GRIT REAL ESTATE INCOME GROUP LIMITED
(Registered by continuation in the Republic of Mauritius)
(Registration number: C128881 C1/GBL)
LSE share code: GR1T
SEM share code: DEL.N0000
JSE share code: GTR
ISIN: MU0473N00036
("**Grit**" or the "**Company**" or the "**Group**")

HALF YEAR ABRIDGED UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Grit Real Estate Income Group Limited, a leading pan-African real estate company focused on investing in 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 2019.

Financial highlights

	6 Months ended 31 Dec 2019	6 Months ended 31 Dec 2018	Increase/ Decrease
Dividend per share	USD5.25 cps	USD5.25 cps	+0.0%
EPRA Net asset value ("**NAV**") per share[2]	USD144.7 cps	USD143.1 cps	+1.1%
IFRS NAV per share[1]	USD128.3 cps	USD134.5 cps	-4.6%
Total Income Producing Assets[5]	USD860.1m	USD796.4m	+8.0%
Gross Rental income	USD24.3m	USD18.7m	+29.9%
Profit from operations	USD10.7m	USD7.3m	+46.6%
Earnings per share	USD4.26 cps	USD7.07 cps	-39.8%
Headline earnings per share[3]	USD2.80 cps	USD2.77 cps	+1.1%
Adjusted EPRA earnings per share[4]	USD5.67 cps	USD5.36 cps	+5.8%
EPRA cost ratio (incl associates and joint ventures)	18.6%	15.6%	+3.0 pts
Weighted average lease expiry ("**WALE**")	4.7 yrs	6.5 yrs	-1.8 yrs
EPRA portfolio occupancy rate	97.4%	96.0%	+1.4 pts
Group LTV	43.9%	43.4%	+0.5 pts
Property LTV	41.9%	40.5%	+1.4 pts

- Dividends per share declared for the six months ended 31 December 2019 of USD5.25cps (December 2018: USD5.25cps), putting the Company on course to meet its progressive dividend policy and minimum full year dividend per share target of USD12.25cps
- EPRA NAV per share grew to USD1.447 (December 2018: USD1.431). EPRA NAV growth was positively impacted by prefunding profits on VDE but was largely offset by negative valuation impacts on retail assets. The Group remains on track to meet its full year target of 12%+ total return in US Dollars (inclusive of NAV growth) which is expected to be supported by the impact of recent acquisitions, contracted escalations and continued leasing activity in the second half of the financial year
- Profit from operations increased 46.6% to USD10.7 million as a result of strong portfolio performance and acquisitive growth over the period
- Weighted average cost of debt declined to 6.07% (June 2019: 6.44%) as a result of active treasury management activities and downward movements in LIBOR over the reporting period. The average forward rate as at 31 December 2019 is currently 5.98% and 68.8% of debt is now at fixed interest rates

- LTV has been impacted by the acquisition of the additional VDE units which were debt funded. LTV is expected to reduce towards the targeted 40% by the end of the financial year
- Earnings per share, Headline Earnings per share and Adjusted EPRA Earnings per share were negatively impacted by one-off non-recurring tax charges of USD1.1 million and USD1.3 million additional provision for bad debts relating to retail property portfolio assets
- Completion of the first development pre-funding transaction resulting in a total valuation increase of USD6.1 million
- Acquisition of an additional 23.75% in Letlole La Rona in Botswana ("LLR"), increasing the Company's overall shareholding in LLR from 6.25% to 30.0%, represents a significant expansion of Grit's strategy in Botswana, a strong and politically sound economy and an investment grade country and a key market for Grit's future growth
- The portfolio was independently valued at 31 December 2019 (with the exception of LLR which was valued by Knight Frank as at 30 June 2019), with total income producing asset value increasing to USD860.1 million (June 2019: USD825.2 million) and like for like property valuations increasing 2.9%

Operational highlights

- Property portfolio now comprises a total of 46 properties (including 20 properties held in LLR), across seven countries and five property sectors
- 92.8% of revenue is earned from multinational tenants[6] (December 2018: 92.6%)
- 94.1% of income is produced in hard currency[7] (December 2018: 93.2%)
- EPRA portfolio occupancy rate improved to 97.4% as at 31 December 2019 (June 2019: 97.1%) as a result of continued leasing activity at AnfaPlace Mall
- Total gross lettable area ("GLA"), attributable to Grit, increased 20.9% from June 2019 to 315,098 sqm as a result of acquisitions in the period
- Weighted average annual contracted rent escalations at 2.7% (June 2019: 2.8%)
- Weighted average property capitalisation rate 7.8% (June 2019: 7.9%)

Post balance sheet activity

- On 27 January 2020, Grit completed the acquisition of the Club Med Cap Skirring Senegal resort upon a sale and leaseback (with a new 12 year lease) from the Club Med group. The re-development and expansion of the existing hotel (capped at EUR28 million) is expected to commence by the end of Q1 2020
- On 12 February 2020, the Group announced a conditional Memorandum of Agreement to purchase a Morrocan REIT / OPCI vehicle consisting of a flagship mixed use development asset in Casablanca and exclusivity over a further industrial asset located in the Meknes industrial zone. The Group further intends to consolidate its existing Morrocan assets and in-country pipeline within this OPCI vehicle and will introduce equity co-investors upon completion. The introduction of co-investors is expected to provide a measured reduction in relation to Grit's sole exposure to the vehicle going forward
- Declared an interim dividend in respect of the six months 31 December 2019 of USD5.25cps in line with the prior year

Notes

1 The Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury if any) at the date of calculation.

2 Explanations of how European Public Real Estate Association ("EPRA") figures are derived from IFRS are shown in note 14.

3 Refer to Note 15.

4 Adjustments to make earnings representative of Company performance and includes adjustments for unrealised foreign exchange movements and straight line leasing adjustments - refer to note 14 for further details on adjustments made.

5 Includes properties, investments and property loan receivables - Refer to Financial Review.

6 Forbes 2000, Other Global and Pan-African tenants.

7 Hard (USD and EUR) or pegged currency rental income.

Bronwyn Corbett, Chief Executive Officer of GRIT Real Estate Income Group Limited, commented:

"We continue to see strong demand for quality real estate solutions from high quality multi-national tenants. This continues to support Grit growing our property portfolio in an accretive manner, and enabling our expansion into an eighth African country after we recently took transfer of the Club Med Cap Skirring resort in Senegal.

We also took delivery of the first turnkey development which Grit prefunded, providing the Company a meaningful share of development profits, and which acts as a template for a number of exciting risk mitigated development opportunities in our current pipeline that we expect will deliver attractive capital growth potential for our shareholders over the short and longer term.

Our team has continued to extract value from our asset portfolio and we believe the Group is well placed to take advantage of the deepening and increasing sophistication of the real estate sectors across the countries in which we operate and where the fundamentals remain positive.

Recent reductions in LIBOR rates, in conjunction with active treasury management and refinancing activities, are assisting in driving down the Group borrowing costs. The Group is continuing to focus on delivering its investment strategy and remains on track to meet its full year target of 12%+ total return in US Dollars. The Company is in the process of engaging with financiers on the upcoming LIBOR replacement.

FOR FURTHER INFORMATION PLEASE CONTACT:

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The Company's LEI is: 21380084LCGHJRS8CN05

NOTES:

Grit Real Estate Income Group Limited is a leading pan-African real estate company focused on investing in 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 Dollar 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 is targeting a net total shareholder return inclusive of net asset value growth of 12.0%+ per annum.*

The Company currently holds primary listings on both the Main Market of the London Stock Exchange (LSE: GR1T) and on the Main Board of the Johannesburg Stock Exchange (JSE: GTR), while its listing on the Official Market of the Stock Exchange of Mauritius Ltd is termed as a secondary listing (SEM: DEL.N0000).

Further information on the Company is available at http://grit.group/

* This is a target only and not a profit forecast and there can be no assurance that it will be met. 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.

Directors:

Peter Todd+ (Chairman), Bronwyn Corbett (Chief Executive Officer)*, Leon van de Moortele (Chief Financial Officer)*, Ian Macleod+, Nomzamo Radebe, Catherine McIlraith+, David Love+, Sir Samuel Esson Jonah+, and Bright Laaka (Permanent Alternate Director to Nomzamo Radebe).

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

Company secretary: Intercontinental Fund Services Limited
Registered address: c/o Intercontinental Fund Services Limited, Level 5, Alexander House, 35 Cybercity, Ebene, 72201, Mauritius
Transfer secretary (South Africa): Computershare Investor Services Proprietary Limited
Registrar and transfer agent (Mauritius): Intercontinental Secretarial Services Limited
Corporate advisor and JSE sponsor: PSG Capital Proprietary Limited
SEM authorised representative and sponsor: Perigeum Capital Ltd

This notice is issued pursuant to the LSE Listing Rules, JSE Listings Requirements, SEM Listing Rule 11.3 and the Mauritian Securities Act 2005. The Board of the Company accepts full responsibility for the accuracy of the information contained in this communiqué.

CHIEF EXECUTIVE OFFICER'S STATEMENT

The Group is continuing to focus on delivering its investment strategy and remains on track to meet its full year target of 12%+ total shareholder return in US Dollars. The dividend declaration of USD5.25 cps (December 2018: USD5.25 cps) is in line with the strategy to maintain our current distribution in cents per share while over the medium term (3 to 5 years) reducing the payout ratio and redeploying resources into attractive and accretive opportunities that we expect to deliver capital growth potential over the short and longer term for our shareholders. We expect our annual distributions to once again be weighted to the second half of the financial year. The Group's earnings and dividends are underpinned by the secure and growing income of our high-quality portfolio.

In the first half of this financial year, the Company continued to deliver on our business and growth strategy with the completion of an acquisition, an addition to an existing asset and concluded one post period acquisition which were all underpinned by predominantly global blue-chip tenants and hard currency leases.

- The recent expansion of VDE Housing Estate marks the first delivery of a risk-mitigated development via the pre-funding of projects and has achieved our goal of participating in development profits to increase our net asset value growth potential. A number of our current pipeline opportunities include developments, and in a similar fashion, we would expect to prefund into largely turnkey contracts that Grit has risk-mitigated through upfront, contracted, long duration leases.
- The acquisition of the additional 23.75% in LLR provides us with a solid foundation to continue our growth strategy within the investment grade country of Botswana alongside our strategic new partner, the Botswana Development Corporation.
- The Group's acquisition of the Club Med resort (post period-end) in Senegal has unlocked additional potential pipeline within the hospitality sector and is the first asset to be acquired in the Paradise Hospitality vehicle. The venture signals a strategic partnership between Grit and Club Med for collaboration on their entire real estate portfolio across the African continent and Indian Ocean.

The latter two acquisitions also form the basis of activating additional revenue streams by providing asset management solutions to outside shareholders, associates and joint ventures of the Group in the months to follow.

The Group delivered modest growth in asset values over the six-month period. Reported net asset value growth has been limited to 1.1% year on year, and while most sectors in our portfolio have shown positive valuation growth, specifically the Corporate Accommodation sector (which includes the component of development profit from the VDE Housing Estate expansion), the retail sector has been impacted by negative sentiment towards retail assets in general as well as trading difficulties of some retailers on the continent. The impacts were predominantly felt in our Mukuba Mall and Mall de Tete exit capitalisation rates and cashflows. Mukuba Mall, which currently has a relatively short WALE of 0.5 years due to the timing of the initial lease terms subsequent to development, is expected to increase in excess of 4.5 years by year end due to current letting activity, and which should result in improved capitalisation rates to underpin valuation growth.

The Group has concluded a number of the debt refinancing programs, which together with the decrease in USD LIBOR has seen an overall reduction in financing costs, with the current weighted average forward rate being 5.98% down from 6.43% at December 2018. We have taken the opportunity to fix a greater percentage of base LIBOR exposures, and in the period we have moved our hedged position from 42.1% in December 2018 to 68.8%.

The Company has access to a significant and growing pipeline of potential investments that meet its strict investment criteria. The pipeline of investments is strategically placed to continue strengthening the geographic and sectoral spread of the group's investment portfolio. We recently updated the market on the progress we have made on the currently announced portion of this pipeline and will be providing an update on the funding of these in due course. The investments consist of a balanced mix of asset acquisitions, and a risk mitigated development pipeline which we expect will ultimately deliver higher capital growth prospects for the Group in the medium term.

The Company's operations, management and reporting departments have all been strengthened in order to cater for the additional pipeline assets expected to come online in the near future. The highly skilled management team and infrastructure that is now in place have the capacity to manage not only the current income producing asset base of USD860.1 million, but also for the identified investment pipeline of c.USD470 million anticipated to be delivered in the medium term, and the asset management contracts with outside shareholders, associates and joint ventures.

The weighted average lease expiry of 4.73 years at December 2019 was impacted in the period by the lease lengths of the LLR acquisition as Botswana's market generally has shorter lease terms than the balance of our markets. Mukuba Mall in Zambia is nearing the end of its initial five years of operations (with a current WALE of 0.5 years) while the Vodacom Building approaches its first renewal period after 10 years (with a current WALE of 1.0 year). Lease renewal negotiations are continuing on these buildings, with a number of others progressing well and we look forward to seeing the positive impact these renewals are expected to have on the WALE and exit capitalization rate once concluded in the next 6 months.

The Group's current vacancy rate has reduced to 2.6% (from 4.0% at December 2018 and 2.9% at June 2019) in line with the completion of the AnfaPlace Mall refurbishment project in September 2019. The redevelopment and successful launch of the new anchor tenant Alpha 55 has been well received in the market, however a small number of retailers experienced trading pressures over the refurbishment period and this resulted in non-performing tenants that we have had to exit. While this is expected to negatively impact operating profit over the next few months (through reduced revenue in the short term and additional provisions for bad debts recorded to December), the Mall has now successfully been repositioned and we have accelerated early renewals of existing successful retailers which we are confident will ensure the long term profitability of the Mall. Further initiatives on utilisation of common areas for marketing and generation of specialty leasing income in the mall as well as improvement on the parking management system will facilitate the generation of additional revenue.

Recent changes to Moroccan legislation, introducing the equivalent of a real estate investment trust ("**REIT**") framework under the local equivalent called Organisme de Placement Collectif Immobilier ("**OPCI**"), is providing further sophisticating of local capital markets and is resulting in strong demand for real estate investment. We recently announced our intention to acquire a OPCI vehicle inclusive of a mixed-use asset, Massira Corner consisting of gross lettable area ("**GLA**") of approximately 16,500 sqm and anchored by Hotel Onomo with 201 keys (occupying c.67% of the GLA) alongside a retail mall with notable high-street retail brands such as H&M, Charles and Keith, Starbucks, Terranova and Cosmos, who occupy the balance of ground floor retail space (c.33%).

Grit intends to further grow the OPCI's asset base with a number of contemplated acquisitions to further diversify the vehicle's sector and tenant exposures. We currently have exclusivity over an A-grade light industrial asset secured by a 10-year triple net lease to US-listed Aptiv plc (formerly named Delphi Automotive plc), and have signed a non-binding memorandum of understanding with Club Med in relation to the development of a 350-key hospitality resort in Essaouira, leased back to Club Med on a 15-year fixed Euro lease. We additionally expect that AnfaPlace Mall will be a suitable asset for inclusion within this OPCI structure, and expect to make further announcements in this regard in due course.

We have engaged with key cornerstone investors and will look to inject their equity to take up shares alongside the Company in the OPCI structure. The introduction of co-investors is expected to provide a measured reduction in relation to Grit's sole exposure to the vehicle, however with our positive views on the potential for capitalization rate compression and further asset management opportunities, we believe we are well placed to deliver meaningful returns to our shareholders and co-investors through both income and capital appreciation.

Finally, it is pleasing to see the steady growth in our London Stock Exchange share register, which now represents c.28% of the total shares in issue (15% as at December 2018 and 12% at our initial IPO), which we believe is a testament to the growing interest in attractive risk mitigated investments into Africa by institutional shareholders in the UK and we thank them for their support thus far.

Outlook

The Company continues to deliver on its targets of annual attractive income distribution and total annual return growth and is well positioned to capitalise on significant potential growth from its unique high-quality portfolio of properties as well as further attractive investment opportunities across the African continent. Given the strength of the Group's existing portfolio, we expect to continue to deliver annual rental growth as well as capital value increases through yield compression, risk mitigated developments and yield and NAV enhancing acquisitions.

Earnings in the second half of the year are expected to be underpinned by both recent acquisitive activity as well as the supportive dynamics of falling debt costs. Further improved benchmarking exercises and facilities management initiatives will bring about reduced and more efficient cost ratios to the portfolio. As a result, we remain confident of meeting our progressive dividend and total shareholder return targets for the full year.

The Group is on track to move trading in its shares to the premium listing segment of the Main Market of the London Stock Exchange as well as redomiciling its corporate seat to Guernsey in 2020, which is expected to facilitate the Group's eligibility for inclusion in the FTSE UK Index Series. This is anticipated to significantly improve the liquidity in the Company's shares and further diversify the Company's shareholder base. The Group is also actively reviewing its current listing locations and assessing the viability of three concurrent listings and the impacts that might be having on share trading liquidity.

We expect that the retail sector will remain challenging in both the occupier and investment markets against the backdrop of a fast-changing retail sector but we expect to deliver value by continuing to focus on maximising the yield of the current portfolio and unlocking value through the Company's operational expertise and proactive asset management, financial strength and selective asset divestment strategies.

We are continuing to assess a number of financing options to fund our investment pipeline of high-quality accretive assets leased to multinational corporates and attracting hard currency rental streams and will update shareholders in due course. The Company is well placed to continue to benefit from its strong position in the market and deliver attractive risk adjusted returns to our shareholders over the short and longer term.

Bronwyn Corbett
Chief Executive Officer

BUSINESS REVIEW

Property diversification

The recently concluded additions and acquisitions have continued to diversify the geographical and sectoral splits, and with the purchase of the Club Med resort in Senegal post period-end, the Group has added additional geographic diversification.

Acquisitions and additions

Letlole La Rona Limited (LLR) in Botswana

On 20 November 2019 Grit announced the acquisition of an additional 23.75% interest in Botswana Stock Exchange listed Letlole La Rona Limited (LLR) from the Botswana Development Corporation ("**BDC**").

Through this transaction, Grit increased its stake in LLR from 6.25% to a strategic 30.0% and is expected to unlock a strategic partnership with BDC as both an institutional investor in Grit and a potential co-investor in direct property opportunities throughout Africa.

The purchase consideration was settled through the issuance of 9,839,511 new Grit shares to BDC on 28 November 2019. The swap ratio was determined using our most recently reported EPRA NAV per share, less dividend declared, of USD140.0 cps.

The transaction for the 9,839,511 shares was recorded at the ruling share price of the day of USD1.19, resulting in the acquisition being recorded at USD11.7 million. The difference between the agreed transaction price of USD13.8 million has resulted in a gain of USD2.1 million.

In determining the fair value of the investment at the acquisition date, Grit conducted an analysis of the volume and frequency of the share trades of LLR on the Botswanan Stock Exchange (including an analysis of the free float of the shareholder base of LLR) in order to determine whether the shares were traded in an active market and concluded that the share was not traded with sufficient volume nor frequency to support the conditions of an active market. As the share price was not indicative as a proxy for fair value, the Company has concluded the best mechanism would be Net Asset Value based on the latest available independent valuations (which were conducted by Knight Frank as part of the 30 June 2019 financial year end LLR). This determination of fair value of LLR is consistent with the Group's accounting policy and fair value determination of other associates and joint ventures within the group.

Construction of additional 60 units for Vale in Mozambique

In December 2019, the Group took delivery of 60 units constructed under a turnkey construction contract that concluded the first transaction whereby the Group provided pre-development funding to the developers and shared in the development profits. Total construction costs amounted to USD9.3 million (exclusive of VAT) and the profit share amounted to USD4.6 million of which USD2.5 million was attributable to Grit. The specific units were valued at USD17.4 million, resulting in value uplift of USD3.4 million attributable to Grit. The overall increase in the value of the accommodation complex was positively impacted by the lease renewals of Vale which combined with the USD3.4 million uplift from the 60 units resulted in a total value increase of the property of USD6.1 million.

The developer, being a related party of the Group via their shareholding in Grit, has repaid USD9.4 million of the total pre-development funding of USD12 million, with the balance due on settlement of the amounts for the profit-sharing arrangement (USD4.6 million).

Completion of the AnfaPlace Mall refurbishment project in Morocco

The completion of the refurbishment project for a total cost of USD25.1 million was concluded in September 2019. Additional costs amounting to USD0.4 million have been spent on additional features, out of the original scope, and additional interest costs of USD0.4 million have been incurred. At the end of the reporting period, an amount of USD25.9 million remains outstanding to the developers, with the final account due shortly.

The project was conducted by Gateway Delta Development Holdings Limited, a 19.98% owned associate of the Group and a related party to the Group (by virtue of a common material shareholder of both companies, the Public Investment Corporation of South Africa).

The Geographical and Sector analysis of the assets (including our proportionate holding in associates and joint ventures) are as follows:

Geographical split	**WALE (years) 31-Dec-19**	**WALE (years) 31-Dec-18**	**Property Value 31-Dec-19**	**Property Value 31-Dec-18**
Mozambique	3.4	3.1	38.6%	38.1%
Mauritius	10.8	11.8	20.6%	22.7%
Morocco	3.7	3.5	13.5%	13.2%
Kenya	7.7	8.6	3.5%	4.9%
Zambia	1.5	2.6	14.0%	12.8%
Ghana	3.6	3.5	6.4%	7.9%
Botswana	2.1	-	2.6%	0.4%
Other investments*	-	-	0.8%	0.0%
Total	**4.7**	**6.5**	**100.0%**	**100.0%**

*Other investments include land owned by Grit (Imperial phase 2) and associate properties owned by Grit's development associate, Gateway Delta Development Holdings Limited.

Sector split	**WALE (years) 31-Dec-19**	**WALE (years) 31-Dec-18**	**Property Value 31-Dec-19**	**Property Value 31-Dec-18**
Office	4.3	4.6	25.1%	28.7%
Retail	2.6	3.2	32.1%	31.6%
Light industrial	5.7	6.4	3.4%	4.6%
Hospitality	11.0	12.1	18.8%	20.5%
Held for sale	-	-	0%	0.5%
LLR*	2.1	-	2.6%	0%
Corporate accommodation	3.7	2.6	17.2%	13.7%
Other investments**	-	-	0.8%	0.4%
Total	**4.7**	**6.5**	**100.0%**	**100.0%**

* LLR reflected separately to enable comparable analysis of portfolio against prior reporting period.
**Other investments include land owned by Grit (Imperial phase 2) and associate properties owned by Grit's development associate, Gateway Delta Development Holdings Limited.

The movement in the WALE has been predominantly driven by the growth in the portfolio, including the development and acquisition of the additional 60 units at the VDE Estate. The Botswanan LLR portfolio, in a jurisdiction where shorter term leases are concluded, has diluted the weighting of several of the long-term leases. Furthermore impacts on retail centres in Zambia, with the early exit of Truworths and TFG Group, have impacted portfolio statistics.

The existing portfolio WALE is being strategically managed by pre-empting renewals of strategic leases such as Vodacom and retail tenants in Anfa and Mukuba Mall, as well as the driving of longer term leases for new tenancies.

Asset Management

Notable new leases entered into by the Group during the period includes:

Ghana:

GC Net	Lease renewal for a period of 5 years
Rotan Power	Lease renewal for a period of 3 years
Main One Cable	Lease extended by additional 1 year to July 2022

Mozambique:	
Vale	Lease renewal for 5 years (including the additional 60 units developed in the current period)
Exxon	New 5-year lease
Morocco:	
Alpha 55	New 6.5-year lease
Kandy Oyster	New 9-year lease
Orchestra	Expanded and signed a new 9-year lease
Oliveri	Renewal for a period of 9-year lease
La Cantinetti	New lease for 9-year period
Optical In	New lease for 9-year period
Le Coin Marocain	New lease for 9-year period

Tenant analysis

Tenant Classification (by % Grit Ownership)	% GLA	% Rentals
Forbes 2000	23.1%	40.3%
Other Global	62.2%	41.1%
Pan African	10.8%	11.4%
National	2.3%	4.5%
Local	1.6%	2.7%
	100%	**100%**

Tenant Lease Currency (by % Grit Ownership)	6 months to 31-Dec-19	6 months to 31-Dec-18
US Dollars	61.7%	62.0%
Pegged to US Dollars	15.1%	15.5%
Euro	17.3%	15.7%
Local Currencies (Excluding Botswana Pula)	5.2%	6.8%
Local Currencies (Botswana Pula)	0.7%	0%
	100%	**100%**

FINANCIAL REVIEW

Gross rental income (excluding straight line leasing and amortisation of lease premiums), including associates and joint ventures, increased by USD3.9 million to USD33.2 million (six months ending December 2018: USD29.3 million). This increase is attributable to acquisitions and additions (USD3.3 million) with the balance of the movement from normal operations (including the impact of the Euro vs the US Dollar). Property operating expenses, including associates and joint ventures, increased by USD2.4 million, attributable to acquisitions (USD0.6 million), increased provision for bad debts (USD1.3 million) and normal operations (USD0.4 million). Net cash property income including associates and joint ventures increased 7.5% to USD26.6 million from USD24.7 million in the comparative period.

Operating costs on the entire portfolio (included assets held in associated companies) as a percentage of revenue increased in the period to 20.8% from 15.5% for the period ended December 2018, with 4% of the increased cost being attributable to the provision for bad debt focused on the Retail sector (which predominately relates to a single tenant group that is facing liquidation in Morocco).

	Six months ended 31 Dec 2019	Six months ended 31 Dec 2019	Six months ended 31 Dec 2019	Six months ended 31 Dec 2018	Six months ended 31 Dec 2018	Six months ended 31 Dec 2018
	Subsidiaries USD'000	Associates and joint ventures USD'000	Total USD'000	Subsidiaries USD'000	Associates and joint ventures USD'000	Total USD'000
Revenue *	25,972	7,258	33,230	18,733	10,560	29,293
Operating expenses	(6,284)	(635)	(6,919)	(3,977)	(577)	(4,554)
Net operating income	**19,688**	**6,623**	**26,311**	**14,756**	**9,983**	**24,739**
Operating costs ratio	24.2%	8.7%	20.8%	21.2%	5.5%	15.5%

* Revenue excludes straight line leasing and amortization of lease premiums

The Group incurred a 22.0% comparable increase in administration expenses during the period from USD8.2 million to USD10.0 million. Transaction costs of USD1.1 million (predominantly related to the LLR acquisition) included in administration expenses is offset by the day one gains on LLR recorded during the period.

The Group's staffing complement has been bolstered to absorb the recent and future expected growth of the portfolio as well as third party asset management services. Over the next 6 months, the Group will place less reliance on external consultants as a result of the recent appointments of in-house corporate advisory, legal, company secretarial and human resource staff.

The comparative head count of staff is as follows:

DEPARTMENT	As at 31 Dec 2019	As at 31 Dec 2018	Movement
Legal & Compliance	5	4	1
Operations	22	18	4
Communications	4	2	2
Finance	18	17	1
Investment	9	8	1
Admin	13	9	4
Corporate Advisory	3	0	3
Treasury	5	0	5
Investor Relations	2	1	1
Human Resources	1	1	-
Management	3	5	(2)
	85	**65**	**20**

With the Group's active on-site approach to asset and property management in the various jurisdictions, it has attracted a number of highly skilled and experienced staff to manage the portfolio.

Fair value movements in subsidiaries and associates and joint ventures

	Retail USD'000	Office USD'000	Hospitality USD'000	Light Industrial USD'000	Corporate Accommodation USD'000	TOTAL USD'000
Mauritius	-	596	1,169	-	-	**1,765**
Mozambique	(2,793)	3,568	-	(101)	7,526	**8,200**
Morocco	(3,939)	-	-	-	-	**(3,939)**
Zambia	(4,677)	-	-	-	-	**(4,677)**
Kenya	1,377	-	-	782	-	**2,159**
Ghana	-	(487)	-	-	-	**(487)**
TOTAL*	**(10,032)**	**3,677**	**1,169**	**681**	**7,526**	**3,021**

* Total of fair value gains of properties including associates and joint ventures, excluding fair value adjustment from contractual receipts from vendors

Retail

The retail sector in general experienced pressure, with Mukuba Mall in Zambia specifically demonstrating a negative valuation adjustment of USD5.1 million a result of the relatively short lease expiry profile and uncertainty around lease renewal rates.

Office

The Mozambique assets have benefited from securing long term global tenancies and the increased demand for office space consequent to the commencement of the LNG construction phase in the Rovuma Basin. The offices in the other regions, Ghana and Mauritius, had marginal movements impacted by recent lease renewals.

Hospitality

The hospitality assets remained robust with the sector outlook reflecting a stable tourism demand.

Light Industrial

Increased valuation on the Imperial Distribution Centre in Kenya was expected and in line with contractual rental escalation. This absorbed the slight downward adjustment on the Bollore Warehouse in Mozambique which is driven by the decision to redevelop this Pemba Industrial site in the strategic location at the Port.

Corporate accommodation

During the period Grit acquired an additional 60 units for Vale in Mozambique. This was part of the first pre-development funding initiative allowing Grit to profit share in the development as well as to take advantage of the valuation uplift from the development costs. The total fair value increase for this property was USD6.1 million for the period.

Distributable earnings and dividends

The financial results for the six months ended 31 December 2019 produced distributable earnings per share of USD5.48 cps (December 2018: USD6.06 cps). A number of once off costs incurred during the six months including a provision for bad debts within the retail assets amounting to USD1.3million, additional withholding taxes amounting to USD1.2million to flow funds from Mozambique as part of the Mozambique refinance transaction impacted results. The additional withholding taxes has resulted in an increase in the effective tax rate in the current reporting period. The impact of these items amount to USD 0.85 cps. In line with the Group strategy to maintain a progressive distribution in USD cps while reducing the payout ratio over the medium term, a dividend of USD 5.25 cps is declared for the six months to December 2019 (December 2018: USD 5.25 cps). New acquisitions, lease escalations, decrease in WACD and the relative higher weighting of administration expenses in the first six months will allow the company to maintain its full year forecast.

Net asset value

EPRA NAV per share increased by 1.1%, or USD1.6 cps, year-on-year from USD143.1 cps (December 2018) to USD144.7 cps. NAV decreased by 4.6% or USD6.2 cps from USD134.5 cps (December 2018) to USD128.3 cps.

The movement in net asset value per share for the period is shown in the table below:

Net Asset Value Movement	IFRS USD cps	EPRA USD cps
Opening Balance 1 July 2019	131.9	147.1
Dividend paid	(7.0)	(7.0)
Portfolio performance		
- Distributable earnings	5.5	5.5
- Fair value adjustments		
- Retail	(3.4)	(3.4)
- Office	1.2	1.2
- Corporate accommodation	2.5	2.5
- Hospitality	0.4	0.4
- Light industrial	0.2	0.2
- Other non-cash items	(3.2)	(1.8)
Closing Balance 31 December 2019	**128.3**	**144.7**

Total investment in income generating assets has increased from USD825.2 million in June 2019 to USD860.1 million in December 2019. The increase is attributable to the LLR acquisition (USD20.8 million), additional 60 units for Vale (USD13.9 million cost) less repayment of the development pre-funding loan of USD9.4 million for the Vale construction contract.

COMPOSITION OF INCOME PRODUCING ASSETS	31-Dec-19 USD'm	30-Jun-19 USD'm
Investment properties	**599.5**	576.8
Deposits paid on investment properties	**8.5**	8.5
Investment property included within ‘Investment of associates and joint ventures’	**208.2**	183.8
	816.2	**769.1**
Other investments, PPE, and loans to related parties and loans to property partners*	**43.9**	56.1
TOTAL INCOME PRODUCING ASSETS	**860.1**	**825.2**

* Includes receivable balances from partners in Zambia relating to the back-to-back loan from Bank of China of USD77 million used to fund the acquisition and loans advanced to Gateway Delta.

Net debt, cash flow and financing

As financing is integral to our business model, the Group has continued to develop strong relationships with financiers. The multi-bank approach adopted by Grit has continued, with the main banking partners being Bank of China, Standard Bank, ABSA Bank and SBM (Mauritius) Ltd. The breakdown of the interest-bearing borrowings is listed in note 7.

The Group raised USD154.5 million of debt in the period to fund acquisitions and refinance debt facilities (USD112.0 million was repaid in the period and USD13.3 million repaid in early January 2020), of which USD140 million pertained to the Mozambique refinancing program that was used to settle acquisition costs for the Vale units in Tete, facility fees and retiring existing Mozambican facilities of USD97.8 million at balance sheet date and a further USD13.3 million after the reporting period. The terms of the new facility will result in reduced cost of funding over the four-year Mozambican portfolio facility to 3-month LIBOR plus a margin of 5%.

The average 3-month USD LIBOR rates decreased from 2.46% for the 6 months to June 2019 to 1.90% for the 6 months to 31 December 2019. The 0.56% decrease in USD LIBOR rates in the period resulted in the Group's WACD decreasing to an average of 6.07% (December 2018: 6.31%) for the six month period, and with the finalisation of the Mozambique refinancing program, the weighted average forward rate is 5.98%.

The Group's loan-to-value ("LTV") has increased to 43.9% in six months ended December 2019 (30 June 2019: 43.1%).

Two new corporate term loans were secured being USD20 million from SBM and USD8.5 million from Bank ABC which were utilised to settle the Revolving Credit Facility held with SBM and the overdraft facility held with Bank ABC respectively.

This has contributed to the increase in the debt expiry profile and the decrease of the current portion of the interest-bearing borrowings.

The Group has entered into a number of interest rate fixing mechanism to minimise the risk of USD LIBOR rate volatility.

Details of the fixed rate contracts are as follows:

Financial institution	Notional Amount	Type	Rate	Effective date	Termination date
Standard Bank of South Africa	USD 20.0 million	Interest rate swap	1.58% fixed rate versus 3m USD LIBOR floating rate	11-Oct-19	16-Oct-23
Standard Bank of South Africa	USD 40.0 million	Interest rate collar	Cap of 1.75%, floor of 1.50% versus 3m USD LIBOR floating rate	24-Oct-19	16-Oct-23
Standard Bank of South Africa	USD 40.0 million	Interest rate collar	Cap of 1.85%, floor of 1.30% versus 3m USD LIBOR floating rate	25-Nov-19	16-Oct-23

Currently 68.8% of debt is fixed in nature.

Presentation of financial results

The financial statements have been prepared in accordance with IFRS, in accordance with best practice in the sector, alternative performance measures have also been provided to supplement IFRS, based on the recommendations of European Public Real Estate Association ("**EPRA**"). EPRA's Best Practice Recommendations have been adopted widely throughout this report and are used within the business when considering our operational performance of the properties. Full reconciliations between IFRS and EPRA figures are provided in note 14.

Leon van de Moortele
Chief Financial Officer

PRINCIPAL RISKS AND UNCERTAINTIES

Grit maintain a Key Risk Register which is shared with the Risk Committee on a quarterly basis. The key risks are well managed and monitored regularly as the risks could change with changes in the industry, economy and stakeholders, amongst others.

The principal risks of the business are set out on pages 34-36 of the 2019 Annual Report alongside their potential impact and related mitigations. These risks fall into four categories: compliance; strategic; financial and operational.

The Board has reviewed the principal risks 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 outlined in the 2019 Annual Report of the Group and that the existing mitigation actions remain appropriate to manage them.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year;
- Material related party transactions in the first six months and a fair review of any material changes in the related party transactions described in the last Annual Report.

The maintenance and integrity of the Grit website is the responsibility of the directors.
Legislation in Mauritius governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions. The directors of the Group are listed in its Annual Report for the year ended 30 June 2019. A list of current directors is maintained on the Grit website: www.grit.group.

On behalf of the Board

Bronwyn Corbett Chief Executive Officer	Leon van de Moortele Chief Financial Officer

Abridged consolidated statement of comprehensive income	**Notes**	**Unaudited six months ended 31-Dec-19 USD'000**	**Unaudited six months ended 31-Dec-18 USD'000**
Gross rental income	8	24,276	18,733
Straight-line rental income accrual		(171)	642
Revenue		**24,105**	**19,375**
Property operating expenses		(6,284)	(3,977)
Net property income		**17,821**	**15,398**
Other income		2,958	101
Administrative expenses (including corporate structuring costs)		(10,030)	(8,223)
Profit from operations		**10,749**	**7,276**
Fair value adjustment on investment properties		486	12,373
Contractual receipts from vendors of investment properties	3	2,525	2,652
Total fair value adjustment on investment properties		3,011	15,025
Fair value adjustment on other investments		591	26
Fair value adjustment on other financial liability		(552)	-
Impairment of loans		(904)	-
Net impairment chargeon financial assets		(218)	-
Fair value adjustment on derivative financial instruments		136	-
Share-based payment expense		(90)	(78)
Share of profits from associates and joint ventures	4	12,590	7,720
Foreign currency gains / (losses)		8	(1,084)
Profit before interest and taxation		**25,321**	**28,885**
Interest income	9	2,366	6,669
Finance costs	10	(12,605)	(10,999)
Profit for the period before taxation		**15,082**	**24,555**
Taxation		(3,381)	(3,605)
Profit for the period after taxation		**11,701**	**20,950**

Loss on translation of functional currency			(1,406)	(1,290)
Total comprehensive income			**10,295**	**19,660**

Profit/(loss) attributable to:		
Owners of the parent	13,130	20,643
Non-controlling interests	(1,429)	307
	11,701	**20,950**
Total comprehensive income/(loss) attributable to:		
Owners of the parent	11,724	19,353
Non-controlling interests	(1,429)	307
	10,295	**19,660**
Basic and diluted earnings per share (cents)	4.26	7.07

Abridged consolidated statement of financial position	**Notes**	**Unaudited as at 31-Dec-19 USD'000**	**Audited as at 30-Jun-19 USD'000**	**Unaudited as at 31-Dec-18 USD'000**
Assets				
Non-current assets				
Investment properties	3	595,965	573,664	552,763
Deposits paid on investment properties	3	8,500	8,500	15,382
Property, plant and equipment		2,122	2,158	1,847
Intangible assets		1,625	581	492
Investments in associates and joint ventures	4	171,407	150,605	135,695
Other investments	5	1	3,024	4,180
Related party loans receivable		12,477	25,320	802
Other loans receivable	6	29,290	29,226	42,863
Deferred tax		22,901	20,484	10,059
Total non-current assets		**844,288**	**813,562**	**764,083**
Current assets				
Non-current assets held for sale		-	-	4,282
Trade and other receivables		39,258	34,293	57,771
Related party loans receivable		2,693	166	2,000
Current tax receivable		769	693	402
Derivative financial instruments		127	-	-
Cash and cash equivalents		25,545	15,164	5,698
Total current assets		**68,392**	**50,316**	**70,153**
Total assets		**912,680**	**863,878**	**834,236**
Equity and liabilities				
Total equity attributable to equity holders				
Ordinary share capital		454,147	443,259	443,242
Treasury shares reserve		(18,406)	(18,406)	(14,811)
Foreign currency translation reserve		(1,442)	(36)	490
Antecedent dividend reserve		418	-	927
Retained loss		(42,301)	(34,868)	(28,776)
Equity attributable to owners of the Company		**392,416**	**389,949**	**401,072**
Non-Controlling interests		**2,571**	**4,581**	**16,655**

Total equity		**394,987**	**394,530**	**417,727**
Liabilities				
Non-current liabilities				
Redeemable preference shares		12,840	12,840	12,840
Proportional shareholder loans		9,615	9,615	19,230
Interest-bearing borrowings	7	369,069	163,738	201,462
Obligations under leases		969	126	89
Deferred tax		48,951	44,410	25,463
Total non-current liabilities		**441,444**	**230,729**	**259,084**
Current liabilities				
Interest-bearing borrowings	7	15,043	182,359	123,415
Obligations under leases		226	46	50
Trade and other payables		33,106	31,606	25,334
Current tax payable		556	924	-
Derivative financial instruments		34	43	(3)
Related party loans payable		26,088	14,507	-
Other financial liability		1,196	644	128
Bank overdrafts		-	8,490	8,501
Total current liabilities		**76,249**	**238,619**	**157,425**
Total liabilities		**517,693**	**469,348**	**416,509**
Total equity and liabilities		**912,680**	**863,878**	**834,236**

Abridged consolidated statement of cashflows	**Notes**	**Unaudited six months ended 31-Dec-19 USD'000**	**Unaudited six months ended 31-Dec-18 USD'000**
Cash generated from operations			
Profit before taxation for the period		**15,082**	**24,555**
Adjusted for:			
Depreciation and amortisation		261	167
Interest income	9	(2,366)	(6,669)
Share of profits from associates and joint ventures	3	(12,590)	(7,720)
Finance costs	10	12,605	10,999
Allowance for credit losses		218	**-**
Bad debt provision		1,340	**-**
Impairment of loans		904	**-**
Foreign currency (gains)/losses		(8)	1,084
Straight-line rental income accrual		171	(642)
Amortisation of lease premium		1,696	-
Share based payment expense		90	78
Fair value adjustment on investment properties	3	(3,011)	(12,373)
Fair value adjustment on other investments		(591)	(26)
Fair value adjustment on other financial liability		552	-
Fair value adjustment on derivative financial instruments		(136)	-
		14,217	**9,453**
Changes to working capital			
Movement in trade and other receivables		(7,313)	(23,768)
Movement on deposits paid on investment properties	3	-	(6,266)

Movement in trade and other payables		1,422	(4,953)
Cash generated from/(utilised in) operations		**8,326**	**(25,534)**
Taxation paid		(1,701)	(569)
Net cash generated from/(utilised in) operating activities		**6,625**	**(26,103)**
Cash utilised on investing activities			
Acquisition of investment properties	3	(20,978)	(80,958)
Acquisition of property, plant and equipment		(91)	(105)
Acquisition of intangible assets (computer software)		(84)	
Acquisition of other investments	5	(1)	-
Acquisition of associates and joint ventures	4	-	(10,500)
Dividends and interest received from associates and joint ventures		4,091	3,681
Interest received		1,911	4,864
Related party loans payable		11,582	-
Related party loans repayment received		9,387	-
Proportional shareholder loans received		1,110	-
Other loans (advanced)/repaid		-	(1,923)
Net cash generated from/(utilised in) investing activities		**6,927**	**(84,941)**
Proceeds from the issue of ordinary shares		-	132,094
Share issue expenses		(404)	(10,666)
Dividends paid to non-controlling shareholders		(581)	-
Ordinary dividends paid		(20,547)	(18,749)
Proceeds from interest bearing borrowings		154,500	98,269
Settlement of interest-bearing borrowings		(112,039)	(81,135)
Finance costs and debt initiation fees paid		(15,003)	(5,738)
Settlement of obligations under leases		(123)	(37)
Net cash generated from financing activities		**5,803**	**114,038**
Net movement in cash and cash equivalents		19,355	2,994
Cash at the beginning of the year		6,674	(5,812)
Effect of foreign exchange rates		(484)	15
Total cash and cash equivalents at the end of the period		**25,545**	**(2,803)**

Consolidated statement of changes in equity	**Share Capital USD'000**	**Treasury Shares USD'000**	**Foreign currency translation reserve USD'000**	**Antecedent dividend reserve USD'000**	**Retained earnings USD'000**	**Non-controlling interest USD'000**	**Total Equity Holders USD'000**
Balance as at 1 July 2018	**328,394**	**(14,811)**	**1,780**	**-**	**(36,245)**	**(3,940)**	**275,178**
Profit for the period	-	-	-	-	20,643	307	20,950
Other comprehensive expense for the period	-	-	(1,290)	-	-	-	(1,290)
Total comprehensive income	**-**	**-**	**(1,290)**	**-**	**20,643**	**307**	**19,660**
Ordinary shares issued	132,094	-	-	-	-	-	132,094
Ordinary shares issue expenses	(10,666)	-	-	-	-	-	(10,666)
Transfer to antecedent dividend reserve	(6,580)	-	-	6,580	-	-	-
Ordinary dividends paid	-	-	-	(5,653)	(13,096)	-	(18,749)
Share based payments	-	-	-	-	(78)	-	(78)

Minority interest acquired through effective control	-	-	-	-	-	20,288	20,288
Balance as at 31 December 2018	**443,242**	**(14,811)**	**490**	**927**	**(28,776)**	**16,655**	**417,727**
Balance as at 1 July 2019							
- As previously reported	443,259	(18,406)	(36)	-	(34,869)	4,581	394,529
- Adoption of IFRS 16	-	-	-	-	(52)	-	(52)
Restated total equity at the beginning of the financial year	**443,259**	**(18,406)**	**(36)**	**-**	**(34,921)**	**4,581**	**394,477**
Profit for the period	-	-	-	-	13,130	(1,429)	11,701
Other comprehensive expense for the period	-	-	(1,406)	-	-	-	(1,406)
Total comprehensive income	**-**	**-**	**(1,406)**	**-**	**13,130**	**(1,429)**	**10,295**
Share based payments	-	-	-	-	90	-	90
Ordinary dividends paid	-	-	-	-	(20,600)	-	(20,600)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(581)	(581)
Ordinary shares issued	11,710	-	-	-	-	-	11,710
Antecedent dividend reserve	(418)	-	-	418	-	-	-
Share issue expenses	(404)	-	-	-	-	-	(404)
Balance as at 31 December 2019	**454,147**	**(18,406)**	**(1,442)**	**418**	**(42,301)**	**2,571**	**394,987**

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

This abridged consolidated interim financial information (financial statements) for the six months ended 31 December 2019 has been prepared on a going concern basis and in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and IAS 34 'Interim Financial Reporting' as issued by the IASB, the JSE , LSE and SEM Listings Requirements; the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Securities Act of Mauritius 2005.

In order to satisfy themselves that the Group has adequate resources to continue in operational existence for the foreseeable future, the Directors have reviewed an 18-month cash flow target includes assumptions about future trading performance and debt requirements, and an assessment of the potential impact of significant changes to those cash flows. This, together with available market information, headroom under the financial covenants, and experience of the Group's property portfolio and markets, has given the Directors sufficient confidence to adopt the going concern basis in preparing the financial statements.
The abridged consolidated interim financial information does not comprise statutory accounts. Statutory accounts for the year ended 30 June 2019, presented in accordance with International Financial Reporting Standards ("IFRS"), were approved by the Board of Directors on 30 September 2019 and delivered to the Registrar of Companies in Mauritius. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph. The abridged consolidated interim financial information should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2019. This abridged consolidated interim financial information was approved Board of Directors on 13 February 2020. The abridged consolidated interim financial information has not been reviewed or reported on by the Group's auditors.

Significant Judgements

The preparation of these financial statements requires the Board to make judgements, assumptions and estimates that affect amounts reported in the Statement of Comprehensive Income and Balance Sheet. The directors consider the valuation of investment property to be a critical estimate because of the level of complexity, judgement or estimation involved and its impact on the financial statements. This is consistent with the financial statements for the previous year end. Full disclosure of the critical judgements, assumptions and estimates is included in the 2019 financial statements and there has been no change in the judgements, assumptions and estimates as per the 2019 financial statements with the exception of the accounting treatment of LLR below and IFRS16.

The principle area where such judgement has been made was:

Acquisition of LLR

Grit increased its stake in LLR from 6.25% to 30.0%.

On 20 November 2019 Grit announced the acquisition of an additional 23.75% interest in Botswana Stock Exchange listed Letlole La Rona Limited (LLR) from the Botswana Development Corporation (“**BDC**”).

Through this transaction, Grit increased its stake in LLR from 6.25% to a strategic 30.0% and is expected to unlock a strategic partnership with BDC as both an institutional investor in Grit and a potential co-investor in direct property opportunities throughout Africa.

The purchase consideration was settled through the issuance of 9,839,511 new Grit shares to BDC on 28 November 2019. The swap ratio was determined using our most recently reported EPRA NAV per share, less dividend declared, of USD 140 cps.

The transaction for the 9,839,511 shares was recorded at the ruling share price of the day of USD1.19, resulting in the acquisition being recorded at USD11.7 million. The difference between the agreed transaction price of USD13.8 million has resulted in a gain of USD2.1 million.

In determining the fair value of the investment at the acquisition date, Grit conducted an analysis of the volume and frequency of the share trades of LLR on the Botswanan Stock Exchange (including an analysis of the free float of the shareholder base of LLR) in order to determine whether the shares were traded in an active market and concluded that the share was not traded with sufficient volume nor frequency to support the conditions of an active market. As the share price was not indicative as a proxy for fair value, the Company has concluded the best mechanism would be Net Asset Value based on the latest available independent valuations (which were conducted by Knight Frank as part of the 30 June 2019 financial year end of LLR). This determination of fair value of LLR is consistent with the Group’s accounting policy and fair value determination of other associates and joint ventures within the group.

Judgements in respect of new accounting standards have been considered further below:

2. Changes in accounting policies

The abridged consolidated interim financial information has been prepared on the basis of the accounting policies, significant judgements, key assumptions and estimates as set out in the notes to the Group’s annual financial statements for the year ended 30 June 2019, as amended where relevant to reflect the new standards, amendments and interpretations which became effective in the period which are detailed below.

New accounting standards and interpretations

The following amendment to an existing Standard was relevant to the Group and mandatory for the first time for the financial year beginning 1 July 2019:

Standard or Interpretation	Effective from
IFRS 16 Leases	01-Jan-19
IFRIC 23 Uncertainty Over Income Tax Treatments	01-Jan-19
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	01-Jan-19
Long-term Interests in Associates and Joint Ventures (Amendment to IAS 28)	01-Jan-19
Plan Amendment, Curtailment or Settlement (Amendment to IAS 19)	01-Jan-19
Annual Improvements to IFRS Standards 2015/2017 Cycle various standards	01-Jan-19

This note explains the impact of the adoption of IFRS 16 Leases on the group’s financial statements and discloses the new accounting policies that have been applied from 1 January 2019.

The group has adopted IFRS 16 retrospectively from 1 July 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 July 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 6.00%.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

USD'000

Operating lease payments at 30 June 2019	**(226)**
Discounted using the lessee's incremental borrowing rate of at date of initial application	**76**
Add: finance lease liabilities recognised as at 30 June 2019	**1,296**
Lease liability recognised as at 1 July 2019	**1,146**
Of which are:	
Current lease liabilities	**158**
Non-current lease liabilities	**988**
Lease liability recognised as at 1 July 2019	**1,146**

The associated right-of-use assets for property and motor vehicle leases were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The recognised right-of-use assets relate to the following types of assets:

	31-Dec-19	**01-Jul-19**
	USD'000	**USD'000**
Office	**928**	1,011
Motor vehicles	**72**	83
Total right of Use	**1,000**	1,094

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

	01-Jul-19
	USD'000
Right of use of assets (Included inintangible assets) - increase	**1,094**
Lease liabilities (Included inObligations under leases) - increase	**1,146**
Impact on retained earnings - decrease	**52**

Impact on segment disclosures
Adjusted Profit after taxation, segment assets and segment liabilities for June 2019 as a result of the change in accounting policy is displayed below. Lease liabilities are now included in segment liabilities, whereas finance lease liabilities were previously excluded from segment liabilities. The following segments were affected by the change in policy:

Segment	**Adjusted Profit after taxation USD'000**	**Segment assets USD'000**	**Segment liabilities USD'000**
Corporate	Decrease - 49	Increase - 1,044	Increase - 1,146
Geographical	**Adjusted Profit after taxation USD'000**	**Segment assets USD'000**	**Segment liabilities USD'000**
Mauritius	Decrease - 49	Increase - 1,044	Increase - 1,146

(ii) Practical expedients applied
In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics

- reliance on previous assessments on whether leases are onerous
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The group has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

The group's leasing activities and how these are accounted for
The group leases an office and motor vehicles. Rental contracts are typically made for fixed periods of 5 to 7 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Critical judgements in determining the lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Management is of the opinion that the lease term will not be extended at the expiry date of the current lease. For the current reporting period there is no indication that the lease term will be terminated earlier. The accounting treatment determining the lease liability and the right of use of asset is therefore calculated using the current lease term per the contract.

Lessor accounting
There was no change to lessor accounting applied by the group as a result of IFRS 16.

Segmental information
IFRS 8 requires operating segments to be reported in a manner consistent with the internal financial reporting reviewed by the chief operating decision maker. The chief operating decision maker of the Group is the Board. The Board is responsible for reviewing the Group's internal reporting in order to assess performance. The information reviewed by the Board is prepared on a basis consistent with these financial statements. That is, the information is provided at a Group level and includes both the IFRS reported results and EPRA measures. Refer to note 11 for segmental reporting.

	As at	As at

3. Investment properties	31-Dec-19 USD'000	30-Jun-19 USD'000
Net carrying value of properties excluding straight-line rental income accrual	**595,965**	**573,664**
Movement for the period excluding straight-line rental income accrual		
Investment property at the beginning of the year	567,731	376,723
Acquisitions of investment properties	-	94,254
Transfer from joint venture	-	75,400
Other capital expenditure and construction	23,503	8,484
Foreign currency translation differences	(1,517)	(2,767)
Revaluation of properties at end of period	3,011	21,363
Contractual receipts from vendors of investment properties (reduction in purchase price)	(2,525)	(5,726)
As at period end	**590,203**	**567,731**
Reconciliation to consolidated statement of financial position and valuations		
Investment properties carrying amount per above	590,203	567,731
Straight-line rental income accrual	5,762	5,933
Total valuation of properties	**595,965**	**573,664**
Reconciliation to Property Valuation		
Investment Property (disclosed on balance sheet)	595,965	573,664
Lease incentives (disclosed under Current Assets)	3,071	2,505
Right of use of land (disclosed under intangible assets)	464	478
Furniture and Fittings (disclosed under Property, plant and equipment)	-	209
Total valuation of investment properties directly held by the Group	**599,500**	**576,856**

Investment property pledged as security

Mozambican investment properties with a market value of USD312.0 million are mortgaged to Standard Bank of South Africa to secure debt facilities amounting to USD126.0 million and Bank of China to secure debt facilities amounting to USD13.3 million. (June 2019: Mozambican investment properties with a market value of USD287.9 million were mortgaged to Standard Bank of Mozambique to secure debt facilities amounting to USD10.5 million, Standard Bank of South Africa to secure debt facilities amounting to USD77.2 million, Standard Bank Mauritius USD10.1 million and Banco Unico of Mozambique to secure debt facilities amounting to USD2.7 million and Bank of China to secure debt facilities amounting to USD13.3 million)

Moroccan investment properties with a market value of USD109.2 million (June 2019: USD106.7 million) are mortgaged to Investec South Africa to secure debt facilities amounting to USD44.5 million (June 2019: USD45.1 million).

Mauritian investment properties with a market value of USD67.8 million (June 2019: USD68.4 million) are mortgaged to Barclays Bank of Mauritius to secure debt facilities amounting to USD7.1 million (June 2019: USD7.2 million) and State Bank of Mauritius to secure debt facilities amounting to USD24.9 million (June 2019: USD25.4 million).

Kenyan investment properties with a market value of USD24.4 million (June 2019: USD23.4 million) are mortgaged to Bank of China to secure debt facilities amounting to USD8.6 million (June 2019: USD8.5 million).

Zambian investment properties with a gross market value of USD163.9 million (June 2019: USD168.4 million) are mortgaged to Bank of China to secure debt facilities amounting to USD76.4 million (June 2019: USD76.4 million). This includes the properties of Cosmopolitan Shopping Centre and Kafubu Mall that is disclosed within Investments in associates and joint ventures. The Group's share of these properties are disclosed within note 4 as well as in the table below.

Summary of valuations by reporting date	Most recent independent valuation date	Valuer (for the most recent valuation)	Sector	Country	As at 31-Dec-19 USD'000	As at 30-Jun-19 USD'000
Commodity House Phase I building	31-Dec-19	REC	Office	Mozambique	46,953	46,236
Commodity House Phase II building	31-Dec-19	REC	Office	Mozambique	19,266	17,200

Hollard Building	31-Dec-19	REC	Office	Mozambique	21,279	20,800
Vodacom Building	31-Dec-19	REC	Office	Mozambique	48,279	48,101
Zimpeto Square	31-Dec-19	REC	Retail	Mozambique	6,625	7,616
Bollore Warehouse	31-Dec-19	REC	Light industrial	Mozambique	6,699	6,800
Barclays House	31-Dec-19	Knight Frank	Office	Mauritius	14,699	14,312
AnfaPlace Mall	31-Dec-19	Knight Frank	Retail	Morocco	109,201	106,145
Tamassa Resort	31-Dec-19	Knight Frank	Hospitality	Mauritius	53,080	54,100
VDE Housing Estate	31-Dec-19	REC	Accommodation	Mozambique	72,074	49,900
Imperial Distribution Centre	31-Dec-19	Knight Frank	Light industrial	Kenya	21,140	20,200
Mara Viwandani	31-Dec-19	Knight Frank	Light industrial	Kenya	3,250	3,250
Mall de Tete	31-Dec-19	REC	Retail	Mozambique	23,696	25,416
Acacia Estate	31-Dec-19	REC	Accommodation	Mozambique	67,159	65,800
5th Avenue Building	31-Dec-19	Knight Frank	Office	Ghana	22,080	21,880
Mukuba Mall	31-Dec-19	Knight Frank	Retail	Zambia	64,020	69,100
Total valuation of investment properties directly held by the Group					**599,500**	**576,856**
Deposits paid on Imperial Distribution Centre Phase 2					5,500	5,500
Deposits paid on Capital Place Limited					3,000	3,000
Total deposits paid on investment properties					**8,500**	**8,500**
Total carrying value of investment properties including deposits paid					**608,000**	**585,356**

Investment properties held within associates and joint ventures - Group share						
Buffalo Mall - Buffalo Mall Naivasha Limited (50%)	31-Dec-19	Knight Frank	Retail	Kenya	6,825	5,449
Kafubu Mall - Kafubu Mall Limited (50%)	31-Dec-19	Knight Frank	Retail	Zambia	11,320	12,300
CADS II Building - CADS Developers Limited (50%)	31-Dec-19	Knight Frank	Office	Ghana	18,275	18,230
Cosmopolitan Shopping Centre - Cosmopolitan Shopping Centre Limited (50%)	31-Dec-19	Knight Frank	Retail	Zambia	37,935	37,350
Canonniers, Mauricia and Victoria Resorts and Spas - Beachcomber Hospitality (44.42%)	31-Dec-19	Knight Frank	Hospitality	Mauritius	98,464	98,736
Capital Place - Capital Place Limited (47.5%)	31-Dec-19	Knight Frank	Office	Ghana	11,148	11,714
Letlole La Rona Limited (30%) - 15 Investment properties	30-Jun-19	Knight Frank	Light industrial	Botswana	12,987	-
Letlole La Rona Limited (30%) - 1 Investment property	30-Jun-19	Knight Frank	Hospitality	Botswana	206	-
Letlole La Rona Limited (30%) - 2 Investment properties	30-Jun-19	Knight Frank	Retail	Botswana	5,292	-
Letlole La Rona Limited (30%) - 1 Investment property	30-Jun-19	Knight Frank	Office	Botswana	1,326	-
Letlole La Rona Limited (30%) - 1 Investment property	30-Jun-19	Knight Frank	Accommodation	Botswana	1,301	-
Gateway Delta Development Holdings Limited (19.98%) – 2 Investments	31-Dec-19	Directors' valuation	Other investments	Mauritius	3,143	-
Total of investment properties acquired through associates and joint ventures					**208,222**	**183,779**
Total portfolio					**816,222**	**769,135**

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

For this interim reporting period, all investment properties have been valued by reputable RICS accredited valuation experts who have sufficient expertise in the jurisdictions where the properties are located with the exception of Gateway Delta Development Holdings Limited for which a directors'valuation was used.

The Group used the 30 June 2019 Knight Frank valuations for the Letlole La Rona Limited portfolio for the interim reporting period.

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

In respect of the Mozambican investment properties, independent valuations were performed at 31 December 2019 by REC, Chartered Surveyors, using the discounted cash flow method and the best use method.

The remainder of the portfolio were independently valued at 31 December 2019 by Knight Frank, Chartered Surveyors, using the discounted cash flow method.

4. Investments in associates and joint ventures			**As at 31-Dec-19 USD'000**	**As at 30-Jun-19 USD'000**
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**		
Kafubu Mall Limited[1]	Zambia	50.00%	11,141	12,089
Cosmopolitan Shopping Centre Limited[1]	Zambia	50.00%	38,038	37,301
CADS Developers Limited[1]	Ghana	50.00%	11,108	11,366
Carrying value of joint ventures			**60,287**	**60,756**
Name of associate	**Country**	**% held**		
Letlole La Rona Limited	Botswana	30.00%	20,311	-
Buffalo Mall Naivasha Limited	Kenya	50.00%	5,028	3,610
Gateway Delta Development Holdings Limited	Mauritius	19.98%	7,103	6,925
Capital Place Limited	Ghana	47.50%	8,415	8,687
Beachcomber Hospitality Investments Limited	Mauritius	44.42%	70,263	70,627
Carrying value of associates			**111,120**	**89,849**
Joint Ventures			60,287	60,756
Associates			111,120	89,849
Total carrying value of associates and joint ventures			**171,407**	**150,605**

[1] The joint ventures were incorrectly classified as associates in the prior period and has been restated in the current year. This was correctly reclassified on the June 2019 financial statements. This change has no impact on numbers presented.

	Letlole La Rona Limited USD'000	**Kafubu Mall Limited USD'000**	**Beachcomber Hospitality Investments Limited USD'000**	**Capital Place Limited USD'000**	**Gateway Delta Development Holdings Limited USD'000**	**CADS Developers Limited USD'000**	**Cosmopolitan Shopping Centre Limited USD'000**	**Buffalo Mall Naivasha Limited USD'000**	**Total USD'000**
Reconciliation to carrying value in associates and joint ventures									
Opening Balance 1 July 2019	-	12,089	70,627	8,687	6,925	11,366	37,301	3,610	**150,605**
Acquired during the period	15,324	-	-	-	-	-	-	-	**15,324**
Profit / (losses) from associates and joint ventures									
- Gross rental income	210	527	3,247	566	106	763	1,572	267	**7,258**
- Straight-line rental income accrual	-	-	119	-	-	-	-	-	**119**
- Property operating expenses	(41)	(113)	(12)	(86)	-	(18)	(265)	(100)	**(635)**

- Admin expenses and recoveries	(3)	(3)	2	(30)	(160)	(3)	27	(5)	**(175)**
- Fair value adjustment on other investments	-	-	-	-	129	-	-	-	**129**
- Unrealised foreign exchange gains/(losses)	-	(417)	3	6	-	-	2	(5)	**(411)**
- Realisation of profits on acquisition	2,066	-	-	-	-	-	-	-	**2,066**
- Investment at fair value	3,290	-	-	-	-	-	-	-	**3,290**
- Finance Charges	(20)	(3)	(540)	(163)	(102)	(296)	1	(115)	**(1,238)**
- Fair value movement on Investment Property	-	(182)	1,276	(565)	-	45	585	1,376	**2,535**
- Current tax	(6)	(25)	(13)	-	(9)	-	-	-	**(53)**
- Deferred tax	53	-	(348)	-	-	-	-	-	**(295)**
Total profits from associates and joint ventures	**5,549**	**(216)**	**3,734**	**(272)**	**(36)**	**491**	**1,922**	**1,418**	**12,590**
Dividends received and interest received	(562)	-	(2,906)	-	-	-	(1,185)	-	**(4,653)**
Anfa profit in Gateway Delta	-	-	-	-	214	-	-	-	**214**
Repayment of proportionate shareholders loan	-	(361)	-	-	-	(749)	-	-	**(1,110)**
Foreign currency translation differences	-	(371)	(1,192)	-	-	-	-	-	**(1,563)**
Carrying value of associates and joint ventures	**20,311**	**11,141**	**70,263**	**8,415**	**7,103**	**11,108**	**38,038**	**5,028**	**171,407**

Investment in the period ended 31 December 2019

On 20 November 2019 Grit announced the acquisition of an additional 23.75% interest in Botswana Stock Exchange listed Letlole La Rona Limited (LLR) from the Botswana Development Corporation ("**BDC**").

Through this transaction, Grit increased its stake in LLR from 6.25% to a strategic 30.0% and is expected to unlock a strategic partnership with BDC as both an institutional investor in Grit and a potential co-investor in direct property opportunities throughout Africa.

The purchase consideration was settled through the issuance of 9,839,511 new Grit shares to BDC on 28 November 2019. The swap ratio was determined using our most recently reported EPRA NAV per share, less dividend declared, of USD 140 cps.

The transaction for the 9,839,511 shares was recorded at the ruling share price of the day of USD1.19, resulting in the acquisition being recorded at USD11.7 million. The difference between the agreed transaction price of USD13.8 million has resulted in a gain of USD2.1 million.

In determining the fair value of the investment at the acquisition date, Grit conducted an analysis of the volume and frequency of the share trades of LLR on the Botswanan Stock Exchange (including an analysis of the free float of the shareholder base of LLR) in order to determine whether the shares were traded in an active market and concluded that the share was not traded with sufficient volume nor frequency to support the conditions of an active market. As the share price was not indicative as a proxy for fair value, the Company has concluded the best mechanism would be Net Asset Value based on the latest available independent valuations (which were conducted by Knight Frank as part of the 30 June 2019 financial year end of LLR). This determination of fair value of LLR is consistent with the Group's accounting policy and fair value determination of other associates within the group.

In the prior period in Letlole La Rona Limited was classified as Other Investments as our stake was only 6.25% in the entity. With the increase of our shareholding to 30% this was subsequently reclassified to Investment in Associates and Joint Ventures.

5. Other investments	**As at 31-Dec-19 USD'000**	**As at 30-Jun-19 USD'000**
Balance at the beginning of the period	3,024	4,154

Additions	1	-
Reclassification to Investments in associates and joint ventures	(3,615)	(335)
Fair value adjustments recognised in profit or loss	591	(795)
Total	**1**	**3,024**

Level 1 investment comprise listed equity investment valued at market prices. If all significant inputs required to fair value an investment are observable, the investment is included in level 2. If one or more of the significant inputs are not based on observable market data, the investment is included in level 3.

Letlole La Rona Limited was reclassified from other investments to investments in associates and joint ventures after increasing the shareholding from 6.25% to 30% in the current period.

6. Other loans receivable	**As at 31-Dec-19 USD'000**	**As at 30-Jun-19 USD'000**
Ndola Investments Limited	5,073	5,073
Paxton Investments Limited	-	25
Kitwe Copperbelt Limited	5,577	5,577
Syngenta Limited	18,690	18,690
IFRS 9 - Impairment on financial assets (ECL)	(50)	(139)
As at 31 December	**29,290**	**29,226**

7. Interest-bearing borrowings	**As at 31-Dec-19 USD'000**	**As at 30-Jun-19 USD'000**
Non-current liabilities		
At amortised cost	369,069	163,738
Current liabilities		
At amortised cost	15,043	182,359
	384,112	**346,097**
Currency of the interest-bearing borrowings (stated gross of unamortised loan issue costs)		
United States Dollars	271,022	214,345
Euros	117,766	131,561
Mozambican Meticais	-	2,658
	388,788	**348,564**
Unamortised loan issue costs	(4,676)	(2,467)
As at period end	**384,112**	**346,097**
Movement for the period		
Balance at the beginning of the year	346,097	306,144
Proceeds of interest bearing-borrowings	154,500	147,275
Loan issue costs incurred	(3,044)	(2,670)
Amortisation of loan issue costs	835	1,785
Foreign currency translation differences	(2,237)	(1,529)
Debt settled during the year	(112,039)	(104,908)
As at period end	**384,112**	**346,097**

Analysis of facilities and loans in issue

	As at	**As at**

Lender	Borrower	Initial facility	31-Dec-19 USD'000	30-Jun-19 USD'000
Financial institutions				
Standard Bank Mozambique	S&C Immobiliaria Limitada	USD10.4m	-	10,451
Standard Bank South Africa	Sal Investments Holdings Limited	USD12.0m	-	12,000
Standard Bank South Africa	Commotor Limitada	USD38.0m	-	38,000
Standard Bank South Africa	Commotor Limitada	USD140.0m	126,000	-
Standard Bank South Africa	Cognis 1 Limitada	USD28.0m	-	27,239
Standard Bank South Africa	Grit Services Limited	RCF - EUR26.5m	29,619	30,128
Standard Bank (Mauritius) Limited	Transformers Holdings Limited	USD11.7m	-	10,110
Total Standard Bank Group			**155,619**	**127,928**
Bank of China	Warehously Limited	USD8.5m	8,555	8,555
Bank of China	Gerania Limited	USD13.3m	13,300	13,300
Bank of China	Zambian Property Holdings Limited	USD77.0m	76,405	76,405
Total Bank of China			**98,260**	**98,260**
State Bank of Mauritius	Leisure Property Northern (Mauritius) Limited	EUR9.0m	10,059	10,395
State Bank of Mauritius	Leisure Property Northern (Mauritius) Limited	EUR3.2m	3,577	3,474
State Bank of Mauritius	Mara Delta Properties Mauritius Limited	EUR22.3m	24,925	25,353
State Bank of Mauritius	Grit Real Estate Income Group Limited	Equity Bridge USD20.0m	20,000	-
State Bank of Mauritius	Grit Real Estate Income Group Limited	RCF USD20.0m	-	11,115
Total State Bank of Mauritius			**58,561**	**50,337**
Investec South Africa	Freedom Property Fund SARL	EUR36.0m	35,683	36,198
Investec South Africa	Freedom Property Fund SARL	USD15.7m	8,860	8,860
Investec Mauritius	Grit Real Estate Income Group Limited	USD0.5m	402	425
Total Investec Group			**44,945**	**45,483**
Barclays Bank Mauritius	BH Property Investment Limited	EUR7.4m	7,054	7,174
Barclays Bank Ghana Limited	Grit Accra Limited	USD9.0m	9,000	9,000
Total Barclays Group			**16,054**	**16,174**
Maubank Mauritius	Grit Real Estate Income Group Limited	USD3.7m	3,628	3,691
Maubank Mauritius	Freedom Asset Management	USD4.0m	3,221	4,033
Total Maubank			**6,849**	**7,724**
ABC Banking Corporation	Grit Services Limited	Equity bridge USD 8.5m	8,500	-
Total ABC Banking Corporation			**8,500**	**-**
Bank Unico of Mozambique	Zimpeto Immobiliaria Limitada	MZN182.7m	-	2,658
Total loans in issue			**388,788**	**348,564**
less: unamortised loan issue costs			(4,676)	(2,467)
As at period end			**384,112**	**346,097**

The Group raised USD154.5 million of debt in the period to fund acquisitions and refinance debt facilities (USD112.0 million repaid in the period and USD13.3 million repaid in early January 2020). As financing is integral to our business model, the Group has continued to develop strong relationships with financiers. The multi-bank approach adopted by Grit has continued, with the main banking partners being Bank of China, Standard Bank, ABSA Bank and SBM (Mauritius) Ltd. The breakdown of the interest-bearing borrowings is listed in note 7.

The Group's loan-to-value ("LTV") has increased to 43.9% in six months ended December 2019 (30 June 2019: 43.1%).

The average 3-month USD LIBOR rates decreased from 2.46% for the 6 months to June 2019 to 1.90% for the 6 months to 31 December 2019. The 0.56% decrease in USD LIBOR rates in the period resulted in the Group's WACD decreasing to an average of 6.07% (December 2018: 6.31%). With the finalisation of the Mozambique refinancing programme, the weighted average forward rate is 5.98%.

Included in the total USD 154.5 raise is the Mozambique refinancing program that comprises USD140 million, of which USD126 million was paid out at reporting date in order to settle the existing Mozambican facilities of USD97.8 million and a further USD13.3 million after the reporting period as well as acquisition costs for the Vale units in Tete and facility fees. The terms of new facility will result in reduced cost of funding over the Mozambican portfolio over its four-year tenor carrying interest of 3-month LIBOR plus a margin of 5%.

Two new corporate term loans were secured being USD20 million from SBM and USD8.5 million from Bank ABC which were utilised to settle the Revolving Credit Facility held with SBM and the overdraft facility held with Bank ABC respectively.

This has contributed to the increase in the debt expiry profile and the decrease of the current portion of the interest-bearing borrowings.

8. Revenue	Six months ended 31-Dec-19 USD'000	Six months ended 31-Dec-18 USD'000
Contractual rental income	19,802	15,450
Retail parking income	809	791
Recoverable property expenses	3,665	2,492
Total revenue	**24,276**	**18,733**

None of the revenue recognised in the current year reporting period relates to carried forward contract liabilities and to performance obligations that were satisfied in a prior period.

Contractual rental income included within deferred revenue in the prior period has been fully recognised as revenue in the current period. The recoverable property expenses were recognised in the group income statement in accordance with the delivery of services.

There was no change to lessor accounting applied by the group as a result of IFRS 16.

9. Interest income	Six months ended 31-Dec-19 USD'000	Six months ended 31-Dec-18 USD'000
Bank interest receivable	12	121
Interest on loans to partners	969	5,009
Interest on loans to related parties	1,001	30
Interest on property deposits paid	278	1,399
Interest on convertible shareholder loans	-	110
Interest on tenant rental arrears and penalty interest	106	-
	2,366	**6,669**

10. Finance costs	Six months ended 31-Dec-19 USD'000	Six months ended 31-Dec-18 USD'000
Interest-bearing borrowings - financial institutions	11,268	9,445
Amortisation of loan issue costs	835	614
Preference share dividends	402	401
Interest on finance leases	37	-
Finance costs expensed related to capital projects	53	-

Interest on bank overdraft	10	149
Other interest payable	-	390
	12,605	**10,999**

11. Segmental reporting

Consolidated segmental analysis	**Botswana**	**Morocco**	**Mozambique**	**Zambia**	**Kenya**	**Ghana**	**Mauritius**	**Total**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Geographical location 31 December 2019 - USD'000								
Gross rental income	**-**	**3,959**	**13,266**	**2,798**	**811**	**1,038**	**2,404**	**24,276**
Straight-line rental income accrual	**-**	**(165)**	**(290)**	**-**	**158**	**15**	**111**	**(171)**
Revenue	**-**	**3,794**	**12,976**	**2,798**	**969**	**1,053**	**2,515**	**24,105**
Property operating expenses	**-**	**(3,389)**	**(2,155)**	**(398)**	**(24)**	**(244)**	**(74)**	**(6,284)**
Net property income	**-**	**405**	**10,821**	**2,400**	**945**	**809**	**2,441**	**17,821**
Other income	**-**	**118**	**-**	**18**	**-**	**2**	**2,820**	**2,958**
Administrative expenses (including corporate structuring costs)	**-**	**(849)**	**(759)**	**(17)**	**(24)**	**(255)**	**(8,126)**	**(10,030)**
Profit/(loss) from operations	**-**	**(326)**	**10,062**	**2,401**	**921**	**556**	**(2,865)**	**10,749**
Fair value adjustment on investment properties	**-**	**(6,512)**	**12,082**	**(5,080)**	**782**	**34**	**1,705**	**3,011**
Fair value adjustment on other investments	**591**	**-**	**-**	**-**	**-**	**-**	**-**	**591**
Fair value adjustment on other financial liability	**-**	**-**	**-**	**-**	**-**	**-**	**(552)**	**(552)**
Fair value adjustment on derivatives financial instruments	**-**	**-**	**-**	**-**	**-**	**-**	**136**	**136**
Share based payment expense	**-**	**-**	**-**	**-**	**-**	**-**	**(90)**	**(90)**
Share of profits from associates and joint ventures	**5,549**	**-**	**-**	**1,707**	**1,418**	**219**	**3,697**	**12,590**
Impairment of loans	**-**	**-**	**-**	**-**	**-**	**-**	**(904)**	**(904)**
ECL Provision	**-**	**326**	**(11)**	**(1)**	**-**	**1**	**(533)**	**(218)**
Foreign currency (losses) / gains	**-**	**336**	**(230)**	**6**	**2**	**(48)**	**(58)**	**8**
Profit/(loss) before interest and taxation	**6,140**	**(6,176)**	**21,903**	**(967)**	**3,123**	**762**	**536**	**25,321**
Interest income	**-**	**(664)**	**88**	**3**	**(107)**	**(469)**	**3,515**	**2,366**
Finance costs	**-**	**(982)**	**(3,571)**	**-**	**(328)**	**(389)**	**(7,335)**	**(12,605)**
Profit/(loss) for the period before tax	**6,140**	**(7,822)**	**18,420**	**(964)**	**2,688**	**(96)**	**(3,284)**	**15,082**
Taxation	**-**	**1,776**	**(3,580)**	**-**	**(276)**	**96**	**(1,397)**	**(3,381)**
Profit/(loss) for the period	**6,140**	**(6,046)**	**14,840**	**(964)**	**2,412**	**-**	**(4,681)**	**11,701**
Reportable segment assets and liabilities								
Non-current assets								
Investment properties	**-**	**107,225**	**311,180**	**64,020**	**24,390**	**21,843**	**67,307**	**595,965**
Deposits paid on investment properties	**-**	**-**	**-**	**-**	**-**	**-**	**8,500**	**8,500**
Property, plant and equipment	**-**	**43**	**374**	**-**	**-**	**30**	**1,675**	**2,122**
Intangible assets	**-**	**59**	**-**	**-**	**-**	**-**	**1,566**	**1,625**
Other investments	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**1**
Investment in associates and joint ventures	**20,311**	**-**	**-**	**49,179**	**5,028**	**19,523**	**77,366**	**171,407**
Related party loans receivable	**-**	**-**	**-**	**-**	**-**	**-**	**12,477**	**12,477**
Other loans receivable	**-**	**-**	**-**	**-**	**-**	**-**	**29,290**	**29,290**
Deferred tax	**-**	**6,393**	**12,819**	**-**	**537**	**370**	**2,782**	**22,901**
Total non-current assets	**20,311**	**113,720**	**324,374**	**113,199**	**29,955**	**41,766**	**200,963**	**844,288**
Current assets								

Trade and other receivables	**-**	**11,658**	**7,114**	**(8)**	**2,343**	**340**	**17,811**	**39,258**
Current tax refundable	**-**	**-**	**740**	**-**	**-**	**-**	**29**	**769**
Related party loans receivable	**-**	**-**	**-**	**-**	**-**	**-**	**2,693**	**2,693**
Derivative financial instruments	**-**	**-**	**-**	**-**	**-**	**-**	**127**	**127**
Cash and cash equivalents	**-**	**147**	**8,981**	**257**	**68**	**711**	**15,381**	**25,545**
Total assets	**20,311**	**125,525**	**341,209**	**113,448**	**32,366**	**42,817**	**237,004**	**912,680**
Liabilities								
Total liabilities	**-**	**70,873**	**192,320**	**6,387**	**11,005**	**10,481**	**226,627**	**517,693**
Net assets	**20,311**	**54,652**	**148,889**	**107,061**	**21,361**	**32,336**	**10,377**	**394,987**

Consolidated segmental analysis	**Other investments**	**Hospitality**	**Retail**	**Office**	**Light industrial**	**Accommo - dation**	**Corporate**	**Total**
	USD'000	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**	**USD'000**
Type of property 31 December 2019 - USD'000								
Gross rental income	**-**	**1,834**	**8,021**	**7,340**	**1,036**	**6,045**	**-**	**24,276**
Straight-line rental income accrual	**-**	**-**	**(171)**	**(394)**	**158**	**236**	**-**	**(171)**
Revenue	**-**	**1,834**	**7,850**	**6,946**	**1,194**	**6,281**	**-**	**24,105**
Property operating expenses	**-**	**-**	**(4,650)**	**(862)**	**(35)**	**(1,000)**	**263**	**(6,284)**
Net property income	**-**	**1,834**	**3,200**	**6,084**	**1,159**	**5,281**	**263**	**17,821**
Other income	**-**	**-**	**77**	**2**	**-**	**-**	**2,879**	**2,958**
Administrative expenses (including corporate structuring costs)	**-**	**(155)**	**(882)**	**(391)**	**(40)**	**(128)**	**(8,434)**	**(10,030)**
Profit/(loss) from operations	**-**	**1,679**	**2,395**	**5,695**	**1,119**	**5,153**	**(5,292)**	**10,749**
Fair value adjustment on investment properties	**-**	**(107)**	**(11,861)**	**4,198**	**681**	**10,099**	**1**	**3,011**
Fair value adjustment on other investments	**591**	**-**	**-**	**-**	**-**	**-**	**-**	**591**
Fair value adjustment on other financial liability	**-**	**194**	**-**	**-**	**-**	**-**	**(746)**	**(552)**
Fair value adjustment on derivatives financial instruments	**-**	**-**	**-**	**8**	**-**	**-**	**128**	**136**
Share based payment expense	**-**	**-**	**-**	**-**	**-**	**-**	**(90)**	**(90)**
Share of profits from associates and joint ventures	**(36)**	**3,741**	**3,162**	**232**	**105**	**8**	**5,378**	**12,590**
Impairment of loans	**-**	**-**	**-**	**-**	**-**	**-**	**(904)**	**(904)**
ECL Provision	**-**	**1**	**326**	**(3)**	**(6)**	**(3)**	**(533)**	**(218)**
Foreign currency (losses) / gains	**-**	**(234)**	**292**	**(345)**	**39**	**62**	**194**	**8**
Profit/(loss) before interest and taxation	**555**	**5,274**	**(5,686)**	**9,785**	**1,938**	**15,319**	**(1,864)**	**25,321**
Interest income	**-**	**3**	**17**	**87**	**7**	**4**	**2,248**	**2,366**
Finance costs	**-**	**(1,252)**	**(1,151)**	**(3,282)**	**(328)**	**(669)**	**(5,923)**	**(12,605)**
Profit/(loss) for the periodbefore tax	**555**	**4,025**	**(6,820)**	**6,590**	**1,617**	**14,654**	**(5,539)**	**15,082**
Taxation	**-**	**(174)**	**4,467**	**(2,661)**	**(175)**	**(3,656)**	**(1,182)**	**(3,381)**
Profit/(loss) for the period	**555**	**3,851**	**(2,353)**	**3,929**	**1,442**	**10,998**	**(6,721)**	**11,701**
Reportable segment assets and liabilities								
Non-current assets								
Investment properties	**-**	**53,080**	**201,543**	**171,382**	**31,088**	**138,872**	**-**	**595,965**
Deposits paid on investment properties	**-**	**-**	**-**	**-**	**-**	**-**	**8,500**	**8,500**
Property, plant and equipment	**-**	**-**	**44**	**59**	**-**	**240**	**1,779**	**2,122**
Intangible assets	**-**	**-**	**57**	**464**	**-**	**-**	**1,104**	**1,625**
Other investments	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**

Investment in associates and joint ventures	**7,103**	**70,461**	**59,298**	**20,799**	**12,494**	**1,252**	**-**	**171,407**
Related party loans receivable	**-**	**-**	**-**	**-**	**-**	**-**	**12,477**	**12,477**
Other loans receivable	**-**	**-**	**-**	**-**	**-**	**-**	**29,290**	**29,290**
Deferred tax	**-**	**2,390**	**12,238**	**4,262**	**695**	**3,303**	**13**	**22,901**
Total non-current assets	**7,103**	**125,931**	**273,180**	**196,966**	**44,277**	**143,667**	**53,164**	**844,288**
Current assets								
Trade and other receivables	**-**	**477**	**11,582**	**1,804**	**2,455**	**5,675**	**17,265**	**39,258**
Current tax refundable	**-**	**-**	**35**	**453**	**139**	**41**	**101**	**769**
Related party loans receivable	**-**	**-**	**-**	**-**	**-**	**-**	**2,693**	**2,693**
Derivative financial instruments	**-**	**-**	**-**	**-**	**-**	**-**	**127**	**127**
Cash and cash equivalents	**-**	**78**	**1,445**	**8,274**	**216**	**179**	**15,353**	**25,545**
Total assets	**7,103**	**126,486**	**286,242**	**207,497**	**47,087**	**149,562**	**88,703**	**912,680**
Liabilities								
Total liabilities	**-**	**55,127**	**74,070**	**175,199**	**11,078**	**32,179**	**170,040**	**517,693**
Net assets	**7,103**	**71,359**	**212,172**	**32,298**	**36,009**	**117,383**	**(81,337)**	**394,987**

12. Subsequent events

The acquisition of Club Med Cap Skirring closed on the 27th of January 2020, through the acquisition of 100% of the equity of Société Immobiliére et de Gestion Hôteliére du cap Skirring ("SIGHC") for EUR16.2 million ("Provisional Purchase Price"), subject to an adjustment based on the final balance sheet and the related profit and loss accounts of SIGHC. On 27 January, Casamance Limited ("Casamance"), a wholly owned subsidiary of Grit paid EUR15.5 million being 96% of the Provisional Purchase Consideration, the balance of the purchase price will be settled post the audit of the completion accounts of SIGHC dated 27 January 2020. EUR6.4 million of The Provisional Purchase Price was funded through a debt facility from Bank ABC, the loan was availed to Paradise Hospitality Group (100% shareholder of Casamance), and injected into Casamance through a EUR6.4 million shareholder loan. The loan is for a 5 year term and attracts interest at Euribor (floored at zero) plus 4.6%.

Société de Gestion Touristique du Cap ("SOGETOC"), a wholly owned subsidiary of Club Med SAS signed a 12 year triple net lease with SIGHC commencing on 27 January 2020, the initial annual rent is EUR1.3 million ("Initial Rent") equating to 8% of the property value (EUR 15m) plus the pre development costs incurred up to closing (EUR1.5 million). The lease is payable quarterly in advance with an annual escalation of 66.6% of European CPI, with a collar of 1% to 2%.

Casamance also entered into an Owner Agency Agreement appointing Club Med SAS as its representative to carry out the redevelopment program at the resort which will involve the renovation and upgrade of the existing hotel, plus the addition of 122 rooms taking the resort to 326 keys. The development budget is EUR 26.5m, and guaranteed by Club Med at EUR28.0 million. Club Med will pay rent monthly during the development period of 8% of funds deployed per annum ("Development Rent"), and a final rent will be determined on completion of the redevelopment which will equate to the escalated Initial Rent plus 8% of the final project cost.

13. Company distribution calculation [1]	**Six months ended 31-Dec-19 USD'000**
Adjusted EPRA Earnings	**16,874**
Company specific distribution adjustments	
- VAT Credits utilised on rentals	304
- Interest related to AnfaPlace Mall areas under construction	53
- Depreciation and amortisation	259
- Share based payments	90
- Antecedent dividend	418

- LLR Initial day one gain	(2,066)
- Operating costs related to AnfaPlace Mall refurbishment costs	271
DISTRIBUTABLE EARNINGS TO GRIT SHAREHOLDERS	**16,203**
DISTRIBUTABLE INCOME PER SHARE (USD cps)	5.48
- Profits (withheld)/released	(678)
TOTAL DISTRIBUTABLE EARNINGS TO GRIT SHAREHOLDERS	**15,525**
TOTAL DISTRIBUTABLE INCOME PER SHARE (USD cps)	5.25

	Shares '000
Weighted average shares in issue	308,268
Less: Weighted average treasury shares for the year	(12,546)
Add: Weighted average shares vested in Long term incentive scheme	1,859
EPRA SHARES	**297,581**
Less: Vested shares in consolidated entities	**(1,859)**
DISTRIBUTION SHARES	**295,722**

Distribution declared:

Interim	USD5.25 cps

1 The distribution calculation is disclosed to provide clarity regarding the interim dividend distribution of USD5.25 per share and to reconcile 'Distributable earnings' to 'Basic Earnings attributable to the owner of the parent'.

14. EPRA financial metrics
Non-IFRS Measures
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 in order 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 and joint ventures, 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 in order 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 in order 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 aforementioned adjustments. The reconciliation for adjusted EPRA earnings is detailed in the table below; and
- total distributable earnings in order 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, interest related to Anfa Shopping Centre's areas under construction, Listing and set-up costs, depreciation and amortisation , share based payments, antecedent dividends, operating costs relating to Anfa Shopping Centre's refurbishment costs, rental concessions for capital projects/ 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 and considered pro forma financial information for the purposes of JSE Listings Requirements.

The pro forma financial information has been compiled for illustrative purposes only and is the responsibility of the Directors. Due to the nature of this information, it may not fairly present the Grit's financial position, changes in equity and results of operations or cash flows going forward. The pro forma information has been compiled in terms of the JSE Listings Requirements and the Revised Guide on Pro Forma Information by SAICA.

14. Adjusted administration expenses	**Six months ended 31-Dec-19 USD'000**	**Six months Ended 31-Dec-18 USD'000**
Administrative expenses (including corporate structuring costs)	10,030	8,223
Less Admin expenses (non-controlling interest)	(75)	(706)
Less Acquisition and setup costs	(1,130)	(2,113)
Adjusted administration expenses	**8,825**	**5,404**

14a. EPRA earnings

EPRA earnings	**Six months ended 31-Dec-19 USD'000**	**Six months Ended 31-Dec-18 USD'000**
Basic Earnings per above	11,701	20,950
Add Back:		
- Total fair value adjustment on investment properties	(486)	(12,373)
- Fair value adjustments included under income from associates and joint ventures	(2,535)	(1,925)
- ECL Provision	218	-
- Fair value adjustment on other investments	(591)	(26)
- Fair value adjustment on other financial asset	552	-
- Fair value adjustment on derivative financial instruments	(136)	-
- Deferred tax in relation to the above	1,041	4,331
- Acquisition costs not capitalised	1,131	2,007
- Non-controlling interest included in basic earnings	1,427	(307)
EPRA EARNINGS	**12,322**	**12,657**
EPRA EARNINGS PER SHARE (DILUTED)	4.14	4.04
Company specific adjustments		
- Unrealised foreign exchange gains or losses	403	4,213
- Straight-line leasing and amortisation of lease premiums (non-cash rental)	1,867	(642)
- Amortisation of Right of use of land (non-cash)	-	167
- Impairment of loan	904	-
- Deferred tax in relation to the above	1,378	-
Total Company Specific adjustments	**4,552**	**3,737**
ADJUSTED EPRA EARNINGS	**16,874**	**16,394**
ADJUSTED EPRA EARNINGS PER SHARE (DILUTED)USD cps	5.67	5.36

	Shares '000	**Shares '000**
Weighted average shares in issue	308,224	291,971
Less: Non-entitled shares	-	(4,301)
Less: Weighted average treasury shares for the period	(12,546)	(9,940)
Add: Weighted average share awards and shares vested shares in Long term incentive scheme	1,859	1,943

EPRA SHARES	**297,537**	**279,673**

14b. EPRA NAV	**As at 31-Dec-19 USD'000**	**As at 30-Jun-19 USD'000**
NET ASSET VALUE OF THE GROUP	392,416	389,949
ADD BACK:		
Fair value of financial instruments	(93)	43
Net impairment on financial assets (ECL)	766	548
Deferred tax from revaluation of properties	48,951	44,410
EPRA NAV	**442,040**	**434,950**
EPRA NAV PER SHARE (cents per share)	**144.7**	**147.1**

	Shares'000	**Shares'000**
Total shares in issue	316,236	306,396
Less: Treasury shares for the period	(12,546)	(12,546)
Add: Share awards and shares vested shares in Long term incentive scheme	1,859	1,859
EPRA SHARES	**305,549**	**295,709**

15. Headline Earnings	**Notes**	**Six months ended 31-Dec-19 USD'000**	**Six months Ended 31-Dec-18 USD'000**
Basic earnings		13,130	20,643
Fair value adjustments on investment property	3	(3,011)	(15,025)
Deferred taxation on investment property revaluation		1,041	4,331
Other		-	51
Share of fair value adjustment on investment property accounted by associates and joint ventures	4	(2,535)	(1,924)
Headline earnings attributable to shareholders		**8,625**	**8,076**
Weighted average number of shares *		**308,268**	**291,971**
Earnings per share		4.26	7.07
Basic and diluted earnings per share (cents)		4.26	7.07
Headline diluted earnings per share (cents)		**2.80**	**2.77**

OTHER NOTES

The abridged unaudited consolidated financial statements for the six months period ended 31 December 2019 (“abridged unaudited consolidated financial statements”)have been prepared in accordance with the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”), the JSE Listings Requirements, the LSE Listing Rules, the SEM Listing Rules and the requirements of the Mauritian Companies Act 2001. The accounting policies are consistent with those of the previous annual financial statements with the exception of the change in accounting policy and the significant judgement disclosed in note 2 and 1 respectively.

The Group is required to publish financial results for the six months ended on 31 December 2019 in terms of Listing Rule 12.19 of the SEM, the JSE Listings Requirements and the LSE Listing Rules. The Directors are not aware of any matters or circumstances arising subsequent to the period ended 31 December 2019 that require any additional disclosure or adjustment to the financial statements. These abridged unaudited consolidated financial statements were approved by the Board on 13 February 2020.

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: Mrs. Smitha Algoo-Bissonauth.

Top five shareholders for Grit as at 31 December 2019 are as follows:

Anchor shareholders (>5%)	**%**
Government Employees Pension Fund (PIC)	26.75%
Drive In Trading Proprietary Limited	7.35%
M&G Investment Management Ltd UK	5.99%
Delta Property Fund	5.49%
Management & Staff	5.23%

The Grit shareholders base is made up of LSE investors holding 28%, SEM investors holding 55% with the balance of 17% held on the JSE.

Interim dividend declaration

Shareholders are advised that dividend number 12 of USD 5.25 cents per share for the six months ended 31 December 2019 has been approved and declared by the Board of the Company. The source of the cash dividend is from rental income and cum-dividend reserve.

Salient dates and times

For shareholders on the Mauritian Register	**2020**
Announcement of cash dividend on JSE, SEM and LSE	Thursday, 13 February
Announcement of USD to Rand conversion rate released on SEM website by no later than 1:00pm	Tuesday, 25 February
Last date to trade cum dividend	Tuesday, 3 March
Shares trade ex-dividend	Wednesday, 4 March
Record date of dividend on the SEM	Friday, 6 March
Payment date of dividend	Friday, 3 April

Notes

1. All dates and times quoted above are local dates and times in Mauritius. The above dates and times are subject to change. Any changes will be released on the SEM website.
2. No dematerialisation or rematerialisation of share certificates may take place between Wednesday, 4 March 2020 and Friday, 6 March 2020, both days inclusive.
3. No transfer of shares between sub-registers in Mauritius, South Africa and the UK may take place between Tuesday, 25 February 2020 and Friday, 6 March 2020, both days inclusive.
4. Shareholders on the Mauritian sub-register who have opted to receive their dividends through bank transfer, will be paid in USD. Shareholders on the Mauritian sub-register who have opted to receive their dividends by cheque, will be provided with a MUR bank cheque, based on the USD:MUR exchange rate prevailing on the payment date, being Friday, 3 April 2020. Should the latter shareholders wish to receive their dividends through bank transfer, they are required to contact Grit's Mauritian Registrar and Transfer Agent, Intercontinental Secretarial Services Limited (email: Grit@intercontinentaltrust.com | Tel: +230 403 0800) by no later than Friday, 27 March 2020.

For shareholders on the South African Register	**2020**
Announcement of cash dividend on JSE, SEM and LSE	Thursday, 13 February
Announcement of USD to Rand conversion rate released on SENS by no later than 11:00am	Tuesday, 25 February
Last date to trade cum dividend	Tuesday, 3 March
Shares trade ex-dividend	Wednesday, 4 March
Record date of dividend on the JSE	Friday, 6 March
Payment date of dividend	Friday, 3 April

Notes

1. All dates and times quoted above are local dates and times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS.
2. No dematerialisation or rematerialisation of share certificates may take place between Wednesday, 4 March 2020 and Friday, 6 March 2020, both days inclusive.
3. No transfer of shares between sub-registers in Mauritius, South Africa and the UK may take place between Tuesday, 25 February 2020 and Friday, 6 March 2020, both days inclusive.
4. Shareholders on the South African sub-register will receive dividends in South African Rand, based on the exchange rate to be obtained by the Company on or before Tuesday, 25 February 2020. A further announcement in this regard will be made on Tuesday, 25 February 2020.

For shareholders on the UK Register	**2020**
Announcement of cash dividend on JSE, SEM and LSE	Thursday, 13 February
Announcement of USD to Rand conversion rate released on the Regulatory Information Service of the LSE by no later than 10:00am	Tuesday, 25 February
Last date to trade cum dividend	Wednesday, 4 March
Shares trade ex-dividend	Thursday, 5 March
Record date of dividend on the LSE	Friday, 6 March
Last date for receipt of currency election forms	Friday, 6 March
Payment date of dividend	Friday, 3 April

Notes

1. All dates and times quoted above are local dates and times in the UK. The above dates and times are subject to change. Any changes will be released on a Regulatory Information Service of the LSE.
2. No dematerialisation or rematerialisation of share certificates may take place between Wednesday, 4 March 2020 and Friday, 6 March 2020, both days inclusive.
3. No transfer of shares between sub-registers in Mauritius, South Africa and the UK may take place between Tuesday, 25 February 2020 and Friday, 6 March 2020, both days inclusive.
4. Shareholders on the UK sub-register will receive dividends in USD. However, shareholders can elect to have dividends paid in sterling (GBP) and the option to elect a sterling dividend payment for this dividend will be available to shareholders until Friday, 6 March 2020 (the "Election Date").
5. Further details together with a copy of the Dividend Currency Election Form, which should be sent to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU when completed, will be available on the Company's website shortly at http://grit.group/. CREST shareholders must elect via CREST.

In terms of the JSE Listings Requirements regarding Dividends Tax, the following information is only of direct application to shareholders on the South African share register, as the dividend is regarded as a foreign dividend for shareholders on the South African share register:

- the final dividend is subject to South African Dividends Tax;
- the local dividend tax rate is 20%;
- there is no withholding tax payable in Mauritius;
- the number of ordinary shares in issue is 316 235 546; and
- the Mauritian income tax reference number of the Company is 27331528.

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.