)	206.23	222.50	156.76	171.36

Notes to the consolidated financial statements *(continued)*

40. Earnings per share (and other performance indicators) *(continued)*

	Gross pre-tax and non-controlling interest		Net	
	2026	2025	2026	2025
(d) Diluted headline				
Diluted headline earnings is calculated as follows:				
Profit used to determine headline earnings per share	97 446 268	213 770 383	150 087 509	164 638 535
Fully diluted weighted average number of ordinary shares in issue	97 146 357	98 191 273	97 146 357	98 191 273
Fully diluted headline earnings per share (cents per share)	203.25	217.71	154.50	167.67
(e) Net asset value per share				
Net asset value per share is calculated by dividing the net asset value, calculated by reducing the total assets by total liabilities, by the number of shares in issue.				
Total assets			3 690 857 834	3 274 167 897
Less: Total liabilities			(2 119 679 186)	(1 840 492 164)
Net assets			1 571 178 648	1 433 675 733
Number of ordinary shares in issue			95 380 601	96 466 126
Net asset value per share (cents per share)			1 647.27	1 486.20

41. Going concern

The Group and Company financial statements have been prepared on the going concern basis. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Board has considered the Group's cash flow forecasts for the foreseeable future, with the consideration given to the uncertainty in operational performance, Company specific risks and other wider macroeconomic environment risks.

The Group maintains sufficient liquidity throughout the period to furnish its liabilities as they fall due.

In considering the going concern assumption the following factors have a potential market impact on the Group:

- ▶ The current reduction in the interest rates has not impacted the granting of the 100% home loans in the lower to middle tier of the market.
- ▶ Government committed to the need for dignified housing in the recent budget speech held on 25 February 2026.

Our belief is that this will bring about new opportunities in the sector.

The geopolitical events currently have no impact on the Group's cash flow forecasts, this will be assessed on an ongoing basis.

42. Events after the reporting year

No events have occurred subsequent to the reporting date that require adjustment to, or disclosure in, the consolidated and separate financial statements to be taken into account.

Statement of financial position

	Notes	2026	2025
Assets			
Cash and cash equivalents	44	596 645	1 552 578
Trade and other receivables	45	27 213	25 714
Current income tax assets	46	116 159	77 915
Loans to Group companies	47	1 337 720 213	840 244 995
Investment in subsidiaries	48	291 008 869	291 008 869
Deferred income tax asset	49	1 033 277	195 736
Total assets		1 630 502 376	1 133 105 807
Equity and liabilities			
Equity			
Equity attributable to owners of the parent			
Stated capital	50	185 592 257	192 254 895
Retained income		2 173 123	2 991 068
Total equity		187 765 380	195 245 963
Liabilities			
Trade and other payables	51	3 691 623	3 706 495
Loans from Group companies	47	108 754 079	97 868 067
Borrowings	52	1 330 291 294	836 285 282
Total liabilities		1 442 736 996	937 859 844
Total equity and liabilities		1 630 502 376	1 133 105 807

The notes on [pages 77 to 88](#) are an integral part of these consolidated financial statements.

Statement of comprehensive income

	Notes	2026	2025
Revenue	53	15 880 000	8 860 000
Other income	54	12 000 000	5 000 000
Administrative expenses	55	(12 443 169)	(6 307 665)
Finance income	56	124 424 869	102 413 101
Finance costs	57	(131 638 014)	(104 895 255)
Profit before tax		8 223 686	5 070 181
Taxation	58	837 540	(292 136)
Profit after taxation		9 061 226	4 778 045
Other comprehensive income		-	-
Total comprehensive income		9 061 226	4 778 045

The notes on [pages 77 to 88](#) are an integral part of these consolidated financial statements.

Statement of changes in equity

	Stated capital	Retained income	Total equity
Balance at 1 March 2024	192 254 895	9 071 021	201 325 916
Dividend declared	–	(10 857 998)	(10 857 998)
<i>Comprehensive income</i>			
Profit for the year	–	4 778 045	4 778 045
Other comprehensive income	–	–	–
Total comprehensive income	–	4 778 045	4 778 045
Balance at 1 March 2025	192 254 895	2 991 068	195 245 963
Dividend declared	–	(9 879 171)	(9 879 171)
Shares repurchased	(6 662 638)	–	(6 662 638)
<i>Comprehensive income</i>			
Profit for the year	–	9 061 226	9 061 226
Other comprehensive income	–	–	–
Total comprehensive income	–	9 061 226	9 061 226
Balance at 28 February 2026	185 592 257	2 173 123	187 765 380
Note	50		

The Board has approved a dividend on 15 May 2026 of 8.63703 cents per share. In the 2025 financial year the Board approved a dividend of 8.63703 cents per share which was paid in June 2025.

The notes on [pages 77 to 88](#) are an integral part of these consolidated financial statements.

Statement of cash flows

	Notes	2026	2025
Cash (utilised in)/generated from operating activities			
Cash generated from/(utilised in) operations	59	13 507 937	(9 592 566)
Finance income received		97 614 548	99 669 629
Finance cost paid	52	(114 737 026)	(79 466 558)
Tax paid	60	(38 244)	(116 588)
Net cash (utilised in)/generated from operating activities		(3 652 785)	10 493 917
Cash flows invested in investing activities			
Loans to Group companies repaid		189 967 650	158 000 000
Loans to Group companies advanced		(553 132 547)	(254 937 485)
Net cash invested in investing activities		(363 164 897)	(96 937 485)
Cash flows received in financing activities			
Loans from Group companies advanced	47	249 979 798	146 734 834
Loans from Group companies repaid	47	(245 076 240)	(146 049 181)
Proceeds from borrowings	52	467 500 000	255 000 000
Repayment of borrowings	52	(90 000 000)	(158 000 000)
Dividends paid		(9 879 171)	(10 857 998)
Shares repurchased	50	(6 662 638)	–
Net cash received in financing activities		365 861 749	86 827 655
Net (decrease)/increase in cash and cash equivalents		(955 933)	384 087
Cash and cash equivalents at the beginning of the year		1 552 578	1 168 491
Cash and cash equivalents at the end of the year	44	596 645	1 552 578

The notes on [pages 77 to 88](#) are an integral part of these consolidated financial statements.

Notes to the Company financial statements

Included in the notes to the Company financial statements are those accounting policies only applicable to the Company.

Where the same accounting policy applies to both the consolidated and separate Financial Statements refer to the applicable notes in the Consolidated Audited Financial Statements.

43. Significant judgements and sources of estimation uncertainty

In preparing the Company financial statements, management applied estimates and assumptions in determining which investments to classify as subsidiaries.

Refer to the investments in subsidiaries note (note 48).

Operating cycle

The order of liquidity provides a more reliable and relevant reflection of the nature of the Group's assets and liabilities. Amounts expected to be recovered or settled within 12 months are included in the relevant notes to the consolidated and separate annual financial statements.

44. Cash and cash equivalents

Accounting policy

Refer to note 6 of the consolidated financial statements for the applicable accounting policy.

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2026	2025
Cash on hand	330	330
Bank balances	596 315	1 552 248
	596 645	1 552 578

45. Trade and other receivables

Accounting policy

Refer to note 7 of the Consolidated Financial Statements for the applicable accounting policy.

	2026	2025
Financial instruments		
Trade receivables	27 213	25 714
Gross financial instruments	27 213	25 714
Trade and other receivables to be realised within 12 months	27 213	25 714
Trade and other receivables to be realised after 12 months	–	–
	27 213	25 714

The maximum exposure to credit risk for these instruments at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security for trade and other receivables, other than as disclosed above.

46. Current income tax assets

	2026	2025
Opening balance	77 915	(16 537)
Local income tax – current year	–	(22 136)
Payments during the current year	38 244	116 588
Closing balance	116 159	77 915

47. Loans to/(from) Group companies

Accounting policy

These loans are classified as financial assets measured at amortised cost or financial liabilities measured at amortised cost.

The loans are unsecured, interest is charged at a rate as agreed to between the parties from time to time and is repayable on demand.

Notes to the Company financial statements *(continued)*

47. Loans to/(from) Group companies *(continued)*

	Interest rate	Repayment terms	Security	2026	2025
Loans to Group companies					
The Calgro M3 Employee Benefit Trust	Interest free (2025: Interest free)	On demand	Unsecured	2 000	2 000
The Calgro M3 Educational Benefit Trust	Interest free (2025: Interest free)	On demand	Unsecured	21 325	21 325
Calgro M3 Developments Proprietary Limited – Treasury [#]	JIBAR plus relevant margin	On demand	Unsecured	1 308 000 000	823 000 000
Calgro M3 Developments Proprietary Limited – Treasury interest accrual [#]				29 696 888	17 221 670
Loans to Group companies				1 337 720 213	840 244 995
Loans to Group companies to be settled within 12 months				133 000 000	50 000 000
Loans to Group companies to be settled after more than 12 months				1 204 720 213	790 244 995
				1 337 720 213	840 244 995
Loans from Group companies					
Calgro M3 Developments Proprietary Limited	Prime (2025: prime)	Repaid	Unsecured	(59 563 136)	(45 310 337)
Calgro M3 Developments Proprietary Limited – Share repurchases	Interest free (2025: Interest free)	On demand	Unsecured	(48 557 730)	(52 557 730)
Calgro M3 Developments Proprietary Limited – Investment – Ninety One	Interest free (2025: Interest free)	On demand	Unsecured	(94 754)	–
Calgro M3 Developments Proprietary Limited – Investment – Investec	Interest free (2025: Interest free)	On demand	Unsecured	(538 459)	–
Loans from Group companies				(108 754 079)	(97 868 067)
Loans from Group companies cash flow reconciliation					
Opening balance				(97 868 067)	(92 248 418)
Loan repaid to Group companies				245 076 240	146 049 181
Loan advanced from Group companies				(249 979 798)	(146 734 834)
Interest accrued – non-cash				(5 982 454)	(4 933 996)
Closing balance				(108 754 079)	(97 868 067)

[#] Refer to [note 50](#) for further details on the related external borrowings which is linked to the Calgro M3 Developments Proprietary Limited Treasury loans. The interest rate charged on the loans to or from Group companies is linked to the rate charged by the external debt providers. This balance includes the interest accrual as at 28 February 2026.

The treasury loan is subject to JIBAR rates.

The South African Reserve Bank has confirmed that JIBAR will cease after its final publication on 31 December 2026, and the Group is therefore transitioning its JIBAR-linked financial instruments to the new transaction-based benchmark rate, ZARONIA, which is now published daily by the SARB and required for all new contracts from March 2026; existing contracts will transition using an industry-endorsed credit adjustment spread to ensure economic neutrality, and the Group does not expect the transition to result in a substantial modification of its financial instruments or to have a material financial impact; however, this will be continuously assessed as the transition arrangements are agreed with the Group's lenders.

All loans to/(from) Group companies will be settled within the next 12 months for the current and prior year.

Notes to the Company financial statements *(continued)*

48. Investment in subsidiaries

Accounting policy

Investments in subsidiaries are carried at cost less any accumulated impairment.

Significant judgement and sources of estimation uncertainty

Although the Group has a minority shareholding in Belhar Calgro M3 Development Company Proprietary Limited, it does have control, as the Board comprises only of representatives from the Group.

The Group appoints the chairman which has the casting vote. The investment is therefore accounted for as a subsidiary as the Group has control over the relevant activities of the entity.

Name of Company	% voting power 2026	% voting power 2025	% holding 2026	% holding 2025	Carrying amount 2026	Carrying amount 2025
Direct shareholding in subsidiaries						
Calgro M3 Developments Proprietary Limited	100.00%	100.00%	100.00%	100.00%	291 008 869	291 008 869
Calgro M3 Real Estate Proprietary Limited [#]	100.00%	100.00%	100.00%	100.00%	–	–
Calgro M3 Memorial Parks Holding Proprietary Limited [#]	100.00%	100.00%	100.00%	100.00%	–	–
					291 008 869	291 008 869
Indirect shareholding in subsidiaries						
<i>Subsidiaries of Calgro M3 Developments Proprietary Limited</i>						
Calgro M3 Land Proprietary Limited	100.00%	100.00%	100.00%	100.00%	188 146 234	188 146 234
Calgro M3 Project Management Proprietary Limited	100.00%	100.00%	100.00%	100.00%	100	100
MS5 Projects Proprietary Limited	100.00%	100.00%	100.00%	100.00%	100	100
Calgro M3 Rectification Company Proprietary Limited [#]	100.00%	100.00%	100.00%	100.00%	–	–
Calgro M3 Procurement Management Proprietary Limited ^{#**}	100.00%	100.00%	49.00%	49.00%	–	–
<i>Subsidiaries of Calgro M3 Land Proprietary Limited</i>						
Fleurhof Ext 2 Proprietary Limited	100.00%	100.00%	100.00%	100.00%	243 000 000	243 000 000
Clidet No 1014 Proprietary Limited	100.00%	100.00%	100.00%	100.00%	100	100
Belhar Calgro M3 Development Company Proprietary Limited [§]	100.00%	100.00%	49.00%	49.00%	49	49
CM3 Witkoppen Ext 131 Proprietary Limited	100.00%	100.00%	100.00%	100.00%	100	100
Tres Jolie Ext 24 Proprietary Limited	100.00%	100.00%	100.00%	100.00%	100	100
Ridgewood Estate Proprietary Limited	100.00%	100.00%	100.00%	100.00%	100	100
Business Venture Investment No 1244 Proprietary Limited	100.00%	100.00%	100.00%	100.00%	100	100
Business Venture Investment No 1221 Proprietary Limited	100.00%	100.00%	100.00%	100.00%	100	100
Calgro M3 Jabulani Proprietary Limited [#]	100.00%	100.00%	100.00%	100.00%	–	–
Sabre Homes Projects Proprietary Limited	100.00%	100.00%	100.00%	100.00%	1 002	1 002
32 on Pine Property Development Proprietary Limited	100.00%	100.00%	100.00%	100.00%	3 000 000	3 000 000

Notes to the Company financial statements *(continued)*

48. Investment in subsidiaries *(continued)*

Name of Company	% voting power 2026	% voting power 2025	% holding 2026	% holding 2025	Carrying amount 2026	Carrying amount 2025
<i>Subsidiaries of Calgro M3 Project Management Proprietary Limited</i>						
Holm Jordaan GWA Proprietary Limited	100.00%	100.00%	100.00%	100.00%	–	–
<i>Subsidiaries of Calgro M3 Procurement Management Proprietary Limited[#]</i>						
Calgro M3 Procurement Services Proprietary Limited [#]	100.00%	100.00%	100.00%	100.00%	–	–
Calgro M3 Contractors Proprietary Limited [#]	100.00%	100.00%	100.00%	100.00%	–	–
Calgro M3 Property Sales Proprietary Limited [#]	100.00%	100.00%	100.00%	100.00%	–	–
CTE Consulting Proprietary Limited ^{#*}	100.00%	100.00%	100.00%	100.00%	4 500 100	4 500 100
<i>Subsidiaries of Calgro M3 Memorial Park Holding Proprietary Limited</i>						
Calgro M3 Memorial Park Bloemfontein Proprietary Limited [#]	100.00%	100.00%	100.00%	100.00%	–	–
Calgro M3 Municipal Memorial Parks Proprietary Limited [#]	100.00%	100.00%	100.00%	100.00%	–	–
Calgro M3 Memorial Parks Nasrec Proprietary Limited	100.00%	100.00%	100.00%	100.00%	54 755 699	54 755 699
					493 403 884	493 403 884

[#] These companies have been incorporated under the new Companies Act 71 of 2008. The value of the shares are stated at no par value.

[%] Although Calgro M3 Developments Proprietary Limited only has 49% shareholding in Calgro M3 Procurement Management Proprietary Limited, it has all the voting rights in the Company. 51% of Calgro M3 Procurement Management Proprietary Limited is owned by Calgro M3 Educational Trust, which the Group does not control.

^{\$} Although Calgro M3 Land Proprietary Limited only has 49% shareholding in Belhar Calgro M3 Development Company Proprietary, Calgro M3 Land Proprietary Limited maintains 100% control of the Board and decision making.

On 12 February 2016, the Company founded the Calgro M3 Educational Benefit Trust and the Calgro M3 Employee Benefit Trust. In accordance with the principles of IFRS Accounting Standards, both the trusts are controlled by the Company and are considered to be agents of the Company. There is no financial impact on transactions between the Company and the trusts. Both trusts are registered in South Africa and their year-ends are consistent with the Group.

All subsidiaries are incorporated in South Africa. The year-ends of all the direct and indirect subsidiaries are consistent with that of the Company.

Notes to the Company financial statements *(continued)*

49. Deferred income tax assets

Accounting policy and note

Refer to [note 17](#) of the Consolidated Financial Statements for the applicable accounting policy.

	2026	2025
Reconciliation of deferred tax asset		
Opening balance	195 737	465 737
Statement of comprehensive income charge	837 540	(270 000)
	1 033 277	195 737
Deferred tax assets		
Tax losses available for set off against future taxable income	1 019 777	182 236
Provisions	13 500	13 500
	1 033 277	195 736

50. Stated capital

Accounting policy and note

Refer to [note 18](#) of the Consolidated Financial Statements for the applicable accounting policy.

	Number of shares		Rand amount	
	2026	2025	2026	2025
Authorised				
Ordinary no par value shares	500 000 000	500 000 000		
Issued				
Shares in issue to the public	102 734 757	103 955 757	185 592 257	192 254 895

	Number of shares		Rand amount	
	2026	2025	2026	2025
Treasury shares in issue				
Shares issued to Calgro M3 Employee Benefit Trust*	5 212 909	5 212 909	104 239 627	104 239 627
Shares issued to Calgro M3 Empowerment Trust*	5 212 909	5 212 909	104 239 627	104 239 627
Less: Treasury shares in issue	(10 425 818)	(10 425 818)	(208 479 254)	(208 479 254)
Balance	102 734 757	103 955 757	185 592 257	192 254 895
Balance reconciliation				
Opening balances				
Shares in issue to the public	103 955 757	103 955 757	192 254 895	192 254 895
Treasury shares in issue				
Shares held by Calgro M3 Employee Benefit Trust*	5 212 909	5 212 909	104 239 627	104 239 627
Shares held by Calgro M3 Empowerment Trust*	5 212 909	5 212 909	104 239 627	104 239 627
Total Treasury shares in issue	10 425 818	10 425 818	208 479 254	208 479 254
Less: Treasury shares in issue	(10 425 818)	(10 425 818)	(208 479 254)	(208 479 254)
Total shares in issue – opening balance	103 955 757	103 955 757	192 254 895	192 254 895
Movements for the year				
Shares in issue to the public	(1 327 525)	–	(6 662 638)	–
Shares repurchased [#]	(1 327 525)	–	(6 662 638)	–

Notes to the Company financial statements (continued)

50. Stated capital (continued)

	Number of shares		Rand amount	
	2026	2025	2026	2025
Closing balances				
Shares in issue to the public	102 628 232	103 955 757	185 592 257	192 254 895
Treasury shares in issue				
Shares held by Calgro M3 Employee Benefit Trust*	5 212 909	5 212 909	104 239 627	104 239 627
Shares held by Calgro M3 Empowerment Trust*	5 212 909	5 212 909	104 239 627	104 239 627
Total Treasury shares in issue	10 425 818	10 425 818	208 479 254	208 479 254
Less: Treasury shares in issue	(10 425 818)	(10 425 818)	(215 141 892)	(208 479 254)
Balance at the end of the year	102 628 232	103 955 757	185 592 257	192 254 895

The opening balance for February 2025 was amended to reflect the correct shareholding.

* These shares relate to the shares issued to the Calgro M3 Empowerment Trust and the Calgro M3 Employee Benefit Trusts. In accordance with the principles of IFRS 10, the trusts are controlled by the Company and are considered agents of the Company.

% Shares issued in terms of Calgro M3 Executive Share Scheme.

2026

Shares issued in terms of Calgro M3 Executive Share Scheme.

Shares were issued to the participants of the "Calgro M3 Executive Share Scheme – FY23" (refer to [note 34](#)). In terms of the scheme rules, the participants elected a net settlement option, under this option the Group settled the tax liability on behalf of the participant with the remaining value issued in shares. The gross number of shares vested was the 440 000 shares, with an associated tax liability equating to 198 000 shares. The remaining 242 000 shares were transferred to the participants out of the available treasury shares held by Calgro M3 Developments Proprietary Limited at a value of R4.72 per share.

2025

Shares issued in terms of Calgro M3 Executive Share Scheme.

Shares were issued to the participants of the "Calgro M3 Executive Share Scheme – FY24" (refer to [note 34](#)). In terms of the scheme rules, the participants elected a net settlement option, under this option the Group settled the tax liability on behalf of the participant with the remaining value issued in shares. The gross number of shares vested was the 740 000 shares, with an associated tax liability equating to 333 000 shares. The remaining 407 000 shares were transferred to the participants out of the available treasury shares held by Calgro M3 Developments Proprietary Limited at a value of R5.65 per share.

All issued shares are fully paid.

Unissued ordinary shares are under the control of the Directors in terms of a resolution of members passed at the last Annual General Meeting. This authority remains in force until the next Annual General Meeting.

51. Trade and other payables

Accounting policy

Refer to [note 19](#) of the Consolidated Financial Statements for the applicable accounting policy.

	2026	2025
Financial instruments		
Trade payables	731 245	797 948
Accrued expenses	2 686 019	2 745 580
Dividends payable	743	–
Gross financial instruments	3 418 007	3 543 528
Non-financial instruments		
Value added tax	273 616	162 967
Total non-financial instruments	273 616	162 967
Total trade and other payables	3 691 623	3 706 495

All trade and other payables will be settled within the next 12 months for the current and prior year.

Notes to the Company financial statements (continued)

52. Borrowings

Accounting policy

Borrowings are classified as financial liabilities at amortised cost. Refer to the financial instruments accounting policy, [note 20](#) for further details.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan. The fee is amortised over the life of the facility.

	Interest rate	Expiration date	2026	2025
Floating rate note – CGR 52	JIBAR plus 4.25%	30 June 2026	–	50 000 000
Floating rate note – CGR 53	JIBAR plus 3.95%	28 February 2026	–	40 000 000
Floating rate note – CGR 54	JIBAR plus 4.5%	28 February 2028	40 000 000	40 000 000
Floating rate note – CGR 55	JIBAR plus 3.9%	2 October 2026	50 000 000	50 000 000
Floating rate note – CGR 56	JIBAR plus 3.9%	2 October 2026	33 000 000	33 000 000
Floating rate note – CGR 59	JIBAR plus 3.9%	21 November 2027	70 000 000	70 000 000
Floating rate note – CGR 60	JIBAR plus 4.33%	12 December 2029	85 000 000	85 000 000
Floating rate note – CGR 61	JIBAR plus 3.90%	27 June 2028	50 000 000	–
Floating rate note – CGR 62	JIBAR plus 3.90%	29 January 2029	60 000 000	–
NHFC Loan [%]	Prime plus 0.5%	30 June 2030	215 000 000	–
Prescient [%]	JIBAR plus 5%	12 October 2027	100 000 000	100 000 000
ABSA 1 [%]	JIBAR plus 4.5%	25 April 2028	155 000 000	155 000 000
ABSA 2 [%]	JIBAR plus 4.25%	15 November 2028	200 000 000	200 000 000
Stanlib [%]	JIBAR plus 4.3%	30 June 2030	250 000 000	–
Total capital outstanding			1 308 000 000	823 000 000

	2026	2025
Transaction cost amortisation*	(7 405 594)	(3 936 388)
Interest accrual [^]	29 696 888	17 221 670
Total transaction costs and interest accruals	22 291 294	13 285 282
Total borrowings	1 330 291 294	836 285 282

[^] Accrued interest has been reclassified to borrowings in the current financial year, as a better representation of the outstanding debt balance. The prior year interest accrual remains unchanged within trade and other payables (refer to [note 49](#)).

* The transaction costs are amortised over the life of the facilities. It is expected that these costs will be fully amortised when the facilities are settled.

[%] The following repayment terms are applicable to the term loans:

- The NHFC loan is repayable in nine instalments, starting from May 2026.
- Prescient is repayable in one instalment in October 2027.
- ABSA 1 is repayable in four equal instalments, starting from September 2027.
- ABSA 2 is repayable in eight instalments, starting from March 2028.
- Stanlib is repayable in eight equal instalments, starting from September 2028.

All borrowings are unsecured.

As at year-end, all floating rate notes listed on the DMTN listed debt programme were in compliance with the programme memorandum.

All borrowings are subject to JIBAR rates.

The South African Reserve Bank has confirmed that JIBAR will cease after its final publication on 31 December 2026, and the Group is therefore transitioning its JIBAR-linked financial instruments to the new transaction-based benchmark rate, ZARONIA, which is now published daily by the SARB and required for all new contracts from March 2026; existing contracts will transition using an industry-endorsed credit adjustment spread to ensure economic neutrality, and the Group does not expect the transition to result in a substantial modification of its financial instruments or to have a material financial impact. However, this will be continuously assessed as the transition arrangements are agreed with the Group's lenders.

The table below provides information regarding the present value of the borrowings to be settled within 12 months and after 12 months. For the undiscounted cash flows related to borrowings, refer to [note 61](#).

	2026	2025
Borrowings to be settled within 12 months	83 000 000	50 000 000
Borrowings to be settled after more than 12 months	1 247 291 294	786 285 282
	1 330 291 294	836 285 282

Notes to the Company financial statements *(continued)*

52. Borrowings *(continued)*

	2026	2025
Borrowings cash flow reconciliation		
Opening balance	(836 285 282)	(722 980 197)
Repayments of borrowings	90 000 000	158 000 000
Proceeds from borrowings	(467 500 000)	(255 000 000)
Interest accrued (non-cash item)	(12 475 218)	(17 221 670)
NHFC loan transferred from Calgro M3 Developments Proprietary Limited (non-cash item)	(107 500 000)	–
Net transaction costs amortised	3 469 206	916 585
Amortised expense through the statement of comprehensive income	438 960	(976 123)
Transaction costs paid	3 030 246	1 892 708
Closing balance	(1 330 291 294)	(836 285 282)
Interest paid on borrowings	114 737 026	79 466 558
Total interest paid on borrowings	114 737 026	79 466 558

General

The Directors have not breached the requirements of the Company's Memorandum of Incorporation in terms of their borrowing powers.

53. Revenue

Accounting policy

Revenue only consists of management fees. Management fees are charged by the Company to its subsidiary, Calgro M3 Developments Proprietary Limited, for providing the relevant infrastructure and support to operate the subsidiary and are recognised over time as the services are performed on a monthly basis, which coincides with the billing which also occurs on a monthly basis in arrears. This service is consumed as the benefit is provided to the customer.

Refer to the related party [note 61](#).

	2026	2025
Management fees	15 880 000	8 860 000
	15 880 000	8 860 000

54. Other income

	2026	2025
Dividend received – Calgro M3 Developments Proprietary Limited	12 000 000	5 000 000
	12 000 000	5 000 000

55. Administrative expenses

	2026	2025
Advertising	1 007 001	–
Auditor's remuneration – audit	4 640 422	–
Auditor's remuneration – non-audit	61 500	–
Bank charges	137 980	73 630
Directors' fees – non-executive	3 943 908	3 582 000
Internal auditor's remuneration	616 550	714 319
Legal fees	380 016	112 170
Listing expenses	578 312	887 895
Professional fees	388 902	298 567
Secretarial services	623 936	550 718
Subscriptions	56 630	44 779
Sundry expenses	8 012	43 587
Total administration expenses	12 443 169	6 307 665

Notes to the Company financial statements *(continued)*

56. Finance income

Accounting policy

Refer to [note 29](#) of the Consolidated Financial Statements for the applicable accounting policy.

	2026	2025
Bank	3 311 554	3 451 519
Other	8 389	2 258
Interest on Group loans	121 101 685	98 959 324
SARS	3 241	–
Finance income	124 424 869	102 413 101

57. Finance cost

Accounting policy

Refer to [note 30](#) of the Consolidated Financial Statements for the applicable accounting policy.

	2026	2025
Bank	–	25 774
Interest on Group loans	9 062 766	4 933 996
Borrowings	122 575 248	99 935 485
Finance cost	131 638 014	104 895 255

58. Taxation

Accounting policy

Refer to [note 31](#) of the Consolidated Financial Statements for the applicable accounting policy.

	2026	2025
Major components of the income tax expense		
Current		
Current year	–	22 136
	–	22 136

	2026	2025
Deferred		
Current year	(837 540)	270 000
	(837 540)	270 000
Total current and deferred tax expense	(837 540)	292 136
Reconciliation of the income tax expense		
Applicable tax rate	27.00%	27.00%
Items non-deductible for tax purposes	2.22%	5.39%
Non-deductible items considered partial in nature	2.22%	5.39%
Items non-taxable for tax purposes	(39.40%)	26.63%
Exempt income*	(39.40%)	26.63%
Effective tax rate	(10.18%)	(5.76%)

* This relates to the dividend received ([note 52](#)) from Calgro M3 Developments Proprietary Limited, a wholly owned subsidiary of the Company.

59. Cash generated from/(utilised in) operations

	2026	2025
Profit before tax	8 223 686	5 070 181
Adjustments for:		
Finance income	(124 424 869)	(102 413 101)
Finance cost	131 638 014	104 895 255
Trade and other receivables	(1 499)	14 477 381
Trade and other payables	(1 927 395)	(31 622 282)
	13 507 937	(9 592 566)

60. Taxation paid

	2026	2025
Balance at the beginning of the year	77 915	(16 537)
Current tax for the year	–	(22 136)
Balance at the end of the year	(116 159)	(77 915)
	(38 244)	(116 588)

Notes to the Company financial statements *(continued)*

61. Related parties

Subsidiaries

Refer to [note 48](#) for a detailed list of all subsidiaries of the Company.

Related party balances

Refer to [note 47](#) for loans (from)/to Group companies.

Related party transactions

	Management fees received		Finance income		Finance costs	
	2026	2025	2026	2025	2026	2025
Calgro M3 Developments Proprietary Limited	15 880 000	8 860 000	121 101 685	98 959 324	9 062 766	4 933 996
	15 880 000	8 860 000	121 101 685	98 959 324	9 062 766	4 933 996

62. Financial assets and liabilities by category

	Financial assets at amortised cost		Financial liabilities at amortised cost		Fair values	
	2026	2025	2026	2025	2026	2025
Cash and cash equivalents	596 645	1 552 578	–	–	596 645	1 552 578
Trade and other receivables	27 213	25 714	–	–	27 213	25 714
Loans to Group companies	1 337 720 213	840 244 995	–	–	1 337 720 213	840 244 995
Trade and other payables	–	–	(3 418 007)	(3 543 528)	(3 418 007)	(3 543 528)
Loans from Group companies	–	–	(59 563 136)	(45 310 337)	(59 563 136)	(45 310 337)
Borrowings	–	–	(1 113 961 370)*	(840 221 670)*	(1 113 961 370)*	(840 221 670)*
	1 338 344 071	841 823 287	(1 176 942 513)	(889 075 535)	161 401 558	(47 252 248)

* Included in this balance are the borrowings relating to the DMTN listed debt programme where the fair value is based on quoted prices on the Bond Exchange.

Term loans included in this balance are carried at amortised cost which approximates the fair value, when excluding transaction cost amortised.

Notes to the Company financial statements *(continued)*

63. Risk management

Financial risk management

Due to the fact that the Company is a holding company, the most significant risks the Company is exposed to are market risk (via cash flow interest rate), credit risk and liquidity risk.

(i) Market risk (cash flow interest rate risk)

The Company has interest-bearing loans to and from Group companies and external borrowings. The loans issued at variable rates expose the Company to cash flow interest rate risk.

The Group Executive Committee monitors the interest of the Company on a cash basis. Refer to the finance income (note 56) and finance cost (note 57) notes for the interest received/paid.

The impact on post-tax profit of a 2% shift in the interest rate would be a maximum increase/decrease of:

	2026	2025
2% increase/(decrease) on finance charges on interest-bearing borrowings	21 010 062	13 638 639
2% increase/(decrease) on finance income on interest-bearing assets	19 530 715	12 267 577

A 2% shift is considered appropriate by management taking into account the current economic environment in which the Group operates.

(ii) Credit risk

Credit risk consists mainly of loans to Group companies, cash deposits and cash equivalents.

The Company only deposits cash with major banks with a minimum rating of "BB" and limits the exposure to any one counter party. No credit risk is associated to other receivables as this consists of prepayments.

The Company considers its credit risk relating to the loans owing by Group companies on a case by case basis. Any credit risk related to loans to Group companies is mitigated by the fact that management has insight into the financial position of the Group companies as a result of the relationship.

The treasury loans, including inter-company interest accruals with Calgro M3 Developments Proprietary Limited (refer to note 45) are directly linked to the repayment of the borrowings and its maturity profile (refer to note 50). In line with the DMTN listed programme, Calgro M3 Developments Proprietary Limited guarantees the repayment of the listed debt programme. Based on cash flow forecasts and maturity analysis performed, sufficient cash flow will be available to settle the treasury loan, and in turn the borrowings. As Calgro M3 Developments Proprietary Limited is solvent and liquid, no expected credit loss provision was recognised on the treasury loan as there was no probability of default.

For loans to Group companies and cash and cash equivalents, the maximum exposure to credit risk is limited to what is disclosed in the statement of financial position.

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, as well as the availability of funding through an adequate amount of committed credit facilities.

Due to the dynamic nature of the underlying businesses, the Executive Committee maintains flexibility in funding by maintaining availability under committed credit lines.

The Company manages liquidity risk by monitoring forecasted cash flows.

The Company strives to match the maturity profile of borrowings with expected cash flows from the development projects.

A specific liquidity risk associated with the Company is the raising of loans at specified dates of repayment, against delivery of construction projects that have the same maturity profile.

The related cash inflows from these construction projects are, however, uncertain and dependent on factors not under the control of the Company.

The financial liabilities to be settled within one year will be funded by cash and cash equivalents as well as the realisation of the treasury loans.

The table below analyses the Company's financial liabilities into relevant maturity based on the remaining year at the reporting year date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows which include future interest payable. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Company financial statements *(continued)*

63. Risk management *(continued)*

Financial risk management *(continued)*

(iii) Liquidity risk *(continued)*

	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Total
2026						
Financial instruments recognised on the statement of financial position						
Borrowings (including future interest)	224 317 034	418 320 002	600 869 308	371 945 381	132 482 210	1 747 933 935
Trade and other payables	3 418 007	–	–	–	–	3 418 007
	227 735 041	418 320 002	600 869 308	371 945 381	132 482 210	1 751 351 942
2025						
Financial instruments recognised on the statement of financial position						
Borrowings (including future interest)	140 822 851	209 293 349	322 589 861	358 986 075	95 374 250	1 127 066 386
Trade and other payables	3 543 528	–	–	–	–	3 543 528
	144 366 379	209 293 349	322 589 861	358 986 075	95 374 250	1 130 609 914

The above amounts will be repaid by utilising cash generated from operations, available cash, working capital facilities and the refinancing of borrowings.

In line with the DMTN listed programme, Calgro M3 Developments Proprietary Limited guarantees the repayment of the listed debt programme.

64. Directors' and prescribed officers' emoluments

Please refer to [note 38](#) of the consolidated financials for the emoluments paid to Executive Directors, Non-Executive Directors and Prescribed Officers.

65. Going concern

The Group maintains a central treasury function whereby financial assistance is monitored and maintained. The Company has received commitment from Calgro M3 Developments Proprietary Limited, its main trading subsidiary who will provide additional liquidity to the entity, which will enable Calgro M3 Holdings Limited to pay its liabilities as they fall due.

The Company financial statements have been prepared on the going concern basis. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

66. Events after the reporting year

No events have occurred subsequent to the reporting date that require adjustment to, or disclosure in, the Consolidated and Separate Financial Statements to be taken into account.

General information

Calgro M3 Holdings Limited

Incorporated in the Republic of South Africa

Registration number

2005/027663/06

Share code

CGR

ISIN

ZAE000109203

Registered office and business address

Calgro M3 Building
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2196

Postal address

Private Bag X33
Craighall
2024

Published

18 May 2026

Transfer secretaries

Computershare Investor Services

Bankers

First National Bank
Standard Bank
Nedbank

Auditor

Forvis Mazars
Registered Auditor

Debt and equity sponsor

PSG Capital

Appointed debt officer

SU Naicker

Secretary

Juba Statutory Services, represented by Sirkien van Schalkwyk

Directors

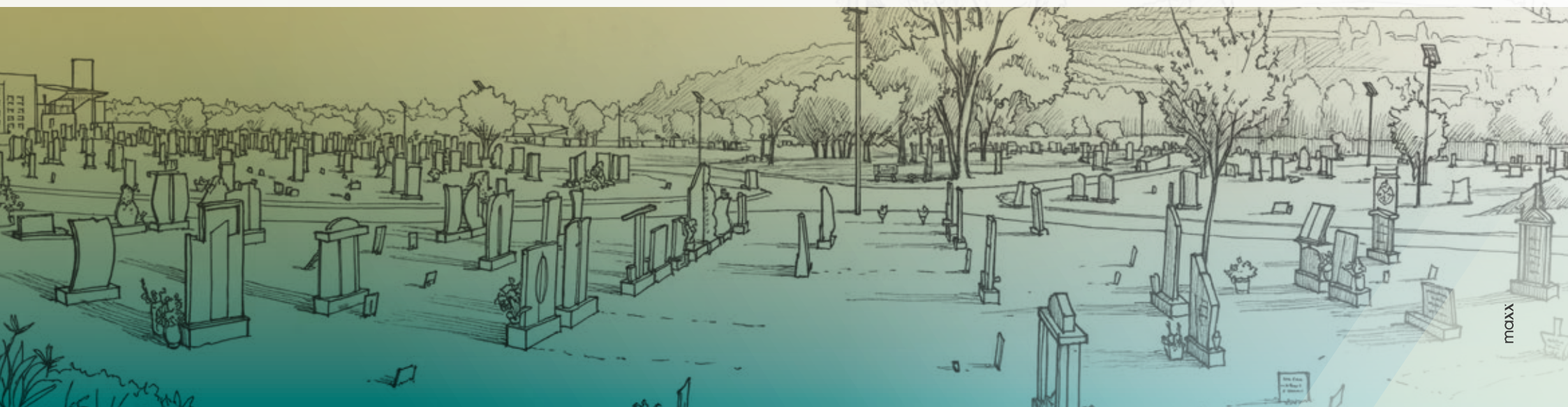
BP Malherbe	Executive
SU Naicker	Executive
AJ Langson	Executive
H Ntene	Independent Non-Executive Chairman
RB Patmore	Lead Independent Non-Executive
K Mzondeki	Independent Non-Executive
ME Gama	Independent Non-Executive
TP Baloyi	Independent Non-Executive
TC Moodley	Independent Non-Executive
L Chou	Non-Executive

Preparer

The financial statements were internally compiled under the supervision of SU Naicker CA(SA).

Level of assurance

These financial statements have been audited by our external auditor Forvis Mazars in accordance with the applicable requirements of the Companies Act 71 of 2008.





CALGRO M3
Group

www.calgrom3.com