CALGRO M3 Group

Building legacies. Changing lives

2025

UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS

for the six months ended 31 August 2025

OVERVIEW

Residential Property Development

The Residential Property Development business focuses operations on Gauteng and the Western Cape, across eight active projects. The business targets a range of housing opportunities from fully subsidised to bonded homes, ensuring diversity and adaptability to meet market demand. The focus lies in offering value-for-money homes in integrated communities at the best possible price.

Building legacies. Changing lives

Memorial Parks

The Memorial Parks business offers an alternative to traditional cemeteries, providing dignified and secure burial options while delivering superior services to customers compared to other products in the market. All six Calgro M3 Memorial Parks are owned and professionally managed and maintained by the Calgro M3 Group. We pride ourselves on providing safe, serene, and beautiful surroundings where family and friends can lay their loved ones to rest.

Salient features

- **2 589** serviced residential opportunities
- **871** residential opportunities under construction
- Cash collections from Memorial Parks business exceed **R50 million**
- Net asset value ("NAV") increased by **6.41%** to **R15.82 per share**
  (February 2025: R14.86 per share)
- Gross profit margin sustained at **29.43%**
  (August 2024 (restated): 29.57%)
- Share buy-back of **1 327 525 shares**
- Net debt to equity **0.71**
  (February 2025: 0.65)
- Earnings per share ("EPS") decreased to **83.00 cents per share**
  (August 2024 (restated): 100.87 cents per share)
- Headline earnings per share ("HEPS") decreased to **82.86 cents per share**
  (August 2024 (restated): 100.87 cents per share)

COMMENTARY

Group financial overview

This period's results reflect short-term revenue and profitability pressures as a result of the shift in capital allocation to the Bankenveld District City project where infrastructure installation has commenced, revenue from these installations will be recognised upon finalisation of public sector agreements. With gross profit margins maintained, the asset base expanded, and liquidity preserved, the Group is well positioned for long-term #sustainable**growth** through the implementation of its strategic pillars.

We have dedicated significant time to rethinking our operations, drawing on decades of experience in residential property development and more recent expertise in memorial parks management. This has enabled us to refine our strategic pillars, focusing capital on future opportunities that optimise the portfolio and reduce debt through a combination of the sale and completion of non-contributing assets and projects.

Statement of Comprehensive Income

The gross profit margin remained stable at 29.43% (August 2024: 29.57%), driven by cost saving initiatives and the benefit of historical land costs. This remained above the Group's target range of 20% to 25%.

Administrative expenses decreased by 7.92% to R45.11 million (August 2024: R48.99 million), benefiting from cost optimisation measures and the reduction in salary costs , revenue from these installations will be recognised upon finalisation of public sector agreements.

Finance income decreased to R27.07 million (August 2024: R34.93 million), while finance costs increased to R33.13 million (August 2024: R32.07 million). This shift resulted in a net finance cost of R6.06 million (August 2024: net finance income of R2.85 million), driven by higher borrowings and the settlement of interest-bearing receivables during the period.

Earnings per share ("EPS") decreased by 17.72% to 83.00 cents (August 2024: 100.87 cents) while headline earnings per share ("HEPS") decreased by 17.86% to 82.86 cents (August 2024: 100.87 cents). The EPS and HEPS values are expected to benefit from the share repurchase executed in August 2025, with the impact becoming more evident as the year progresses, given that calculations are based on the weighted average shares in issue for the period.

Statement of Financial Position and Cash Flow

Total assets increased to R3.47 billion (February 2025: R3.27 billion), driven primarily by the increase of 11.21% in the Construction Contracts balance to R1.86 billion (February 2025: R1.67 billion). The increase in this balance reflects the installation of infrastructure in Fleurhof and Jabulani and the completion of construction on open market units in Gauteng within the period. The investment in infrastructure in both the current and previous reporting periods ensured a robust and sustainable development pipeline with sufficient serviced opportunities available to support the Group for upcoming financial periods.

Borrowings increased to R1.26 billion (February 2025: R1.11 billion), reflecting R350 million secured in the current period. This includes a R250 million facility which was raised to assist in refinancing the Group's annual debt maturities of R297.50 million, and to assist in working capital requirements. Cash held in excess of these requirements have been invested to match the repayment periods of upcoming maturing facilities.

Liquidity remained strong with cash balances of R163.34 million (February 2025: R154.72 million) and a liquidity ratio of 2.02 (February 2024: 2.05).

Restatement to 2024 financial period

As reported in the February 2025 financial results, the change in revenue recognition for Memorial Parks and resultant restatement to comparative information has been retrospectively adjusted for in the August 2024 comparative information. This resulted in the reclassification of deferred maintenance revenue to a maintenance cost provision and the distinction of a burial right and burial service as two separate performance obligations. Refer to note 15 for further disclosure in this regard.

Share repurchases

During the period, 1 327 525 ordinary shares were repurchased at an average price of R5.00 per share, resulting in a reduction in share capital of R6.66 million. Following the repurchases, and subsequent cancellation of the shares, the number of shares in issue decreased from 114 381 575 to 113 054 050, which includes 18 894 449 treasury shares in issue at period end. The repurchase is expected to be accretive to per-share performance in the short term. Net asset value ("NAV") per share increased by 6.41% to R15.82 (February 2025: R14.86 cents), supported by the smaller share base.

Dividends

In line with the dividend policy, the Board did not declare an interim dividend.

Covenants

The Group remained compliant with all covenant requirements during the period. The net debt-to-equity ratio increased to 0.71 (February 2025: 0.65). The ratio is expected to reduce to previously reported levels once the refinanced maturities are repaid in the short term.

The debt service cover ratio ("DSCR") improved to 1.58 (February 2025: 1.38), comfortably above the minimum requirement of 1.2, supported by refinancing inflows and stable Memorial Parks collections.

Overall, the Group's covenant position remains healthy with ample headroom, ensuring financial resilience and strategic flexibility.

Residential Property Development financial overview

The Residential Property Development segment accounts for 91.34% of Group revenue. Revenue in the segment decreased by 11.59% in the period with buyer sentiment remaining cautious for the first half of the year, with signs of a recovering market. This recovery was evidenced by consumer appetite improving towards the end of July 2025, with this trend continuing into August 2025. The Group maintained a healthy gross profit margin of 27.44%, compared to 27.86% in the previous period arising from the benefit of historical land costs and cost containment initiatives.

Across the period there was a strong focus on unit sales, driving a shift in revenue composition, with unit sales doubling to R317.47 million (August 2024: R146.73 million). This was partly offset by lower infrastructure revenue in the reporting period, reflecting the completion of a substantial portion of bulk and link infrastructure in legacy developments during prior reporting years. As a result of infrastructure investments made in these previous reporting periods, the Group has sufficient serviced opportunities (2 589) to support demand and sales activity for the upcoming financial year.

Memorial Parks financial overview

The Memorial Parks segment delivered another robust set of results, increasing revenue to R39.83 million (August 2024: R36.76 million). Gross profit increased to R20.07 million (August 2024: R19.03 million), with margins maintained at 50.39% (August 2024: 51.78%). In accordance with the revenue recognition principles, revenue from lay-by sales is recognised upon receipt of the final settlement of the purchase price by the customer. In the current period, completed lay-by sales recognised as revenue, increased by 66.23% to R10.89 million (August 2024: R6.55 million), reflecting improved customer conversions, consistent growth in the Memorial Parks segment and the concerted effort to drive predictable future cash flows.

Overview of Group operational performance

Significant time has been spent reimagining the way in which we operate. With the commencement of the Bankenveld District City development, we have an opportunity to reshape the development landscape for affordable property development. We are confident this time spent on urban design, town planning and innovative building methodologies will result in profit growth and margin accretion in future periods. All while ensuring alignment with our purpose of ***"Building legacies. Changing Lives"***.

Residential Property Development operational performance

The segment reported a reduction in revenue which was partly attributable to the allocation of financial resources to the Bankenveld District City development, which commenced infrastructure installation in the current reporting period. This development, which will yield in excess of 20 000 opportunities, has commenced phase 1 of road infrastructure upgrades to which Calgro M3 will incur R158 million of costs over the 2026 and 2027 financial periods, whilst simultaneously commencing further infrastructure upgrades in the 2027 financial period. The installation of all bulk and link infrastructure is executed in the Bankenveld District City joint venture, along with our partner Eris Property Group.

Calgro M3 is in negotiations with the public sector to finalise the Bankenveld District City infrastructure agreement. Meanwhile, all infrastructure installation and onsite work continue to be executed as a private development. These discussions and agreements with the public sector will allow Calgro M3 to cater to the lower LSM housing market within this development once concluded.

Contributions from the broader residential development pipeline remained well balanced, with construction activities on Western Cape projects increasing during the period. This aligns with the Group's strategy to adjust construction activity in order to diversify provincial exposure. The installation of the final stages of infrastructure in the Belhar project was undertaken, while successfully completing and selling out a further section of the Scottsdene development. This positions the Western Cape projects to make a large contribution towards performance in the second half of the financial year. In Gauteng, on the existing pipeline, the final bulk and link installations in Fleurhof and Jabulani are nearing completion. These installations, along with bulk and link investments which occurred over the preceding financial years, resulted in 2 589 serviced opportunities currently available for development across the residential developments pipeline. Strategic land acquisitions are being assessed in and around areas where bulk and link infrastructure has been installed by the Group, which will assist in lowering future development costs, especially when public sector funding faces constraints.

As reported in the February 2025 year-end results, the Group held large stock on hand. We are pleased to have reduced the number of units on hand by more than half in the six-month period through innovative targeted marketing campaigns and the sale of units to the property investor market. The increase in appetite for this segment of the market demonstrates the inherent value within our developments, with units returning high rental yields. These units are considered well-located, near job opportunities and offer well-curated lifestyle amenities, including security. These targeted marketing campaigns and sales in the property investor market have been embedded in the sales strategy.

Memorial Parks operational performance

On-site infrastructure activities have commenced at Platinum City Memorial Park where final regulatory approvals were obtained in the reporting period. Burials are expected to commence in the last quarter of the 2026 financial year, providing in excess of 28 000 burial opportunities to the Group. Once this Memorial Park becomes fully operational, and in line with the Group's growth strategy, further investments will be directed toward replacing end-of-life parks over the short to medium term to support growth in the segment.

Memorial Parks continued to support Group liquidity through predictable cash inflows, with stable cash collections for the period of R51.64 million (August 2024: R52.15 million) contributing towards Group overheads. Lay-by cash collections increased by 22.27% to R14.9 million (August 2024: R12.24 million).

This strategic shift in sales strategies adopted two years ago, to the lay by market supports predictability in the cash flows as evidenced by cash collections growing to approximately 28% of total cash collections.

With growth planned for this business these predictable cash flows will allow the Group to grow into the Bankenveld District City development by supporting the Group overhead costs during the infrastructure phase of the development.

Positioning to support our long-term strategic pathway

Our mantra of #sustainable**growth** aligns with our vision and passion for ***"Building legacies. Changing lives"***.

By reviewing our current strategy, the following refined strategic pillars have been identified to support Calgro M3's sustainable growth pathway. These pillars aim to enhance shareholder value by:

Pillar	Healthier liquidity	Improve net asset value and better align market valuation with the underlying assets	Greater returns to shareholders
Sale of non-core assets (non-contributing assets with no intention for development in the next five years)	✓	✓	✓
Balancing the two business segments in the long term by **reducing** the number of non-contributing projects in the Residential Property Development business, and **increasing** the Memorial Parks business footprint to diversify risk	✓	✓	✓
Manage the relationship between the Group's net debt level in relation to its market capitalisation by delivering on short to medium-term goals	✓	✓	✓
Focus on enhancing staff expertise through strategic skills development initiatives by appointing specialists allowing for skills transfer			✓

Legend

Healthier liquidity

Improve net asset value and better align market valuation with the underlying assets

Greater returns to shareholders

Through the implementation of the above strategic pillars, profitability will be improved, the Group's asset base and debt position will be optimised resulting in improved returns to shareholders in the medium to longer term.

Update on engagement with shareholders

Dissenting shareholders who voted against the Remuneration Policy and the Implementation Report on the Remuneration Policy at the annual general meeting ("AGM") in June 2025 were invited to attend a virtual session on 28 August 2025.

Discussions were meaningful with an understanding of the key reasons and concerns noted by shareholders. Follow up engagement will be held with shareholders in the upcoming months to finalise the amendments required to be made to the executive remuneration policy. The amendments will be disclosed and explained in the 2026 Remuneration and Nominations Committee Report.

Management changes

At the AGM, Ms K Mzondeki has been appointed as an independent non-executive director and Mr LCH Chou was appointed as a non-executive director.

At the same time, the Company announced that Mr Wayne Williams has resigned from the Board and as an Executive Director, to pursue other interests. His employment ended on 30 September 2025.

Prospects

Calgro M3 continues to experience demand for both residential housing units and memorial park burial sites, solidifying its strategic focus on high-demand niches in the South African economy.

The reductions in interest rates have shown a positive response, albeit at a slower pace than initially anticipated. Despite the interest rate being held at the current level by the Monetary Policy Committee during September, market sentiment shows an uptick and both increases in home loan volumes and approvals across the market.

The implementation of the strategic pillars outlined is necessary as the Bankenveld District City development begins and the Group positions to execute on fewer projects with equitable contribution levels. At the same time, the Memorial Parks business has matured, is extremely cash generative and is poised for further growth. This revitalised strategy which supports future growth has invigorated the entire business whilst also ensuring that the debt structure of the business is aligned with its size and capital requirements.

BANKENVELD DISTRICT CITY
INFRASTRUCTURE DEVELOPMENT IS PROGRESSING

Road installations

Storm water infrastructure

Intersections

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the six months ended 31 August 2025

R'000	Notes	Unaudited August 2025	Unaudited August 2024 (Restated)*	Audited February 2025 (Restated)*
Assets				
Cash and cash equivalents		**163 343**	168 913	154 723
Trade and other receivables		**100 829**	98 636	82 703
Current income tax assets		**982**	355	289
Construction contracts	4	**1 855 341**	1 474 734	1 668 283
Loans to joint ventures		**497 081**	443 504	473 344
Investment in joint ventures		**155 466**	114 039	136 610
Inventories	5	**457 009**	517 000	519 568
Investments		**19 769**	18 487	19 196
Property, plant and equipment		**24 662**	27 874	25 945
Investment property		**22 493**	22 147	22 493
Intangible assets		**159 651**	159 651	159 651
Deferred income tax asset		**9 847**	12 380	11 363
Total assets		**3 466 473**	3 057 720	3 274 168
Equity and liabilities				
Equity				
Equity attributable to owners of the parent				
Stated capital		**27 247**	31 610	33 909
Share-based payment reserve		**1 450**	2 435	486
Retained income		**1 472 622**	1 327 933	1 396 027
		1 501 319	1 361 978	1 430 422
Non-controlling interests		**3 323**	831	3 254
Total equity		**1 504 642**	1 362 809	1 433 676
Liabilities				
Trade and other payables		**257 384**	253 849	310 925
Current income tax liabilities		**6 606**	100	59
Borrowings	7	**1 255 294**	1 035 716	1 105 722
Maintenance liability – Memorial Parks	15	**61 487**	53 171	57 720
Deferred income tax liability		**381 060**	352 074	366 066
Total liabilities		**1 961 831**	1 694 911	1 840 492
Total equity and liabilities		**3 466 473**	3 057 720	3 274 168

* *Refer to note 15 for information regarding the correction of the August 2024 balances. The "Maintenance liability – Memorial Parks" 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.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 August 2025

R'000	Notes	Unaudited August 2025	Unaudited August 2024 (Restated)*	Audited February 2025
Revenue	8	**460 030**	512 041	868 907
Cost of sales	9	**(324 654)**	(360 611)	(613 187)
Gross profit		**135 376**	151 430	255 720
Other income		**4 122**	5 092	9 258
Administrative expenses		**(45 113)**	(48 994)	(95 478)
Other expenses		**(1)**	(46)	(128)
Expected credit losses on financial and contract assets		**3 271**	(4 058)	(3 652)
Finance income		**27 065**	34 925	64 253
Finance costs	10	**(33 128)**	(32 074)	(60 303)
Share of profit of joint ventures – net of tax		**14 356**	20 295	42 874
Profit before tax		**105 948**	126 570	212 544
Taxation		**(25 953)**	(29 507)	(46 428)
Profit after taxation		**79 995**	97 063	166 116
Other comprehensive income		**–**	–	–
Total comprehensive income		**79 995**	97 063	166 116
Profit after taxation and other comprehensive income attributable to:				
– Owners of the parent		**79 926**	96 898	164 984
– Non-controlling interests		**69**	165	1 132
		79 995	97 063	166 116
Profit after taxation and other comprehensive income attributable to:				
Basic earnings/(loss) per share (cents)	3	**83.00**	100.87	171.72
Diluted earnings/(loss) per share (cents)	3	**81.55**	97.38	168.02

* *Refer to note 15 for information regarding the correction of the August 2024 balances.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 August 2025

R'000	Stated capital	Share-based payment reserve	Retained income	Total	Non-controlling interests	Total equity
Balance at 1 March 2024 (restated)	31 610	363	1 241 893	1 273 866	666	1 274 532
Share-based payments	–	2 072	–	2 072	–	2 072
Dividend declared	–	–	(10 858)	(10 858)	–	(10 858)
Comprehensive income						
Profit for the period (restated)	–	–	96 898	96 898	165	97 063
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income/(expense) (restated)	–	–	96 898	96 898	165	97 063
Balance at 31 August 2024	31 610	2 435	1 327 933	1 361 978	831	1 362 809
Share-based payments	2 299	(1 949)	1 632	1 982	–	1 982
Non-controlling interest – dividend declared	–	–	1 561	1 561	(1 729)	(168)
Reclassification from retained income to non-controlling interest	–	–	(3 185)	(3 185)	3 185	–
Comprehensive income						
Profit for the period	–	–	68 086	68 086	967	69 053
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income/(expense)	–	–	68 086	68 086	967	69 053
Balance at 28 February 2025	33 909	486	1 396 027	1 430 422	3 254	1 433 676
Shares repurchased	**(6 662)**	**–**	**–**	**(6 662)**	**–**	**(6 662)**
Share-based payments	**–**	**964**	**3 261**	**4 225**	**–**	**4 225**
Dividend declared (note 13)	**–**	**–**	**(6 592)**	**(6 592)**	**–**	**(6 592)**
Comprehensive income						
Profit for the period	**–**	**–**	**79 926**	**79 926**	**69**	**79 995**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income/(expense)	**–**	**–**	**79 926**	**79 926**	**69**	**79 995**
Balance at 31 August 2025	**27 247**	**1 450**	**1 472 622**	**1 501 319**	**3 323**	**1 504 642**

* *Refer to note 15 for information regarding the correction of the August 2024 balances.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 August 2025

R'000	Unaudited August 2025	Unaudited August 2024	Audited February 2025
Cash (utilised in)/generated from operating activities			
Cash generated from operations	**(50 631)**	57 212	107 900
Finance income received	**26 706**	34 123	63 093
Finance cost paid	**(60 868)**	(61 940)	(134 105)
Tax paid	**(3 589)**	(771)	(2 660)
Net cash (utilised in)/generated from operating activities	**(88 382)**	28 624	34 228
Cash flows invested in investing activities			
Purchase of property, plant and equipment	**(754)**	(816)	(972)
Sale of property, plant and equipment	**134**	–	–
Increase in investments in joint venture	**(4 500)**	(6 900)	(13 200)
Loans advanced to joint ventures	**(32 226)**	(87 324)	(218 259)
Loans repaid by joint ventures	**7 610**	25 910	99 013
Net cash invested in investing activities	**(29 736)**	(69 130)	(133 418)
Cash flows advanced from financing activities			
Proceeds from borrowings	**350 000**	100 000	305 000
Repayment of borrowings	**(207 500)**	–	(158 000)
Shares bought back	**(6 663)**	–	–
Repayment of capital portion on leases	**(2 507)**	(2 361)	(4 868)
Dividends paid	**(6 592)**	(10 858)	(10 858)
Net cash advanced from financing activities	**126 738**	86 781	131 274
Net increase in cash and cash equivalents	**8 620**	46 275	32 084
Cash and cash equivalents at the beginning of the year	**154 723**	122 638	122 639
Cash and cash equivalents at the end of the year	**163 343**	168 913	154 723

UNAUDITED CONDENSED SEGMENT REPORT FOR THE GROUP

The Chief Operating Decision Makers ("CODM") manages the Group activities in two distinct segments, namely:

Residential Property Development

Sunset Village

Memorial Parks

Durbanville

R'000	Residential Property Development	Memorial Parks	Holdings and other	Total
August 2025				
Total segment revenue	420 197	39 833	–	460 030
Fleurhof	94 474	–	–	94 474
Jabulani	50 917	–	–	50 917
Scottsdene	121 598	–	–	121 598
South Hills	32 384	–	–	32 384
Belhar	68 831	–	–	68 831
Mid to high projects	29 479	–	–	29 479
Other projects	22 515	39 833	–	62 348
Gross revenue	420 197	39 833	–	460 030
Point in time	221 825	39 833	–	261 658
Over time	198 372	–	–	198 372
Revenue	420 197	39 833	–	460 030
Cost of sales	(304 892)	(19 762)	–	(324 654)
Gross profit	115 305	20 071	–	135 376
Other income	965	3 157	–	4 122
Administrative expenses	(34 288)	(7 392)	(3 433)	(45 113)
Other expenses	(1)	–	–	(1)
Expected credit losses on financial and contract assets	3 258	13	–	3 271
Finance income	25 803	1	1 261	27 065
Finance costs	(31 196)	(1 932)	–	(33 128)
Share of profit of joint ventures – net of tax	14 356	–	–	14 356
Profit/(loss) before tax	94 202	13 918	(2 172)	105 948
Taxation	(24 145)	(1 415)	(393)	(25 953)
Profit/(loss) after taxation	70 057	12 503	(2 565)	79 995
Other comprehensive income	–	–	–	–
Total comprehensive income/(loss)	70 057	12 503	(2 565)	79 995

R'000	Residential Property Development	Memorial Parks	Holdings and other	Total
August 2025				
Profit/(loss) after taxation and other comprehensive income attributable to:				
– Owners of the parent	69 988	12 503	(2 565)	79 926
– Non-controlling interests	69	–	–	69
	70 057	12 503	(2 565)	79 995
Assets				
Cash and cash equivalents	162 898	173	272	163 343
Trade and other receivables	97 703	2 593	533	100 829
Current income tax assets	917	–	65	982
Construction contracts	1 855 341	–	–	1 855 341
Loans to joint ventures	497 081	–	–	497 081
Investment in joint ventures	155 466	–	–	155 466
Inventories	284 759	172 250	–	457 009
Investments	–	19 769	–	19 769
Property, plant and equipment	16 439	8 223	–	24 662
Investment property	–	22 493	–	22 493
Intangible assets	158 956	695	–	159 651
Deferred income tax asset	–	9 847	–	9 847
Total assets	3 229 560	236 043	870	3 466 473
Liabilities				
Trade and other payables	217 511	36 391	3 482	257 384
Current income tax liabilities	6 573	34	–	6 607
Borrowings	1 255 294	–	–	1 255 294
Maintenance liability – Memorial Parks	–	61 487	–	61 487
Deferred income tax liability	381 060	–	–	381 060
Total liabilities	1 860 438	97 912	3 482	1 961 832

R'000	Residential Property Development	Memorial Parks (Restated)*	Holdings and other	Total
August 2024				
Total segment revenue	475 286	36 755	–	512 041
Fleurhof	323 924	–	–	323 924
Jabulani	13 091	–	–	13 091
Scottsdene	21 514	–	–	21 514
South Hills	39 993	–	–	39 993
Belhar	55 301	–	–	55 301
Mid to high projects	15 971	–	–	15 971
Other projects	5 492	36 755	–	42 247
Gross revenue	475 286	36 755	–	512 041
Point in time	117 197	36 755	–	153 952
Over time	358 089	–	–	358 089
Revenue	475 286	36 755	–	512 041
Cost of sales	(342 887)	(17 724)	–	(360 611)
Gross profit	132 399	19 031	–	151 430
Other income	1 216	3 876	–	5 092
Administrative expenses	(39 270)	(6 857)	(2 867)	(48 994)
Other expenses	(46)	–	–	(46)
Expected credit losses on financial and contract assets	(4 058)	–	–	(4 058)
Finance income	34 771	154	–	34 925
Finance costs	(30 632)	(1 442)	–	(32 074)
Share of profit of joint ventures – net of tax	20 295	–	–	20 295
Profit/(loss) before tax	114 675	14 762	(2 867)	126 570
Taxation	(27 063)	(2 020)	(424)	(29 507)
Profit/(loss) after taxation	87 612	12 742	(3 291)	97 063
Other comprehensive income	–	–	–	–
Total comprehensive income/(loss)	87 612	12 742	(3 291)	97 063

* *Refer to note 15 for information regarding the correction of the August 2024 balances.*

R'000	Residential Property Development	Memorial Parks (Restated)*	Holdings and other	Total
August 2024				
Profit after taxation and other comprehensive income attributable to:				
– Owners of the parent	87 447	12 742	(3 291)	96 898
– Non-controlling interests	165	–	–	165
	87 612	12 742	(3 291)	97 063

R'000	Residential Property Development	Memorial Parks (Restated)*	Holdings and other	Total
February 2025				
Assets				
Cash and cash equivalents	151 487	3 027	209	154 723
Trade and other receivables	77 923	4 253	527	82 703
Current income tax assets	–	211	78	289
Construction contracts	1 668 283	–	–	1 668 283
Loans to joint ventures	473 344	–	–	473 344
Investment in joint ventures	136 610	–	–	136 610
Inventories	344 491	175 077	–	519 568
Investments	–	19 196	–	19 196
Property, plant and equipment	17 657	8 288	–	25 945
Investment property	–	22 493	–	22 493
Intangible assets	158 956	695	–	159 651
Deferred income tax asset	–	11 363	–	11 363
Total assets	3 028 751	244 603	814	3 274 168
Liabilities				
Trade and other payables	272 709	34 510	3 706	310 925
Current income tax liabilities	58	–	–	58
Borrowings	1 088 501	–	17 222	1 105 723
Maintenance liability – Memorial Parks	–	57 720	–	57 720
Deferred income tax liability	366 066	–	–	366 066
Total liabilities	1 727 334	92 230	20 928	1 840 492

* *Refer to note 15 for information regarding the correction of the August 2024 balances.*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

1.1 Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS") IAS 34: *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

The condensed consolidated interim financial statements have been prepared by R van Maarleveld CA(SA) under the supervision of SU Naicker CA(SA).

The condensed consolidated interim financial statements should be read in conjunction with the Group's annual financial statements for the year ended 28 February 2025, which have been prepared in accordance with IFRS as issued by the IASB. The interim financial statements have been prepared on the historical cost basis, excluding specific financial assets held at fair value through profit and loss.

No event that is material to the financial affairs of the Group has occurred between the reporting date and the date of approval of the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements were not reviewed or audited by the Group's external auditors.

The condensed consolidated interim financial statements of Calgro M3 were authorised for issue by the Board of Directors on 13 October 2025.

1.2 Judgements and estimates

Management made judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key source of estimation uncertainty were similar to those applied to the Group annual financial statements as at and for the year ended 28 February 2025.

2. Accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group annual financial statements as at and for the year ended 28 February 2025.

3. Earnings reconciliation

	Unaudited August 2025	Unaudited August 2024 (Restated)*	Audited February 2025
Determination of headline and diluted earnings – net of tax and non-controlling interest			
Attributable profit/(loss) to shareholders	**79 926**	96 898	164 984
Profit on disposal of property, plant and equipment and computer software	**(134)**	–	–
Fair value adjustment to investment properties	**–**	–	(346)
Headline and diluted headline earnings/(loss) – net of tax and non-controlling interest	**79 792**	96 898	164 638
Determination of earnings – net of tax and non-controlling interest			
Basic earnings	**79 926**	96 898	164 984
Diluted basic earnings	**79 926**	96 898	164 984
Headline earnings	**79 792**	96 898	164 638
Diluted headline earnings	**79 792**	96 898	164 638
Determination of shares			
Number of ordinary shares	**96 466**	96 059	96 466
Weighted average shares	**96 300**	96 059	96 078
Fully diluted weighted average shares	**98 006**	99 503	98 191
Determination of per share values – net of tax and non-controlling interest			
Basic earnings per share (cents per share)	**83.00**	100.87	171.72
Fully diluted earnings per share (cents per share)	**81.55**	97.38	168.02
Headline earnings per share (cents per share)	**82.86**	100.87	171.36
Fully diluted headline earnings per share (cents per share)	**81.42**	97.38	167.67

* *Refer to note 15 for information regarding the correction of the August 2024 balances.*

4. Construction contracts

Disaggregated construction contracts – pre expected credit loss provisions

	Unaudited August 2025	Audited February 2025
Infrastructure – contract assets	**714 440**	605 241
Fully and partially subsidised units – contract assets	**433 799**	429 579
Non-subsidised units – contract assets	**113 419**	57 205
Contract assets	**1 261 658**	1 092 025
Future contract asset costs		
Development cost for future contract assets	**607 154**	587 247
	1 868 812	1 679 272
Reconciliation of construction contracts		
Contract assets	**1 261 658**	1 092 025
Provisions for expected credit losses on contract assets	**(13 471)**	(10 989)
Development cost for future contract assets	**607 154**	587 247
Statement of financial position balance for construction contracts	**1 855 341**	1 668 283

5. Inventories

	Unaudited August 2025	Audited February 2025
Memorial park land costs	**172 250**	175 077
Other land costs for future development	**284 759**	344 491
Closing balance	**457 009**	519 568

6. Financial instruments

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

- Loans to joint venture
- 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. 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 takes the following into account when determining the applicable ECL rates for financial 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.
- 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).

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

6. Financial instruments (continued)

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

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

August 2025 R'000	1. Government institution exposure	2. Normal business risk exposure	3. Financial institution risk exposure	Total
Loans to joint ventures				
Project at an early to advanced stage of completion	172 691	–	–	172 691
Project backed by a financial institution at an early to advanced stage of completion	–	338 545	–	338 545
Specific exposure	–	–	6 858	6 858
Loans to joint ventures	172 691	338 545	6 858	518 094

August 2025 R'000	1. Government institution exposure	2. Normal business risk exposure	3. Financial institution risk exposure	Total
Construction contracts – contract assets				
Project at an early to advanced stage of completion	206 885	161 752	–	368 637
Project backed by a financial institution at an early to advanced stage of completion	538 521	3 596	4 367	546 484
Specific exposure	–	346 537	–	346 537
Construction contracts – contract assets	745 406	511 885	4 367	1 261 658
Trade receivables				
Project at an early to advanced stage of completion	193	83 834	–	84 027
Project backed by a financial institution at an early to advanced stage of completion	–	–	36	36
Specific exposure	5	13 499	–	13 505
Trade receivables	198	97 333	36	97 568

6. Financial instruments (continued)

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

	Expected credit loss model applied	Opening balance 1 March 2025	Current year movement	Closing balance 31 August 2025
Cash and cash equivalents	General	–	–	–
Trade and other receivables	Lifetime	9 537	(6 991)	2 546
Construction contracts – contract assets	Lifetime	10 989	2 482	13 471
Loans to joint ventures	General	19 775	1 238	21 013
		40 301	(3 271)	37 030

The rates applied in the previous financial year and reporting period are as follows:

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

	February 2025			
	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	165 007	–	–	165 007
Project at an early to advanced stage of completion	–	314 734	–	314 734
Project backed by a financial institution at an early to advanced stage of completion	–	–	13 378	13 378
Loans to joint ventures	165 007	314 734	13 378	493 119
Construction contracts – contract assets				
Project at an early to advanced stage of completion	174 835	55 765	–	230 600
Project backed by a financial institution at an early to advanced stage of completion	458 288	4 326	4 898	467 512
Specific exposure	–	393 911	–	393 911
Construction contracts – contract assets	633 123	454 002	4 898	1 092 023
Trade receivables				
Project at an early to advanced stage of completion	193	48 163	–	48 356
Project backed by a financial institution at an early to advanced stage of completion	9 010	–	–	9 010
Specific exposure	19 992	4 934	–	24 926
Trade receivables	29 195	53 097	–	82 292

6. Financial instruments (continued)

Reconciliation of expected credit losses on financial assets at amortised cost – August 2024

	Expected credit loss model applied	Opening balance 1 March 2024	Current year movement	Closing balance 31 August 2024
Cash and cash equivalents	General	–	–	–
Trade and other receivables	Lifetime	6 955	(811)	6 144
Construction contracts – contract assets	Lifetime	10 374	3 394	13 768
Loans to joint ventures	General	19 319	1 475	20 794
		36 648	4 058	40 706

7. Borrowings

	Interest rate	Expiration date	Unaudited August 2025	Audited February 2025
Floating rate note – CGR 52	JIBAR plus 4.25%	30 June 2025	**–**	50 000
Floating rate note – CGR 53	JIBAR plus 3.95%	28 February 2026	**40 000**	40 000
Floating rate note – CGR 54	JIBAR plus 4.5%	28 February 2028	**40 000**	40 000
Floating rate note – CGR 55	JIBAR plus 3.9%	2 October 2026	**50 000**	50 000
Floating rate note – CGR 56	JIBAR plus 3.9%	2 October 2026	**33 000**	33 000
Floating rate note – CGR 59	JIBAR plus 3.9%	21 November 2027	**70 000**	70 000
Floating rate note – CGR 60	JIBAR plus 4.33%	12 December 2029	**85 000**	85 000
Floating rate note – CGR 61	JIBAR plus 3.90%	27 June 2028	**50 000**	–
NHFC Loan	Prime plus 0.5%	30 August 2026	**107 500**	215 000
Term Loan 1	JIBAR plus 5%	12 October 2027	**100 000**	100 000
Term Loan 2	JIBAR plus 4.5%	25 April 2028	**155 000**	155 000
Term Loan 3	JIBAR plus 4.25%	15 November 2028	**200 000**	200 000
Term Loan 4	Prime less 0.3%	26 September 2025	**50 000**	50 000
Term Loan 5	JIBAR plus 4.3%	30 June 2030	**250 000**	–
Total capital outstanding			**1 230 500**	1 088 000
Transaction cost amortisation			**(6 773)**	(5 849)
Interest accrual			**31 567**	23 571
Total transaction costs and interest accruals			**24 794**	17 722
Total borrowings			**1 255 294**	1 105 722

	Unaudited August 2025	Unaudited August 2024 (Restated)*
8. Revenue		
Disaggregated revenue		
Residential Property Development Segment		
Infrastructure	**98 878**	325 717
Fully and partially subsidised units	**260 156**	121 645
Non-subsidised units	**57 318**	25 083
Serviced land sales	**3 845**	2 841
	420 197	475 286
Memorial Parks Segment		
Memorial Parks burial rights	**39 251**	36 088
Memorial Parks burial services	**582**	667
	39 833	36 755
Total revenue	**460 030**	512 041
9. Cost of sales		
Disaggregated cost of sales		
Residential Property Development Segment		
Infrastructure	**27 467**	213 508
Fully and partially subsidised units	**199 346**	105 359
Non-subsidised units	**50 697**	22 629
Serviced land sales	**3 497**	1 391
Residential property development other costs	**23 885**	–
	304 892	342 887
Memorial Parks Segment		
Memorial Parks cost of burial plot	**5 257**	6 205
Memorial Parks other costs	**14 505**	11 519
	19 762	17 724
Total cost of sales	**324 654**	360 611

* *Refer to note 15 for information regarding the correction of the August 2024 balances.*

	Unaudited August 2025	Unaudited August 2024 (Restated)*
10. Finance cost		
Bank	**2 597**	1 501
Maintenance liability – Memorial Parks*	**1 932**	1 427
Lease liability	**1 430**	1 552
Interest-bearing borrowings	**65 501**	65 045
Finance cost	**71 460**	69 525
Less: Amounts capitalised on qualifying assets (inventory)	**–**	(6 387)
Less: Amounts capitalised on qualifying assets (construction contracts)	**(38 332)**	(31 064)
Total finance cost recognised in statement of comprehensive income	**33 128**	32 074

* *Refer to note 15 for information regarding the correction of the August 2024 balances.*

	Unaudited August 2025	Unaudited August 2024
11. Related party transactions		
Compensation paid to key employees and personnel#	**13 633**	12 192
Finance income from related parties	**20 582**	26 012
Net contract revenue received from joint ventures	**32 354**	34 878

Amounts include executive share scheme expenses (including acceleration of expenses due to resignations/cancellations) incurred by the Group but not yet vested to the executive employees.

The Group entered into various sale and purchase transactions with joint ventures during the ordinary course of business.

These transactions were subject to terms that are no less, nor more favourable than those arranged with independent third parties.

12. 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 approximates their fair values, due to the short-term nature of the instruments.

These investments 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)

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12. Fair values (continued)

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

	Carrying values		Fair value Level 2		Fair value Level 3	
	August 2025 Unaudited	February 2025 Audited	**August 2025 Unaudited**	February 2025 Audited	**August 2025 Unaudited**	February 2025 Audited
Assets						
Trade and other receivables	**97 567**	82 293	**–**	–	**97 567**	82 293
Loans to joint ventures	**518 094**	493 119	**–**	–	**518 094**	493 119
Investments#	**19 769**	19 196	**–**	–	**19 769**	19 196
Investment property	**22 493**	22 493	**–**	–	**22 493**	22 493
Liabilities						
Trade and other payables	**231 293**	286 306	**–**	–	**231 293**	286 304
Borrowings – Bond Exchange	**372 918**	372 764	**372 918***	372 764*	**–**	–
Borrowings – other	**889 149**	738 768	**–**	–	**889 149**	738 768

Based on prices for Units Trusts held by reputable financial institutions.

* *Based on quoted prices on the Bond Exchange.*

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 6 for details on financial instruments.

Non-financial instruments

The fair value measurement for investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique used. The value of investment properties 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.

13. Dividends

In the 2024 financial year, the Board approved a dividend of 9.49350 cents per share, which was paid in June 2024. In the 2025 financial year, the Board approved a dividend of 8.63703 cents per share, which was paid in June 2025. In line with the previous reporting period and the dividend policy, no additional dividend has been approved for the reporting period.

14. Going concern

Based on the latest results for the six-month period ended 31 August 2025, the latest Board approved budget for the 2026 financial year and related 12-month cash flow forecast, as well as the available bank facilities and cash generating capability, Calgro M3 satisfies the criteria of a going concern.

15. Prior period error

During the prior financial year, the Group identified two prior period errors relating to the revenue recognition policy applied in its Memorial Parks segment as part of the JSE proactive monitoring process. These were corrected retrospectively in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*. All details relating to the prior period error were disclosed in note 38 of the Annual Financial Statements for the year ending 28 February 2025. The summary of these restatements is detailed below.

1. **Maintenance Revenue Reclassification**

In prior periods it was determined that there were two performance obligations recognised in accordance with the principles of IFRS 15. The sale of the grave was recognised once the full amount is paid, and a portion of revenue received was deferred as this related to the assessed maintenance revenue performance obligation. This deferral was disclosed as “Deferred Maintenance Revenue – Memorial Parks” within trade and other payables. Based on the outcome of the JSE proactive monitoring review we concluded that the ongoing maintenance of memorial parks meets the definition of a provision under IAS 37 due to its uncertain timing. Accordingly, in the current financial year, the description of the previously reported “Deferred Maintenance Revenue – Memorial Parks” has been changed to “Maintenance Liability – Memorial Parks” and has now been presented separately on the face of the Statement of Financial Position.

As a result of the reassessment performed, the deferred maintenance revenue previously recognised within trade and other payables has been reversed in the prior period. The revenue relating to the maintenance of the burial plot is therefore recognised in full on the sale of the grave sites. This correction resulted in an increase in revenue, the allocation of costs to the maintenance liability resulted in an increase in cost of sales and the unwinding of the liability resulted in an increase in finance costs.

2. **Burial Services Revenue Deferral**

In prior periods the sale of the grave was recognised once the full amount is paid. The Group recognised the full transaction price of memorial park sales (which included both the right to a burial plot and the associated burial (interment) service) as revenue at the point in time when the customer made full payment and the burial certificate was issued.

Based on the outcome of the JSE proactive monitoring review we concluded that the burial right and the burial service represents two distinct performance obligations within the contract.

As a result of this reassessment performed, revenue for the burial right continues to be recognised at a point in time when control transfers (on the date of receipt of full payment), however, revenue for the burial service is now deferred (recognised in trade and other payables) and recognised at a point in time when the interment service is performed.

The above two corrections had the following impact:

	As previously reported	Restatement 1	Restatement 2	Restated
Impact on opening balance as at 1 March 2024				
Retained income	1 251 253	–	(9 360)	1 241 893
Trade and other payables	290 925	–	9 360	300 285
Impact on statement of comprehensive income as at 31 August 2024				
Revenue	507 009	5 536	(504)	512 041
Cost of sales	(356 502)	(4 109)	–	(360 611)
Finance cost	(30 647)	(1 427)	–	(32 074)
Profit after tax	97 567	–	(504)	97 063
Impact on statement of financial position as at 31 August 2024				
Retained income	1 337 796	–	(9 864)	1 327 932
Trade and other payables	297 157	(53 172)	9 864	253 849
Maintenance liability – Memorial Parks	–	53 172	–	53 172
Impact on statement of financial position as at 28 February 2025				
Trade and other payables	368 645	(57 720)	–	310 925
Maintenance liability – Memorial Parks	–	57 720	–	57 720

16. JSE Listings Requirements

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the Listings Requirements of the JSE.

17. Corporate governance

Corporate governance forms one of the foundational layers of the Calgro M3 strategy as we understand that transparency, integrity and accountability need to permeate everything that we do.

The Board of Directors endorse the principles contained in King IV. Calgro M3's application of these principles are set out in the 2024 integrated report and, in accordance with the JSE Listings Requirements, has been available on the Company's website since May 2025. Please contact the Group company secretary (Juba Statutory Services, represented by Ms S van Schalkwyk), for any additional information.

18. Ratio calculations

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).

	Unaudited August 2025	Audited February 2025
Net debt		
Borrowings (excluding interest accruals)	**1 223 727**	1 082 151
Less: Cash and cash equivalents	**(163 343)**	(154 723)
	1 060 384	927 428
Equity		
Stated capital	**27 247**	33 909
Retained income	**1 472 622**	1 396 027
	1 499 869	1 429 936
Net debt/equity ratio	**0.71**	0.65

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.

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 business, 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.

	Unaudited August 2025	Audited February 2025
Available cash flow		
Cash (utilised in)/generated from operating activities	**(50 631)**	107 900
New financial indebtedness incurred	**350 000**	305 000
Cash and cash equivalent beginning of the year	**154 723**	122 638
Capex	**(29 736)**	(133 418)
	424 356	402 120
Debt service requirement		
Interests and fees	**(60 868)**	(134 105)
Principal repayments	**(207 500)**	(158 000)
	(268 368)	(292 105)
Debt service cover ratio	**1.58**	1.38

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

18. Ratio calculations (continued)

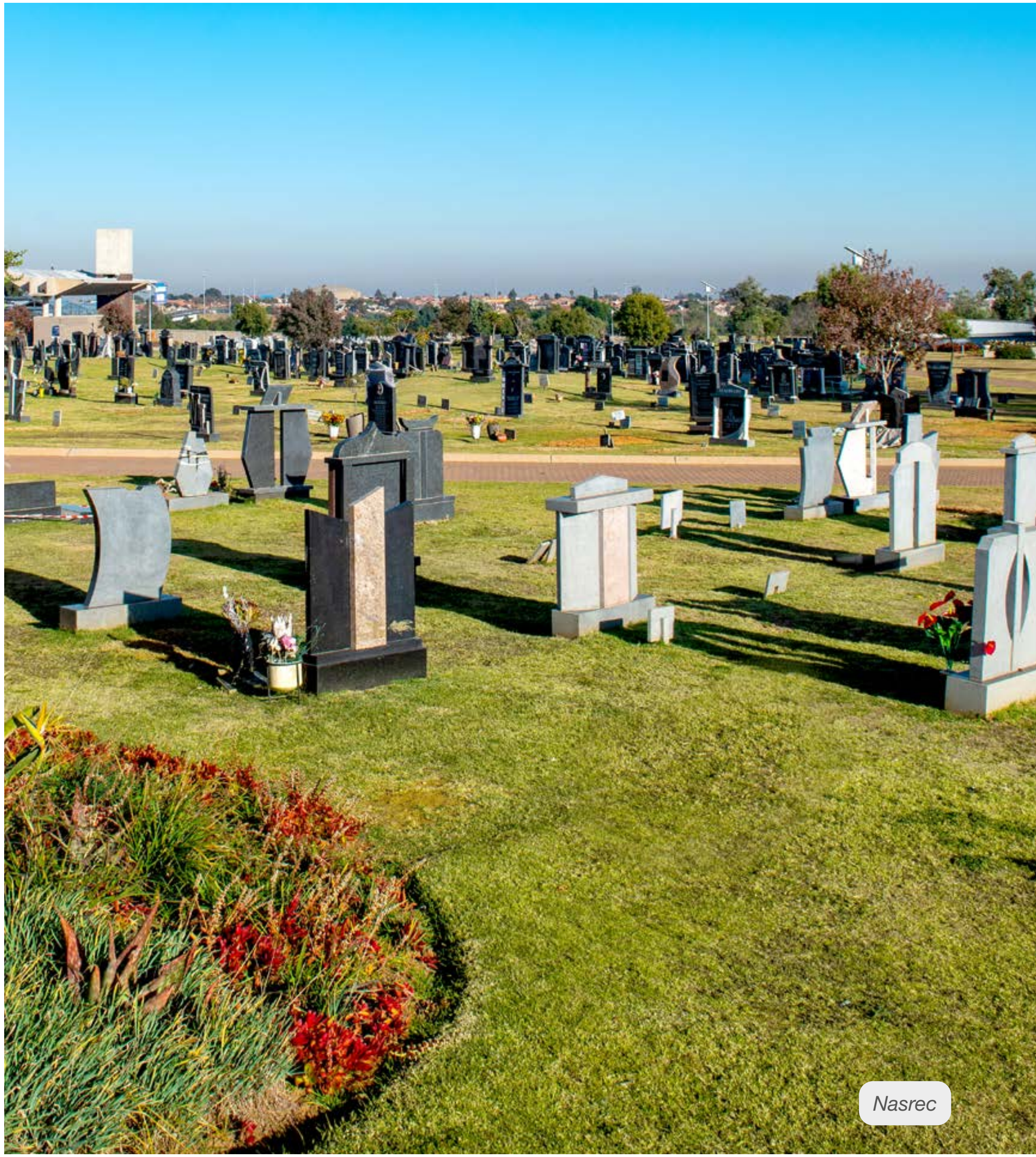
Liquidity ratio
This ratio is calculated as the ratio of current assets to current liabilities as defined. Current assets has been defined as cash and cash equivalents, trade and other receivables, work in progress, construction contracts, current tax receivable, inventories, loans to joint ventures. Current liabilities has been defined as trade and other payable, current tax liabilities and borrowings.

	Unaudited August 2025	Audited February 2025 (Restated)
Current assets		
Cash and cash equivalents	**163 343**	154 723
Trade and other receivables	**100 829**	82 703
Current income tax assets	**982**	289
Construction contracts	**1 855 341**	1 668 283
Loans to joint ventures	**497 081**	473 344
Inventories	**457 009**	519 568
	3 074 585	2 898 910
Current liabilities		
Trade and other payables	**257 384**	310 925
Current income tax liabilities	**6 606**	59
Borrowings	**1 255 294**	1 105 722
	1 519 284	1 416 706
Liquidity ratio	**2.02**	2.05

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

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.



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GENERAL INFORMATION

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PSG Capital

Appointed debt officer
SU Naicker

Secretary
Juba Statutory Services (Pty) Ltd, represented by
Sirkien van Schalkwyk

Directors

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

Preparer
The financial statements were internally compiled by R van Maarleveld CA(SA) under the supervision of SU Naicker CA(SA).

Disclaimer
Statements contained in this announcement, regarding the prospects of the Group, have not been reviewed or audited by the Group's external auditors.

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