GRIT REAL ESTATE INCOME GROUP LIMITED
(Registered in Guernsey)
(Registration number: 68739)
LSE share code: GR1T
SEM share codes (dual currency trading): DEL.N0000 (USD) / DEL.C0000 (MUR)
ISIN: GG00BMDHST63
LEI: 21380084LCGHJRS8CN05

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

ABRIDGED UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

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 2023.

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

"Grit's strategy continues to focus on quality real estate assets with strong ESG credentials and long leases in hard currency to a resilient and diverse multinational customer base across the African continent. Evidence of the Grit 2.0 strategy and asset recycling, away from non-core sectors and into resilient and impact focused real estate, is increasingly becoming visible in our results and is expected to accelerate in the coming years. We are delivering on our cost control targets and are demonstrating disciplined capital allocation through our debt reduction targets and selected risk mitigated development opportunities and are today pleased to announce the resumption of dividends paid from cash operating earnings."

Financial and Portfolio highlights

	6 Months ended 31 Dec 2023	**6 Months ended 31 Dec 2022**	**Increase/ Decrease**
Adjusted EPRA earnings per share[2]	US$1.03 cps	US$1.02 cps	+1.0%
Distributable earnings per share[1]	US$2.07 cps	US$2.56 cps	-19.1%
Dividend per share	US$1.50 cps	US$2.00 cps	-25.0%
Property portfolio net operating income from continuing operations (proportionate[9])	US$29.7m	US$25.7m	+15.6%
EPRA cost ratio (including associates) [3]	14.5%	12.7%	+1.8 ppts
Net finance costs	US$18.2m	US$16.5m	+10.3%
Revenue earned from multinational tenants[7]	79.0%	85.9%	-6.9 ppts
Income produced in hard currency[8]	95.0%	92.4%	+2.6 ppts
	As at 31 Dec 2023	**As at 30 Jun 2023**	**Increase/ Decrease**
EPRA NRV per share[2]	US$68.1 cps	US$72.8 cps	-6.4%
Group LTV	47.6%	44.8%	+2.8 ppts
Total Income Producing Assets[4]	US$847.9m	US$862.0m	-1.6%
Contractual rental collected	93.9%	108.4%	-14.5 ppts
WALE[5]	4.7 years	4.4 years	+0.3 years
EPRA portfolio occupancy rate[6]	95.5%	93.6%	+1.9 ppts
Grit proportionately owned lettable area ("GLA")	301,306m^2	298,962m^2	+2,344m^2
Weighted average annual contracted rent escalations	3.1%	3.0%	+0.1 ppts

Summarised results commentary:

- The Board is pleased to announce the resumption of the payment of dividends and has today declared US$1.50 cents per share ordinary dividend from cash operating earnings (Distributable earnings).
- We benefit from having built a business focused on quality real estate assets with strong ESG credentials and long leases to a resilient and diverse customer base that comprises more than 79% of strong multinational and investment grade tenants. Contractual lease escalations, which are predominantly inflation-linked, and new assets producing income, have contributed to growth in NOI in this reporting period and into the future. We now have 33 assets across 7 sectors with 95.0% of our leases in hard currency providing a strong foundation to our income generation and a resilient platform from which to pursue growth opportunities through active management, sector focused development substructures and external revenue generation from our professional services.
- For the purposes of these interim financials, Gateway Real Estate Africa Limited ("GREA") and Africa Property Development Managers Limited ("APDM") have been accounted for as joint ventures. Post recent amendments to the shareholders' agreements, which now result in Grit exercising control over both GREA and APDM, the Board considers 1 January 2024 the most appropriate date to commence consolidation.
- EPRA net reinstatement value ("**NRV**") per share of US$68.1 cents per share (30 June 2023: US$72.8 cents per share), is predominantly driven by a -2.7% fair value adjustment made on investment properties during the period, which was partially offset by increased capex and asset investment. This culminated in an overall decrease of 1.0% in the group's proportionate share of property values (including GREA associates).
- Property portfolio net operating income (Grit proportionate ownership) increased 0.6%. Excluding the impact of disposals (Beachcomber and LLR from the prior year), NOI from continuing operations increased 15.6% and the Grit 2.0 recycling strategy is becoming increasingly evident within the composition of Group NOI. Diplomatic housing, healthcare and data centre segments have replaced earnings disposed of in the hospitality segment.
- Group Administrative costs reduced 15.4% in the six months to 31 December 2023 and remains on track to achieve the US$4.0 million cost reduction target (-19%) for the full year to 30 June 2024.
- Group WACD increased to 9.62%, resulting in a US$1.5 million increase (+8.2%) in finance costs for the six-month period. The Group has interest rate hedges amounting to US$200 million worth of notional debt. In addition, the Company is targeting to reduce the most expensive debt balances, and post consolidation, amalgamate individual GREA facilities within the current syndication.
- Final regulatory approvals for the unwinding of the Drive in Trading Black empowerment structure ("**DiT**") have been received (see prior announcements). The Company will take direct ownership of its proportionate number of DiT Security Shares in exchange for making the US$17.5 million Guarantee Agreement payment to the GEPF by 30 March 2024, the implementation of which is currently under review.

Post period end

- On 16 February 2024, shareholders approved the disposal of interests in Bora Africa and Acacia Estates to GREA, which will form part of Grit's equity contribution to the GREA $100 million recapitalisation that is expected to conclude in March 2024. The disposal of properties at or close to book value achieves the Board's strategy of additional asset recycling and further reinforces the Group's audited net asset value. By concluding the GREA capital raise with these proceeds, the Group (including GREA) receives a cash injection of US$48.5 million from the PIC's subscription at NAV. This equity will initially be utilised to reduce the Group's higher cost debt. Over the medium term these funds are expected to be redrawn and invested by GREA, upon careful capital allocation assessment, into risk mitigated and accretive development projects that are expected to meaningfully contribute to ESG impact, accelerated NAV growth and fee income generation to the Group as is contemplated under the Grit 2.0 strategy.

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 16.
3. Based on EPRA cost to income ratio calculation methodology which includes the proportionately consolidated effects of associates and joint ventures.
4. Includes controlled Investment properties with Subsidiaries, Investment Property owned by Associates and Joint Ventures, other assets owned by associates and joint ventures, deposits paid on Investment properties and other investments, property plant and equipment, intangibles, and related party loans.
5. Weighted average lease expiry ("**WALE**").
6. Property occupancy rate based on EPRA calculation methodology - Includes associates and joint ventures.
7. Forbes 2000, Other Global and pan African tenants.

8 Hard (US$ and EUR) or pegged currency rental income.

9 Property net operating income ("NOI") is an 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 financial review section below. In deriving the property net operating income from ongoing operations, the net operating income related to Beachcomber hotels and the LLR (which were disposed of in FY2023) were excluded from the comparative number in order to provide a comparative for only the ongoing operations.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Grit Real Estate Income Group Limited	
Bronwyn Knight, Chief Executive Officer	+230 269 7090
Darren Veenhuis, Investor Relations	+44 779 512 3402
CavendishCapital Markets Limited – UK Financial Adviser	
James King/Teddy Whiley (Corporate Finance)	+44 20 7220 5000
Justin Zawoda-Martin / Daniel Balabanoff / Pauline Tribe (Sales)	+44 20 3772 4697
Perigeum Capital Ltd – SEM Authorised Representative and Sponsor	
Shamin A. Sookia	+230 402 0894
Capital Markets Brokers Ltd – Mauritian Sponsoring Broker	
Elodie Lan Hun Kuen	+230 402 0280

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) *, Gareth Schnehage (Chief Financial Officer) *, David Love+, Catherine McIlraith+, Jonathan Crichton+, Cross Kgosidiile, Lynette Finlay + and Nigel Nunoo+.

(* 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, SEM Listing Rule 15.24 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 Wednesday, 28 February 2024 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 is a prominent, woman-led real estate platform providing property investment and associated real estate services across the African continent. The Group recognises its role in transforming the design of buildings and developments for long-term sustainability and focuses on impact, energy efficiency and carbon reduction across the portfolio. Additionally, the Group prides itself on achieving more than 40% of women in leadership positions and the significant support it provides to local communities in Africa through extensive CSR and upliftment programs.

The Board continues to target a simplification of the Group's structure, operations and financial reporting and has made significant progress over the last 18 months. For associate accounted properties, where we've had limited opportunity for obtaining controlling interests, we've disposed of these and redirected the capital to assets that we can control. The sale of our interests in LLR and the Beachcomber hotel portfolios, at or close to book value, allowed us to redeploy capital to the acquisition of controlling interests in GREA and APDM, whose results will be consolidated from 1 January 2024. The Grit 2.0 recycling strategy is becoming increasingly evident within the composition of Group net operating income with Diplomatic housing, Healthcare and Data center segments replacing earnings that were disposed of from LLR and Hospitality. The impact of both the consolidated acquisitions and the newly completed developments contributing for the full financial year are expected to result in meaningful growth in IFRS revenue over the coming reporting cycles.

Although the Group achieved the Board's 20% asset recycling target, we expect to continue rotating the portfolio away from non-core asset segments and will target further asset disposals in the coming years.

The final stage of the Group simplification involves grouping property assets into logical industry subsidiaries and positioning these within the Group for optimal funding, growth, and value creation. The move of Bora Africa (the Group's industrial asset portfolio) and Acacia estates (diplomatic housing) to GREA, furthers this strategy and has facilitated a US$48 million cash equity injection to GREA from our co-investor, PIC. These recapitalisation proceeds will be directed towards debt reduction and pipeline developments in the diplomatic housing, industrial and healthcare sectors which will, amongst others, generate additional income consistent with the Grit 2.0 strategy.

Sustainability of the Group's business model

We benefit from having built a business focused on quality real estate assets with strong ESG credentials and long leases to a resilient and diverse customer base that comprises more than 79% of strong multinational and investment grade tenants. NOI from ongoing operations grew by 15.6% in the six months to 31 December 2023, with contractual lease escalations, which are predominantly inflation-linked, and new assets producing NOI contributing to the growth. We now have 33 assets across 7 sectors with 95.0% of our leases in hard currency providing a strong foundation to our income generation and a resilient platform from which to pursue growth opportunities through active management, sector focused development substructures and external revenue generation from our professional services. We recognised US$6.8 million of other income in the period predominantly related to development revenues earned in APDM.

Significant adjustments in global interest rates have however caused sharp increases in our overall cost of capital in the near term, which continue to impact our financial results. We actively manage our interest rate risk, but with several hedges maturing over the period, our weighted average cost of debt further increased in the period to 9.62% (discussed in greater detail in the treasury section below). We note that central banks are expected to start lowering interest rates later this calendar year, which should go some way to alleviating the current funding cost pressures, however the Group will additionally target settling more expensive facilities to lower overall funding costs.

The Board is keenly focused on improving total returns to shareholders and is currently targeting the following key actions:

- Continued focus on NOI growth and strong cash collections from the high-quality property portfolio including refocusing the portfolio towards resilient and impact sectors.

- A rationalisation of shared functions post the acquisition of GREA and APDM and assessment of the optimal structure of corporate head office functions going forward. We are pleased to report substantial progress on the US$4 million cost reduction target for the financial year 2024 and remain on track to deliver the c19% cost-saving target for the full year.

- A US$4.1million annualised cost savings in net finance costs from reduction in debt, refinancing existing facilities and inclusion of GREA assets into the existing syndicated facility

- The execution of development pipeline by GREA consistent with the Grit 2.0 strategy and generating additional income from property related services.

GREA & APDM update

The Group concluded the acquisition of a majority interest in GREA and APDM in 2023, resulting in a combined direct and indirect interest of 54.22% in GREA and 78.95% in APDM. GREA and APDM were treated as joint ventures in the financial statements for the full year results to 30 June 2023 and again for the six months ended 31 December 2023. Following final amendments to the Shareholders Agreement, both will now be fully consolidated with effect from 1 January 2024.

In addition to GREA's existing income producing portfolio, the PIC will inject $48 million of cash equity as part of the recently announced GREA $100 million recapitalisation which will facilitate GREA's pipeline of development opportunities in its focus sectors:

1. Bora Africa, a specialist industrial real estate vehicle, was established on 24 October 2023 when 5 Grit owned industrial assets namely Imperial, Bollore, Orbit and three industrial land assets were transferred to the newly established entity. Post the recent shareholder approval Bora will shortly become a wholly owned subsidiary of GREA, who will oversee the realisation of the development pipeline. The International Finance Corporation, a division of the World Bank, has approved a US$30 million subordinated notes issue by Bora Africa to fund future pipeline and impact focused real estate acquisitions.
2. Diplomatic Holdings Africa Ltd ("**DH Africa**"), a wholly owned subsidiary of GREA, has been established as a specialist property platform investing in diplomatic housing and other sovereign-backed property assets in Africa. DH Africa currently holds four diplomatic housing assets, which were internally developed or purchased, and has several future developments which are either under consideration or in the process of being negotiated.

Update on the 2023 Annual General Meeting vote

At the Annual General Meeting of the Company held on 18 December 2023, ordinary resolution 10 received the support of 71.4% of shareholder votes. The Company has subsequently undertaken an engagement exercise with shareholders to discuss this voting outcome, including a consultation with some of the Company's major shareholders on 17 January 2024 to understand their position and perspectives. The perspectives of our major shareholders are highly valued and have been reported to the Board.

Changes to the Board of Directors

Sir Sam Jonah reached retirement age recently and accordingly withdrew himself from re-election at the annual general meeting, that was held on the 18 December 2023. The Board would like to express its gratitude to Sir Sam for his meaningful contribution to Grit over the years and wishes him well for the future, and for his retirement.

The Board welcomes Mr Nigel Nunoo, who was appointed as an independent Non-Executive Director, with effect from 19 December 2023. He has also been appointed as a member of the Remuneration Committee.

Leon van de Moortele, the Group CFO and member of the Board, who has been on medical leave since 19 December 2023, resigned from the Board today. The Board would like to express their gratitude to Leon for the integral role he has played in the company since its inception and his immense dedication to navigating the complex landscape in the Pan Africa business environment.

The Board today appoints Gareth Schnehage as replacement Chief Financial Officer and welcomes him to the Board of directors. Gareth is a Chartered Accountant with over 15 years of leading roles at multinational corporations, including extensive experience operating in African jurisdictions and executing asset backed debt financing solutions.

Outlook

The Group continues to focus on growing income from its portfolio of high-quality, income producing properties and from the implementation of its Grit 2.0 revenue strategy. The Board will continue to target the reduction of administrative costs and implementing strategies to reduce LTV and weighted average cost of debt to defend and grow its distributable earnings and NAV growth.

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 notes 16a to 16b. 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. Grit Proportionate Interest Income Statement (including "Distributable Earnings") are alternative performance measures.

Distributable Earnings is utilised to determine the maximum amount of operational earnings that would be available for distribution as dividend to equity holders in any financial period. This factors the various company specific impacts of operating across several diverse jurisdictions across Africa and the investments' legal structures of externalising cash from these regions. 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 16b "Distributable earnings".

Distributable earnings for the six months are underpinned by NOI, fee income performance and improved administrative cost control. The higher weighted average cost of debt has however impacted the results and resulted in a decline of distributable earnings of 19.1% (Distributable EPS HY24 $2.07cps vs HY23 $2.56cps).

	IFRS YTD	**Extracted from Associates**	**GRIT Proportionate Income statement**	**Split NCI**	**GRIT Economic Interest**	**YTD Distributable earnings**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Gross rental income	28,429	4,931	33,360	(4,622)	28,738	28,272
Property operating expenses	(4,953)	(644)	(5,597)	1,211	(4,386)	(3,255)
Net operating profit	**23,476**	**4,287**	**27,763**	**(3,411)**	**24,352**	**25,017**
Other income	108	6,745	6,853	(12)	6,841	6,637
Administration expenses	(7,929)	(3,945)	(11,874)	165	(11,709)	(10,541)
Net impairment charge on financial assets	979	445	1,424	(382)	1,042	-
Profit / (loss) from operations	**16,634**	**7,532**	**24,166**	**(3,640)**	**20,526**	**21,113**
Fair value adjustment on investment properties	(19,954)	(403)	(20,357)	3,534	(16,823)	-
Fair value adjustment on other financial asset	(235)	-	(235)	-	(235)	-
Fair value adjustment on derivative financial instruments	(4,041)	-	(4,041)	-	(4,041)	-
Share-based payment	(100)	-	(100)	-	(100)	-
Share of profits from associates	5,378	(5,378)	-	-	-	-
Gain on derecognition of loans and other receivables	1	-	1	-	1	-
Foreign currency (losses) / gains	(2,499)	(53)	(2,552)	297	(2,255)	-
Other transaction costs	(567)	-	(567)	-	(567)	-
Profit / (loss) before interest and taxation	**(5,383)**	**1,698**	**(3,685)**	**191**	**(3,494)**	**21,113**
Interest income	1,514	1,618	3,132	(1)	3,131	3,131
Finance costs - Intercompany	-	-	-	1,786	1,786	1,089
Finance charges	(19,691)	(2,470)	(22,161)	1,337	(20,824)	(18,361)
Profit / (loss) before taxation	**(23,560)**	**846**	**(22,714)**	**3,313**	**(19,401)**	**6,972**
Current tax	(218)	(56)	(274)	80	(194)	(194)
Deferred tax	2,751	(949)	1,802	(129)	1,673	-
Profit / (loss) after taxation	**(21,027)**	**(159)**	**(21,186)**	**3,264**	**(17,922)**	**6,778**
NCI of associates through OCI	-	159	159	(159)	-	-
Total comprehensive income / (loss)	**(21,027)**	**-**	**(21,027)**	**3,105**	**(17,922)**	**6,778**
VAT credits						3,176
Distributable earnings						**9,954**

Financial and Portfolio summary

The property portfolio has continued to trade well with both leasing activity and new assets contributing to the revenue from ongoing operations growth in the period. The Grit Proportionate Gross rental income movements are made up by the following:

Sector	Revenue HY2023	Change in ownership[1]	Other movements[2]	Revenue HY2024	% Change
	US$'000	US$'000	US$'000	US$'000	
Retail	8,981	260	1,009	10,250	14.1%
Hospitality	5,192	(2,879)	664	2,977	-42.7%
Office	8,903	19	128	9,050	1.7%
Industrial	3,141	15	(67)	3,089	-1.7%
Data Centres	383	214	30	627	63.7%
Healthcare	-	-	634	634	100.0%
Corporate Accommodation	6,719	465	925	8,109	20.7%
LLR portfolio	1,090	(1,090)	-	-	-100.0%
Corporate	626	-	215	841	34.3%
TOTAL	**35,035**	**(2,996)**	**3,538**	**35,577**	**1.5%**
Subsidiaries	26,914	-	1,515	28,429	5.6%
Associates	7,340	(3,461)	1,052	4,931	-32.8%
SUBTOTAL	**34,254**	**(3,461)**	**2,567**	**33,360**	**-2.6%**
GREA Associates [3]	781	465	971	2,217	183.9%
TOTAL	**35,035**	**(2,996)**	**3,538**	**35,577**	**1.5%**

1 Change in ownership relate to the increase in effective shareholding in GREA from 35.01% during H1 FY2023 to 54.22% during H1 FY2024 as well as the impact of the disposal of Beachcomber Hotels International and Letlole La Rona Limited during the previous financial year.

2 Other movements relate to the impact of development assets brought into operation, leasing activities and the impact of foreign exchange.

3 GREA associates include the Diplomatic housing units located in Ethiopia and Kenya.

Retail sector: Recovery in revenue performance of AnfaPlace Mall contributed to the 14% year-on-year increase in retail segment revenue with the leasing activity to the Hudson Group in the prior period annualising in these results. Anfa remains positioned for disposal and vacancy increases in January 2024 are expected to reduce by the end of 2Q 2024. The Zambian portfolio (Kafubu, Makuba and Cosmopolitan Mall) continue to trade well despite the volatility experienced in the Zambian Kwacha over the past six months, re-enforcing the Boards belief in the "services and convenience focused" retail offering as a sustainable format for the African continent.

Hospitality sector: Excluding the impacts of BHI from the base (which was disposed of in 2023), the hospitality sector enjoyed reported revenue growth of 28.7%. Tamassa enjoyed its first EBITDA participation contributing to lease income since the Covid pandemic, while NOI growth on the Club Med resort was directly attributable to returns earned on the increased capital spend on the asset.

Office sector: The office sector is benefiting from contributions from newly completed assets (Precinct, Adumhah Place and Eneo) now in the portfolio. This was supported by positive leasing activity in the Ghanaian and Mozambique portfolios which has contributed to the revenue growth from this segment.

Corporate accommodation sector: The sector exposures comprise the newly amalgamated DH Africa (consular accommodation) and the VDE compound let to Vulcan, with the segment reflecting the implementation of the Grit 2.0 asset recycling strategy. The DH Africa assets reported a 13.8% growth in revenue driven by Rosslyn Grove (Kenya) and Elevation (Ethiopia), both newly developed compounds let predominantly to the US government, contributing for the full reporting period. Lease renewal discussions are currently underway for VDE corporate accommodation compound expiring May 2024.

Bora Africa (Light Industrial) & Data Centre sectors: Post the move of Bora to GREA, the Group expects to combine the data sector segment within Light Industrial. On a combined basis the sector is demonstrating strong demand fundamentals and positive outlook. Despite isolated tenant delays in rental payments, which are being addressed, we remain confident in the performance of the combined industrial and data centre sectors.

Healthcare sector: The Artemis Curepipe Clinic was completed in May 2023, and is now contributing for the full period. The hospital is tenanted to Falcon Healthcare Group Ltd on a 15-year lease and supported with further credit enhancement guarantees. The hospital has traded ahead of plan with the first ever open-heart surgery on the island of Mauritius performed there recently.

The Grit Proportionate Income Statement is further split to produce a Grit NOI analysis by sector as follows:

Sector	Opex HY2024	Opex HY2023	Movement	NOI HY2024	NOI HY2023	Movement
	US$'000	USD'000	%	US$'000	US$'000	%
Retail	(3,573)	(3,205)	11.5%	6,677	5,776	15.6%
Hospitality	-	-	-	2,977	5,192	-42.7%
Office	(1,402)	(1,046)	34.0%	7,648	7,857	-2.7%
Industrial	(131)	(119)	10.1%	2,958	3,022	-2.1%
Data Centres	-	-	-	627	383	63.7%
Healthcare	(3)		100.0%	631		100.0%
Corporate Accommodation	(1,284)	(1,249)	2.8%	6,825	5,470	24.8%
LLR portfolio	-	(93)	-100.0%	-	997	-100.0%
Corporate[3]	565	237	138.0%	1,405	863	62.8%
TOTAL	**(5,829)**	**(5,475)**	**6.5%**	**29,748**	**29,560**	**0.6%**
Subsidiaries	(4,953)	(4,797)	3.3%	23,476	22,117	6.1%
Associates	(644)	(578)	11.4%	4,287	6,762	-36.6%
SUBTOTAL	**(5,597)**	**(5,375)**	**4.1%**	**27,763**	**28,879**	**-3.9%**
GREA Associates[2]	(232)	(100)	132.0%	1,985	681	191.5%
TOTAL	**(5,829)**	**(5,475)**	**6.5%**	**29,748**	**29,560**	**0.6%**

Income producing assets

Composition of income producing assets	31 Dec 2023	30 Jun 2023
	US$'m	US$'m
Investment properties	615.8	628.8
Investment properties included within 'Investment in associates and joint ventures'	130,7	126.1
	746.5	**754.9**
Deposits paid on investment properties	4.8	5.9
Other assets included within Investments in associates (excluding investment property)	66,1	71.0
Other investments, property, plant & equipment, Intangibles & related party loans	30.5	30.2
Total income producing assets	**847.9**	**862.0**

Property valuations

Reported property values based on Grit's proportionate share of the total property portfolio (including joint ventures and GREA associates) decreased by 1.02% in the period primarily due to negative fair value movements of US$21.2 million on the property portfolio (-2.7%) as well as the impact of foreign exchange movements amounting to US$2.7 million. This was offset by capital expenditure on the Club Med Skirring Resort development and developments in progress under the GREA portfolio with a combined capital spend of US$11.4 million.

Sector	Property Value 30 Jun 2023	Foreign exchange movement	Developments and refurbishment	Other movements	Fair value movement	Property Value 31 Dec 2023	Total Valuation Movement
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	%
Retail	212,711	(4,250)	-	466	(6,507)	202,420	(4.84%)
Hospitality	79,992	1,210	5,703	-	(2,365)	84,540	5.69%
Office	215,444	-	-	1,577	(3,186)	213,835	(0.75%)
Light industrial	79,450	-	-	186	(1,248)	78,388	(1.34%)

Data Centres	14,390		-	62	20	14,472	0.57%
Healthcare	12,227	125	-	1,485	(834)	13,003	6.35%
Corporate Accommodation	157,772	390	-	(627)	(7,824)	149,711	(5.11%)
GREA under construction	16,241	(3)	5,726	1,071	771	23,806	46.58%
Other	-	(122)	-	127	-	5	100.00%
TOTAL	**788,227**	**(2,650)**	**11,429**	**4,347**	**(21,173)**	**780,180**	**(1.02%)**
Subsidiaries	628,777	1,117	5,703	136	(19,954)	615,779	(2.07%)
Associates	126,104	(4,156)	5,726	3,420	(403)	130,691	3.64%
SUBTOTAL	**754,881**	**(3,039)**	**11,429**	**3,556**	**(20,357)**	**746,470**	**(1.11%)**
GREA Associates	33,346	389	-	791	(816)	33,710	1.09%
TOTAL	**788,227**	**(2,650)**	**11,429**	**4,347**	**(21,173)**	**780,180**	**(1.02%)**

Additional income

US$6.8 million was recognised as other income within the associate line in the period, predominantly related to property development revenues earned in APDM.

Cost control

In October 2023, the Board committed to a net US$4.0 million reduction in reported administrative costs. By December 2023, the Group has achieved US1.4 million reduction in administrative costs and remains on track to achieve the US$4.0 million target reduction by June 2024.

By 31 December 2023 annualised ongoing administrative costs as a percentage of total income producing assets equated to 1.9%, decreasing from 2.2% in the prior year. The overall reduction in administrative costs was driven by the cost optimisation initiatives implemented by the group and from integration benefits expected from the GREA and APDM acquisitions.

Administrative costs	**31 December 2023**	**31 December 2022**	**Movement**	**Movement**
	US$'000	**US$'000**	**US$'000**	**%**
Ongoing administrative costs	7,929	9,377	(1,448)	-15.4
Transaction costs	-	31	(31)	-100.0
Total administrative expenses	**7,929**	**9,408**	**(1,479)**	**-15.7**

Material finance cost increases

The Group's weighted average cost of debt increased to 9.6% at the end of December 2023 from 7.5% at the end of December 2022, which contributed to the 10.4% increase in net finance costs during the period. The increase in funding costs is partially shielded by annual contractual lease escalations over the property portfolio which are predominantly linked to US consumer price inflation. The Group has hedging instruments in place amounting to US$200 million to mitigate the impact of interest fluctuations.

Net finance costs	**31 December 2023**	**31 December 2022**	**Movement**	**Movement**
	US$'000	**US$'000**	**US$'000**	**%**
Finance costs as per statement of profit or loss	19,691	18,210	1,481	8.1%
Less: Interest income as per statement of profit or loss	(1,514)	(1,738)	224	-12.9%
Net finance costs - IFRS	**18,177**	**16,472**	**1,705**	**10.4%**

Interest rate risk exposure and management

The exposure to interest rate risk at 31 December 2023 is summarised below, and the table highlights the value of the Group's interest-bearing borrowings that are exposed to the base rates indicated:

Lender	TOTAL	SOFR	EURIBOR	PLR[1]	FIXED
	US$'000	US$'000	US$'000	US$'000	US$'000
Standard Bank Group	269,972	220,837	49,135	-	-
State Bank of Mauritius	38,802	-	37,939	863	-
Investec Group	33,938	-	33,938	-	-
Nedbank Group	15,635	15,635	-	-	-
Housing Finance Corporation	4,204	-	-	-	4,204
NCBA Kenya	29,484	29,484	-	-	-
Private Equity	4,725	-	-	-	4,725
International Finance Corporation	16,100	16,100	-	-	-
TOTAL EXPOSURE – IFRS	**412,860**	**282,056**	**121,012**	**863**	**8,929**
Less: Hedging instruments in place	(200,000)	(200,000)	-	-	-
Less: Partner loans offsetting group exposure	(21,034)	(21,034)	-	-	-
NET EXPOSURE (AFTER HEDGING AND OTHER MITIGATING INSTRUMENTS) - IFRS	**191,826**	**61,022**	**121,012**	**863**	**8,929**

Notes

[1] PLR – Mauritius Prime Lending Rate

Including the impact of hedges and back-to-back partner loans, the Group is 78.4% hedged on its US$ SOFR exposure but remains largely unhedged to movements in EURIBOR and the Mauritian prime lending rate.

On 16 October 2023, interest rate hedges over US$100.0 million notional, which gave protection against LIBOR rates above 1.58% to 1.85%, matured. The Group re-instated a new US$100.0 million notional interest rate hedge from this date, with a new protection level above 4.75% against SOFR 3-month rates. This higher level was a material contributor to the increased WACD

A sensitivity of the Group's expected WACD to further movements in base rates are summarised below:

All debt	WACD	Movement vs current WACD
At 31 December 2023 (including hedges)	9.62%	
At 28 February 2024 (including hedges)	9.56%	0.00bps
+50bps	9.78%	0.22bps
+25bps	9.67%	0.11bps
-50bps	9.34%	(0.22bps)
-100bps	9.03%	(0.53bps)
-200bps	8.32%	(1.24bps)

Interest-bearing borrowings movements

As at 31 December 2023, the Group had a total of US$411.7 million in interest bearing borrowings outstanding as compared to a total of US$396.7 million that was outstanding at the end of the comparative period. The increase in these balances was largely driven by the impact of net proceeds of interest-bearing borrowings during the period that amounted to US$12.8 million during the period as more fully described below.

Movement in reported interest-bearing borrowings for the period (subsidiaries)	As at 31 Dec 2023	As at 30 Jun 2023
	US$'000	US$'000
Balance at the beginning of the period	**396,735**	**425,066**
Proceeds of interest bearing-borrowings	40,691	324,459
Loan reduced through disposal of subsidiary	-	(19,404)
Loan acquired through asset acquisition	-	4,369

Loan issue costs incurred	(936)	(7,355)
Amortisation of loan issue costs	1,625	3,368
Foreign currency translation differences	1,759	3,561
Interest accrued	(301)	2,798
Debt settled during the year	(27,862)	(340,127)
As at period end	**411,711**	**396,735**

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

- Movement in the Grit Services Limited corporate facility with NCBA Bank Kenya amounting to c. US$12.0 million increase.
- Refinance of Tamassa by Mara Delta Properties Mauritius Limited, through State Bank of Mauritius amounting to c.US$13.2 million.

  Settlement of State Bank of Mauritius corporate facility held by Grit Real Estate Income Group Limited amounting to c.US$10.0 million.
- Maubank corporate facility held by Freedom Asset Management Limited of US$0.7 million was settled during the period.
- US$3.1 million was settled on the RCF facility held by Girt Services Limited with the SBSA led syndication during the period.
- Amortisation of the Investec facility linked to AnfaPlace Mall amounting to EUR1.5 million.

For more meaningful analysis, a further breakdown is provided below to better reflect debt related to non-consolidated associates and joint ventures. As at 31 December 2023, the Group had a total of US$476.9 million in interest-bearing borrowings outstanding, comprised of US$412.9 million in subsidiaries (as reported in IFRS balance sheet) and US$64.0 million proportionately consolidated and held within its associates and joint ventures.

	31 December 2023				30 June 2023			
	Debt in Subsidiaries	Debt in associates	Total		Debt in Subsidiaries	Debt in associates	Total	
	USD'000	USD'000	USD'000	%	USD'000	USD'000	USD'000	%
Standard Bank Group	269,972	30,626	**300,598**	63.04%	269,147	28,881	**298,028**	65.18%
State Bank of Mauritius	38,802	14,320	**53,122**	11.14%	35,361	2,769	**38,130**	8.34%
Investec Group	33,938	-	**33,938**	7.12%	34,722	-	**34,722**	7.59%
Absa Group	-	14,157	**14,157**	2.97%	-	14,157	**14,157**	3.10%
Afrasia Bank Limited	-	17	**17**	0.00%	-	21	**21**	0.00%
Nedbank Group	15,635	-	**15,635**	3.28%	15,635	7,772	**23,407**	5.12%
Maubank	-	-	**-**	0.00%	712	-	**712**	0.16%
Housing Finance Corporation	4,204	-	**4,204**	0.88%	4,369	-	**4,369**	0.96%
SBI (Mauritius) Ltd	-	1,987	**1,987**	0.42%	-	2,078	**2,078**	0.45%
Cooperative Bank of Oromia	-	2,894	**2,894**	0.61%	-	3,303	**3,303**	0.72%
NCBA Bank Kenya	29,484	-	**29,484**	6.18%	17,500	-	**17,500**	3.83%
Private Equity	4,725	-	**4,725**	0.99%	4,725	-	**4,725**	1.03%
International Finance Corporation	16,100	-	**16,100**	3.38%	16,100	-	**16,100**	3.52%
TOTAL BANK DEBT	**412,860**	**64,001**	**476,861**	**100.00%**	**398,271**	**58,981**	**457,252**	**100.00%**
Interest accrued	7,424				7,725			
Unamortised loan issue costs	(8,573)				(9,261)			
As at 30 June	**411,711**				**396,735**			

Group LTV

The Group LTV as at 31 December 2023 is 47.6% as compared to 44.8% at 30 June 2023. The increase in Group LTV is due to an increase in the overall net debt position and a reduction in investment property values driven by fair value movements processed during the period.

Net Asset Value and EPRA Net Realisable Value

Further reconciliations and details of EPRA earnings per share and other metrics are provided in notes 16a to 16b.

NET REINSTATEMENT VALUE ("NRV") EVOLUTION	US$'000	US$ cps
June 2023 as reported – IFRS NRV	300,650	62.60
Derivative financial instruments	789	0.20
Deferred Tax on Properties	48,217	10.00
EPRA NRV at 30 Jun 2023	**349,656**	**72.80**
Cash Profits	7,325	1.53
Portfolio valuations	(20,357)	(4.24)
Other fair value adjustments	(4,276)	(0.89)
Other non-cash items (including non-controlling interest)	1,298	0.27
Movement in Foreign Currency Translation reserve	(3,685)	(0.77)
Movement other equity instruments	(2,798)	(0.58)
EPRA NRV at 31 Dec 2023	**327,163**	**68.12**
Deferred Tax on Properties	(46,921)	(9.78)
Derivative financial instruments	(4,394)	(0.91)
IFRS NRV at 31 Dec 2023	**275,848**	**57.43**

Dividend

An interim dividend per share of US$1.50 cents has been declared for the six-month period ending 31 December 2023, paid from distributable cash earnings.

Bronwyn Knight

Chief Executive Officer

28 February 2024

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 2023 are set out on pages 54 to 57 of the 2023 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 are 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 2023. A list of current directors is maintained on the Grit website: www.grit.group.

On behalf of the Board

Bronwyn Knight
Chief Executive Officer

ABRIDGED CONSOLIDATED STATEMENT OF INCOME STATEMENT

	Notes	Unaudited six months ended 31 Dec 2023 US$'000	Unaudited six months ended 31 Dec 2022 US$'000
Gross property income	9	28,429	26,914
Property operating expenses		(4,953)	(4,797)
Net property income		**23,476**	**22,117**
Other income		108	120
Administrative expenses		(7,929)	(9,408)
Net reversal on financial assets		979	903
Profit from operations		**16,634**	**13,732**
Fair value adjustment on investment properties		(19,954)	3,139
Fair value adjustment on other financial liability		(235)	-
Fair value adjustment on other financial asset		-	47
Fair value adjustment on derivative financial instruments		(4,041)	(1,007)
Share-based payment expense		(100)	(413)
Loss on extinguishment of loans		-	(1,166)
Share of profits from associates and joint ventures	3	5,378	12,008
Loss on disposal of interest in associate		-	(295)
Loss on derecognition of loans and other receivables		1	-
Foreign currency losses		(2,499)	(3,381)
Other transaction costs		(567)	-
(Loss)/ Profit before interest and taxation		**(5,383)**	**22,664**
Interest income	10	1,514	1,738
Finance costs	11	(19,691)	(18,210)
(Loss)/ Profit for the period before taxation		**(23,560)**	**6,192**
Taxation		2,533	(2,587)
(Loss)/ Profit for the period after taxation		**(21,027)**	**3,605**
(Loss)/ Profit attributable to:			
Equity shareholders		(18,542)	4,741
Non-controlling interests		(2,485)	(1,136)
		(21,027)	**3,605**
Basic and diluted earnings per share (cents)	13	**(3.85)**	**0.98**

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months ended 31 Dec 2023 US$'000	Unaudited six months ended 31 Dec 2022 US$'000
(Loss)/ Profit for the year	(21,027)	3,605
Exchange differences on translation of foreign operations	508	(257)

Share of other comprehensive expense of associates and joint ventures	(4,164)	(1,207)
Other comprehensive expense that may be reclassified to profit or loss	**(3,656)**	**(1,464)**
Total comprehensive (expense)/ income relating to the period	**(24,683)**	**2,141**
Total comprehensive (expense)/ income attributable to:		
Owners of the parent	(22,227)	3,495
Non-controlling interests	(2,456)	(1,354)
	(24,683)	**2,141**

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited as at 31 Dec 2023 US$'000	Audited as at 30 Jun 2023 US$'000	Unaudited as at 31 Dec 2022 US$'000
Assets				
Non-current assets				
Investment properties	2	615,779	628,777	609,016
Deposits paid on investment properties	2	4,799	5,926	10,867
Property, plant, and equipment		4,094	4,490	2,095
Intangible assets		308	433	561
Other investments		3	-	1
Investments in associates and joint ventures	3	196,870	197,094	212,317
Related party loans receivable		129	92	1,313
Other loans receivable	4	21,332	21,005	-
Derivative financial instruments		-	91	-
Trade and other receivables	5	3,500	3,448	1,829
Deferred tax		13,176	12,578	12,698
Total non-current assets		**859,990**	**873,934**	**850,697**
Current assets				
Trade and other receivables	5	22,333	18,578	31,760
Current tax receivable		3,585	3,389	2,070
Related party loans receivable		882	751	988
Other loans receivable	4	-	-	34,477
Derivative financial instruments		18	1,828	3,003
Cash and cash equivalents		6,776	9,207	12,580
Total current assets		**33,594**	**33,753**	**84,878**
Total assets		**893,584**	**907,687**	**935,575**
Equity and liabilities				
Total equity attributable to ordinary shareholders				
Ordinary share capital		535,694	535,694	535,694
Treasury shares reserve		(16,306)	(16,306)	(16,212)
Foreign currency translation reserve		(4,074)	(389)	(5,666)
Accumulated losses		(239,466)	(218,349)	(180,515)
Equity attributable to owners of the Company		**275,848**	**300,650**	**333,301**
Preference share capital	6	32,615	31,596	30,577
Perpetual preference notes	7	28,606	26,827	26,289
Non-controlling interests		(27,948)	(25,456)	(25,675)
Total equity		**309,121**	**333,617**	**364,492**

Liabilities				
Non-current liabilities				
Redeemable preference shares		13,308	12,849	12,840
Proportional shareholder loans		33,259	35,733	40,989
Interest-bearing borrowings	8	355,149	318,453	371,549
Lease liabilities		700	3,335	750
Derivative financial instruments		1,412	1,425	2,976
Related party loans payable		8,507	7,195	1,454
Deferred tax liability		49,805	51,933	51,480
Total non-current liabilities		**462,140**	**430,923**	**482,038**
Current liabilities				
Interest-bearing borrowings	8	56,562	78,282	38,268
Lease liabilities		3,140	1,265	589
Trade and other payables		43,658	46,366	31,269
Current tax payable		365	717	1
Derivative financial instruments		3,001	1,284	-
Related party loans payable		-	-	1
Other financial liabilities		13,593	13,358	16,983
Bank overdrafts		2,004	1,875	1,934
Total current liabilities		**122,323**	**143,147**	**89,045**
Total liabilities		**584,463**	**574,070**	**571,083**
Total equity and liabilities		**893,584**	**907,687**	**935,575**

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	**Unaudited six months ended 31 Dec 2023 US$'000**	**Unaudited six months ended 31 Dec 2022 US$'000**
Cash generated from operations			
(Loss) / profit for the year before taxation		**(23,560)**	**6,192**
Adjusted for:			
Depreciation and amortisation		766	282
Interest income	10	(1,514)	(1,738)
Share of profits from associates and joint ventures	3	(5,378)	(12,008)
Finance costs	11	19,691	18,210
IFRS 9 charges/ (credits)		(1)	(481)
Foreign currency losses		2,499	3,381
Straight-line rental income accrual		(166)	(186)
Amortisation of lease premium		114	708
Share based payment expense		100	413
Loss on disposal of interest in associate		-	295
Loss on extinguishment on loan		-	1,166
Fair value adjustment on investment properties	2	19,954	(3,139)
Fair value adjustment on other financial liability		235	(47)
Fair value adjustment on derivative financial instruments		4,041	1,007
Other transaction costs		567	-
		17,348	**14,055**

Changes to working capital			
Movement in trade and other receivables		1,527	(1,815)
Movement in trade and other payables		(10,920)	248
Cash generated from operations		**7,955**	**12,488**
Taxation paid		(385)	(1,814)
Net cash generated from operating activities		**7,570**	**10,674**
Cash (utilised in)/ generated from investing activities			
Acquisition of, and additions to investment properties	2	(7,000)	(2,875)
Deposits received/ (paid) on investment properties	2	1,188	(2,558)
Additions to property, plant, and equipment		(102)	(184)
Additions to intangible assets		(52)	-
Acquisition of associates and joint ventures		-	(19,440)
Proceeds from partial disposal of associates and joint ventures		-	5,102
Dividends and interest received from associates and joint ventures		-	21,337
Interest received		-	1,739
Proceeds from partial disposal of investment in subsidiaries		-	1
Related party loans received		-	1,488
Other loans advanced		-	(2,189)
Proportional shareholder loans repayments from associates and joint ventures	3	1,382	1,507
Proceeds from proportional shareholder loans		-	14,273
Other loans repayment received		-	4,378
Net cash (utilised in)/ generated from investing activities		**(4,584)**	**22,579**
Proportional shareholder loans repaid		(2,135)	-
Receipt from derivative instrument		2,126	-
Ordinary dividends paid		-	(7,377)
Perpetual preferences note dividend paid		-	(1,228)
Proceeds from interest bearing borrowings	8	40,691	280,707
Settlement of interest-bearing borrowings	8	(27,862)	(293,325)
Finance costs		(17,765)	(17,137)
Loan issue costs incurred		-	(7,939)
Payments of leases		(300)	(70)
Net cash utilised in financing activities		**(5,245)**	**(46,369)**
Net movement in cash and cash equivalents		**(2,259)**	(13,116)
Cash at the beginning of the year		**7,332**	24,146
Effect of foreign exchange rates		**(301)**	(384)
Total cash and cash equivalents at the end of the period		**4,772**	**10,646**
Total cash and cash equivalents comprise of:			
Cash and cash equivalents		6,776	12,580
Less: Bank overdrafts		(2,004)	(1,934)
Total cash and cash equivalents at the end of the period		**4,772**	**10,646**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital	**Treasury shares reserve**	**Foreign currency translation reserve**	**Antecedent Dividend reserve**	**Accumulated losses**	**Preference share capital**	**Perpetual preference notes**	**Non-controlling 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 2022	**535,694**	**(16,212)**	**(5,191)**	**-**	**(177,990)**	**29,558**	**25,741**	**(22,224)**	**369,376**
Profit / (loss) for the year	-	-	-	-	(23,631)	-	-	(1,942)	(25,573)
Other comprehensive income for the year	-	-	1,436	-	86	-	-	311	1,833
Total comprehensive income / (expense)	-	-	1,436	-	(23,545)	-	-	(1,631)	(23,740)
Share based payments	-	-	-	-	354	-	-	-	354
Share of other changes in equity of joint venture	-	-	-	-	7,474	-	-	-	7,474
Ordinary dividends declared	-	-	-	-	(19,188)	-	-	-	(19,188)
Treasury shares	-	(94)	-	-	-	-	-	-	(94)
Preferred dividend accrued on perpetual notes	-	-	-	-	(3,529)	-	1,086	-	(2,443)
Preferred dividend accrued on preference shares	-	-	-	-	(2,038)	2,038	-	-	-
Transaction with non-controlling interests without change in control	-	-	-	-	(796)	-	-	796	-
Reclassification of foreign currency translation reserve on sale of interest in subsidiary	-	-	75	-	-	-	-	-	75
Acquisition of subsidiary with own equity shares	-	-	-	-	(604)	-	-	-	(604)
Acquisition of additional interest in joint venture with own equity shares	-	-	-	-	(884)	-	-	-	(884)
Reclassification of foreign currency translation reserve on sale of associates	-	-	3,291	-	-	-	-	-	3,291
Dividends distributable to non-controlling shareholders	-	-	-	-	2,397	-	-	(2,397)	-
Balance as at 30 June 2023 (audited)	**535,694**	**(16,306)**	**(389)**	**-**	**(218,349)**	**31,596**	**26,827**	**(25,456)**	**333,617**
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**
Balance as at 1 July 2023	535,694	(16,306)	(389)	-	(218,349)	31,596	26,827	(25,456)	333,617
Loss for the period	-	-	-	-	(18,542)	-	-	(2,485)	(21,027)
Other comprehensive (expense) / income for the period	-	-	(3,685)	-	-	-	-	29	(3,656)
Total comprehensive expense	-	-	(3,685)	-	(18,542)	-	-	(2,456)	(24,683)
Share based payments	-	-	-	-	100	-	-	-	100
Preferred dividend accrued on perpetual notes	-	-	-	-	(1,779)	-	1,779	-	-
Preferred dividend accrued on preference shares	-	-	-	-	(1,019)	1,019	-	-	-
Other movement in equity	-	-	-	-	123	-	-	(36)	87
Balance as at 31 December 2023 (unaudited)	**535,694**	**(16,306)**	**(4,074)**	**-**	**(239,466)**	**32,615**	**28,606**	**(27,948)**	**309,121**

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 27 February 2024.

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 31st October 2023 (see page 91), 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 the performance of the operating segments. The Group has chosen 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 Significant accounting judgements, estimates and assumptions

The preparation of these abridged consolidated half year financial statements in conformity with IFRS requires the use of accounting estimates which by definition will seldom equal the actual results. Management also needs to exercise 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 monetary impact on the entity and that are believed to be reasonable under the circumstances.

Significant Judgements

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

Historical significant judgements which continue to affect the financial statements

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 oblige 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.

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

During the financial year 2023, 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 the latter to be a subsidiary due to the implied control that the Group has over it.

New significant judgements made during the current reporting period

African Development Managers Limited ("APDM") accounted for as joint venture

The shareholders of APDM signed an amended shareholder agreement that changes the shareholder rights that existed in the legacy shareholder agreement. The most notable change to the agreement is that future decisions that are taken by the Investment Committee of APDM will require a simple majority to be implemented as compared to a seventy-five-percent threshold that was previously required. The Group has the right to appoint four out of seven members to the investment committee. Following the implementation of the amended shareholder agreement the Group can exercise control over the Investment Committee of APDM.

APDM was previously accounted for as a joint venture by the Group, despite having a majority shareholding in APDM. In preparing the abridged consolidated financial statements as at 31 December 2023, the directors exercised judgement in determining APDM accounting treatment and concluded that APDM continue to be treated as a joint venture for the reporting period ended 31 December 2023, with consolidation being adopted with effect from 1 January 2024, which is deemed to be the date on which the rights associated with the changes made to the amended shareholder agreement, and which transfers control to the Group, being implemented.

Gateway Real Estate Africa Limited ("GREA") accounted for as joint venture

The shareholders of GREA signed an amended shareholder agreement that changes the shareholder rights that existed in the legacy shareholder agreement. The most notable change to the agreement is that future decisions that are taken by the Board of Directors of GREA will require a simple majority to be implemented as compared to a seventy-five-percent threshold that was previously required. The changes in the shareholder agreement provide for the Group to appoint four out of seven board members. Following the implementation of the amended shareholder agreement the Group can exercise control over the GREA board of directors.

GREA was previously accounted for as a joint venture by the Group, despite having a majority shareholding in GREA. In preparing the abridged consolidated financial statements as at 31 December 2023, the directors exercised judgement in determining GREA's accounting treatment and concluded that GREA continue to be treated as a joint venture for the reporting period ended 31 December 2023, with consolidation being adopted with effect from 1 January 2024, which is deemed to be the date on which the rights associated with the changes made to the amended shareholder agreement, and which transfers control to the Group, being implemented.

Significant 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 2023 US$'000	**As at 30 Jun 2023 US$'000**
Net carrying value of properties	**615,779**	**628,777**
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	611,854	588,229
Transfer from associate on step up to subsidiary	-	11,036
Reduction in property value on asset acquisition	-	(1,207)
Other capital expenditure and construction	7,000	13,683
Foreign currency translation differences	(38)	4,221
Revaluation of properties at end of year	(19,954)	(4,108)
As at period end	**598,862**	**611,854**

Reconciliation to consolidated statement of financial position and valuations

Carrying value of investment properties excluding right of use of land, lease incentive and straight-line income accrual	598,862	611,854
Right of use of land	6,565	6,599
Lease incentive	3,169	3,311
Straight-line rental income accrual	7,183	7,013
Total valuation of properties	**615,779**	**628,777**

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 2023 US$'000	**As at 30 Jun 2023 US$'000**
Lease incentive receivables before impairment	3,714	3,856
Impairment of lease incentive receivables	(545)	(545)
Net lease incentive included within investment property	**3,169**	**3,311**

Summary of valuations by reporting date	**Most recent independent valuation date**	**Valuer (for the most recent valuation)**	**Sector**	**Country**	**As at 31 Dec 2023 US$'000**	**As at 30 Jun 2023 US$'000**
Commodity House Phase I	31-Dec-23	Directors' valuation	Office	Mozambique	54,209	54,094
Commodity House Phase II	31-Dec-23	Directors' valuation	Office	Mozambique	19,494	19,727
Hollard Building	31-Dec-23	Directors' valuation	Office	Mozambique	20,676	20,847
Vodacom Building	31-Dec-23	Directors' valuation	Office	Mozambique	51,870	53,362
Zimpeto Square	31-Dec-23	Directors' valuation	Retail	Mozambique	3,344	3,303
Bollore Warehouse	31-Dec-23	Directors' valuation	Light industrial	Mozambique	10,104	10,770
Anfa Place Mall	31-Dec-23	Directors' valuation	Retail	Morocco	67,302	73,357
Tamassa Resort	31-Dec-23	Directors' valuation	Hospitality	Mauritius	55,955	54,674
VDE Housing Compound	31-Dec-23	Directors' valuation	Corporate accommodation	Mozambique	45,052	50,238
Imperial Distribution Centre	31-Dec-23	Directors' valuation	Light industrial	Kenya	20,019	20,210
Mara Viwandani	31-Dec-23	Directors' valuation	Light industrial	Kenya	2,330	2,330
Buffalo Mall	31-Dec-23	Directors' valuation	Retail	Kenya	10,275	11,036
Mall de Tete	31-Dec-23	Directors' valuation	Retail	Mozambique	13,478	13,675
Acacia Estate	31-Dec-23	Directors' valuation	Corporate accommodation	Mozambique	70,949	73,120
5th Avenue	31-Dec-23	Directors' valuation	Office	Ghana	15,785	16,066
Capital Place	31-Dec-23	Directors' valuation	Office	Ghana	20,480	20,470
Mukuba Mall	31-Dec-23	Directors' valuation	Retail	Zambia	59,937	60,040
Orbit Complex	31-Dec-23	Directors' valuation	Light industrial	Kenya	39,293	39,470
Tatu Warehouse- Tip 1	31-Dec-23	Directors' valuation	Light industrial	Kenya	6,642	6,670
Club Med Cap Skirring Resort	31-Dec-23	Directors' valuation	Hospitality	Senegal	28,585	25,318
Total valuation of investment properties directly held by the Group					**615,779**	**628,777**
Deposits paid on Imperial Distribution Centre Phase 2					1,249	2,376
Deposits paid on Capital Place Limited					3,550	3,550
Total deposits paid on investment properties					**4,799**	**5,926**

Total carrying value of property portfolio including deposits paid					**620,578**	**634,703**

Investment properties held within associates and joint ventures - Group share

Kafubu Mall - Kafubu Mall Limited (50%)	31-Dec-23	Directors' valuation	Retail	Zambia	9,782	12,865
CADS II Building - CADS Developers Limited (50%)	31-Dec-23	Directors' valuation	Office	Ghana	12,310	12,300
Cosmopolitan Shopping Centre - Cosmopolitan Shopping Centre Limited (50%)	31-Dec-23	Directors' valuation	Retail	Zambia	27,439	27,570
Gateway Real Estate Africa[1] Ltd (51.48%)	31-Dec-23	Director's valuation/ Knight Frank	Other Investments	Mauritius	81,160	73,369
Total of investment properties acquired through associates and joint ventures					**130,691**	**126,104**

Total portfolio	***751,269***	**760,807**

Functional currency of total property portfolio		
United States Dollars	587,315	592,263
Euros	84,540	79,992
Moroccan Dirham	67,302	73,357
Kenyan Shilling	2,330	2,330
Zambian Kwacha	9,782	12,865
Total portfolio	**751,269**	**760,807**

[1] Independent valuation was performed at 31 December 2023 by Knight Frank for DH1 Elevation and DH3 Rosslyn Grove using the discounted cash flow method.

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 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 and International Financial Reporting Standards. All of the investment properties except for DH1 Elevation and DH3 Rosslyn Grove were internally valued using Director's valuation. The discounted cash flow method was used for all buildings and all land parcels were valued using the comparable method.

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 31 Dec 2023 US$'000**	**As at 30 Jun 2023 US$'000**
Kafubu Mall Limited[1]	Zambia	50.00%	9,468	12,531
Cosmopolitan Shopping Centre Limited[1]	Zambia	50.00%	27,370	27,495
CADS Developers Limited[1]	Ghana	50.00%	4,187	4,482
Africa Property Development Managers Ltd[1]	Mauritius	78.95%	31,653	29,073
Gateway Real Estate Africa Ltd[1]	Mauritius	51.48%	124,192	123,513
Carrying value of joint ventures			**196,870**	**197,094**

[1] The percentage of ownership interest during the period ended 31 December 2033 did not change.

All investments in joint ventures are private entities and do not have quoted prices available.

Reconciliation to carrying value in joint ventures

	Kafubu Mall Limited	**Africa Property Development**	**Gateway Real Estate Africa Ltd**	**CADS Developers Limited**	**Cosmopolitan Shopping Centre Limited**	**Total**

		Managers Ltd				
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at the beginning of the year	**12,531**	**29,073**	**123,513**	**4,482**	**27,495**	**197,094**
Profit / (losses) from associates and joint ventures	1,487	2,580	735	(240)	816	5,378
Revenue	538	-	2,757	300	1,211	4,806
Property operating expenses and construction costs	(87)	-	(266)	(60)	(232)	(645)
Admin expenses and recoveries	(7)	(2,764)	711	(3)	(4)	(2,067)
Other income	-	4,911	-	-	-	4,911
Net impairment charge on financial assets	-	-	445	-	-	445
Unrealised foreign exchange gains/(losses)	-	468	(395)	(1)	33	105
Transaction costs	-	2	-	-	-	2
Interest income	-	-	1,398	-	1	1,399
Finance charges	(4)	(67)	(1,617)	(482)	-	(2,170)
Fair value movement on investment property	1,074	-	(1,325)	6	(157)	(402)
Fair value adjustment on other financial asset	-	-	-	-	-	-
Current tax	(27)	-	6	-	(36)	(57)
Deferred tax	-	30	(979)	-	-	(949)
Repayment of proportionate shareholders loan	(386)	-	-	(55)	(941)	(1,382)
Consolidation elimination	-	-	(56)	-	-	(56)
Foreign currency translation differences	(4,164)	-	-	-	-	(4,164)
Carrying value of joint ventures- 31 December 2023	**9,468**	**31,653**	**124,192**	**4,187**	**27,370**	**196,870**

4. OTHER LOANS RECEIVABLE

	As at 31 Dec 2023	As at 30 Jun 2023
	US$'000	US$'000
African Property Investments Limited	21,034	21,034
Drift (Mauritius) Limited 2	8,966	8,637
Drift (Mauritius) Limited 3	-	2
Pangea 2 Limited	6	6
IFRS 9 - Impairment on financial assets (ECL)	(8,674)	(8,674)
As at period end	**21,332**	**21,005**
Classification of other loans:		
Non-current assets	21,332	21,005
Current assets	-	-
As at period end	**21,332**	**21,005**

5. TRADE AND OTHER RECEIVABLES

	As at 31 Dec 2023	As at 30 Jun 2023
	US$'000	US$'000
Trade receivables	13,961	12,733
Total allowance for credit losses and provisions	(4,695)	(5,682)
IFRS 9 - Impairment on financial assets (ECL)	(1,494)	(1,496)

IFRS 9 - Impairment on financial assets (ECL) Management overlay on specific provisions	(3,201)	(4,186)
Trade receivables – net	**9,266**	**7,051**
Accrued Income	2,531	2,603
Loan interest receivable	75	-
Deposits paid	16	77
VAT recoverable	9,271	10,293
Purchase price adjustment account	961	961
Deferred expenses and prepayments	6,717	3,695
IFRS 9 - Impairment on other financial assets (ECL)	(3,470)	(3,470)
Rental guarantees receivable	-	52
Sundry debtors	466	764
Other receivables	16,567	14,975
As at period end	**25,833**	**22,026**

Classification of trade and other receivables:		
Non-current assets	3,500	3,448
Current assets	22,333	18,578
As at period end	**25,833**	**22,026**

6. PREFERENCE SHARE CAPITAL

	As at 31 Dec 2023 US$'000	**As at 30 Jun 2023 US$'000**
Opening balance	31,596	29,558
Preference shares dividend accrued	1,019	2,038
As at period end	**32,615**	**31,596**

7. PERPETUAL PREFERENCE NOTES

	As at 31 Dec 2023 US$'000	**As at 30 Jun 2023 US$'000**
Opening balance	26,827	25,741
Preferred dividend accrued	1,779	3,529
Preferred dividend paid	-	(2,443)
As at period end	**28,606**	**26,827**

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, that is a reduction of retained earnings.

8. INTEREST-BEARING BORROWINGS

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

- Increase in the Grit Services Limited corporate facility with NCBA Bank Kenya amounting to c. US$12.0 million used as an equity bridge.
- Refinance of Tamassa by Mara Delta Properties Mauritius Limited, through State Bank of Mauritius amounting to c.US$13.2 million.

  Partial settlement of State Bank of Mauritius corporate facility held by Grit Real Estate Income Group Limited amounting to c.US$10.0 million.
- Maubank facility held by Freedom Asset Management Limited of US$0.7 million was settled during the period.
- US$3.1 million was settled on the RCF facility held by Girt Services Limited and linked to the SBSA led syndication during the period.
- Amortisation of the Investec facility linked to AnfaPlace Mall amounting to US$1.1 million.

	As at 31 Dec 2023 US$'000	As at 30 Jun 2023 US$'000
Non-current liabilities	355,149	318,453
Current liabilities	56,562	78,282
As at period end	**411,711**	**396,735**
Currency of the interest-bearing borrowings (stated gross of unamortised loan issue costs)		
United States Dollars	290,985	294,114
Euros	121,011	103,132
Mauritian Rupees	863	1,025
	412,859	**398,271**
Interest accrued	7,424	7,725
Unamortised loan issue costs	(8,572)	(9,261)
As at period end	**411,711**	**396,735**
Movement for the period		
Balance at the beginning of the year	396,735	425,066
Proceeds of interest bearing-borrowings	40,691	324,459
Loan reduced through disposal of subsidiary	-	(19,404)
Loan acquired through asset acquisition	-	4,369
Loan issue costs	(936)	(7,355)
Amortisation of loan issue costs	1,625	3,368
Foreign currency translation differences	1,759	3,561

Interest accrued	(301)	2,798
Debt settled during the year	(27,862)	(340,127)
As at period end	**411,711**	**396,735**

Analysis of facilities and loans in issue

Lender	Borrower	Initial facility	As at 31 Dec 2023 US$'000	As at 30 Jun 2023 US$'000
Financial institutions				
Standard Bank South Africa	Commotor Limitada	US$140.0m	140,000	140,000
Standard Bank South Africa	Zambian Property Holdings Limited	US$70.4m	64,400	64,400
Standard Bank South Africa	Grit Services Limited	€33m	30,752	31,698
Standard Bank South Africa	Grit Services Limited	US$3.6m	-	3,633
Standard Bank South Africa	Capital Place Limited	US$6.2m	6,200	6,200
Standard Bank South Africa	Casamance Holdings Limited	€6.5m	7,295	7,198
Standard Bank South Africa	Grit Accra Limited	US$6.4m	8,400	8,400
Standard Bank South Africa	Casamance Holdings Limited	€7.0m	-	7,618
Standard Bank South Africa	Casamance Holdings Limited	Eur 11m	11,088	-
Standard Bank South Africa	Grit Services Limited	US$ 1.8m	1,837	-
Total Standard Bank Group			**269,972**	**269,147**
State Bank of Mauritius	Mara Delta Properties Mauritius Limited	€12m	13,273	-
State Bank of Mauritius	Mara Delta Properties Mauritius Limited	€22.3m	24,666	24,336
State Bank of Mauritius	Grit Real Estate Income Group Limited	Equity Bridge US$20.0m	-	10,000
State Bank of Mauritius	Mara Delta Properties Mauritius Limited	RCF Mur 72m	863	1,025
Total State Bank of Mauritius			**38,802**	**35,361**
Investec South Africa	Freedom Property Fund SARL	€36.0m	33,938	31,571
Investec South Africa	Freedom Property Fund SARL	US$8.7m	-	2,722
Investec Mauritius	Grit Real Estate Income Group Limited	US$0.5m	-	430
Total Investec Group			**33,938**	**34,723**
Maubank Mauritius	Freedom Asset Management	€4.0m	-	711
Total Maubank			**-**	**711**
Nedbank South Africa	Warehously Limited	US$8.6m	8,635	8,635
Nedbank South Africa	Grit Real Estate Income Group Limited	US$7m	7,000	7,000
Nedbank South Africa	Capital Place Limited	US$6.2m	-	-
Total Nedbank South Africa			**15,635**	**15,635**
NCBA Bank Kenya	Grit Services Limited	US$30m	29,484	17,500
Total NCBA Bank Kenya			**29,484**	**17,500**
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**
Housing Finance Corporation	Buffalo Mall Naivasha Limited	US$4.85m	4,204	4,369
Total Housing Finance Corporation			**4,204**	**4,369**
Total loans in issue			**412,860**	**398,271**
plus: interest accrued			7,424	7,725
less: unamortised loan issue costs			(8,573)	(9,261)

As at period end	**411,711**	**396,735**

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 2023 US$'000	Six months ended 31 Dec 2022 US$'000
Contractual rental income	23,752	22,600
Retail parking income	878	856
Straight-line rental income accrual	166	186
Other rental income (Lease incentives)	(260)	(58)
Gross rental income	**24,536**	**23,584**
Asset management fees	717	526
Recoverable property expenses	3,176	2,804
Total gross property income	**28,429**	**26,914**

10. INTEREST INCOME

	Six months ended 31 Dec 2023 US$'000	Six months ended 31 Dec 2022 US$'000
Interest on loans to partners	1,400	1,653
Interest on loans to related parties	53	7
Interest on property deposits paid	61	-
Other Interest	-	78
Total interest income	**1,514**	**1,738**

11. FINANCE COSTS

	Six months ended 31 Dec 2023 US$'000	Six months ended 31 Dec 2022 US$'000
Interest-bearing borrowings - financial institutions	16,429	15,061
Early settlement charges	-	46
Amortisation of loan issue costs	1,625	2,307
Preference share dividends	499	462
Interest on lease liabilities	164	16
Interest on loans to proportional shareholders	913	275
Interest on bank overdraft	61	43
Total finance costs	**19,691**	**18,210**

12. 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. In terms of type of property, the Group has investments in the hospitality, retail, office, light industrial and corporate accommodation sectors.

	Senegal	Morocco	Mozambique	Zambia	Kenya	Ghana	Mauritius	Total

	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Geographical location 31 December 2023								
Reportable segment profit and loss								
Gross rental income	1,079	4,075	13,274	2,809	2,701	1,734	2,592	28,264
Straight-line rental income accrual	23	85	(138)	-	308	(112)	(1)	165
Gross property income	**1,102**	**4,160**	**13,136**	**2,809**	**3,009**	**1,622**	**2,591**	**28,429**
Property operating expenses	-	(2,149)	(2,310)	(333)	(238)	(196)	273	(4,953)
Net property income	**1,102**	**2,011**	**10,826**	**2,476**	**2,771**	**1,426**	**2,864**	**23,476**
Other income	-	-	26	-	-	-	82	108
Administrative expenses	(98)	(172)	(565)	(12)	(79)	(247)	(6,756)	(7,929)
Net impairment (charge) / credit on financial assets	-	961	27	-	(9)	-	-	979
Profit / (loss) from operations	**1,004**	**2,800**	**10,314**	**2,464**	**2,683**	**1,179**	**(3,810)**	**16,634**
Fair value adjustment on investment properties	(2,905)	(6,245)	(9,733)	(118)	(1,346)	(150)	543	(19,954)
Fair value adjustment on other financial liability	-	-	-	-	-	-	(235)	(235)
Fair value adjustment on derivatives financial instruments	-	-	-	-	-	-	(4,041)	(4,041)
Share based payment expense	-	-	-	-	-	-	(100)	(100)
Share of profits / (losses) from associates and joint ventures	-	-	-	2,303	-	(240)	3,315	5,378
Loss on derecognition of loans and other receivables	-	-	-	-	-	-	1	1
Foreign currency gains / (losses)	(18)	(500)	20	76	(491)	(61)	(1,525)	(2,499)
Other transaction costs	-	-	(4)	-	-	-	(563)	(567)
Profit / (loss) before interest and taxation	**(1,919)**	**(3,945)**	**597**	**4,725**	**846**	**728**	**(6,415)**	**(5,383)**
Interest income	-	-	-	-	-	-	1,514	1,514
Finance costs	(105)	(1,693)	(7,906)	-	(1,721)	(919)	(7,347)	(19,691)
Profit / (loss) for the year before taxation	**(2,024)**	**(5,638)**	**(7,309)**	**4,725**	**(875)**	**(191)**	**(12,248)**	**(23,560)**
Taxation	-	(161)	2,318	(82)	489	(71)	40	2,533
Profit / (loss) for the year after taxation	**(2,024)**	**(5,799)**	**(4,991)**	**4,643**	**(386)**	**(262)**	**(12,208)**	**(21,027)**
Reportable segment assets and liabilities								
Non-current assets								
Investment properties	28,585	67,302	289,176	59,936	78,559	36,265	55,956	615,779
Deposits paid on investment properties	-	-	-	-	-	-	4,799	4,799
Property, plant and equipment	-	(2)	136	-	6	18	3,936	4,094
Intangible assets	-	-	-	-	-	-	308	308
Other investments	-	-	-	-	-	-	3	3
Investment in associates and joint ventures	-	-	-	36,838	-	4,186	155,846	196,870
Related party loans receivable	-	-	-	-	-	-	129	129
Other loans receivable	-	-	-	-	-	-	21,332	21,332
Trade and other receivables	-	3,500	-	-	-	-	-	3,500
Deferred tax	-	1,470	7,201	-	590	2,312	1,603	13,176
Total non-current assets	**28,585**	**72,270**	**296,513**	**96,774**	**79,155**	**42,781**	**243,912**	**859,990**
Current assets								
Trade and other receivables	1,248	1,457	4,703	-	7,205	762	6,958	22,333
Current tax receivable	-	14	1,030	-	927	1,314	300	3,585
Related party loans receivable	-	-	-	-	-	-	882	882
Derivative financial instruments	-	-	-	-	-	-	18	18
Cash and cash equivalents	184	789	3,094	183	188	105	2,233	6,776
Total assets	**30,017**	**74,530**	**305,340**	**96,957**	**87,475**	**44,962**	**254,303**	**893,584**

Liabilities								
Total liabilities	**1,518**	**51,761**	**193,890**	**6,785**	**36,955**	**40,716**	**252,838**	**584,463**
Net assets	**28,499**	**22,769**	**111,450**	**90,172**	**50,520**	**4,246**	**1,465**	**309,121**

	Other Investments	**Hospitality**	**Retail**	**Office**	**Light industrial**	**Corporate Accommodation**	**Corporate**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Type of property 31 December 2023 Reportable segment profit and loss								
Gross property income	**-**	**2,977**	**8,080**	**7,675**	**3,089**	**5,892**	**716**	**28,429**
Property operating expenses	-	-	(2,997)	(1,153)	(122)	(1,055)	374	(4,953)
Net property income	**-**	**2,977**	**5,083**	**6,522**	**2,967**	**4,837**	**1,090**	**23,476**
Other income	-	-	-	-	-	26	82	108
Administrative expenses	-	(265)	(274)	(366)	(120)	(259)	(6,645)	(7,929)
Net impairment (charge) / credit on financial assets	-	-	1,007	(2)	(26)	-	-	979
Profit/(loss) from operations	**-**	**2,712**	**5,816**	**6,154**	**2,821**	**4,604**	**(5,473)**	**16,634**
Fair value adjustment on investment properties	-	(2,365)	(7,252)	(2,083)	(1,248)	(7,006)	-	(19,954)
Fair value adjustment on other financial liability	-	-	-	-	-	-	(235)	(235)
Fair value adjustment on derivatives financial instruments	-	-	-	-	-	-	(4,041)	(4,041)
Share based payment expense	-	-	-	-	-	-	(100)	(100)
Share of profits / (losses) from associates and joint ventures	3,315	-	2,303	(240)	-		-	5,378
Loss on derecognition of loans and other receivables	-	-	-	-	-	-	1	1
Net impairment (charge) / credit on financial assets	-	-	28	6	-	-	(34)	-
Foreign currency gains / (losses)	-	(568)	(467)	(89)	(443)	46	(978)	(2,499)
Other transaction costs	-	-	-	(3)	-	(1)	(563)	(567)
Profit/(loss) before interest and taxation	**3,315**	**(221)**	**428**	**3,745**	**1,130**	**(2,357)**	**(11,423)**	**(5,383)**
Interest income	-	-	-	-	-	-	1,514	1,514
Finance costs	-	(1,866)	(1,982)	(8,817)	(1,434)	(6)	(5,586)	(19,691)
Profit / (loss) for the year before taxation	**3,315**	**(2,087)**	**(1,554)**	**(5,072)**	**(304)**	**(2,363)**	**(15,495)**	**(23,560)**
Taxation	-	(58)	(268)	493	753	1,515	98	2,533
Profit / (loss) for the year after taxation	**3,315**	**(2,145)**	**(1,822)**	**(4,579)**	**449**	**(848)**	**(15,397)**	**(21,027)**
Reportable segment assets and liabilities								
Non-current assets								
Investment properties	-	84,540	154,336	182,514	78,388	116,001	-	615,779
Deposits paid on investment properties	-	-	-	-	-	-	4,799	4,799
Property, plant and equipment	-	-	3	9	-	127	3,955	4,094
Intangible assets	-	-	37	-	-	-	271	308
Other investments	-	-	-	-	-	-	3	3
Investment in associates and joint ventures	155,846	-	36,838	4,186	-	-	-	196,870

Related party loans receivable	-	-	-	-	-	-	129	129
Other loans receivable	-	-	-	-	-	-	21,332	21,332
Trade and other receivables	-	-	3,500	-	-	-	-	3,500
Deferred tax	-	1,525	3,947	4,591	1,003	2,032	78	13,176
Total non-current assets	**155,846**	**86,065**	**198,661**	**191,300**	**79,391**	**118,160**	**30,567**	**859,990**
Current assets								
Trade and other receivables	-	1,630	1,619	910	7,630	3,811	6,733	22,333
Current tax receivable	-	196	483	1,807	898	45	156	3,585
Related party loans receivable	-	-	-	-	-	-	882	882
Derivative financial instruments	-	-	-	-	-	-	18	18
Cash and cash equivalents	-	226	1,189	1,120	153	1,878	2,210	6,776
Total assets	**155,846**	**88,117**	**201,952**	**195,137**	**88,072**	**123,894**	**40,566**	**893,584**
Liabilities								
Total liabilities	-	59,327	67,425	199,467	33,049	30,148	195,047	584,463
Net assets	**155,846**	**28,790**	**134,527**	**(4,330)**	**55,023**	**93,746**	**(154,481)**	**309,121**

Major customers

Rental income stemming from the Total Group represented approximately 10.2% of the Group's total contractual rental income for the period, with Vulcan 9.7%, the US Embassy 8.8%, Vodacom Mozambique 6.7 %, and Tamassa Lux 5.0 %, making up the top 5 tenants of the Group.

13. BASIC AND DILUTED EARNINGS PER ORDINARY SHARE

	Attributable earnings		**Weighted average number of shares**		**Cents per share**	
	Six months ended 31 Dec 2023	**Six months ended 31 Dec 2022**	**Six months ended 31 Dec 2023**	**Six months ended 31 Dec 2022**	**Six months ended 31 Dec 2023**	**Six months ended 31 Dec 2022**
	US$'000	**US$'000**	**Shares '000**	**Shares '000**	**US Cents**	**US Cents**
Earnings per share - Basic	**(18,542)**	4,741	**482,144**	482,373	**(3.85)**	0.98
Earnings per share - Diluted	**(18,542)**	4,741	**482,144**	482,373	**(3.85)**	0.98

14. SUBSEQUENT EVENTS

- On 16 February 2024, shareholders approved the disposal of interests in Bora Africa and Acacia Estates to GREA which will form part of Grit's equity contribution to the GREA US$100 million recapitalisation that is expected to conclude in March 2024. The disposal of properties at or close to book value achieves the Board's strategy of additional asset recycling and further reinforces the Group's audited net asset value. By concluding the GREA Capital Raise with these proceeds, the Group (including GREA) receives a cash injection of US$48.5 million from the PIC's subscription at NAV. This equity will be initially utilised to reduce the Group's more expensive debt, whilst over the medium term is expected to be invested by GREA, upon careful capital allocation assessment, into risk mitigated and accretive development projects that are expected to meaningfully contribute to ESG impact, accelerated NAV growth and fee income generation to the Group as is contemplated under the Grit 2.0 strategy.

15. CAPITAL COMMITMENTS

- Club Med Senegal redevelopment EUR20.5 million for the period up to January 2026.
- Drive in Trading guarantee settlement US$17.5 million by March 2024.

16. EPRA FINANCIAL METRICS

16a. 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 2023 $'000	**UNAUDITED 31 Dec 2023 Per Share (Diluted) (Cents Per Share)**	**UNAUDITED 31 Dec 2022 $'000**	**UNAUDITED 31 Dec 2022 Per Share (Diluted) (Cents Per Share)**
EPRA Earnings	**2,813**	**0.59**	**2,202**	**0.46**
Total Company Specific Adjustments	2,151	0.44	2,737	0.56
Adjusted EPRA Earnings	**4,964**	**1.03**	**4,939**	**1.02**
Total Company Specific Distribution Adjustments	4,990	1.04	7,400	1.54
TOTAL DISTRIBUTABLE EARNINGS AVAILABLE TO EQUITY PROVIDERS	**9,954**	**2.07**	**12,339**	**2.56**

	UNAUDITED 31 Dec 2023 $'000	**UNAUDITED 31 Dec 2023 Per Share (Diluted) (Cents Per Share)**	**AUDITED 30 Jun 2023 $'000**	**AUDITED 30 Jun 2023 Per Share (Diluted) (Cents Per Share)**
EPRA NRV	327,161	68.12	349,656	72.80
EPRA NTA	309,372	64.41	335,918	69.94
EPRA NDV	275,848	57.43	300,650	62.60

Distribution shares	**UNAUDITED 31 Dec 2023**

	Shares '000
Weighted average shares in issue	**495,092**
Less: Weighted average treasury shares for the year	(15,381)
Add: Weighted average shares vested shares in long term incentive scheme	573
EPRA SHARES	**480,284**
Less: Vested shares in consolidated entities	(573)
DISTRIBUTION SHARES	**479,711**

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

	UNAUDITED 31 Dec 2023 US$'000
EPRA Earnings Calculated as follows:	
Basic Loss attributable to the owners of the parent	**(18,542)**
Add Back:	
- Fair value adjustment on investment properties	19,954
- Fair value adjustments included under income from associates	403
- Change in value on other financial asset	235
- Change in value on derivative financial instruments	4,041
- Goodwill written-off	340
- Acquisition costs not capitalised	562
- Deferred tax in relation to the above	(1,201)
- Non-controlling interest included in basic earnings	(2,979)
EPRA EARNINGS	**2,813**
EPRA EARNINGS PER SHARE (DILUTED) (cents per share)	**0.59**
Company specific adjustments	
- Unrealised foreign exchange gains or losses (non-cash)	2,552
- Straight-line leasing and amortisation of lease premiums (non-cash rental)	(476)
- Profit or loss on disposal of property, plant and equipment	1
- Amortisation of right of use of land (non-cash)	34
- Impairment of loan and other receivables	71
- Non-controlling interest included above	(278)
- Deferred tax in relation to the above	247
Total Company Specific adjustments	**2,151**
ADJUSTED EPRA EARNINGS	**4,964**
ADJUSTED EPRA EARNINGS PER SHARE (DILUTED) (cents per share)	**1.03**

COMPANY SPECIFIC ADJUSTMENTS TO EPRA EARNINGS

1. *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.
2. *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.
3. *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.

4 *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.

16b. Company distribution calculation

	UNAUDITED 31 Dec 2023 US$'000
Adjusted EPRA Earnings	**4,964**
Company specific distribution adjustments	
- VAT Credits utilised on rentals	3,176
- Listing and set-up costs under administrative expenses	5
- Depreciation and amortisation	834
- Share based payments	100
- Dividends	(205)
- Right of use imputed leases	238
- Amortisation of capital funded debt structure fees	1,625
- Deferred tax in relation to the above	(848)
- Non-controlling interest included above	65
Total company specific distribution adjustments	**4,990**
TOTAL DISTRIBUTABLE EARNINGS (BEFORE PROFITS WITHELD)	**9,954**
DISTRIBUTABLE INCOME PER SHARE (DILUTED) (cents per share)	**2.07**
DIVIDEND PER SHARE (cents share)	**1.50**
AVAILABLE FOR FUTURE DISTRIBUTIONS (cents per share)	**0.57**

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 2023 ("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.

The Group is required to publish financial results for the six months ended 31 December 2023 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 2023 that require any additional disclosure or adjustment to the financial statements. These abridged unaudited consolidated financial statements were approved by the Board on 27 February 2024.

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 Company's registered address. Contact Person: Ali Joomun.

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.