

GRIT REAL ESTATE INCOME GROUP LIMITED

(Registered in Guernsey)

(Registration number: 68739)

LSE share code: GR1T

SEM share code: DEL.N0000

ISIN: GG00BMDHST63

LEI: 21380084LCGHJRS8CN05

("Grit" or the "Company" or the "Group")

**ABRIDGED UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022**

**Strong cash collection, Group LTV reduced to 45.5% and
substantial progress on asset disposal strategy`**

Grit Real Estate Income Group Limited, a leading pan-African real estate company focused on investing in, developing and actively managing a diversified portfolio of assets underpinned by predominantly US Dollar and Euro denominated long-term leases with high quality multi-national tenants, today announces its results for the six months ended 31 December 2022.

Financial and Portfolio highlights

	6 Months ended 31 Dec 2022	6 Months ended 31 Dec 2021	Increase/ Decrease
Contractual rental collected ¹⁰	108.4%	94.9%	+13.5ppt
Gross property income (proportionate ⁹)	US\$35.0m	US\$32.6m	+7.52%
Property portfolio net operating income (IFRS)	US\$22.1m	US\$19.2m	+15.10%
Property portfolio net operating income (proportionate ⁹)	US\$29.6m	US\$27.1m	+9.14%
EPRA cost ratio (including associates) ³	12.7%	13.5%	-0.8ppt
Finance costs	US\$18.2m	US\$12.5m	+45.60%
Adjusted EPRA earnings ²	US\$4.94m	US\$5.92m	-16.55%
Distributable earnings per share ¹	US\$2.56 cps	US\$3.08 cps	-16.88%
Dividend per share	US\$2.00 cps	US\$2.50 cps	-20.00%
Adjusted EPRA earnings per share ²	US\$1.02 cps	US\$1.80 cps	-43.33%
	As at 31 Dec 2022	As at 30 June 2022	Increase/ Decrease
EPRA NRV per share ²	US\$78.8 cps	US\$79.4 cps	-0.75%
Total Income Producing Assets ⁴	US\$832.8m	US\$856.7m	-2.79%
WALE ⁵	4.6 yrs	4.8 yrs	-0.2 yrs
EPRA portfolio occupancy rate ⁶	95.7%	95.3%	+0.4 ppt
Group LTV	45.5%	46.7%	-1.2 ppt

On 22 August 2022, Grit increased its stake in Gateway Real Estate Africa Limited ("**GREA**") to 35.01% and in conjunction with its interest in Africa Property Development Managers Limited ("**APDM**"), is expected to materially accelerate the Group's ability to access development returns from risk mitigated development projects and introduce the potential for new revenue and fee income streams. Grit has the option to acquire a further 13.61% interest in GREA and an additional 1% of APDM by 15 May 2023, giving it control over both entities at that date.

The Group also made substantial progress on further asset sales in support of its 20% recycling target by 31 December 2023, disposing of interest in assets amounting to US\$53.3m in the period and a further US\$56.7m announced after the Balance sheet date. Aggregate announced asset disposals (including the potential Beachcomber Hospitality Investment ("**BHI**") exit) are now in excess of US\$126.3m which represents 15.8% of the targeted 20% by 31 December 2023.

Key commentary

- EPRA net reinstatement value (“**NRV**”) per share of US\$78.8 cents per share (30 June 2022: US\$79.4 cents per share).
- The Group independently values all its assets at the financial year-end and at least 50%, by value, at the interim reporting date. For the six months ended 31 December 2022, 60% of the portfolio was independently valued with total income producing assets valued at US\$832.8m (30 June 2022: US\$856.7m), including positive local currency like-for-like fair value gains of US\$3.0m, net disposals of US\$27.6m and additions and capital expenditure of US\$13.7m.
- On 20 December 2022, the Group finalised its US\$306 million sustainability linked debt refinance, the largest of its kind in sub-Saharan real estate sector, which significantly reduces Grit’s refinance risk amidst turbulent global financial markets. Group LTV decreased to 45.5% at 31 December 2022 and WADE is 3.6 years. The Board remains committed to reducing LTV to its medium-term target of between 35% to 40% through capital recycling initiatives, select NAV accretive acquisitions and through the consolidation of GREA upon gaining control.
- Rising global interest rates have resulted in the Group WACD increasing from 5.7% in December 2021 to 8.1% currently, which resulted in a US\$5.7m increase (+45.6%) in finance costs. The impact has been offset by good leasing activity and inflation linked lease escalations which drove growth in net operating income during the period. The Group has interest rates hedges over c.US\$200 million worth of notional debt, which has now materially reduced Grit’s exposure to further movements in base rates.
- Earnings and distribution per share calculations were impacted by the weighted average share count that increased to 482.4m at 31 December 2022 (31 December 2021: 328.8m) because of the new ordinary share issuance in December 2021 and April 2022.
- Cash collection as a percentage of contractual revenue, improved by 13.5 percentage points from 94.9% to 108.4%, specifically impacted by improved collections from hospitality sector assets in the six months.

Operational highlights

- The property portfolio now comprises a total of 60 investments, across twelve countries and seven asset classes.
- Net operating income in the six months to 31 December 2022 grew 9.1% versus the comparable period, positively impacted by leasing activity and rent escalations achieved.
- 85.9% (30 June 2022: 85.6%) of revenue is earned from multinational tenants⁷.
- 92.4% (30 June 2022: 91.5%) of income is produced in hard currency⁸.
- EPRA portfolio occupancy rate of 95.4% (30 June 2022: 95.3%).
- Total Grit proportionately owned lettable area (“**GLA**”) is 343,038m².
- Weighted average contracted annual rent escalations at 4.1% (30 June 2022: 5.4%).

ESG and Sustainability highlights

- Remains on track to achieve sustainability targets of a 25% reduction in carbon emissions and a 25% improvement in its building efficiency by 2025 ¹¹
- 40% of women in leadership positions.
- 79% localised employees.
- 80% employee satisfaction.

Post period end

- The Board today declares an interim dividend, out of operating profits, of US\$2.0 cents per share (“**cps**”) for the six months ended 31 December 2022 (31 December 2021: US\$2.50 cps). The Board continues to target paying a dividend in the current financial year of between US\$ 4.5 cps to US\$ 5.0 cps distributing out of net operating income generated from its existing property assets, in line with its stated policy of paying out at least 80 per cent. of distributable earnings.
- In January 2023, in anticipation of potentially acquiring the remaining 13.61% of GREA from Gateway Africa Real Estate Limited, the Group has paid a deposit of US\$ 10 million, with a further deposit of US\$10 million to be paid in March 2023. On final execution of the option on the GREA shares, a final payment of US\$14.1 million will be paid in May 2023.

- The BHI board has approved a merger agreement which includes a listed preference share issuance that will facilitate an exit of Grit's remaining 27.1% interest in BHI for an expected net cash payment of EUR 25.8 million (US\$27.5 million).

Notes

- 1 Various alternative performance measures (APMs) are used by management and investors, including a number of European Public Real Estate Association ("EPRA") metrics, Distributable Earnings, Total Income Producing Assets and Property portfolio net operating income. APMs are not a substitute, and not necessarily better for measuring performance than statutory IFRS results and where used, full reconciliations are provided.
- 2 Explanations of how EPRA figures and Distributable earnings per share are derived from IFRS are shown in note 17 (unaudited).
- 3 Based on EPRA cost to income ratio calculation methodology which includes the proportionately consolidated effects of LLR and other associates.
- 4 Includes controlled Investment properties with Subsidiaries, Investment Property owned by Associates and Joint Ventures, Deposits paid on Investment properties and other investments, property plant and equipment, intangibles, and related party loans – Refer to Chief Financial Officer's Statement for reconciliation and analysis.
- 5 Weighted average lease expiry ("WALE").
- 6 Property occupancy rate based on EPRA calculation methodology - Includes associates.
- 7 Forbes 2000, Other Global and pan African tenants.
- 8 Hard (US\$ and EUR) or pegged currency rental income.
- 9 Property portfolio revenue and net operating income ("NOI") are APM's and is derived from IFRS revenue and NOI adjusted for the results of associates and joint ventures and further includes the results of the GREA associates. A full reconciliation is provided in the Chief Financial Officers Statement.
- 10 Contractual rental collection was positively impacted by the recovery of COVID-19 back-rentals, that was recovered from tenants in the hospitality sector.
- 11 Sustainability targets use 2019 as the base year.

Bronwyn Knight, Chief Executive Officer of Grit Real Estate Income Group Limited, commented:

"Grit produced a robust operating performance, including strong cash collections of 108.4% of contracted revenue, and is increasingly well placed to deliver further positive sustainable value for our shareholders and positive impact for the people of Africa. Our resilient and defensive business and investment potential is backed by our high-quality assets, strong cash collection, increasing leasing activity, successful delivery of development projects and the potential for progressive dividends and stronger NAV growth going forward.

The Group made substantial progress towards its stated strategy of asset recycling 20% of the value of its portfolio by 31 December 2023 with the announced disposals in the hospitality and industrial asset sectors. Furthermore, Grit's targeted acquisition of a controlling interest in Gateway Real Estate Africa in May 2023 is expected to be a key milestone for the Group, reinforcing our solid growth and positive impact strategy with a high-quality team and attractive accretive pipeline of developments, whilst also further reducing Grit's LTV.

The Grit Group is committed to, and passionate about, developing smart business solutions through impact real estate that goes beyond buildings. Our team have made great strides in achieving our target of reducing carbon emission across our portfolio by 25% by 2025 and we're proud of continuing to exceed our gender equality targets. As a team of spirited warriors we always find the way."

FOR FURTHER INFORMATION, PLEASE CONTACT:

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NOTES:

Grit Real Estate Income Group Limited is the leading pan-African real estate company focused on investing in, developing and actively managing a diversified portfolio of assets in carefully selected African countries (excluding South Africa). These high-quality assets are underpinned by predominantly US\$ and Euro denominated long-term leases with a wide range of blue-chip multi-national tenant covenants across a diverse range of robust property sectors.

The Company is committed to delivering strong and sustainable income for shareholders, with the potential for income and capital growth.

The Company holds its primary listing on the Main Market of the London Stock Exchange (LSE: GR1T and a secondary listing on the Stock Exchange of Mauritius (SEM: DEL.N0000).

Further information on the Company is available at www.grit.group

Directors:

Peter Todd (Chairman), Bronwyn Knight (Chief Executive Officer) *, Leon van de Moortele (Chief Financial Officer) *, David Love+, Sir Samuel Esson Jonah+, Catherine McIlraith+, Jonathan Crichton+ and Cross Kgosidiile.

(* Executive Director) (+ independent Non-Executive Director)

Company secretary: Intercontinental Fund Services Limited

Registered office address: PO Box 186, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 4HP

Registrar and transfer agent (Mauritius): Intercontinental Secretarial Services Limited

SEM authorised representative and sponsor: Perigeum Capital Limited

UK Transfer secretary: Link Assets Services Limited

Mauritian Sponsoring Broker: Capital Markets Brokers Limited

This notice is issued pursuant to the FCA Listing Rules and SEM Listing Rule 15.24 and 15.36A and the Mauritian Securities Act 2005. The Board of the Company accepts full responsibility for the accuracy of the information contained in this communiqué.

A Company presentation for all investors and analysts via live webcast and conference call

The Company will host a live webcast and conference call on Friday, 24 February 2023 at 13:00 Mauritius time / 09:00 UK time / 11:00 SA time via the Investor Meet Company platform, with the presentation being open to all existing and potential shareholders.

Pre-registration is advised via:

<https://www.investormeetcompany.com/grit-real-estate-income-group-limited/register-investor>

Investors who already follow Grit Real Estate Income Group Limited on the Investor Meet Company platform will automatically be invited.

A playback will be accessible on-demand within 48 hours via the Company website: <https://grit.group/financial-results/>

CHIEF EXECUTIVE OFFICER'S STATEMENT

Introduction

Grit was in a transitional phase in 2022, characterised by a continuing recovery of the Group's property portfolio and strong cash collections while we made substantial strides in refinancing the Group's debt facilities, managing interest rate risk, and securing the Group's long-term growth with the phased acquisitions of controlling interests in GREA and APDM. These actions have collectively laid the foundations of the Grit 2.0 growth strategy, which will be further discussed at our upcoming capital markets day to be held at our new corporate head office in Mauritius on 10 & 11 May 2023.

In the six months to 31 December 2022, Grit's portfolio in the office, light industrial and corporate accommodation sectors remained resilient, whilst recovery in the hospitality and retail sector (which benefitted from strong leasing activity) and net acquisitions in the period, contributed to Net operating income growth of 9.1%. Highlights included:

- Cash collections improved to 108% of contracted lease income, up from 94.9% in the corresponding 6-month period ended 31 December 2021, driven in part by the collection of Covid period back-rents on hospitality assets;
- The weighted average EPRA portfolio occupancy rate increased from 95.7% in June 2022 to 95.4% with encouraging leasing in the retail sector and lease renewals over the office and corporate accommodation assets;
- Property fair value increased a modest 0.4% (or US\$3.0 million) indicative of stabilising valuations as the impacts of the pandemic reside, although headwinds because of rising interest rates continued in this period;
- GREA completed the Rosslyn Grove development in Nairobi, Kenya, an asset fully leased as diplomatic housing to the US government. The project was awarded the “Best High-end residential development of 2022” at the recent African Property Investment Awards; and
- 92.4% of lease income for the period was produced in US\$, Euro or pegged currencies (30 June 2022: 91.5%).

Performance against strategy

The ongoing recovery of our portfolio contributes to the Board’s target of reducing Group LTV, which reached 45.5% as at 31 December 2022 (from 46.7% in June 2022) with the US\$15.2 million reduction in Group debt in the period.

In October 2022 Grit successfully refinanced up to US\$306 million in a syndicated sustainability-linked term loan and revolving credit facility aligned to its ESG goals. The transaction represents the largest real estate refinance agreement of its kind to date in sub-Saharan Africa (excluding South Africa) and cross-collateralises assets in multiple jurisdictions whilst significantly streamlining Grit’s loan management processes. This, and detail on our interest rate risk management actions, are further covered in the CFO’s commentary below.

Grit is also furthering its ongoing capital recycling strategies out of non-core assets, including large-format metropolitan retail, hospitality and other assets and is making steady progress towards the Board’s target of 20% portfolio recycling (equivalent to US\$160 million worth of property asset sales) by 31 December 2023. Aggregate announced asset disposals (including the potential BHI exit) are now more than US\$126.3m, which represents 15.8% of the targeted 20% by 31 December 2023 and include the following:

- Sale of 100% interest in ABSA house in June 2022, for US\$12.2 million property value, a discount of 6.9% to book value;
- Sale of a 4.9% interest Letlole La Rona (“LLR”) in June 2022 with an implied property valuation of US\$4.1 million, at an 8% premium to NAV;
- Sale of 30% interest in Orbit warehouse project in July 2022, at a US\$38.9 million property value, which was the book value at that time, resulting in a deemed disposal amounting to US\$11.7 million;
- A disposal of a further 6.79% interest in LLR in December 2022, representing an implied property valuation of US\$5.2 million, at a 15% premium to NAV at that time;
- Deemed disposal of a portion of the Group’s minority interest in Beachcomber Hospitality Investments (“BHI”), the owner of three luxury resorts in the north of Mauritius, which reduced Grit’s stake from 44.42% to 27.1% through receipt of a cash dividend of EUR19.3 million (US\$19.7 million). The implied property valuation of the deemed disposal is US\$36.4 million; and
- Post balance sheet date, the Board has approved a merger agreement, which provides for a preference note issuance in BHI that will facilitate the possible exit of Grit’s remaining 27.1% interest for an expected net cash payment of EUR 25.8 million (US\$ 27.51 million), representing a 1.7% discount to the property value within the BHI associate. The implied property valuation of the deemed disposal is US\$56.7 million.

The asset recycling strategy not only underpins the Group’s independent property valuations but also positions Grit for its ongoing re-investment towards infrastructure and impact assets (comprising light industrial & logistics, corporate & consular accommodation, healthcare, and data centres). Recycled capital is being deployed into completing the acquisitions of GREA and APDM and to funding new Grit projects and initiatives. These Grit 2.0 initiatives will not only have an immediate positive impact on Grit’s balance sheet but will further bolster the Group’s growth in net asset value (NAV), net operating income (NOI), and provide opportunities to generate fee income into the future.

GREA & APDM acquisition update

In August 2022, Grit increased its holdings in GREA to 35.01% and retains an option to acquire a further 13.61% by 15 May 2023, which is in addition to the option to acquire a further 1% of APDM at that same date, for a combined value of US\$ 34.1 million. Through the exercise of its option and with the APDM management incentive, Grit has a clear pathway to a controlling interest in GREA before the end of the financial year ending 30 June 2023, and whose consolidation will bring a wide range of benefits to Grit, including:

- A fully funded existing pipeline which is further expected to deliver strong NAV growth as projects complete over the next 24 to 36 months;

- Access to GREA's further extensive pipeline of resilient, income producing and NAV accretive US Bureau of Overseas Building Operations ("OBO") diplomatic housing and data centre development opportunities;
- Immediate balance sheet improvement for Grit, materially reducing the Group's loan-to-value (LTV) by up to 3 percentage points because of the consolidation of GREA's current low leverage; and
- Opportunities for the Group to leverage its deep African real estate insights and in-country expertise to offer unique real estate solutions in property development, asset, and property management as well as selected co-investment opportunities for qualifying counterparties, generating additional fee income.

Environmental, Social and Governance (ESG)

We continue to advance in our sustainability journey and remain convinced that our strength remains our employees, without whom, progress and value creation would not be possible. We have consistently improved and built on our sustainability agenda to deliver meaningful value to the society. In October 2022, we released our first Sustainability Report, which is a testament to our commitment to increased transparency and accountability towards our stakeholders.

Climate change is a critical topic for businesses in the real estate sector. We are acutely aware of how we contribute to climate change and are actively looking for ways to mitigate same. At the same time, we also understand the need to future-proof our portfolio and assets. In this vein we are committed to the Task Force on Climate Related Financial Disclosures and have released our first report covering our climate related risks and opportunities, which can be found in our Sustainability Report 2022.

We are proud of the progress made against our ESG targets of a 25% reduction in carbon emissions and a 25% improvement in building efficiencies by 2025, using 2019 as a base year. The Group aims to accelerate its carbon emission reduction performance with the installation of solar generated power to several of our assets in the coming year.

Grit remains well diversified from a gender and employee perspective, with more than 40% of women in leadership positions and 65% localised employees.

Drive in Trading ("DiT") guarantee update

The DiT structure and related guarantee is currently being wound up. Grit's obligations under the Guarantee Agreement to the PIC are expected to be fulfilled and the Guarantee Agreement terminated upon the expected completion in the second quarter of calendar year 2023.

Distributions

The Board declared an interim dividend of US\$2.0 cents per share, distributing out of net operating income generated from its existing property assets, in line with its stated policy of paying out at least 80 per cent. of distributable earnings. The Board anticipates paying a total dividend in the current financial year of between US\$4.5 and 5 cents per share.

In addition to the interim dividend, the Board anticipates further complementing the return of cash to shareholders with the ongoing buyback of shares equivalent to US\$0.05cps over the second half of the financial year.

Change to the Board of Directors

On 6 February 2023, Nomzamo Radebe stepped down from the Board following her appointment as Chief Operating Officer for a listed South African real estate business. The Board would like to express its gratitude to Nomzamo for her meaningful contribution to Grit over the years and wishes her well for the future.

Outlook

As outlined in the strategic review above, we will continue to pursue the Board's mandated target of reducing LTV, recycling 20% of the value of Grit's portfolio by 31 December 2023 and transitioning the Group towards a more resilient, higher-growth asset base. Grit will increasingly focus on co-investment opportunities within selected high-growth asset classes where it is able to leverage its considerable experience in asset, property, and development management to generate additional fee income.

The expected conclusion of the GREA acquisition is seen as a significant catalyst for immediate balance sheet optimisation and ongoing NAV and NOI growth in the medium to longer term.

We want to thank our shareholders for their ongoing support as we transition to an even more resilient portfolio with near- and longer-term growth opportunities in Net asset value and income which will benefit all our stakeholders, including the people of Africa.

Bronwyn Knight

Chief Executive Officer

CHIEF FINANCIAL OFFICER'S STATEMENT

Presentation of financial results

The consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB. Alternative

performance measures (APMs) have also been provided to supplement the IFRS financial statements as the Directors believe that this adds meaningful insight into the operations of the Group and how the Group is managed. European Public Real Estate Association (“EPRA”) Best Practice Recommendations have been adopted widely throughout this report and are used within the business when considering the operational performance of our properties. Full reconciliations between IFRS and EPRA figures are provided in note 17. Other APMs used are also reconciled below.

“Grit Proportionate Interest” income statement, presented below, is a management measure to assess business performance and is considered meaningful in the interpretation of the financial results. The IFRS statement of comprehensive income is adjusted for the component income statement line items of properties held in joint ventures and associates.

This measure, in conjunction with adjustments for non-controlling interests (for properties consolidated by Grit, but part-owned by minority partners), form the basis of the Group’s distributable earnings build up, which is alternatively shown in Note 8 “Distributable earnings”.

	IFRS YTD	Extracted from Associates	GRIT Proportionate Income statement	Split NCI	GRIT Economic IS	YTD Distributable earnings
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Gross rental income	26,914	7,340	34,254	(4,397)	29,857	30,373
Property operating expenses	(4,797)	(578)	(5,375)	1,080	(4,295)	(4,240)
Net operating profit	22,117	6,762	28,879	(3,317)	25,562	26,133
Other income	120	9,017	9,137	(386)	8,751	8,874
Administration expenses	(9,408)	(3,177)	(12,585)	621	(11,964)	(11,184)
Net impairment charge on financial assets	903	-	903	(180)	723	-
Profit from operations	13,732	12,602	26,334	(3,262)	23,072	23,823
Fair value adjustment on investment properties	3,139	775	3,914	79	3,993	-
Transaction costs	-	272	272	9	281	-
Fair value adjustment on other financial asset	47	1,948	1,995	(23)	1,972	-
Fair value adjustment on investment in subsidiary	-	1	1	-	1	-
Fair value adjustment on derivative financial instruments	(1,007)	-	(1,007)	-	(1,007)	-
Impairment of loans	-	(12)	(12)	(657)	(669)	-
Loss on extinguishment of loans	(1,166)	(25)	(1,191)	41	(1,150)	-
Share-based payment	(413)	(2,620)	(3,033)	-	(3,033)	-
Share of profits from associates	12,008	(12,008)	-	-	-	-
Loss on partial disposal of associate	(295)	-	(295)	-	(295)	-
Foreign currency (losses) / gains	(3,381)	(396)	(3,777)	882	(2,895)	-
Profit before interest and taxation	22,664	537	23,201	(2,931)	20,270	23,823
Interest income	1,738	3,596	5,334	(13)	5,321	5,321
Finance costs - Intercompany	-	(19)	(19)	1,829	1,810	1,810
Finance charges	(18,210)	(3,823)	(22,033)	1,330	(20,703)	(18,543)
Profit before taxation	6,192	291	6,483	215	6,698	12,411
Current tax	(880)	(510)	(1,390)	271	(1,119)	(1,118)
Deferred tax	(1,707)	219	(1,488)	441	(1,047)	-
Profit after taxation	3,605	-	3,605	927	4,532	11,293
RBO OCI	-	-	-	-	-	-
Total comprehensive income	3,605	-	3,605	927	4,532	11,293
VAT credits	-	-	-	-	-	1,046

Distributable earnings	3,605	-	3,605	927	4,532	12,339
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Portfolio financial performance

Sector	Revenue HY2023	Revenue HY2022	Movement	Opex HY2023	Opex HY2022	Movement	NOI HY2023	NOI HY2022	Movement	Rental Collections ¹ HY2023
	US\$'000	US\$'000	%	US\$'000	USD'000	%	US\$'000	US\$'000	%	%
Retail	8,981	8,870	1.3%	(3,205)	(3,825)	-16.2%	5,776	5,045	14.5%	96.2%
Hospitality	5,192	6,125	-15.2%	-	-	0.0%	5,192	6,125	-15.2%	167.0%
Office	8,903	8,170	9.0%	(1,046)	(922)	13.5%	7,857	7,248	8.4%	105.6%
Industrial	3,141	1,289	143.7%	(119)	(41)	190.2%	3,022	1,248	142.1%	93.0%
Data Centres	383	89	330.3%	-	(40)	100%	383	49	681.6%	27.2%
Corporate Accommodation	6,719	6,618	1.5%	(1,249)	(998)	25.2%	5,470	5,620	-2.7%	97.0%
LLR portfolio	1,090	1,417	-23.1%	(93)	(140)	-33.6%	997	1,277	-21.9%	n/a
Corporate ³	626	8	7,700.0%	237	464	-48.5%	863	472	82.8%	n/a
TOTAL	35,035	32,586	7.5%	(5,475)	(5,502)	-0.5%	29,560	27,084	9.1%	108.4%
Subsidiaries	26,914	24,147	11.5%	(4,797)	(4,950)	-3.1%	22,117	19,197	15.2%	
Associates	7,340	8,097	-9.3%	(578)	(544)	6.3%	6,762	7,553	-10.5%	
SUBTOTAL	34,254	32,244	6.2%	(5,375)	(5,494)	-2.2%	28,879	26,750	8.0%	
GREA Associates ²	781	342	128.4%	(100)	(8)	1,150.0%	681	334	104.2%	
TOTAL	35,035	32,586	7.5%	(5,475)	(5,502)	-0.5%	29,560	27,084	9.1%	108.4%

¹ Rental collections represents the amount of cash received as a percentage of contractual income. Contractual income is stated before the effects of any rental deferment and concessions provided to tenants.

² GREA Associates represents legal entities in which GREA does not have control.

³ Includes consolidation entries and property management fees.

The year-on-year movement in revenue generated is made up by the following:

Sector	Revenue HY2022	Foreign exchange movement	Capital movements ¹	Other income	Non-cash movements ²	Recoveries	Leasing activities	Revenue HY2023
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Retail	8,870	(19)	36	(22)	(445)	26	535	8,981
Hospitality	6,125	(687)	(212)	-	(721)	-	687	5,192
Office	8,170	-	(48)	650	(552)	248	435	8,903
Industrial	1,289	-	1,548	23	283	(118)	116	3,141
Data Centres	89	-	294	-	-	-	-	383
Corporate Accommodation	6,618	-	278	-	(521)	151	193	6,719
LLR portfolio	1,417	(176)	(218)	-	7	(11)	71	1,090
Corporate	8	-	-	618	-	-	-	626
TOTAL	32,586	(882)	1,678	1,269	(1,949)	296	2,037	35,035
Subsidiaries	24,147							26,914
Associates	8,097							7,340
SUBTOTAL	32,244							34,254
GREA Associates ³	342							781
TOTAL	32,586	(882)	1,678	1,269	(1,949)	296	2,037	35,035

¹ Capital movements include changes in ownership, disposals, acquisitions and completed projects.

² Non-cash movements include straight-line adjustments and lease incentives.

³ GREA Associates represents legal entities in which GREA does not have control.

Property valuations

Sector	Property Value 30 June 2022	Foreign exchange movement	Additions / Completed projects	Change in ownership	Other movements	Fair value movement	Property Value 31 Dec 2022	Total Valuation Movement
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	%
Retail	197,417	(3,565)	2,005	2,151	111	540	198,659	0.6%
Hospitality	164,603	659	540	(36,436)	68	(261)	129,173	-21.5%
Office	195,823	-	24	-	(97)	2,372	198,122	1.2%
Industrial	80,414	-	641	-	340	(506)	80,889	0.6%
Data Centres	6,839	-	2,140	-	-	208	9,187	34.3%
Corporate Accommoda tion	145,883	(182)	933	5,651	(99)	(381)	151,805	4.1%
LLR portfolio	20,946	(3,374)	1,224	(4,064)	9	150	14,891	-28.9%
GREA under construction	13,214	-	5,838	5,070	-	917	25,039	89.5%
TOTAL	825,139	(6,462)	13,345	(27,628)	332	3,039	807,765	-2.1%
Subsidiaries	604,474	(1,309)	2,527	-	184	3,140	609,016	0.8%
Associates	203,770	(4,973)	9,776	(33,280)	62	774	176,129	-13.6%
SUBTOTAL	808,244	(6,282)	12,303	(33,280)	246	3,914	785,145	-2.9%
GREA Associates	16,895	(180)	1,042	5,652	86	(875)	22,620	33.9%
TOTAL	825,139	(6,462)	13,345	(27,628)	332	3,039	807,765	-2.1%

Movements in Property valuations in the period were principally impacted by “Changes in ownership” related to the disposal of stakes in BHI and LLR (both accounted for as associates) against increased stakes in the GREA assets (reflected in their various sectors) because of Grit’s increased interest in GREA that moved from 26.29% to 35.01%. Additions predominantly related to capex deployed to various development projects in GREA. Like-for-like local currency fair value movements of US\$3.0m. This measure, in conjunction with adjustments for non-controlling interests (for properties consolidated by Grit, but part-owned by minority partners), form the basis of the Group’s distributable earnings build up, which is alternatively shown in Note 17b “Company distribution calculation”.

Income producing assets

Composition of income producing assets

	31 Dec 2022	30 June 2022
	US\$'m	US\$'m
Investment properties	609.0	604.5
Investment properties included within ‘Investment in associates and joint ventures’	149.6	190.6
Properties under development within ‘Investment in associates and joint ventures’	26.5	13.2
	785.1	808.3
Deposits paid on investment properties	10.9	8.2
Other investments, Property, plant & equipment, Intangibles & related party loans	36.8	40.2
Total income producing assets	832.8	856.7

Cost control

Administrative costs	31 December 2022	31 December 2021	Movement	Movement
	US\$'000	US\$'000	US\$'000	%
Ongoing administrative costs	9,377	6,542	2,835	43.34%
Transaction costs	31	32	(1)	(3.1%)

Total administrative expenses	9,408	6,574	2,834	43.11%
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Administrative expenses increased 43.3% on the comparative period year. During the period Grit has established a full operational office in Kenya (to service the increased portfolio in the East Africa region as well as a representative office in Dubai). In line with the above and to continue servicing the growth initiatives of the Group, the Group increased headcount from 84 to 105 staff over the comparative period. The combination of high inflationary pressures, which has impacted costs across the globe, and the full resumption of travel and pre-covid business practices during the six months to December 2022 also contributed to the increased administrative expenses. During the period the Group earned fees amounting to US\$0.7 million to offset these addition costs, with such fees expected to increase as the operational base increases. On an annualised basis, administrative expenses amount to 2.2% of the total incoming producing asset value as compared to 1.5% in the comparative period, with the increase due to the factors described above.

Material finance cost increases

Rising global interest rates have driven the Group's weighted average cost of debt up from 5.7% in December 2021 to 8.1% at 31 December 2022 and resulted in 45.6% increase in finance charges for the six-month period. Included in this charge however are a number of non-recurring items, most notably loan write off fees of US\$1.0 million. The reported WACD of 8.1% also includes amortisation of loan issuance costs related to the debt refinance concluded in the period, which if excluded, reflects an ongoing cash WACD of 7.5%.

The increase in ongoing funding costs is somewhat shielded by annual contractual lease escalations over the property portfolio, which are predominantly linked to US consumer price inflation. Additionally, during the period under review, Grit entered into US\$100m notional new interest rate hedges to complement the existing US\$100 million of hedging in place at the beginning of the financial period. The hedges have become increasingly more effective as base interest rates have risen and are now largely shielding Grit from further material increases in base rates. A sensitivity of Grit's expected WACD to further moves in base rates as well as impact of non-cash elements (cash WACD) included in reported WACD is shown below:

All debt	WACD	Movement vs current WACD	Cash WACD
Current	8.1%	0.0%	7.5%
+200bps	9.0%	0.9%	8.4%
+100bps	8.5%	0.5%	7.9%
+50bps	8.3%	0.2%	7.6%
-100bps	7.0%	-1.1%	6.4%
-200bps	6.5%	-1.5%	5.9%

US\$ denominated debt	WACD	Movement vs current WACD	Cash WACD
Current	8.3%	0.0%	7.8%
+200bps	8.8%	0.5%	8.3%
+100bps	8.5%	0.2%	8.0%
+50bps	8.4%	0.1%	7.9%
-100bps	7.2%	-1.1%	6.7%
-200bps	6.9%	-1.4%	6.4%

Net Asset Value and EPRA earnings per share

	UNAUDITED 31 December 2022 US\$'000	UNAUDITED 31 December 2022 Per Share (Diluted) (Cents Per Share)	UNAUDITED 31 December 2021 US\$'000	UNAUDITED 31 December 2021 Per Share (Diluted) (Cents Per Share)
EPRA Earnings	2,202	0.46	8,413	2.56
Total Company Specific Adjustments	2,737	0.56	(2,493)	(0.76)
Adjusted EPRA Earnings	4,939	1.02	5,920	1.80
Total Company Specific Distribution Adjustments	7,400	1.54	4,122	1.28

TOTAL DISTRIBUTABLE EARNINGS	12,339	2.56	10,042	3.08
DIVIDEND DECLARED OUT OF PROFITS	9,902	2.00	8,158	2.50
	UNAUDITED 31 December 2022	UNAUDITED 31 December 2022 Per Share (Diluted) (Cents Per Share)	AUDITED 30 June 2022	AUDITED 30 June 2022 Per Share (Diluted) (Cents Per Share)
	US\$'000		US\$'000	
EPRA NRV	380,865	78.77	381,307	79.35
EPRA NTA	366,736	75.84	366,805	76.33
EPRA NDV	333,297	68.93	336,296	69.98

Net asset value evolution

NET ASSET VALUE EVOLUTION	US\$'000	US\$ cps
June 2022 as reported – IFRS	336,296	69.98
Derivative financial instruments	(1,863)	(0.39)
Deferred Tax on Properties	46,873	9.75
EPRA NRV at 30 Jun 2022	381,306	79.34
Cash Profits	11,293	2.34
Fair Value - Retail Assets	540	0.11
Fair Value – Office	2,372	0.49
Fair Value - Corporate Accommodation	(381)	(0.08)
Fair Value – Hospitality	(261)	(0.05)
Fair Value - Light Industrial	(506)	(0.10)
Fair Value – Data centres	208	0.04
Fair Value – LLR portfolio	150	0.03
Fair Value – GREA under construction	917	0.19
Fair Value – Non-controlling interests	(180)	(0.04)
Fair value of financial Assets	1,135	0.23
Other non-cash profits and movements	(8,199)	(2.19)
Movement in Foreign Currency Translation reserve	(475)	(0.10)
Dividend attributable to NCI	2,397	0.50
Dividends paid	(9,599)	(1.99)
Preference share capital	(1,019)	(0.21)
Perpetual preference notes	(1,779)	(0.37)
Share based payment via equity	3,033	0.63
Transfers to non-controlling interests	(87)	(0.02)
EPRA NRV before dilution	380,865	78.75
Issue of shares / Treasury shares	-	0.02
EPRA NRV at 31 Dec 2022	380,865	78.77
Deferred Tax on Properties	(47,592)	(9.84)
Derivative financial instruments	28	0.01
IFRS NRV at 31 Dec 2022	333,301	68.94

Interest-bearing borrowings

The Group has successfully refinanced the bulk of its short-dated debt, and with the SBSA syndication has increased the Group's Weighted Average Debt Expiry (WADE) from 1.8 years as at June 2022 to 3.6 years as at December 2022.

The Board continues to target a Group LTV of 35% to 40% and has defined actions to achieve this target including the consolidation of GREA and further reductions in absolute levels of debt. In the six-month period to 31 December 2022, the Group decreased total reported interest-bearing borrowings from US\$425.0m to US\$409.8m.

Movement in Debt for the period	As at 31	As at 30 June
	December 2022	2022
	US\$'000	US\$'000
Balance at the beginning of the period	425,066	410,588
Proceeds of interest bearing-borrowings	280,707	58,513
Loan reduced through disposal of subsidiary	-	(6,624)
Loan acquired through asset acquisition	-	6,011
Loan issue costs incurred	(7,939)	(4,386)
Amortisation of loan issue costs	2,532	2,765
Costs associated with extinguishment of loans	1,166	-
Foreign currency translation differences	1,389	(14,836)
Interest accrued	221	751
Debt settled during the year	(293,325)	(27,716)
As at period end	409,817	425,066

The following debt transactions were concluded during the period under review:

- The refinance of the Bank ABC Club Med Facility in Casamance Holdings Limited by Nedbank, this facility was then wrapped up within the SBSA Syndication. Pushing out the maturity date to June 2027. Additionally, an Asset Refurbishment facility was secured as part of the syndication.
- The Zambia (US\$76.4m), Ghana (US\$14.1m), Mozambique (US\$140m) and Senegal Facilities (EUR 6.6m) with the addition of the SBSA Mauritian RCF (EUR 26.5) were refinanced through the Standard Bank lead Syndication. Participant banks were SBSA, ABSA and Nedbank. Refer - Note 8.
- The remaining Maubank (US\$1.8m) and ABC (US\$2.4m) Bridge / Term Loan facilities at Grit Real Estate Income Group Limited and Grit Services Limited were fully repaid.
- A US\$6.5m Bridging loan was availed from SBM to partially fund the increase in shareholding of GREA.
- Amortization of \$1.5m of the Investec Anfa Loan, which extended the maturity date of the facility to April 2024.

The total capital exposure to debt providers (net of interest accrued and unamortised loan issue costs) as at 31 December 2022 is as follows:

	31 December 2022				30 June 2022			
	Debt in	Debt in	Total	%	Debt in	Debt in	Total	%
	Subsidiaries	associates			Subsidiaries	associates		
	US\$'000	US\$'000	US\$'000		US\$'000	US\$'000	US\$'000	
Standard Bank Group	267,640	14,859	282,499	59.7%	183,496	6,516	190,012	40.3%
Bank of China	-	-	-	0.0%	76,405	-	76,405	16.2%
State Bank of Mauritius	64,497	2,701	67,198	14.2%	57,659	16,375	74,034	15.7%
Investec Group	34,254	-	34,254	7.2%	36,129	-	36,129	7.7%
Absa Group	-	-	-	0.0%	7,913	3,057	10,970	2.3%
ABC Banking Corporation	-	-	-	0.0%	7,121	-	7,121	1.5%
Nedbank CIB	15,620	3,544	19,164	4.1%	21,820	286	22,106	4.7%
Mauritius Commercial Bank	-	-	-	0.0%	-	7,774	7,774	1.7%
Maubank	648	-	648	0.1%	3,345	-	3,345	0.7%
First National Bank	-	35,104	35,104	7.4%	-	9,013	9,013	1.9%
Housing finance corporation	-	-	-	0.0%	-	2,316	2,316	0.5%
Bank of Gaborone	-	2,676	2,676	0.6%	-	727	727	0.2%
NCBA Bank Kenya	10,700	-	10,700	2.3%	10,700	-	10,700	2.2%

Private Equity	4,725	-	4,725	1.0%	4,725	-	4,725	1.0%
International Finance Corporation	16,100	-	16,100	3.4%	16,100	-	16,100	3.4%
TOTAL BANK DEBT	414,184	58,884	473,068	100.0%	425,413	46,064	471,477	100.0%
Interest accrued	5,148				4,927			
Unamortised loan issue costs	(9,515)				(5,274)			
TOTAL DEBT	409,817				425,066			

Dividend

An interim dividend per share has been declared for the six-month period ended 31 December 2022 of US\$2.0 cents per share, paying out at least 80 percent of distributable earnings.

Leon van de Moortele
Chief Financial Officer

24 February 2023

PRINCIPAL RISKS AND UNCERTAINTIES

Grit has a detailed risk management framework in place that is reviewed annually and duly approved by the Risk Committee and the Board. Through this risk management framework, the Company has developed and implemented appropriate frameworks and effective processes for the sound management of risk.

The principal risks and uncertainties facing the Group as at 30 June 2022 are set out on pages 24 to 29 of the 2022 Integrated Annual Report together with the respective mitigating actions and potential consequences to the Group's performance in terms of achieving its objectives. These principal risks are not an exhaustive list of all risks facing the Group but are a snapshot of the Company's main risk profile as at year end.

The Board has reviewed the principal risks and existing mitigating actions in the context of the second half of the current financial year. The Board believes there has been no material change to the risk categories and are satisfied that the existing mitigation actions remain appropriate to manage them.

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors confirm that the abridged consolidated half year financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board ("IASB") and that the half year management report includes a fair review of the information required by the Disclosure Guidance and Transparency Rules ("DTR") 4.2.7R and DTR 4.2.8R, namely:

- Important events that have occurred during the first six months and their impact on the abridged set of half year unaudited financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions in the first six months and a fair review of any material changes in the related party transactions described in the last Annual Report.

The maintenance and integrity of the Grit website is the responsibility of the directors.

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions. The directors of the Group are listed in its Annual Report for the year ended 30 June 2022. A list of current directors is maintained on the Grit website: www.grit.group.

On behalf of the Board

Bronwyn Knight
Chief Executive Officer

Leon van de Moortele
Chief Financial Officer

ABRIDGED CONSOLIDATED STATEMENT OF INCOME STATEMENT

		Unaudited six months ended 31 Dec 2022	Unaudited six months ended 31 Dec 2021
	Notes	US\$'000	US\$'000

Gross property income	9	26,914	24,147
Property operating expenses		(4,797)	(4,950)
Net property income		22,117	19,197
Other income		120	568
Administrative expenses		(9,408)	(6,542)
Net impairment charge on financial assets		903	1,100
Profit from operations		13,732	14,323
Fair value adjustment on investment properties		3,139	3,256
Corporate restructure costs		-	(32)
Fair value adjustment on other financial liability		-	(6,716)
Fair value adjustment on other financial asset		47	-
Fair value adjustment on derivative financial instruments		(1,007)	1,252
Share-based payment expense		(413)	(1,162)
Loss on extinguishment of loans		(1,166)	-
Share of profits from associates and joint ventures	3	12,008	10,286
Loss on disposal of interest in associate	3a	(295)	-
Foreign currency losses		(3,381)	(1,132)
Profit before interest and taxation		22,664	20,075
Interest income	10	1,738	923
Finance costs	11	(18,210)	(12,536)
Profit for the period before taxation		6,192	8,462
Taxation		(2,587)	(3,615)
Profit for the period after taxation		3,605	4,847
Profit / (loss) attributable to:			
Owners of the parent		4,741	4,278
Non-controlling interests		(1,136)	569
		3,605	4,847
Basic and diluted earnings per share (cents)	14	0.98	1.30

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months ended 31 Dec 2022 US\$'000	Unaudited six months ended 31 Dec 2021 US\$'000
Profit for the year	3,605	4,847
Retirement benefit obligation	-	-
Loss on translation of functional currency	(1,464)	(2,626)
Other comprehensive expense that may be reclassified to profit or loss	(1,464)	(2,626)
Total comprehensive income relating to the period	2,141	2,221
Total comprehensive income/ (expense) attributable to:		
Owners of the parent	3,495	2,133
Non-controlling interests	(1,354)	88
	2,141	2,221

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited as at 31 Dec 2022 US\$'000	Audited as at 30 June 2022 US\$'000	Unaudited as at 31 Dec 2021 US\$'000
	Notes			
Assets				
Non-current assets				
Investment properties	2	609,016	604,474	549,887
Deposits paid on investment properties	2	10,867	8,309	5,753
Property, plant and equipment		2,095	2,087	2,260
Intangible assets		561	670	770
Other investments		1	1	1
Investments in associates and joint ventures	3	212,317	206,997	188,079
Related party loans receivable		1,313	515	92
Trade and other receivables	5	1,829	4,615	1,246
Deferred tax		12,698	12,544	21,042
Total non-current assets		850,697	840,212	769,130
Current assets				
Trade and other receivables	5	31,760	29,055	36,058
Current tax receivable		2,070	1,881	1,397
Related party loans receivable		988	298	248
Other loans receivable	4	34,477	37,908	37,050
Derivative financial instruments		3,003	1,862	46
Cash and cash equivalents		12,580	26,002	34,949
Total current assets		84,878	97,006	109,748
Total assets		935,575	937,218	878,878
Equity and liabilities				
Total equity attributable to ordinary shareholders				
Ordinary share capital		535,694	535,694	528,670
Treasury shares reserve		(16,212)	(16,212)	(21,312)
Foreign currency translation reserve		(5,666)	(5,191)	(650)
Antecedent dividend reserve		-	-	3,659
Accumulated losses		(180,515)	(177,990)	(170,568)
Equity attributable to owners of the Company		333,301	336,301	339,799
Preference share capital	6	30,577	29,558	25,481
Perpetual preference notes	7	26,289	25,741	25,169
Non-controlling interests		(25,675)	(22,224)	(19,012)
Total equity		364,492	369,376	371,437
Liabilities				
Non-current liabilities				
Redeemable preference shares		12,840	12,840	12,840
Proportional shareholder loans		40,989	26,716	17,725
Interest-bearing borrowings	8	371,549	242,091	259,904
Derivative financial instruments		2,976	-	-
Lease liabilities		750	545	750
Related party loans payable		1,454	1,205	848
Deferred tax liability		51,480	49,592	55,535
Total non-current liabilities		482,038	332,989	347,602

Current liabilities				
Interest-bearing borrowings	8	38,268	182,975	103,016
Lease liabilities		589	864	57
Trade and other payables		31,269	31,411	23,305
Current tax payable		1	763	1,215
Derivative financial instruments		-	-	1,424
Related party loans payable		1	1	17,799
Other financial liabilities		16,983	16,983	13,023
Bank overdrafts		1,934	1,856	-
Total current liabilities		89,045	234,853	159,839
Total liabilities		571,083	567,842	507,441
Total equity and liabilities		935,575	937,218	878,878

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Unaudited six months ended 31 Dec 2022 US\$'000	Unaudited six months ended 31 Dec 2021 US\$'000
Cash generated from operations			
Profit before taxation for the period		6,192	8,462
<i>Adjusted for:</i>			
Depreciation and amortisation		282	320
Interest income	10	(1,738)	(923)
Share of profits from associates and joint ventures	3	(12,008)	(10,286)
Finance costs	11	18,210	12,536
IFRS 9 charges		(481)	(1,100)
Foreign currency gains		3,381	1,132
Straight-line rental income accrual		(186)	(352)
Amortisation of lease premium		708	(1,000)
Share based payment expense		413	1,162
Loss on disposal of interest in associate	3a	295	-
Loss on extinguishment on loan		1,166	-
Fair value adjustment on investment properties	2	(3,139)	(3,256)
Fair value adjustment on other financial liability		(47)	6,716
Fair value adjustment on derivative financial instruments		1,007	(1,252)
		14,055	12,159
<i>Changes to working capital</i>			
Movement in trade and other receivables		(1,815)	870
Movement in trade and other payables		248	(2,596)
Cash generated from operations		12,488	10,433
Taxation paid		(1,814)	(887)
Net cash generated from operating activities		10,674	9,546
<i>Cash utilised on investing activities</i>			
Acquisition of, and additions to investment properties	2	(2,875)	(2,542)
Deposits paid on investment properties	2	(2,558)	-
Additions to property, plant and equipment		(184)	(36)
Additions to intangible assets		-	(378)

Acquisition of associates and joint ventures	3b	(19,440)	-
Proceeds from partial disposal of associates and joint ventures	3a	5,102	-
Dividends and interest received from associates and joint ventures	3	21,337	2,093
Interest received		1,739	1,047
Proceeds from partial disposal of investment in subsidiaries	12	1	-
Related party loans advanced		-	(226)
Related party loans received		1,488	456
Other loans advanced		(2,189)	-
Proportional shareholder loans received from associates	3	1,507	2,002
Proportional shareholder loans repaid		-	(472)
Proceeds from proportional shareholder loans		14,273	393
Other loans repayment received		4,378	-
Net cash generated in investing activities		22,579	2,337
Proceeds from the issue of equity instruments		-	83,767
Equity issuance costs		-	(9,217)
Dividends paid to non-controlling shareholders		-	(1)
Ordinary dividends paid		(7,377)	-
Perpetual preferences note dividend paid		(1,228)	-
Proceeds from interest bearing borrowings	8	280,707	6,522
Settlement of interest-bearing borrowings	8	(293,325)	(47,024)
Finance costs		(17,137)	(12,942)
Loan issue costs incurred		(7,939)	-
Payments of leases		(70)	(173)
Net cash (utilised in) / generated from financing activities		(46,369)	20,932
Net movement in cash and cash equivalents		(13,116)	32,815
Cash at the beginning of the year		24,146	2,314
Effect of foreign exchange rates		(384)	(180)
Total cash and cash equivalents at the end of the period		10,646	34,949

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital	Treasury shares reserve	Foreign currency translati on reserve	Anteced ent Dividend reserve	Accumul ated losses	Preferen ce share capital	Perpetua l preferen ce notes	Non- controlli ng interests	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 July 2021	463,842	(18,406)	1,495	-	(176,073)	25,481	-	(17,935)	278,404
Profit / (loss) for the year	-	-	-	-	10,443	-	-	670	11,113
Other comprehensive income for the year	-	-	(8,010)	-	154	-	-	(1,608)	(9,464)
Total comprehensive income / (expense)	-	-	(8,010)	-	10,597	-	-	(938)	1,649
Share based payments	-	-	-	-	138	-	-	-	138
Antecedent dividend reserve	(3,659)	-	-	3,659	-	-	-	-	-
Ordinary dividends declared	-	-	-	(3,659)	(7,903)	-	-	-	(11,562)
Treasury shares	-	(2,906)	-	-	-	-	-	-	(2,906)
Disposal of treasury shares	-	5,100	-	-	-	-	-	(3,600)	1,500
Ordinary shares issued	83,454	-	-	-	-	-	-	-	83,454
Perpetual preference notes issued	-	-	-	-	-	-	26,775	-	26,775
Preferred dividend accrued on perpetual notes	-	-	-	-	(1,837)	-	572	-	(1,265)

Share issue expenses relating to issue of perpetual notes	-	-	-	-	-	-	(1,606)	-	(1,606)
Preferred dividend accrued on preference shares	-	-	-	-	(4,077)	4,077	-	-	-
Share issue expenses	(7,943)	-	-	-	-	-	-	-	(7,943)
Non-controlling interests on acquisition of subsidiary other than business combination	-	-	-	-	-	-	-	1,414	1,414
Reclassification of foreign currency translation reserve on sale of subsidiary	-	-	906	-	-	-	-	-	906
Reclassification of foreign currency translation reserve on part sale of interests in associate	-	-	418	-	-	-	-	-	418
Dividends distributable to non-controlling shareholders	-	-	-	-	1,165	-	-	(1,165)	-
Balance as at 30 June 2022 (audited)	535,694	(16,212)	(5,191)	-	(177,990)	29,558	25,741	(22,224)	369,376
Balance as at 1 July 2021	463,842	(18,406)	1,495	-	(176,073)	25,481	-	(17,935)	278,404
Profit for the period	-	-	-	-	4,278	-	-	569	4,847
Other comprehensive expense for the period	-	-	(2,145)	-	-	-	-	(481)	(2,626)
Total comprehensive income	-	-	(2,145)	-	4,278	-	-	88	2,221
Share based payments	-	-	-	-	62	-	-	-	62
Treasury shares	-	(2,906)	-	-	-	-	-	-	(2,906)
Ordinary shares issued	76,098	-	-	-	-	-	-	-	76,098
Transfer to antecedent dividend reserve	(3,659)	-	-	3,659	-	-	-	-	-
Perpetual preference note issued	-	-	-	-	-	-	26,775	-	26,775
Perpetual preference notes issue expenses	-	-	-	-	-	-	(1,606)	-	(1,606)
Share issue expenses	(7,611)	-	-	-	-	-	-	-	(7,611)
Dividends distributable to non-controlling shareholders	-	-	-	-	1,165	-	-	(1,165)	-
Balance as at 31 December 2021 (unaudited)	528,670	(21,312)	(650)	3,659	(170,568)	25,481	25,169	(19,012)	371,437
Balance as at 1 July 2022	535,694	(16,212)	(5,191)	-	(177,990)	29,558	25,741	(22,224)	369,376
Profit / (Loss) for the period	-	-	-	-	4,741	-	-	(1,136)	3,605
Other comprehensive expense for the period	-	-	(1,246)	-	-	-	-	(218)	(1,464)
Total comprehensive (expense) / income	-	-	(1,246)	-	4,741	-	-	(1,354)	2,141
Share based payments	-	-	-	-	413	-	-	-	413
Share of other changes in equity of associate	-	-	-	-	2,620	-	-	-	2,620
Reclassification of foreign currency translation reserve on part sale of interests in associate	-	-	771	-	-	-	-	-	771
Preferred dividend accrued on preference shares	-	-	-	-	(1,019)	1,019	-	-	-

Preferred dividend accrued on perpetual notes	-	-	-	-	(1,779)	-	548	-	(1,231)
Ordinary dividends paid	-	-	-	-	(9,599)	-	-	-	(9,599)
Transaction with non-controlling interests without change in control	-	-	-	-	(299)	-	-	300	1
Dividends distributable to non-controlling shareholders	-	-	-	-	2,397	-	-	(2,397)	-
Balance as at 31 December 2022 (unaudited)	535,694	(16,212)	(5,666)	-	(180,515)	30,577	26,289	(25,675)	364,492

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this abridged consolidated financial statements are set out below.

1.1 Basis of preparation

The unaudited abridged consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB, interpretations issued by the IFRS Interpretations Committee (IFRIC); the Financial Pronouncements as issued by Financial Reporting Standards Council and the LSE and SEM Listings Rules. The unaudited abridged consolidated financial statements have been prepared on the going-concern basis and were approved for issue by the Board on 23 February 2023.

Going Concern

The directors are required to consider an assessment of the Group's ability to continue as a going concern when producing the interim abridged unaudited consolidated financial statements.

The Directors are of the opinion that after reconsideration of the items highlighted in the Integrated Annual Report published on 28 October 2022 (see pages 152 to 153), the risks assessed are being managed and the Group continues to perform within the parameters of the going concern models prepared. The directors therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Functional and presentation currency

The abridged unaudited consolidated half year financial statements are prepared and are presented in United States Dollars (US\$). Amounts are rounded to the nearest thousand, unless otherwise stated. Some of the underlying subsidiaries and associates have functional currencies other than the US\$. The functional currency of those entities reflects the primary economic environment in which they operate.

Presentation of alternative performance measures

The Group presents certain alternative performance measures on the face of the income statement. Revenue is shown on a disaggregated basis, split between gross rental income and the straight-line rental income accrual. Additionally, if applicable, the total fair value adjustment on investment properties is presented on a disaggregated basis to show the impact of contractual receipts from vendors separately from other fair value movements. These are non IFRS measures and supplement the IFRS information presented. The directors believe that the presentation of this information provides useful insight to users of the financial statements and assists in reconciling the IFRS information to industry wide EPRA metrics.

1.2 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is a person or group that is responsible for allocating resources and assessing performance of the operating segments. The Group has determined the board as its chief operating decision-maker as it is the board that makes the Group's strategic decisions. Each operating entity has its own segmental and geographical allocation, and it is not allocated to more than one sector. Depreciation and amortization are not shown separately due to the immaterial nature thereof.

1.3 Critical Judgements and estimates

The preparation of these abridged consolidated half year financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgement in applying the Group's accounting policies. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements.

Unconsolidated structured entity

Drive in Trading (DiT), a B-BBEE consortium, secured a facility of US\$33.4 million from the Bank of America N.A (UK Branch) ("BoAML") to finance its investment in Grit. The BoAML facility was granted to DiT after South Africa's Government Employees Pension Fund (GEPF), represented by Public Investment Corporation SOC Limited ("PIC"), provided a guarantee to BoAML in the form of a Contingent Repurchase Obligation ("CRO") for up to US\$35 million. The terms of the CRO obligate PIC to acquire the loan granted to DiT should DiT default under the BoAML facility.

In order to facilitate the above, the Group agreed to de-risk 50% of PIC's US\$35 million exposure to the CRO, by granting PIC a guarantee whereby should BoAML enforce the CRO, the Group would indemnify PIC for up to 50% of the losses, capped at US\$17.5 million, following the sale of the underlying securities, being the shares held by DiT in Grit.

Given the unusual structure of the transaction, the Group has determined that DiT has limited and predetermined activities and can be considered a structured entity under IFRS 12 as the design and purpose of DiT was to fund Grit rights issue and at the same time enable Grit to obtain B-BBEE credentials.

As the Group does not have both, power to direct the activities of DiT and an exposure to variable returns, the Group has exercised judgement on not to consolidate DiT but instead treat it as an unconsolidated structured entity due to DiT being a related party.

Freedom Asset Management (FAM) as a subsidiary

The Group has considered Freedom Asset Management (FAM) to be its subsidiary for consolidation purposes due to the Group's implied control of FAM, as the Group has ability to control the variability of returns of FAM and has the ability to affect returns through its power to direct the relevant activities of FAM. The Group does not own any interest in FAM however it has exposure to returns from its involvement in directing the activities of FAM.

Grit Executive Share Trust (GEST) as a subsidiary

The Group has considered Grit Executive Share Trust (GEST) to be its subsidiary for consolidation purposes due to the Group's implied control of GEST, as the Group's ability to appoint the majority of the trustees and to control the variability of returns of GEST. The Group does not own any interest in GEST but is exposed to the credit risk and losses of (GEST) as the Group shall bear any losses sustained by GEST and shall be entitled to receive and be paid any profits made in respect of the purchase, acquisition, sale or disposal of unawarded shares in the instance where shares revert back to GEST. No non-controlling interest has been accounted for in the current year.

Grit Executive Share Trust II (GEST II) as a subsidiary

During the financial year 2022, Grit Executive Share Trust II has been incorporated to act as trust for the new long term incentive plan of the Group. The trust will hold Grit shares to service the new scheme when the shares will vest to the employees in the future. The corporate set-up of GEST II is like GEST and the Group has considered GEST II to be a subsidiary the Group's implied control on GEST II.

African Development Managers Ltd (APDM) as a joint venture

The Group has acquired an equity interest of 77.95% in African Development Managers Ltd. The Group has concluded that even though it holds a majority shareholding in African Development Managers Ltd, it does not have control of the latter because it is currently not satisfying the power criteria of control. The design of African Development Managers Ltd is such that decisions about the relevant activities need to be approved by the investment committee of the company. For a decision to be approved, seventy five percent of the members present need to vote in favor of the decision. Currently the Group has the right to appoint two members to the investment committee. Prudential Impact Investments Private Equity LLC who holds 21.05% of African Development Managers Ltd also has the right to appoint two members and Gateway Africa Real Estate Limited with a current shareholding of 1% can appoint one member. Given the seventy five percent threshold requirement to pass any resolution, the Group and Prudential Impact Investments Private Equity LLC will have to unanimously agree to any decision before those are formally enacted by management. Therefore, neither the Group nor Prudential Impact Investments Private Equity LLC on their own control African Development Managers Ltd. Because of the unanimous consent required by both the significant shareholders of African Development Managers Ltd, the Group has classified the investment in African Development Managers Ltd as an investment in joint venture.

Gateway Real Estate Africa Ltd (GREA) as an associate

The Group has considered Gateway Real Estate Africa Ltd (GREA) to be its associate for consolidation purposes due to the Group's significant influence over the latter. During the six months period ended 31 December 2022, the Group has acquired an additional 8.72% equity interests in GREA which brings the total shareholding of Grit in GREA to 35.01%. However, the increase in shareholding has not resulted in Grit being able to exercise control over GREA. As at 31 December 2022, the Group has accounted GREA as an associate.

Estimates

The principal areas where such estimations have been made are:

Fair value of investment properties

The fair value of investment properties is determined using a combination of the discounted cash flows method and the income capitalisation valuation method, using assumptions that are based on market conditions existing at the end of the relevant reporting date. For further details on the valuation method, judgements and assumptions made, refer to note 2.

Taxation

Judgements and estimates are required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax inspection issues in the jurisdictions in which it operates based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each relevant jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

2. INVESTMENT PROPERTIES

	As at 31 Dec 2022 US\$'000	As at 30 June 2022 US\$'000
Net carrying value of properties	609,016	604,474
Movement for the year excluding straight-line rental income accrual, lease incentive and right of use of land		
Investment property at the beginning of the year	584,768	535,433
Acquisition through subsidiary other than business combination	-	33,050
Transfer from associate on step up to subsidiary	-	19,343
Disposal of subsidiary	-	(10,975)
Other capital expenditure and construction	2,875	5,946
Foreign currency translation differences	(1,173)	(18,196)
Revaluation of properties at end of period	3,139	19,870
Contractual receipts from vendors of investment properties (reduction in purchase price)	-	297
As at period end	589,609	584,768
Reconciliation to consolidated statement of financial position and valuations		
Investment properties carrying amount per above	589,609	584,768
Right of use of land	6,633	6,666
Lease incentive	6,635	7,053
Straight-line rental income accrual	6,139	5,987
Total valuation of properties	609,016	604,474

Lease incentive asset included in investment property

In accordance with IFRS 16, rental income is recognised in the Group income statement on a straight-line basis over the lease term. This includes the effect of lease incentives given to tenants. The Group has granted lease incentives to tenants (in the form of rent-free periods). The result is a receivable balance included within investment property in the balance sheet as those are balances that must be considered when reconciling to valuation figures to prevent double counting of assets. This balance is subject to impairment testing under IFRS 9 using the simplified approach to expected credit loss of IFRS 9.

	As at 31 Dec 2022 US\$'000	As at 30 June 2022 US\$'000
Lease incentive receivables before impairment	7,158	7,993

Impairment of lease incentive receivables	(523)	(940)
Net lease incentive included within investment property	6,635	7,053

Investment property pledged as security

Certain of the Group's investment property has been pledged as security for interest-bearing borrowings (note 8) as follows:

- Mozambican investment properties with a market value of US\$305.1 million are mortgaged to Standard Bank of South Africa to secure debt facilities amounting to US\$140.0 million (June 2022: Mozambican investment properties with a market value of US\$301.1 million are mortgaged to Standard Bank of South Africa to secure debt facilities amounting to US\$140.0 million).
- Moroccan investment property with a market value of US\$67.5 million (June 2022: US\$71.5 million) is mortgaged to Investec Bank South Africa to secure debt facilities amounting to US\$33.8 million (June 2022: US\$35.7 million).
- Mauritian investment property with a market value of US\$48.3 million (June 2022: US\$48.8 million) is mortgaged to State Bank of Mauritius to secure debt facilities amounting to US\$25.0 million (June 2022: US\$24.8 million).
- Kenyan investment properties with a market value of US\$60.6 million (June 2022: US\$60.5 million) are mortgaged to Nedbank South Africa to secure debt facilities amounting to US\$8.6 million (June 2022: US\$8.6 million) and International Finance Corporation to secure debt facilities amounting to US\$ 16.1 million (June 2022: US\$16.1 million).
- Zambian investment property with a market value of US\$57.2 million (June 2022: US\$56.9 million) is mortgaged to Standard Bank of South Africa to secure debt facilities amounting to US\$28.1 million (June 2022: Bank of China US\$34.8 million).
- Senegalese investment property with a market value of US\$24.1 million (June 2022: US\$20.7 million) is mortgaged to Standard Bank of South Africa to secure debt facilities amounting to US\$7.0 million (June 2022: ABC Banking Corporation: US\$4.6 million).
- Ghanaian investment properties with a market value of US\$36.6 million (June 2022: US\$35.3 million) are mortgaged to Standard Bank of South Africa to secure debt facilities amounting to US\$14.6 million (June 2022- Nedbank South Africa: US\$6.2million and ABSA Bank Ghana Limited: US\$7.9 million).

Summary of valuations by reporting date	Most recent independent valuation date	Valuer (for the most recent valuation)	Sector	Country	As at 31 Dec 2022 US\$'000	As at 30 June 2022 US\$'000
Commodity House Phase I	31-Dec-22	REC	Office	Mozambique	52,513	52,346
Commodity House Phase II	31-Dec-22	Directors' valuation	Office	Mozambique	20,008	19,264
Hollard Building	31-Dec-22	Directors' valuation	Office	Mozambique	21,179	21,012
Vodacom Building	31-Dec-22	REC	Office	Mozambique	52,497	51,906
Zimpeto Square	31-Dec-22	Directors' valuation	Retail	Mozambique	4,038	3,395
Bollore Warehouse	31-Dec-22	Directors' valuation	Light industrial	Mozambique	10,791	10,410
Anfa Place Mall	31-Dec-22	Knight Frank	Retail	Morocco	67,473	71,532
Tamassa Resort	31-Dec-22	Knight Frank	Hospitality	Mauritius	48,262	48,827
VDE Housing Compound	31-Dec-22	REC	Accommodation	Mozambique	54,177	55,180
Imperial Distribution Centre	31-Dec-22	Knight Frank	Light industrial	Kenya	20,140	21,620
Mara Viwandani	31-Dec-22	Directors' valuation	Light industrial	Kenya	2,792	2,792
Mall de Tete	31-Dec-22	Directors' valuation	Retail	Mozambique	14,940	13,804
Acacia Estate	31-Dec-22	REC	Accommodation	Mozambique	75,008	73,809
5th Avenue	31-Dec-22	Directors' valuation	Office	Ghana	17,099	16,010
Capital Place	31-Dec-22	Directors' valuation	Office	Ghana	19,540	19,320
Mukuba Mall	31-Dec-22	Knight Frank	Retail	Zambia	57,270	56,933
Orbit Complex	31-Dec-22	Directors' valuation	Light industrial	Kenya	40,534	38,926

Copia Land	31-Dec-22	Directors' valuation	Light industrial	Kenya	6,633	6,666
Club Med Cap Skirring Resort	31-Dec-22	Directors' valuation	Hospitality	Senegal	24,122	20,722
Total valuation of investment properties directly held by the Group					609,016	604,474
Deposits paid on Imperial Distribution Centre Phase 2					2,317	2,259
Deposits paid on Capital Place Limited					3,550	3,550
Deposit paid on Gateway Real Estate Africa Limited					5,000	2,500
Total deposits paid on investment properties					10,867	8,309
Total carrying value of investment properties including deposits paid					619,883	612,783

Investment properties held within associates and joint ventures - Group share

Buffalo Mall - Buffalo Mall Naivasha Limited (50%)	31-Dec-22	Knight Frank	Retail	Kenya	5,805	6,116
Kafubu Mall - Kafubu Mall Limited (50%)	31-Dec-22	Directors' valuation	Retail	Zambia	12,398	11,965
CADS II Building - CADS Developers Limited (50%)	31-Dec-22	Directors' valuation	Office	Ghana	14,420	15,100
Cosmopolitan Shopping Centre - Cosmopolitan Shopping Centre Limited (50%)	31-Dec-22	Directors' valuation	Retail	Zambia	28,113	27,199
Canonniers, Mauricia and Victoria Resorts and Spas - Beachcomber Hospitality (27.1%) (30 June 2022 – 44.42%)	31-Dec-22	Directors' valuation	Hospitality	Mauritius	56,789	95,055
Letlole La Rona Limited (18.31%) (30 June 2022 – 25.1%)- 20 Investment properties	31-Dec-22	Knight Frank	Light industrial	Botswana	10,432	14,662
Letlole La Rona Limited (18.31%) (30 June 2022 – 25.1%) - 1 Investment property	31-Dec-22	Knight Frank	Hospitality	Botswana	107	155
Letlole La Rona Limited (18.31%) (30 June 2022 – 25.1%) - 2 Investment properties	31-Dec-22	Knight Frank	Retail	Botswana	2,969	4,160
Letlole La Rona Limited (18.31%) (30 June 2022 – 25.1%) - 1 Investment property	31-Dec-22	Knight Frank	Office	Botswana	706	1,003
Letlole La Rona Limited (18.31%) (30 June 2022 – 25.1%) - 1 Investment property	31-Dec-22	Knight Frank	Accommodation	Botswana	676	966
Gateway Real Estate Africa Ltd (35.01%) (30 June 2022 – 26.29%) consisting of:						
- DH4 Bamako	31-Dec-22	Directors' valuation	Corporate accommodation	Mali	5,460	5,733
- ADC – Phase 1	31-Dec-22	Knight Frank	Data Centre	Nigeria SEZ	9,187	6,839
- St Helene	31-Dec-22	Knight Frank	Medical	Mauritius	5,753	3,076
- The Precinct	31-Dec-22	Knight Frank	Office	Mauritius	9,868	4,390
- Appolonia Ph1	31-Dec-22	Directors' valuation	Office	Ghana	1,202	873
- CCI House	31-Dec-22	Directors' valuation	Office	Kenya	3,614	-
- Metroplex	31-Dec-22	Directors' valuation	Retail	Uganda	8,630	6,478
Total of investment properties acquired through associates and joint ventures					176,129	203,770

Gateway Real Estate Africa Ltd (35.01%) (30 June 2022 – 26.29%) – Associates – consisting of:

31-Dec-22

- DH1 Elevation	31-Dec-22	Knight Frank	Corporate accommodation	Ethiopia	12,800	9,806
- DH3 Roslyn Grove	31-Dec-22	Knight Frank	Corporate accommodation	Kenya	9,820	7,089
Total of investment properties acquired through GREA Associates					22,620	16,895
Total portfolio					818,632	833,448

Functional currency of total investment property portfolio

United States Dollars	586,153	558,533
Euros	134,927	167,680
Moroccan Dirham	67,473	71,532
Botswanan Pula	14,890	20,946
Kenyan Shilling	2,792	2,792
Zambian Kwacha	12,397	11,965
Total portfolio	818,632	833,448

Valuation policy and methodology for investment properties held by the Group and by associates and joint ventures

For this interim reporting period, investment properties have been valued by reputable RICS accredited valuation experts who have sufficient expertise in the jurisdictions where the properties are located. As per the valuation policy, external valuations are obtained for the top 50% of the portfolio or where any property specific changes may have affected the property valuation. For December 2022, a total of 60% of the property portfolio was externally valued and directors' valuation were utilized for the following properties:

- CADS II Building
- Capital Place
- 5th Avenue Building
- Orbit Complex
- Mara Viwandani
- Copia Land
- BHI- Cannonier, Victoria, Mauritia Hotels
- Hollard Building
- Commodity House Phase II building
- Mall de Tete
- Bollore Warehouse
- Zimpeto Square
- Club Med Cap Skirring Resort
- Kafubu Mall

Investment Properties under the GREA Portfolio

- Appolonia Ph1
- DH4 Bamako
- CCI House
- Metroplex Shopping Mall

All valuations that are performed in the functional currency of the relevant property company are converted to United States Dollars at the effective closing rate of exchange. All independent valuations have been undertaken in accordance with the RICS Valuation Standards that were in effect at the relevant valuation date and are further compliant with International Valuation Standards. Market values presented by valuers have also been confirmed by the respective valuers to be fair value in terms of IFRS.

Independent valuations were performed at 31 December 2022 by REC, Chartered Surveyors and Knight Frank, Chartered Surveyors, using the discounted cash flow method for all building valuations and using the comparable method for all land parcel valuations.

3. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The following entities have been accounted for as associates and joint ventures in the current and comparative consolidated financial statements using the equity method:

Name of joint venture	Country	% Held	As at	As at
			31 Dec 2022	30 June 2022
			US\$'000	US\$'000
Kafubu Mall Limited ¹	Zambia	50.00%	12,222	11,761
Cosmopolitan Shopping Centre Limited ¹	Zambia	50.00%	28,101	27,173
CADS Developers Limited ¹	Ghana	50.00%	6,521	6,974
Africa Property Development Managers Ltd ¹	Mauritius	77.95%	19,762	14,247
Carrying value of joint ventures			66,606	60,155

Name of associate	Country of incorporation and operation	% Held	As at	As at
			31 Dec 2022	30 June 2022
			US\$'000	US\$'000
Buffalo Mall Naivasha Limited ¹	Kenya	50.00%	12,390	3,753
Letlole La Rona Limited ²	Botswana	18.31%	3,354	17,353
Gateway Real Estate Africa Ltd ³	Mauritius	35.01%	79,116	55,866
Beachcomber Hospitality Investments Limited ^{4,5}	Mauritius	27.10%	50,851	69,870
Carrying value of associates			145,711	146,842

Joint ventures	66,606	60,155
Associates	145,711	146,842
Total carrying value of associates and joint ventures	212,317	206,997

¹ The percentage ownership of the Group during the six months period ended 31st December 2022 did not change.

² The Group interests in the associate has decreased from 25.10% to 18.31% following the part disposal made during the six months period ended 31st December 2022.

³ The Group interests in the associate has increased from 26.29% to 35.01% following acquisition made during the six months period ended 31st December 2022.

⁴ Beachcomber Hospitality Investments Limited ("BHI") has declared dividend amounting to €32.6 million towards the end of the reporting period. The dividends declared were scrip dividend where the shareholders had the option to elect to receive the dividend in cash or additional shares in BHI in proportion to their current shareholding. The Group has elected for a cash payout whereas New Mauritius Hotel ("NMH"), the other shareholder of BHI has elected to convert the dividend payout into additional BHI shares. Following the increase in shareholding of NMH in BHI, the Group interests in the associate has decreased from 44.42% to 27.10%.

⁵ The carrying value of Beachcomber Hospitality Investments at 31 December 2022 includes an unsecured loan of €37.5 million (30 June 2022: €37.5 million), from the Group to the associate, which bears interest at 6.25% (30 June 2022: 6.25%).

All investments in associates are private entities and do not have quoted prices available with the exception of Letlole La Rona Limited who is a listed entity on the Botswana Stock Exchange.

3a. Disposal of equity interest in Letlole La Rona Limited

During the six months period ended 31st December 2022, Grit Services Limited a wholly owned subsidiary of the Group has disposed of 6.79% equity interests in Letlole La Rona Limited on the Botswana Stock Exchange. The trading price as at the date of disposal was BWP 3.48. The total number of shares disposed was 19 million shares. Following the disposal transaction, the equity interests of the Group in Letlole La Rona Limited has been reduced to 18.31%.

	US\$'000
Fair value of consideration received	5,102
Less: Carrying amount of investment in associate disposed	(4,626)
Gain on part disposal of interest in associate	476
Reclassification of cumulated foreign currency translation reserve to profit or loss	(771)

Total loss on part disposal of investment in associate	(295)
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Note: the reclassification of cumulated foreign currency translation reserve to profit or loss has no impact on the NAV.

3b. Additional equity interest acquired in Gateway Real Estate Africa Ltd

During the six-months period ended 31st December 2022, the Group has continued its announced plan to acquire a controlling stake in Gateway Real Estate Africa Ltd (“GREA”). The Group has acquired an additional equity interest of 8.72% in GREA. The shareholding of the Group has increased from 26.29% to 35.01%. A cash consideration of US\$19.4million has been paid to the selling shareholder Gateway Africa Real Estate Limited. Following the transaction, the Group kept exercising significant influence over GREA and therefore continues to account for GREA using the equity method. The increase of the investment in GREA has been split notionally between goodwill and the additional interest in the fair value of the net identifiable assets of the associate acquired. The notional goodwill on the acquisition of the additional 8.72% in GREA amounted to US\$1.75 million. The notional goodwill element has been included in the carrying amount of the associate. The total notional goodwill element embedded in the carrying amount of the associate as at 31st December 2022 is US\$4.04 million which is made up of US\$2.29 million goodwill on acquisition of the additional 6.31% in GREA in the financial year 2022 and US\$1.75 million arising on the acquisition of the 8.72% in GREA during the period ended 31st December 2022.

	US\$'000
Fair value of net identifiable assets acquired (8.72% additional interests in GREA)	17,683
Notional goodwill	1,757
Fair value of consideration paid (in cash)	19,440

Each of the acquisitions referred to below have given the Group access to high quality African real estate in line with the Group's strategy.

In circumstances where an associate or joint venture has the same reporting date as the Group, the Group will use the IFRS financial statements of the associate or joint venture. However, if the associate or joint venture has a different reporting date to the Group, the latter will use the IFRS reporting pack of the associate or joint venture to incorporate their results in the consolidated financial statements. Where necessary, the financial information has been amended to reflect adjustments made by the Group when using the equity method due to the differences in accounting policies.

Included below is a reconciliation of the carrying amount of the Group's interests in each associate and joint venture to the Group share of net assets of the associate and joint venture.

Reconciliation to carrying value in associates and joint ventures

	Letlole La Rona Limited US\$'000	Kafubu Mall Limited US\$'000	Beachco mber Hospitali ty Investme nts Limited US\$'000	Africa Property Develop ment Manager s Ltd US\$'000	Gateway Real Estate Africa Ltd US\$'000	CADS Develop ers Limited US\$'000	Cosmop olitan Shoppin g Centre Limited US\$'000	Buffalo Mall Naivasha Limited US\$'000	Total US\$'000
Opening Balance 1 July 2022	17,353	11,761	69,870	14,247	55,866	6,974	27,173	3,753	206,997
(Disposed) / acquired during the period	(4,626)	-	-	-	19,440	-	-	-	14,814
Profit / (losses) from associates and joint ventures									
Revenue	1,090	553	2,879	-	617	732	1,195	149	7,215
Asset and development fees	-	-	-	1,705	-	-	-	-	1,705
Property operating expenses	(93)	(96)	-	-	(100)	(14)	(192)	(83)	(578)
Admin expenses and recoveries	(23)	(6)	(15)	(2,021)	(562)	-	(6)	(5)	(2,638)
Other income	-	-	-	5,834	1,215	-	-	-	7,049
Net impairment charge on financial assets	-	-	-	-	(16)	-	-	-	(16)
Unrealised foreign exchange gains/(losses)	92	46	(261)	-	(33)	12	-	(19)	(163)
Share based payment expense	-	-	-	-	(2,620)	-	-	-	(2,620)
Interest income	144	-	-	-	2,046	-	2	-	2,192

Loss on extinguishment of loans	-	-	-	-	-	(25)	-	-	(25)
Finance charges	(301)	(3)	(805)	(3)	(812)	(497)	-	(127)	(2,548)
Fair value movement on investment property	150	1,090	(1,523)	-	1,135	(666)	903	(314)	775
Fair value adjustment on other financial asset	-	-	1,948	-	-	-	-	-	1,948
Current tax	(197)	(25)	(199)	-	(52)	-	(35)	-	(508)
Deferred tax	-	-	(322)	-	372	170	-	-	220
Total profits/(losses) from associates and joint ventures	862	1,559	1,702	5,515	1,190	(288)	1,867	(399)	12,008
Dividends and interest paid to Group	(356)	-	(20,981)	-	-	-	-	-	(21,337)
Other equity movement	-	-	-	-	2,620	-	-	-	2,620
Repayment of proportionate shareholders loan	-	(403)	-	-	-	(165)	(939)	-	(1,507)
Effect of dilution	-	-	(71)	-	-	-	-	-	(71)
Foreign currency translation differences	(843)	(695)	331	-	-	-	-	-	(1,207)
Carrying value of associates and joint ventures- 31 December 2022	12,390	12,222	50,851	19,762	79,116	6,521	28,101	3,354	212,317

4. OTHER LOANS RECEIVABLE

	As at 31 Dec 2022 US\$'000	As at 30 Jun 2022 US\$'000
Ndola Investments Limited	5,073	5,130
Kitwe Copperbelt Limited	5,404	5,640
Syngenta Limited	18,265	19,133
Healthcare assets	239	231
Drift (Mauritius) Limited	6,210	8,211
Drift (Mauritius) Limited	1,794	2,071
Pangea 2 Limited	6	6
IFRS 9 - Impairment on financial assets (ECL)	(2,514)	(2,514)
As at period end	34,477	37,908

Classification of other loans:

Non-current assets	-	-
Current assets	34,477	37,908
As at period end	34,477	37,908

5. TRADE AND OTHER RECEIVABLES

	As at 31 Dec 2022 US\$'000	As at 30 Jun 2022 US\$'000
Trade receivables	8,952	10,298
Total allowance for credit losses and provisions	(4,201)	(4,782)
IFRS 9 - Impairment on financial assets (ECL)	(1,527)	(1,965)
IFRS 9 - Impairment on financial assets (ECL) Management overlay on specific provisions	(2,674)	(2,817)
Trade receivables – net	4,751	5,516
Accrued Income	2,386	1,934

Loan interest receivable	2,869	-
Deposits paid	56	57
VAT recoverable	11,530	12,186
Deferred expenses and prepayments	3,976	1,781
Sundry debtors	13,570	13,660
Cash balance held in escrow account	346	4,548
Other receivables	34,733	34,166
IFRS 9 – Impairment on other financial assets (ECL)	(5,895)	(6,012)
Other receivables – net	28,838	28,154
As at period end	33,589	33,670

Classification of trade and other receivables:

Non-current assets	1,829	4,615
Current assets	31,760	29,055
As at period end	33,589	33,670

6. PREFERENCE SHARE CAPITAL

	As at 31 Dec 2022 US\$'000	As at 30 Jun 2022 US\$'000
Opening balance	29,558	25,481
Preference shares dividend accrued	1,019	4,077
As at period end	30,577	29,558

7. PERPETUAL PREFERENCE NOTES

	As at 31 Dec 2022 US\$'000	As at 30 Jun 2022 US\$'000
Opening balance	25,741	-
Issue of perpetual preference note classified as equity	-	26,775
Preferred dividend accrued	1,779	1,837
Preferred dividend paid	(1,231)	(1,265)
Less: Incremental costs of issuing the perpetual preference note	-	(1,606)
As at period end	26,289	25,741

Perpetual Preference Note

The Group through its wholly-owned subsidiary, Grit Services Limited has issued perpetual preference note to two investors Ethos Mezzanine Partners GP Proprietary Limited and Blue Peak Private Capital GP. The total cash proceeds received from the two investors for the issuance of the perpetual note amounted to US\$31.5million.

Included below are salient features of the notes:

- The Note has a cash coupon of 9% per annum and a 4% per annum redemption premium. The Group at its sole discretion may elect to capitalise cash coupons.
- Although perpetual in tenor, the note carries a material coupon step-up provision after the fifth anniversary that is expected to result in economic maturity and redemption by the Group on or before that date.
- The Note may be voluntarily redeemed by the Group at any time, although there would be call-protection costs associated with doing so before the third anniversary.
- The Note, if redeemed in cash by the Group, can offer the noteholders an additional return of not more than 3% per annum, linked to the performance of Grit ordinary shares over the duration of the Note.
- The noteholders have the option to convert the outstanding balance of the note into Grit equity shares. If such option is exercised by the noteholders, the number of shares to be issued shall be calculated based on a pre-defined formula as agreed between both parties in the note subscription agreement.

The Group has classified eighty-five percent of the instrument as equity because for this portion of the instrument, the Group always will have an unconditional right to avoid delivery of cash to the noteholders. The remaining fifteen percent of the instrument has been classified as debt and included as part of interest-bearing borrowings. The debt portion arises because the note contains terms that can give the noteholders the right to ask for repayment of fifteen percent of the outstanding amount of the notes on the occurrence of some future events that are not wholly within the control of the Group. The directors believe that the probability that those events will happen are remote but for classification purposes, because the Group does not have an unconditional right to avoid delivering cash to the noteholders on fifteen percent of the notes, this portion of the instrument has been classified as liability.

The accrued dividend on the equity portion of the note has been recognised as a deduction into equity i.e., reduction of retained earnings.

8. INTEREST-BEARING BORROWINGS

The following debt transactions were concluded during the period under review

During the period under review the Group completed a sustainability-linked term loan and revolving credit facility amounting to US\$ 306 million, making it the largest real estate sector transaction to date in Sub-Saharan Africa (excluding South Africa). Standard Bank of South Africa acted as sole lead arranger and bookrunner for the multi-jurisdictional debt syndication covering Grit's assets and debt facilities in Mozambique, Zambia, Ghana and Senegal and a corporate level revolving credit facility. The facility refinanced debt amounting to c. US\$ 280 million and pushed out the average debt expiry profile to approximately 3.6 years as of December 2022 as well as securing a development facility of US\$23 million for the refurbishment and extension of its Club Med Cap Skirring Resort in Senegal. The main benefits of this loan syndication are the increase in loan tenor, locking a competitive interest margin despite the market's upward pricing pressure, and 7 different facilities being consolidated streamlining the management process and creating scalable solutions for the future.

During the period the Nedbank RCF facility held at Grit Real Estate Income Group Limited was increased from an US\$ 7 million facility to an US\$ 7 million plus Euro 6.6 million facility. This loan was used to refinance the Bank ABC Casamance Holdings Limited debt while the syndication was being completed.

An SBM bridging facility of US\$ 6.5 million was implemented that was used to fund Phase 2 of the acquisition of GREA.

The following facilities were settled during the period under review:

- The Bank ABC facility held by Casamance Holdings of US\$ 4.7 million.
- The Bank ABC facility held by Grit Services Limited of US\$ 2.4 million.
- The Maubank facility held by Grit Real Estate Income Group Limited of EUR 1.7 million

	As at 31 Dec 2022	As at 30 Jun 2022
	US\$'000	US\$'000
Non-current liabilities	371,549	242,091
Current liabilities	38,268	182,975
	409,817	425,066

Currency of the interest-bearing borrowings (stated gross of unamortised loan issue costs)

United States Dollars	337,418	319,687
Euros	75,549	104,357
Mauritian Rupees	1,217	1,369
	414,184	425,413
Interest accrued	5,148	4,927
Unamortised loan issue costs	(9,515)	(5,274)
As at period end	409,817	425,066

Movement for the period

Balance at the beginning of the year	425,066	410,588
Proceeds of interest bearing-borrowings	280,707	58,513
Loan reduced through disposal of subsidiary	-	(6,624)
Loan acquired through asset acquisition	-	6,011

Loan issue costs incurred	(7,939)	(4,386)
Amortisation of loan issue costs	2,532	2,765
Costs associated with extinguishment of loan	1,166	
Foreign currency translation differences	1,389	(14,836)
Interest accrued	221	751
Debt settled during the period	(293,325)	(27,716)
As at period end	409,817	425,066

Analysis of facilities and loans in issue

Lender	Borrower	Initial facility	As at 31 Dec 2022 US\$'000	As at 30 Jun 2022 US\$'000
<i>Financial institutions</i>				
Standard Bank South Africa	Commotor Limitada	US\$140.0m	140,000	140,000
Standard Bank South Africa	Zambian Property Holdings Limited	US\$70.4m	70,400	-
Standard Bank South Africa	Grit Services Limited	€33m	35,609	-
Standard Bank South Africa	Capital Place Limited	US\$6.2m	6,200	-
Standard Bank South Africa	Casamance Holdings Limited	€6.5m	7,031	-
Standard Bank South Africa	Grit Accra Limited	US\$8.4m	8,400	-
Standard Bank South Africa	Zambian Property Holdings Limited	US\$16.4m	-	16,405
Standard Bank South Africa	Grit Services Limited	RCF - €26.5m	-	27,091
Total Standard Bank Group			267,640	183,496
Bank of China	Zambian Property Holdings Limited	US\$77.0m	-	76,405
Total Bank of China			-	76,405
State Bank of Mauritius	Leisure Property Northern (Mauritius) Limited	€9.0m	9,595	9,467
State Bank of Mauritius	Leisure Property Northern (Mauritius) Limited	€3.2m	3,412	3,366
State Bank of Mauritius	Leisure Property Northern (Mauritius) Limited	US\$6.5m	6,500	-
State Bank of Mauritius	Mara Delta Properties Mauritius Limited	€22.3m	23,774	23,457
State Bank of Mauritius	Grit Real Estate Income Group Limited	Equity Bridge US\$20.0m	20,000	20,000
State Bank of Mauritius	Mara Delta Properties Mauritius Limited	RCF Mur 72m	1,217	1,369
Total State Bank of Mauritius			64,498	57,659
Investec South Africa	Freedom Property Fund SARL	€36.0m	31,089	32,950
Investec South Africa	Freedom Property Fund SARL	US\$8.7m	2,722	2,722
Investec Mauritius	Grit Real Estate Income Group Limited	US\$0.5m	442	457
Total Investec Group			34,253	36,129
ABSA Bank Ghana Limited	Grit Accra Limited	US\$9.0m	-	7,913
Total ABSA Group			-	7,913
Maubank Mauritius	Grit Real Estate Income Group Limited	€3.2m	-	1,837
Maubank Mauritius	Freedom Asset Management	€4.0m	648	1,508
Total Maubank			648	3,345
ABC Banking Corporation	Grit Services Limited	Equity bridge US\$ 8.5m	-	2,440
ABC Banking Corporation	Casamance Holdings Limited	€6.4m	-	4,681
Total ABC Banking Corporation			-	7,121
Nedbank South Africa	Warehously Limited	US\$8.5m	8,635	8,635
Nedbank South Africa	Grit Real Estate Income Group Limited	US\$7m	6,985	6,985
Nedbank South Africa	Capital Place Limited	US\$6.2m	-	6,200

Total Nedbank South Africa			15,620	21,820
NCBA Bank Kenya	Grit Services Limited	US\$6.5m	6,542	6,542
NCBA Bank Kenya	Grit Services Limited	US\$4.1m	4,158	4,158
Total NCBA Bank Kenya			10,700	10,700
Ethos Private Equity	Grit Services Limited	US\$2.4m	2,475	2,475
Blue Peak Private Equity	Grit Services Limited	US\$2.2m	2,250	2,250
Total Private Equity			4,725	4,725
International Finance Corporation	Stellar Warehousing and Logistics Limited	US\$16.1m	16,100	16,100
Total International Finance Corporation			16,100	16,100
Total loans in issue			414,184	425,413
plus: interest accrued			5,148	4,927
less: unamortised loan issue costs			(9,515)	(5,274)
As at period end			409,817	425,066

Fair value of borrowings is not materially different to their carrying value amounts since interest payable on those borrowings are either close to their current market rates or the borrowings are of short-term in nature.

9. GROSS PROPERTY INCOME

	Six months ended 31 Dec 2022	Six months ended 31 Dec 2021
	US\$'000	US\$'000
Contractual rental income	22,600	19,270
Retail parking income	856	809
Straight-line rental income accrual	186	352
Other rental income (Lease incentives)	(58)	1,008
Gross rental income	23,584	21,439
Asset management fees	526	-
Recoverable property expenses	2,804	2,708
Total revenue	26,914	24,147

10. INTEREST INCOME

	Six months ended 31 Dec 2022	Six months ended 31 Dec 2021
	US\$'000	US\$'000
Interest on loans to partners	1,653	890
Interest on loans to related parties	7	28
Other Interest	78	5
Total interest income	1,738	923

11. FINANCE COSTS

	Six months ended 31 Dec 2022	Six months ended 31 Dec 2021
	US\$'000	US\$'000
Interest-bearing borrowings - financial institutions	15,061	10,499
Early settlement charges	46	36
Amortisation of loan issue costs	2,307	1,318
Preference share dividends	462	410
Interest on obligations under leases	16	27

Interest on loans to proportional shareholders	275	222
Interest on bank overdraft	43	24
Total finance costs	18,210	12,536

12. PART DISPOSAL OF SUBSIDIARY

On 18th July 2022, Grit disposed of an indirect interest of 30% in its Orbit Africa asset (“Orbit”) located in Kenya by disposing of 30% equity interest in Orbit Africa Logistics (“OAL”), the beneficial owner of Orbit to Letlole La Rona Limited (“LLR”). The total acquisition value was US\$7.23 million split between an equity subscription of US\$1,000 and shareholder loan of US\$7.23 million. For the portion of the shareholder loan received by LLR of US\$7.23 million, the Group has recorded a corresponding liability of the same amount which is being presented as part of proportional shareholder loans on the face of the Group statement of financial position.

The consideration received by the Group for the actual share disposal transactions amounted to US\$ 1,000. Prior to the disposal of interests, the carrying amount of existing non-controlling interests which have been disposed of was US\$0.30 million. The Group recognized an increase in non-controlling interest of US\$0.30 million and a decrease in equity attributable to owners of the parent of US\$ 0.299 million. The effect on the equity attributable to the owners of Grit during the financial period ended 31 December 2022 is summarized as follows:

	US\$'000
Carrying amount of non-controlling interests disposed	(300)
Consideration received from non-controlling interests	1
Decrease in equity attributable to owner	(299)

13. SEGMENTAL REPORTING

Consolidated segmental analysis

The Group reports on a segmental basis in terms of geographical location and type of property. Geographical location is split between Botswana, Senegal, Morocco, Mozambique, Zambia, Kenya, Ghana, and Mauritius, as relevant to each reporting period. In terms of type of property, the Group has investments in the hospitality, retail, office, and various other sectors.

	Botswana	Senegal	Morocco	Mozambique	Zambia	Kenya	Ghana	Mauritius	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Geographical location 31 Dec 2022									
Gross property income	-	807	3,220	13,768	2,815	2,680	1,594	2,030	26,914
Property operating expenses	-	-	(1,846)	(1,918)	(383)	(80)	(257)	(313)	(4,797)
Net property income	-	807	1,374	11,850	2,432	2,600	1,337	1,717	22,117
Other income	-	-	-	(5,011)	-	-	(8)	5,139	120
Administrative expenses	-	(75)	(425)	(796)	(13)	(249)	(233)	(7,617)	(9,408)
Net impairment (charge) / credit on financial assets	-	-	486	(162)	-	218	(31)	392	903
Profit/(loss) from operations	-	732	1,435	5,881	2,419	2,569	1,065	(369)	13,732
Fair value adjustment on investment properties	-	2,485	(3,183)	3,956	314	(657)	1,448	(1,224)	3,139
Fair value adjustment on other financial asset	-	-	-	-	-	47	-	-	47
Fair value adjustment on derivatives financial instruments	-	-	-	-	-	-	-	(1,007)	(1,007)
Share based payment expense	-	-	-	-	-	-	-	(413)	(413)
Loss on extinguishment of loans	-	-	-	(813)	-	-	(176)	(177)	(1,166)
Share of profits / (losses) from associates and joint ventures	862	-	-	-	3,426	(399)	(288)	8,407	12,008
Loss on disposal of interest in associate	-	-	-	-	-	-	-	(295)	(295)
Impairment of loans and other receivables	-	-	-	93	-	-	-	(93)	-

	Botswana	Senegal	Morocco	Mozambique	Zambia	Kenya	Ghana	Mauritius	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Foreign currency gains / (losses)	-	(8)	(1,925)	88	13	(290)	(325)	(934)	(3,381)
Profit/(loss) before interest and taxation	862	3,209	(3,673)	9,205	6,172	1,270	1,724	3,895	22,664
Interest income	-	-	(610)	(24)	3	(421)	-	2,790	1,738
Finance costs	-	-	(1,155)	(6,109)	-	(1,211)	(911)	(8,824)	(18,210)
Profit / (loss) for the year before taxation	862	3,209	(5,438)	3,072	6,175	(362)	813	(2,139)	6,192
Taxation	-	-	(124)	(1,859)	(82)	154	(73)	(603)	(2,587)
Profit / (loss) for the year after taxation	862	3,209	(5,562)	1,213	6,093	(208)	740	(2,742)	3,605
Reportable segment assets and liabilities									
Non-current assets									
Investment properties	-	24,122	67,473	305,151	57,270	70,099	36,639	48,262	609,016
Deposits paid on investment properties	-	-	-	-	-	-	-	10,867	10,867
Property, plant and equipment	-	2	9	245	-	151	26	1,662	2,095
Intangible assets	-	-	25	-	-	-	-	536	561
Other investments	-	-	-	1	-	-	-	-	1
Investment in associates and joint ventures	12,390	-	-	-	40,323	3,354	6,521	149,729	212,317
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Related party loans receivable	-	-	-	-	-	-	-	1,313	1,313
Trade and other receivables	-	-	1,348	-	-	481	-	-	1,829
Deferred tax	-	-	1,389	7,289	-	187	2,272	1,561	12,698
Total non-current assets	12,390	24,124	70,244	312,686	97,593	74,272	45,458	213,930	850,697
Current assets									
Trade and other receivables	-	107	4,835	6,071	(130)	5,573	592	14,712	31,760
Current tax receivable	-	-	(16)	609	-	472	747	258	2,070
Related party loans receivable	-	-	-	-	-	-	-	988	988
Other loans receivable	-	-	-	-	-	-	-	34,477	34,477
Derivative financial instruments	-	-	-	-	-	-	-	3,003	3,003
Cash and cash equivalents	-	47	383	3,633	288	370	134	7,725	12,580
Total assets	12,390	24,278	75,446	322,999	97,751	80,687	46,931	275,093	935,575
Liabilities									
Total liabilities	-	199	58,201	208,425	4,444	31,644	21,334	246,836	571,083
Net assets	12,390	24,079	17,245	114,574	93,307	49,043	25,597	28,257	364,492

Type of property	Other investments	Hospitality	Retail	Office	Light industrial	Accommodation	Corporate	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
31 Dec 2022								
Gross property income	-	2,313	6,885	8,135	3,117	5,939	525	26,914
Property operating expenses	-	-	(2,600)	(1,029)	(112)	(1,150)	94	(4,797)
Net property income	-	2,313	4,285	7,106	3,005	4,789	619	22,117
Other income	-	-	-	(135)	-	(4,421)	4,676	120
Administrative expenses	-	(211)	(660)	(524)	(113)	(435)	(7,465)	(9,408)
Net impairment (charge) / credit on financial assets	-	-	430	(144)	218	7	392	903

Type of property	Other investments US\$'000	Hospitality US\$'000	Retail US\$'000	Office US\$'000	Light industrial US\$'000	Accommodation US\$'000	Corporate US\$'000	Total US\$'000
Profit/(loss) from operations	-	2,102	4,055	6,303	3,110	(60)	(1,778)	13,732
Fair value adjustment on investment properties	-	1,262	(1,147)	3,038	(506)	492	-	3,139
Fair value adjustment on other financial asset	-	-	-	-	47	-	-	47
Fair value adjustment on derivatives financial instruments	-	-	-	-	-	-	(1,007)	(1,007)
Share based payment expense	-	-	-	-	-	-	(413)	(413)
Loss on extinguishment of loans	-	-	(62)	(665)	-	(261)	(178)	(1,166)
Share of profits / (losses) from associates and joint ventures	7,567	1,702	3,027	(288)	-	-	-	12,008
Loss on disposal of interest in associate	-	-	-	-	-	-	(295)	(295)
Impairment of loans and other receivables	-	-	93	-	-	-	(93)	-
Foreign currency gains / (losses)	-	919	(1,904)	(309)	(293)	83	(1,877)	(3,381)
Profit/(loss) before interest and taxation	7,567	5,985	4,062	8,079	2,358	254	(5,641)	22,664
Interest income	-	(1,126)	(769)	2,102	(775)	(1,610)	3,916	1,738
Finance costs	-	(1,651)	(1,191)	(6,907)	(1,211)	(78)	(7,172)	(18,210)
Profit / (loss) for the year before taxation	7,567	3,208	2,102	3,274	372	(1,434)	(8,897)	6,192
Taxation	-	(74)	(206)	(957)	164	(917)	(597)	(2,587)
Profit / (loss) for the year after taxation	7,567	3,134	1,896	2,317	536	(2,351)	(9,494)	3,605
Reportable segment assets and liabilities								
Non-current assets								
Investment properties	-	72,384	143,721	182,836	80,890	129,185	-	609,016
Deposits paid on investment properties	-	-	-	-	-	-	10,867	10,867
Property, plant and equipment	-	2	9	17	-	157	1,910	2,095
Intangible assets	-	-	25	-	-	-	536	561
Other investments	-	-	-	1	-	-	-	1
Investment in associates and joint ventures	111,268	50,851	43,677	6,521	-	-	-	212,317
Derivative financial instruments	-	-	-	-	-	-	-	-
Related party loans receivable	-	-	-	-	-	-	1,313	1,313
Other loans receivable	-	-	-	-	-	-	-	-
Trade and other receivables	-	-	1,348	-	481	-	-	1,829
Deferred tax	-	1,560	4,041	3,993	452	2,638	14	12,698
Total non-current assets	111,268	124,797	192,821	193,368	81,823	131,980	14,640	850,697
Current assets								
Trade and other receivables	-	638	4,615	1,300	6,334	4,551	14,322	31,760
Current tax refundable	-	190	275	1,270	609	(306)	32	2,070
Related party loans receivable	-	-	-	-	-	-	988	988
Other loans receivable	-	-	-	-	-	-	34,477	34,477
Derivative financial instruments	-	-	-	-	-	-	3,003	3,003
Cash and cash equivalents	-	221	875	2,157	464	1,159	7,704	12,580
Total assets	111,268	125,846	198,586	198,095	89,230	137,384	75,166	935,575

Type of property	Other investments US\$'000	Hospitality US\$'000	Retail US\$'000	Office US\$'000	Light industrial US\$'000	Accommodation US\$'000	Corporate US\$'000	Total US\$'000
Liabilities								
Total liabilities	-	64,446	59,999	194,194	32,398	30,910	189,136	571,083
Net assets	111,268	61,400	138,587	3,901	56,832	106,474	(113,970)	364,492

Major customers

Rental income stemming from Vulcan represented approximately 9.4% of the Group's total contractual rental income for the period, with Total 9.4%, US Embassy 8.7%, Vodacom Mozambique 6.5%, and Beachcomber 6.5% of the Group's total contractual rental income for the period, making up the top 5 tenants of the Group.

14. BASIC AND DILUTED EARNINGS PER ORDINARY SHARE

	Attributable earnings		Weighted average number of shares		Cents per share	
	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	US\$'000	US\$'000	Shares '000	Shares '000	US Cents	US Cents
Earnings per share - Basic	4,741	4,278	482,373	328,771	0.98	1.30
Earnings per share - Diluted	4,741	4,278	482,373	328,771	0.98	1.30

15. SUBSEQUENT EVENTS

- In January 2023, as part of acquiring the remaining 13.61% of Gateway Real Estate Africa from Gateway Africa Real Estate, the Group has made a deposit of US\$ 10 million. The remaining cash commitment of the group to complete the transaction has been disclosed in note 16.
- Post balance sheet date, the Board has approved a merger agreement, which provides for a preference note issuance in BHI that will facilitate the possible exit of Grit's remaining 27.1% interest for an expected net cash payment of EUR 25.8 million (US\$ 27.51 million),

16. CAPITAL COMMITMENTS

- Club Med Senegal: Euro 24.4 million (US\$26.01 million) over the next 22 months.
- Acquisition of an additional 50% stake in Buffalo Mall amounting to c. US\$2 million.
- Acquisition of remaining 13.61% in Gateway Real Estate Africa and 1% in African Development Managers Limited- US\$ 34.1 million, out of which a US\$10 million deposit has been paid in January 2023, an additional US\$10 million deposit is to be paid in March 2023 and the balance of US\$ 14.1 million is to be paid in May 2023.
- Orbit Africa phase 2 redevelopment: expected to be US\$15.5 million (inclusive of VAT) to be completed by April 2024.

17. EPRA FINANCIAL METRICS

17a. EPRA earnings

Basis of Preparation

The directors of GRIT Real Estate Income Group Limited ("GRIT") ("**Directors**") have chosen to disclose additional non-IFRS measures, these include EPRA earnings, adjusted net asset value, EPRA net asset value, adjusted profit before tax and funds from operations (collectively "Non-IFRS Financial Information").

The Directors have chosen to disclose:

- EPRA earnings to assist in comparisons with similar businesses in the real estate sector. EPRA earnings is a definition of earnings as set out by the European Public Real Estate Association. EPRA earnings represents earnings after adjusting for fair value adjustments on investment properties, gain from bargain purchase on associates, fair value adjustments included under income from associates, ECL provisions, fair value adjustments

on other investments, fair value adjustments on other financial assets, fair value adjustments on derivative financial instruments, and non-controlling interest included in basic earnings (collectively the "EPRA earnings adjustments") and deferred tax in respect of these EPRA earnings adjustments. The reconciliation between basic and diluted earnings and EPRA earnings is detailed in the table below;

- EPRA net asset value to assist in comparisons with similar businesses in the real estate sector. EPRA net asset value is a definition of net asset value as set out by the European Public Real Estate Association. EPRA net asset value represents net asset value after adjusting for net impairment on financial assets (**ECL**), fair value of financial instruments, and deferred tax relating to revaluation of properties (collectively the "EPRA net asset value adjustments"). The reconciliation for EPRA net asset value is detailed in the table below;
- adjusted EPRA earnings to provide an alternative indication of GRIT and its subsidiaries' (the "Group") underlying business performance. Accordingly, it excludes the effect of non-cash items such as unrealised foreign exchange gains or losses, straight-line leasing adjustments, amortisation of right of use land, impairment of loans and deferred tax relating to the adjustments. The reconciliation for adjusted EPRA earnings is detailed in the table below; and
- total distributable earnings to assist in comparisons with similar businesses and to facilitate the Group's dividend policy which is derived from total distributable earnings. Accordingly, it excludes VAT credit utilised on rentals, Listing and set-up costs, depreciation, and amortisation, share based payments, antecedent dividends, operating costs relating to AnfaPlace Mall's refurbishment costs, amortisation of lease premiums and profits withheld/released. The reconciliation for total distributable earnings is detailed in the table below.

In this note, Grit presents European Real Estate Association (**EPRA**) earnings and other metrics which is non-IFRS financial information.

	UNAUDITED 31 Dec 2022	UNAUDITED 31 Dec 2022 Per Share (Diluted) (Cents Per Share)	UNAUDITED 31 Dec 2021	UNAUDITED 31 Dec 2021 Per Share (Diluted) (Cents Per Share)
	\$'000		\$'000	
EPRA Earnings	2,202	0.46	8,413	2.56
Total Company Specific Adjustments	2,737	0.56	(2,493)	(0.76)
Adjusted EPRA Earnings	4,939	1.02	5,920	1.80
Total Company Specific Distribution Adjustments	7,400	1.54	4,122	1.28
TOTAL DISTRIBUTABLE EARNINGS (BEFORE PROFITS WITHHELD)	12,339	2.56	10,042	3.08
Profits Withheld	(2,437)	(0.56)	(1,884)	(0.58)
TOTAL DISTRIBUTABLE EARNINGS TO GRIT SHAREHOLDERS	9,902	2.00	8,158	2.50

	UNAUDITED 31 Dec 2022	UNAUDITED 31 Dec 2022 Per Share (Diluted) (Cents Per Share)	AUDITED 30 June 2022	AUDITED 30 June 2022 Per Share (Diluted) (Cents Per Share)
	\$'000		\$'000	
EPRA NRV	380,865	78.77	381,307	79.35
EPRA NTA	366,736	75.84	366,805	76.33
EPRA NDV	333,297	68.93	336,296	69.98

	UNAUDITED 31 Dec 2022 Shares '000
Distribution shares	
Weighted average shares in issue	495,092
Less: Weighted average treasury shares for the year	(12,719)
Add: Weighted average shares vested shares in long term incentive scheme	573
EPRA SHARES	482,946

Less: Vested shares in consolidated entities (573)

DISTRIBUTION SHARES **482,373**

In this note, Grit presents European Real Estate Association (**EPRA**) earnings and other metrics which is non-IFRS financial information.

UNAUDITED
31 Dec 2022
US\$'000

EPRA Earnings Calculated as follows:

Basic Earnings attributable to the owners of the parent	4,535
Add Back:	
- Fair value adjustment on investment properties	(3,139)
- Fair value adjustments included under income from associates	(775)
- Change in value on other investments	(1)
- Change in value on other financial asset	(1,994)
- Change in value on derivative financial instruments	1,007
- Impairment of loan	11
- Profit on partial disposal of associate	295
- Acquisition costs not capitalized	912
- Deferred tax in relation to the above	1,365
- Non-controlling interest included in basic earnings	(14)
EPRA EARNINGS	2,202
EPRA EARNINGS PER SHARE (DILUTED) (cents per share)	0.46
Company specific adjustments	
- Unrealised foreign exchange gains or losses (non-cash)	3,777
- Straight-line leasing and amortisation of lease premiums (non-cash rental)	443
- Profit or loss on disposal of property, plant and equipment	(9)
- Amortisation of right of use of land (non-cash)	34
- Impairment of loan and other receivables	(889)
- Non-controlling interest included above	(659)
- Deferred tax in relation to the above	40
Total Company Specific adjustments	2,737
ADJUSTED EPRA EARNINGS	4,939
ADJUSTED EPRA EARNINGS PER SHARE (DILUTED) (cents per share)	1.02

COMPANY SPECIFIC ADJUSTMENTS TO EPRA EARNINGS

- Unrealised foreign exchange gains or losses*
The foreign currency revaluation of assets and liabilities in subsidiaries gives rise to non-cash gains and losses that are non-cash in nature. These adjustments (similar to those adjustments that are recorded to the foreign currency translation reserve) are added back to provide a true reflection of the operating results of the Group.
- Straight-line leasing (non-cash rental)*
Straight-line leasing adjustment and amortised lease incentives under IFRS relate to non-cash rentals over the period of the lease. This inclusion of such rental does not provide a true reflection of the operational performance of the underlying property and are therefore removed from earnings.
- Amortisation of intangible asset (right of use of land)*
Where a value is attached to the right of use of land for leasehold properties, the amount is amortised over the period of the leasehold rights. This represents a non-cash item and is adjusted to earnings.
- Impairment on loans and other receivables*
Provisions for expected credit loss are non-cash items related to potential future credit loss on non-property operational provisions and is therefore added back to provide a better reflection of underlying property performance. The add back excludes and specific provisions for against tenant accounts.

- 5 *Non-Controlling interest*
Any Non-Controlling interest related to the company specific adjustments.
6. *Other deferred tax (non-cash)*
Any deferred tax directly related to the company specific adjustments.

17b. Company distribution calculation

	UNAUDITED
	31 Dec 2022
	US\$'000
Adjusted EPRA Earnings	4,939
Company specific distribution adjustments	
- VAT Credits utilised on rentals	1,046
- Listing and set-up costs under administrative expenses	40
- Depreciation and amortisation	758
- Share based payments	3,033
- Dividends	132
- Retirement fund & PRGF	-
- Right of use imputed leases	40
- Amortisation of capital funded debt structure fees	2,414
- Deferred tax in relation to the above	82
- Non-controlling interest included above	(145)
Total company specific distribution adjustments	7,400
TOTAL DISTRIBUTABLE EARNINGS (BEFORE PROFITS WITHHELD)	12,339
DISTRIBUTABLE INCOME PER SHARE (DILUTED) (cents per share)	2.56
- Profits withheld	(2,437)
TOTAL DISTRIBUTABLE EARNINGS TO GRIT SHAREHOLDERS	9,902
DIVIDEND PER SHARE (cents)	2.00
Reconciliation to amount payable	
Total distributable earnings to Grit shareholders before profits withheld (cents)	2.56
Profits withheld (cents)	(0.56)
INTERIM DIVIDEND PROPOSED (cents)	2.00

COMPANY DISTRIBUTION NOTES IN TERMS OF THE DISTRIBUTION POLICY

1. *VAT credits utilised on rentals*
In certain African countries, there is no mechanism to obtain refunds for VAT paid on the purchase price of the property. VAT is recouped through the collection of rentals on a VAT inclusive basis. The cash generation through the utilisation of the VAT credit obtain on the acquisition of the underlying property is thus included in the operational results of the property.
2. *Listing and set-up costs under administrative expenses*
Costs associated with the new listing of shares, setup on new companies and structures are capital in nature and is added back for distribution purposes.
3. *Depreciation and amortisation*
Non-cash items added back to determine the distributable income.
4. *Share based payments*
Non-cash items added back to determine the distributable income.
5. *Retirement fund & PRGF*
Non- cash item held as a provision.

6. *Amortisation of capital funded debt structure fees*

Amortisation of upfront debt structuring fees.

OTHER NOTES

The abridged unaudited consolidated financial statements for the six months period ended 31 December 2022 (“abridged unaudited consolidated financial statements”) have been prepared in accordance with the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”), the FCA Listing Rules and the SEM Listing Rules. The accounting policies are consistent with those of the previous annual financial statements except for the change in accounting policy and the significant judgement disclosed in note 1.

The Group is required to publish financial results for the six months ended 31 December 2022 in terms of SEM Listing Rule 15.36A and the FCA Listing Rules. The Directors are not aware of any matters or circumstances arising subsequent to the period ended 31 December 2022 that require any additional disclosure or adjustment to the financial statements. These abridged unaudited consolidated financial statements were approved by the Board on 23 February 2023.

Copies of the abridged unaudited consolidated financial statements, and the statement of direct and indirect interests of each officer of the Company pursuant to rule 8(2)(m) of the Mauritian Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request at the Mauritian office of the Company at 3rd Floor, Unity Building, The Precinct, Grand Baie, Mauritius. Contact Person: Leon van de Moortele.

Forward-looking statements

This document may contain certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

Any forward-looking statements made by, or on behalf of, Grit speak only as of the date they are made, and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Grit does not undertake to update forward-looking statements to reflect any changes in its expectations with regard thereto or any changes in events, conditions, or circumstances on which any such statement is based.

Information contained in this document relating to Grit or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance.

Any forward-looking statements and the assumptions underlying such statements are the responsibility of the Board of directors and have not been reviewed or reported on by the Company’s external auditors.