

GRIT REAL ESTATE INCOME GROUP LIMITED
(previously Mara Delta Property Holdings Limited)
(Registered by continuation in the Republic of Mauritius)
(Registration number: 128881 C1/GBL)
SEM share code: DEL.N0000
JSE share code: GTR
ISIN: MU0473N00036
("Grit" or "the Company" or with its subsidiaries "the Group")

UNAUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED
31 MARCH 2018 AND PROVISIONAL ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SEVEN MONTHS
ENDED 31 JANUARY 2018 AND PROVISIONAL ABRIDGED RESTATEMENT OF PRIOR YEARS FINANCIAL STATEMENTS IN LINE WITH THE
PROPOSED LISTING ON THE MAIN MARKET OF THE LONDON STOCK EXCHANGE

DIRECTORS' COMMENTARY

NATURE OF THE BUSINESS

Grit is a pan African property investment company focusing on African real estate assets (excluding South Africa and Namibia). The Company is underpinned by predominantly US Dollar and Euro denominated, medium to long term leases with high quality global graded tenants, delivering sustainable income and growth. The Company holds dual primary listings on the main board of the Johannesburg Stock Exchange ("JSE"), since July 2014, and on the Official Market of the Stock Exchange of Mauritius Ltd ("SEM"), since March 2015. The Company has announced a potential listing on the main market of the London Stock Exchange ("LSE Listing") which is due to take place in July 2018. The Company has seen significant growth in the portfolio, with total property related investments of US\$591m. The Company has exposure into Morocco, Mozambique, Mauritius, Kenya and Zambia. During the reporting and subsequent period, the Company entered the Botswana and Ghana markets.

The Group's strategy remains to expand its property portfolio throughout targeted countries in Africa. The Company's expansion will provide sustainable long term, hard currency-based income from high quality global graded tenants. The core focus of the Company is on enhancing shareholder value through a progressive dividend policy and long-term capital growth, which supports the target net asset value growth of the Company. The Company's sustained delivery has been attributed to the geographic and asset class diversification, low portfolio vacancy rate, long term lease profile, redevelopment opportunities and strong management expertise.

REVIEW

The financial results of the third quarter of the 2018 financial year reflects deployment of the proceeds of the recently concluded rights offer. This includes positive financial impact of the remaining assets transferred, together with the consistent performance from the current property portfolio during the quarter.

Total property related investments have increased from US\$488m in June 2017 to US\$591m in March 2018. Details of the assets acquired during this period are as follows:

- Imperial Health Sciences Logistics Warehouse located in Nairobi, Kenya transferred on 16 August 2017 (total asset value of US\$21.86m, including the adjacent vacant land);
- On 11 August 2017, following receipt of the required regulatory approvals, the Company exercised its convertible loan and was issued 44.428% of the share capital of Beachcomber Hospitality Investments Limited. (Total value of the 44.428% in the associated company is US\$65.4m, comprising primarily of three hotel assets in Mauritius valued at US\$95.8m and debt of US\$27.7m);
- On 18 August 2017, the Company acquired a minority stake in Letlole La Rona Limited, which is listed on the Botswana Stock Exchange. The investment provides an initial entry into the Botswana market and a base for developing the necessary expertise to expand investments into the country. The value of the investment is US\$3.9m; and
- During the current period, Grit has made its first investment into Ghana by paying a refundable deposit of US\$2m for the acquisition of the CADS II building situated in Accra. The building is tenanted by Tullow Oil. The total consideration for a 50% stake in the company is US\$10.7m.

All properties have been independently valued as at 31 January 2018 in preparation for the proposed LSE Listing. The Group's office, hospitality, light industrial and corporate accommodation assets have all retained value or shown favorable fair value adjustments when compared to 30 June 2017 valuations.

The retail sector in Zambia remains stable with revaluation gains recognized for all the assets. Challenging trading conditions in Kenya and Mozambique resulted in decreased values for retail assets in these countries.

In Morocco, the refurbishment project of Anfa Place Shopping Centre ("Anfa") has progressed positively beyond the planning stages (which included creation of strategic vacancies of circa 20%) to the implementation and approval stages with associated amended valuation methodology and reduced valuation during project works. Upon completion of the development project, management estimates a valuation upside. This is due to additional gross lettable area achieved on the project and improved tenancy mix and retail offering. The directors estimate that the devaluation of the property is temporary in nature and that within 18 months of the completion of the project, the following will be eliminated: the negative impact that the construction costs have on cashflow, risk weighting on discount rates and exit capitalization rates used in the discounted cashflow model utilized to value the property.

Material changes to the debt facilities were as follows:

- Bank of China advanced long-term debt of US\$37.56m for a period of five years for the acquisition of Cosmopolitan Mall in Lusaka, Zambia. The proceeds of the loan were utilized to settle the existing debt held by the vendor with Standard Bank. The loan was priced at 6 months Libor + 4.0%, which had a favorable impact on the cost of funding;
- Bank of China advanced a loan of US\$8.55m to acquire the Imperial Health Sciences Logistics Warehouse in Nairobi, Kenya. The loan was priced at 6 months Libor + 4.0%;
- As part of Grit's hedging strategy to convert the Revolving Credit Facility from USD to EUR, the Company secured a dual-currency facility from Barclays Bank Mauritius amounting to US\$20.0 million (equivalent to EUR17.1 million). The above loans attract interest at Libor + 3.5% and Euribor + 3.8% respectively; and
- In March 2018, a short-term revolving line of US\$20m was advanced from SBM Bank (Mauritius) Ltd, priced at 3 months Libor + 3.5%.

The Company continued with its multibank strategy which has had a positive impact on the weighted average cost of debt as well as mitigating potential refinance risk.

The result of the above transactions was a reduction in the weighted average cost of debt from 5.78% at 30 June 2017 to 5.68% at 31 March 2018.

The loan to value ("LTV") at 31 March 2018 was 51.13% after it normalised to 42.78% post 30 June 2017 when cash held from the capital raise was effectively deployed. The increase is attributable to further drawdowns made on acquisitions.

LSE Listing

The Company announced its intention to seek a listing on the Official List of the United Kingdom Listing Authority ("UKLA") (as a standard listing) and admission to trading on the main market for listed securities of the London Stock Exchange, on 9 April 2018. Subsequently the Company issued a circular to all shareholders to obtain the necessary approvals in relation to the raising of additional equity funding by way of the placing and offer for subscription in terms of the LSE Listing. The shareholders approved all requisite resolutions on 10 May 2018.

The Company intends to issue up to 250 million shares, subject to raising a minimum amount of US\$140m. Shares will not be issued below the net asset value ("NAV") per share as at 31 March 2018, with final pricing details to be included in the prospectus to be issued in connection with the proposed LSE Listing. All cash proceeds will be deployed in acquiring yield accretive prime real estate assets and to reduce the Company's overall LTV to below 40%.

The rationale for the main market LSE Listing, with the intention to convert to a premium listing, is as follows:

- Support the growth aspirations of Grit and to facilitate the conversion of its current and future pipeline. The capital raised from the LSE Listing will enable its entry into new African jurisdictions and consolidate its presence in existing jurisdictions;
- Improve the depth and diversity of the shareholder base as well as improve the liquidity of the stock, resulting in the inclusion in varied indexes specifically the FTSE Frontier Index and MSCI Frontier Index;
- Ensure the Company adheres to European standards of corporate governance and financial reporting for the benefit of its shareholders.

In preparation for the proposed LSE Listing and the requirement to present historical financial information for the 3 years ended 30 June 2017, the directors have identified a number of provisional adjustments, which have resulted in the company restating its historic financial information for the three financial years ended 30 June 2017. The Company's statutory auditors, are presently auditing the seven-month period ended 31 January 2018, including the historic restatements of the accounts.

Introduction of the European Public Real Estate Associations ("EPRA") reporting guidelines

In conjunction with the proposed LSE Listing, the Group will align its reporting with standard practice in the United Kingdom and the European Union by including EPRA reporting as a key metric of movements in net asset value ("NAV") of the Company and earnings. EPRA reporting was introduced after discussion between the investor community who showed the need for reporting that provided consistency and transparency across Europe. EPRA reporting consists of reporting on EPRA Earnings and EPRA NAV, as well as providing a consistent method on reporting property metrics within a real estate company (such as EPRA net initial yield, EPRA vacancy rate and EPRA cost ratios).

EPRA NAV is a measure of the fair value of net assets assuming a normal investment property company business model. Accordingly, there is an assumption of owning and operating investment property for the long term. For this reason, deferred taxes on property revaluations and the fair value of deferred tax liabilities are excluded as the investment property is not expected to be sold and the tax liability is not expected to materialize.

EPRA earnings is a key measure of a real estate company's operational performance, to the extent to which its dividend payments to shareholders are underpinned by earnings from operating activities. Unrealised changes in valuations, gains or losses on disposal of property, acquisition costs of property and other expense items (typically of a non-cash component) are excluded from a Company's underlying operational performance. A Company also provides for a number of Company specific adjustments which GRIT will report as Adjusted EPRA earnings.

HIGHLIGHTS

On track to meet target year end distribution

First Ghana acquisitions secured

WACD - 5.68% (2017: 5.78%)

Proposed Main Market LSE Listing - July 2018

Portfolio occupancy of 97.3%

Multinational Tenants - 70% (Forbes 2000 and Other Global)

Consolidated statement of comprehensive income	Unaudited	Unaudited and	Unaudited	Unaudited	Unaudited
	for the three	restated for the	and restated for	and restated	and restated
	months ended	three months	the nine months ended	for the nine	and restated
	31 March	31 March	31 March	31 March	30 June
	2018	2017	2018	2017	2017
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Gross rental income	8,177	6,040	23,345	16,740	22,872
Straight-line rental income accrual	453	155	1,063	931	1,132
Revenue	8,630	6,195	24,408	17,671	24,004
Income from associates	6,770	2,494	15,691	5,021	6,893
Property operating expenses	(1,254)	(1,370)	(4,551)	(4,306)	(7,170)
Net property income	14,146	7,319	35,548	18,386	23,727
Other income	(1,622)	545	(90)	1,923	254
Administrative expenses	(1,774)	(2,002)	(6,058)	(5,729)	(7,006)
Profit from operations	10,750	5,862	29,400	14,580	16,975
Acquisition fees and set-up costs	(5,047)	(997)	(5,190)	(1,085)	(678)

Fair value adjustment on investment property	4,600	(2,294)	9,091	1,997	(20,499)
Fair value adjustment on derivative financial instruments	(106)	(468)	(166)	114	535
Gain from bargain purchase	-	-	-	-	609
Foreign currency (losses)/gains	2,050	20	3,744	(2,623)	2,081
Profit before interest and taxation	12,247	2,123	36,879	12,983	(977)
Interest income	295	583	3,523	888	2,059
Finance costs	(5,083)	(3,442)	(14,029)	(7,258)	(11,433)
Profit for the period before tax	7,459	(736)	26,373	6,613	(10,351)
Current tax expense	(68)	771	(68)	(159)	(32)
Deferred tax (expense)/income	(315)	(46)	(1,057)	1,367	2,947
Profit for the period after tax	7,076	(11)	25,248	7,821	(7,436)
Profit/(loss) on translation of functional currency	2,122	504	1,809	451	3,045
Other comprehensive income	-	-	-	-	-
Total comprehensive income	9,198	493	27,057	8,272	(4,391)
Profit attributable to:					
Owners of the parent	7,074	461	26,280	8,985	(6,634)
Non-controlling interests	2	(472)	(1,032)	(1,164)	(802)
	7,076	(11)	25,248	7,821	(7,436)
Total comprehensive income attributable to:					
Owners of the parent	9,196	965	28,089	9,436	(3,589)
Non-controlling interests	2	(472)	(1,032)	(1,164)	(802)
	9,198	493	27,057	8,272	(4,391)

Reconciliation of basic earnings and headline earnings	Unaudited and restated for the nine months ended 31 March 2018	Unaudited and restated for the nine months ended 31 March 2017	Unaudited and restated for the year ended 30 June 2017
Basic earnings	US\$'000	US\$'000	US\$'000
Fair value adjustments on investment property (net of deferred taxation)	25,248	7,821	(7,436)
Share of value adjustment on investment property accounted by associate	(9,091)	(1,997)	20,499
Fair value adjustments on financial instruments	(4,085)	(1,745)	(4,181)
Headline earnings attributable to shareholders	166	(144)	(535)
Number of shares in issue at interim	12,238	3,965	8,347
Number of shares in issue	208,514,261	100,061,130	111,787,042
Treasury shares (number of shares)	208,514,261	121,931,722	208,514,261
Weighted average number of shares	9,940,758	3,000,000	10,093,493
Earnings per share	208,514,261	106,301,518	110,435,576
Basic and diluted profit per share (cents)	12.11	7.36	(6.71)
Headline and diluted headline earnings per share (cents)	5.87	3.73	7.56

Consolidated statement of financial position	Unaudited as at 31 March 2018	Restated unaudited as at 31 March 2017	Restated unaudited as at 30 June 2017
	US\$	US\$	US\$
Assets			
Non-current assets			
Investment properties	387,718	318,651	307,795
Deposit paid on investment properties	4,117	8,620	24,440
Property, plant and equipment	1,169	1,611	1,290
Intangible assets	33	216	592
Other investments	3,757	-	-
Investment in associates	157,443	48,403	89,016
Related party loans	29,348	-	10,637
Loans receivable	8,723	23,194	56,111
Deferred tax	-	954	-
Total non-current assets	592,308	401,649	489,881
Current assets			
Current tax receivable	566	-	439
Derivative financial instruments	25	-	-
Trade and other receivables	35,706	11,942	22,805
Other financial asset	16,856	-	-
Related party loans	2,691	1,989	2,000
Cash and cash equivalents	9,484	6,489	24,668
Total current asset	65,328	20,420	49,912
Total assets	657,636	422,069	539,793
Equity and liabilities			
Total equity attributable to equity holders			
Share capital	319,979	203,952	319,979
Treasury shares	(14,414)	(5,100)	(15,031)
Foreign currency translation reserve	5,084	680	3,275
Antecedent dividend reserve	-	391	1,261
Retained (loss)	(38,681)	(30,651)	(51,177)
Equity attributable to owners of the company	271,968	169,272	258,307
Non-controlling interests	(2,155)	(1,485)	(1,123)
Total equity	269,813	167,787	257,184
Liabilities			
Non-current liabilities			
Redeemable preference shares	12,840	12,840	12,840
Interest-bearing borrowings	245,809	146,591	185,051
Obligation under finance lease	145	180	171
Related party loans	-	1,365	1,365
Deferred tax	9,998	11,419	8,545
Total non-current liabilities	268,792	172,395	207,972
Current liabilities			
Interest-bearing borrowings	65,020	70,227	47,959
Obligation under finance lease	42	47	45

Trade and other payables	36,115	10,775	26,176
Other financial liability	16,950	-	-
Derivative financial instruments	-	55	19
Bank overdraft	904	783	438
Total current liabilities	119,031	81,887	74,637
Total liabilities	387,823	254,282	282,609
Total equity and liabilities	657,636	422,069	539,793
Loan to value	51.13%	52.93%	42.78%
Net asset value per share (cents)	136.96	142.33	130.18
Net asset value per share (excluding deferred taxation) (cents)	142.00	151.13	134.49
EPRA net asset value per share (cents)	144.03	154.87	137.70

Condensed consolidated statement of cash flows	Unaudited for the		Unaudited and	Unaudited and
	nine months ended		restated for the	restated for
	31 March 2018	31 March 2017	31 March 2017	30 June 2017
	US\$'000	US\$'000	US\$'000	US\$'000
Cash (utilised in)/generated from operating activities	(4,138)	1,989	1,989	20,193
Changes in working capital	10,832	172	172	6,649
Dividends paid	(14,167)	(12,239)	(12,239)	(17,649)
Net cash utilised in investing activities	(85,204)	(89,469)	(89,469)	(170,775)
Net cash generated from financing activities	73,128	87,471	87,471	185,653
Net movement in cash and cash equivalents	(19,549)	(12,076)	(12,076)	24,071
Cash at the beginning of the period/year	24,228	17,772	17,772	159
Total cash at the end of the period/year	4,679	5,696	5,696	24,230
Represented by:				
Cash at bank	9,479	6,478	6,478	24,667
Bank overdraft	(904)	(783)	(783)	(438)
Total cash at the end of the period/year	8,575	5,695	5,695	24,229

Consolidated statement of changes in equity	Non-		Foreign		Antecedent	Retained	Total equity
	Share	controlling	Treasury	currency			
	capital	interest	shares	translation	reserve	US\$'000	US\$'000
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 July 2016	-	-	-	-	-	-	-
- as previously reported	171,995	-	-	(2)	636	(9,256)	163,372
- effect of prior year adjustment	-	(455)	(5,100)	231	-	(19,732)	(25,056)
- as restated	171,995	(455)	(5,100)	229	636	(28,989)	138,317
Profit for the period - restated	-	(1,164)	-	-	-	8,985	7,821
Dividends paid	-	-	-	-	(1,311)	(10,647)	(11,957)
Foreign currency translation reserve movement	-	-	-	451	-	-	451
Shares issued	34,320	133	-	-	-	-	34,453
Share issue expenses	(1,298)	-	-	-	-	-	(1,298)
Ordinary shares held as treasury shares	-	-	-	-	-	-	-
Transfer from share issues	(1,066)	-	-	-	1,066	-	-
Balance as at 31 March 2017	203,952	(1,485)	(5,100)	680	391	(30,651)	167,787
Profit for the period	-	362	-	-	-	(15,619)	(15,257)
Dividends paid	-	-	-	-	(285)	(5,125)	(5,409)
Share based payments	-	-	-	-	-	218	218
Foreign currency translation reserve movement	-	-	-	2,594	-	-	2,594
Shares issued	121,215	-	-	-	-	-	121,215
Share issue expenses	(4,033)	-	-	-	-	-	(4,033)
Ordinary shares held as treasury shares	-	-	(9,931)	-	-	-	(9,931)
Transfer from share issues	(1,155)	-	-	-	1,155	-	-
Balance as at 30 June 2017	319,979	(1,123)	(15,031)	3,274	1,261	(51,177)	257,183
Unaudited for the nine months ended							
Profit for the period	-	(1,032)	-	-	-	26,280	25,248
Dividends paid	-	-	-	-	(1,261)	(14,028)	(15,289)
Foreign currency translation reserve movement	-	-	-	1,810	-	-	1,810
Ordinary shares held as treasury shares	-	-	617	-	-	-	617
Share based payments	-	-	-	-	-	243	243
Transfer from share issues	-	-	-	-	-	-	-
Balance as at 31 March 2018	319,979	(2,155)	(14,414)	5,084	-	(38,682)	269,812

Condensed consolidated segmental analysis	Ghana	Botswana	Morocco	Mozambique	Zambia	Kenya	Mauritius	Total
Geographical location 31 March 2018 - US\$								
Gross rental income	-	-	6,966	10,916	-	940	4,523	23,345
Straight-line rental income accrual	-	-	120	526	-	109	308	1,063
Property operating expenses	-	-	(3,438)	(796)	-	(30)	(287)	(4,551)
Income from Associates	-	-	-	-	11,280	(3,070)	7,480	15,691
Net property rental and related income	-	-	3,648	10,646	11,280	(2,051)	12,024	35,548
Fair value adjustment on investment property	-	-	(871)	5,094	-	771	4,098	9,091
Investment Property vehicles	2,000	3,757	97,526	202,326	91,339	22,119	129,851	548,918
Investment property at fair value	2,000	-	94,842	198,762	-	21,756	63,442	380,803
Straight-line rental income accrual	-	-	2,684	3,564	-	109	558	6,915
Investment in associates	-	-	-	-	91,339	253	65,851	157,443
Equity investments: Available-for-sale	-	3,757	-	-	-	-	-	3,757
Other financial assets	-	-	-	-	-	-	-	-

Type of property 31 March 2018 - US\$	Equity investments	Hospitality	Retail	Office	Light industrial	Corporate accommodation	Head office	Total
Gross rental income	-	3,019	8,693	8,722	1,626	1,284	-	23,345
Straight-line rental income accrual	-	138	107	567	109	142	-	1,063
Property operating expenses	-	-	(3,744)	(539)	(47)	(221)	-	(4,551)
Income from Associates	-	7,480	8,210	-	-	-	-	15,691
Net property rental and related income	-	10,638	13,267	8,750	1,688	1,205	-	35,548
Fair value adjustment on investment property	-	2,394	(4,816)	1,154	828	8,831	-	8,392
Investment Property vehicles	3,757	114,023	222,459	143,642	28,370	36,668	-	548,918

Investment property at fair value	-	47,900	128,226	139,748	28,260	36,668	-	380,802
Straight-line rental income accrual	-	-	2,912	3,894	109	-	-	6,915
Investment in associates	-	66,123	91,319	-	-	-	-	157,443
Equity investments: Available-for-sale	3,757	-	-	-	-	-	-	3,757
Other financial assets	-	-	-	-	-	-	-	-

SUBSEQUENT EVENTS

Other than those items mentioned above, the following material events occurred subsequent to the end of the reporting period:

- On 10 May 2018, the Company through its wholly-owned subsidiary Grit Accra Limited, concluded the acquisition of 47.5% of Capital Place Limited ("Capital Place"), which owns 100% of the Capital Place Building, a commercial building in Accra Ghana. The Company also paid a refundable deposit of US\$5m in April 2018 to secure the acquisition of the remaining 52.5%. The building in Capital Place has a value US\$25.5m. The initial purchase of 47.5% has been partly settled through the issue of new shares in the Company at the last published net asset value per share of US\$1.5267 (as at 31 December 2017). The new shares were issued with a non-entitlement to dividends prior to the transfer date.
- The Company signed a binding Heads of Agreement for the acquisition of the Fifth Avenue asset in Ghana for a gross consideration of US\$20.5m of which US\$5.8m shall be through the issue of new shares and US\$14.8m payable in cash. The shares will be issued at the last published net asset value per share and will include a non-entitlement to dividends prior to transfer date.
- Grit obtained an overdraft facility of US\$8.5m from ABC Bank as an equity bridge for the upcoming capital raise in order to secure the upcoming acquisitions. The facility bears interest of 3 months' LIBOR + a margin of 3.5%.

CHANGES TO THE BOARD

Since the last quarterly results were published, the following changes to the board of directors ("Board") have taken place:

- 8 March 2018 - Mr Maheshwar Doorgakant resigned as permanent Alternate Director to Mr Chandra Gujadhur;
- 29 March 2018 - Mr Chandra Gujadhur resigned as Chairman of the Audit Committee and as a member of the Board due to him reaching the age of seventy and other commitments;
- 29 March 2018 - Mr Paul Huberman was appointed as a member of the Board and as the Chairman of the Audit Committee;
- 12 April 2018 - Mr Sandile Nomvete resigned as the Chairman and member of the Board to focus on his role as CEO of Delta Property Fund; and
- 12 April 2018 - Mr Peter Todd was appointed as the Chairman of the Board.

The Board wishes to thank Mr Doorgakant, Mr Gujadhur and Mr Nomvete for their valuable contributions to the Group during their tenure on the Board. The Board also welcomes Mr Huberman and is of the view that with his extensive experience in the real estate and finance sectors in the UK, he will add great value to the Board and to the proposed LSE Listing.

Mr Todd, who has been a member of the Board since his appointment as the Lead independent non-executive director in August 2014, is welcomed as the new Chairman.

NOTES

The Group is required to publish interim reports in accordance with the Listing Rule 12.19 of the SEM. Accordingly, this announcement presents the abridged unaudited consolidated financial results of the Group in respect of the three and nine months period from 1 January 2018 to 31 March 2018 and 1 July 2017 to 31 March 2018 respectively.

Save for the changes in accounting policies as detailed further down in this announcement, the accounting policies which have been applied are consistent with those used in preparation of the audited financial statements for the year ended 30 June 2017.

The abridged unaudited consolidated financial statements for the three and nine months ended 31 March 2018 (the "Financial Statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the requirements of IAS 34: Interim Financial Reporting, the SEM Listing Rules, the JSE Listings Requirements and the Securities Act of Mauritius 2005. The Financial Statements have not been reviewed or reported on by the Group's external auditors. These Financial Statements were approved by the Board on 11 June 2018

Copies of the above Financial Statements and the statement of direct and indirect interests of each officer of the Group, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules of Mauritius 2007, are available free of charge, upon request at the Company's registered address. Contact person: Mrs Smitha Algoo.

Restatement of accounts

In preparation for the proposed LSE Listing and the requirement to present historical financial information for the 3 years ended 30 June 2017, the directors have identified a number of adjustments. These adjustments arose from the application of applying IFRS in different jurisdictions and also the correction of prior period errors.

The nature of the restatements can be described as follows:

Revenue recognition and measurement

The Group has amended its accounting policy and treatment for recognition of cash received from the vendors of properties, either for claims under rental guarantees provided by the seller, or rentals accruing to Group prior to the date of transfer of the property in terms of IAS 18 Revenue.

Vendor rental guarantees

In acquiring certain properties, the Group has been the beneficiary of rental guarantees as well as net operating income guarantees from the vendors. The Group's accounting policy in respect of amounts received under such guarantees was to recognise them as revenue. Given that such amounts are receivable from the vendor rather than tenants, the Group has now determined that such amounts should

be accounted for as an adjustment to the acquisition costs of the asset.

Where a property acquisition cost is adjusted by any amounts received under rental guarantees there will be a corresponding adjustment to the fair value movement on the property.

Tenant lease incentives and rent concessions

In the ordinary course of business, the Group has provided tenants with rent concessions and lease incentives. The principles established in IAS 17 Leases requires that such costs are recognised on a straight-line basis over the lease term, unless another systematic basis is more appropriate. Having reconsidered the application of this principle, the Group has concluded that it is appropriate to revise the periods over which certain costs are being recognised.

Pre-transfer rental receipts

In December 2015, the Group entered into an agreement to acquire an investment property. Completion took place in January 2018 and the sale agreement provided for rental receipts to accrue to the Group during the intervening period. The Group's accounting policy in respect of these amounts was to recognise this rent receivable as revenue. Given that the right to rental receipts in the periods prior to completion results from an agreement with the vendor, the Group has now determined that such amounts should be accounted for as an adjustment to the acquisition cost of the asset. Following the completion of the property transfer in January 2018, the fair value movement in the property will include the adjustment for rent received pre-transfer.

The resultant impact to the Group is to reduce the revenue recognized through profit and loss and increase the fair value adjustment in the appropriate period. The combined impact of the above adjustments is a reduction of previously reported net assets for 2017 of US\$5,567,816, (2016: US\$1,987,335), and to reduce previously reported profit after tax for 2017 of US\$3,580,481 (2016 - reduction of US\$1,987,335).

The above items will have an impact on headline earnings per share, but do not affect distribution as all cash generation is included in distribution. The above treatment will be considered a company specific adjustment to EPRA Earnings in the future.

Consolidation of Freedom Asset Management

Freedom Asset Management Limited ("FAM"), a company owned by entities controlled by Bronwyn Corbett and Sandile Nomvete ("founders"), was appointed as the asset manager of the Group in September 2014.

Having reviewed the terms of the asset management agreement between FAM and Grit it has been determined that Grit had de facto control over the business of FAM. FAM's sole contract, was the contract with Grit (and its subsidiaries) and the contract determined the services and operations of FAM. The structure of the asset management agreement was such that Grit had the ability to vary the returns to FAM via the absolute discretion Grit had in accepting or rejecting which assets were acquired by Grit (which would attract a fee of 1% for each asset acquisition), and as such, Grit controlled the variability of the returns of FAM and controlled the applicable costs within Grit.

In May 2016, the asset management agreement was terminated, and the employees transferred to the Group in exchange for the issue of three million shares at a value of US\$1.70 a share. As a result, the Group previously recognised an intangible asset of US\$5,100,000.

Subsequent to the termination of the agreement, 1,859,243 of the shares issued to FAM were in part allocated for the benefit of the founders, with the remaining 1,140,757 subject to share option awards made to the employees transferred to Grit.

Further to this in June 2017, FAM also subscribed for 7,093,493 shares as part of the rights issue with the consideration paid through an unsecured interest-bearing loan (with an interest rate of Libor + 6.5%) of US\$9,930,890 provided by the Group, with such shares being acquired for the benefit of the executive management and staff of Grit's long-term incentive plan. The shares are held within FAM until such time as the formation of Grit Executive Share Trust is completed, with the transfer of the shares to the Grit Executive Share Trust being concluded through the cession of the loan from FAM to the Trust.

Based on the above, the directors reconsidered the nature of the above transactions and the relationship that existed between the Group and FAM, in particular with regard to the application of IFRS 10. It was concluded that both before and after the termination of the asset management agreement the Group controlled FAM and as a result FAM has been consolidated for each of the periods presented.

The shares issued to FAM, previously recognised as an intangible asset of US\$5,100,000 being 3,000,000 shares and the shares acquired by FAM (for the benefit of the executive management and staff) of US\$9,930,890 being 7,093,493 shares, held on the Group's balance sheet have now been recorded as a reduction of share capital with the shares treated as treasury shares on consolidation. The residual amounts in FAM after the elimination of these amounts and the asset management fees recharged to the Group, has been treated as a non-controlling interest.

The Group has also recognised share based payments in respect of the above shares allocated to the founders and the share option awards made to staff in August 2016.

The impact of the above item has been to reduce previously reported total net assets for 2017 by US\$15,787,005 (2016 - reduction of US\$5,554,515, 2015 - reduction of US\$710,312), with such reductions being recorded as treasury shares and losses attributable to Non-controlling Interests. Profit after tax decreased in 2017 by US\$934,929 (2016 - decrease of US\$3,034,933, 2015 - decrease of US\$731,305). The reduction in profit after tax is attributable to Non-controlling Interest.

The NAV per share is not materially impacted by the above restatement as the treasury shares are excluded from the calculation of the net asset value attributable to the owners of Grit.

Deferred tax

The Group holds its investment properties through corporate vehicles and effects disposals of such properties through the sale of the corporate vehicle holding the property in question. No tax arises on the sale of shares in the jurisdictions in which the Group is domiciled for tax purposes. The Group therefore expected the fair value of the its investment properties to be realised in a manner that did not result in a

tax liability. For this reason, the Group had previously adopted an accounting policy of not providing for deferred tax on changes in the fair value of investment properties. The Group has reconsidered its accounting policy in the light of conclusions reached by the IFRS Interpretations Committee in July 2014 and has determined that a change in policy is required to reflect the tax that would be payable on a disposal both inside and outside the corporate vehicle.

The impact of the above item has been to reduce previously reported net assets for 2017 by US\$13,821,131 (2016 - reduction of US\$16,606,028, 2015 - reduction of US\$1,809,574) and to increase previously reported profit after tax for 2017 by US\$2,784,897 (2016 - decrease of US\$14,796,454, 2015 - decrease of US\$1,809,574).

The above changes do not impact tangible net asset value per share or EPRA net asset value per share as the deferred tax related to the restatements are excluded from such calculations.

Restatement of the valuation of Anfa Place Shopping Centre

Anfa was included in the accounts at 30 June 2017 at a directors' valuation of 987,500,000 Moroccan Dirham (or US\$102,270,351). In addition, the initial pre-construction costs in relation to the redevelopment of Anfa of US\$5,350,852 was recorded at cost. As part of the proposed LSE Listing, Anfa was subject to an external professional valuation as at 31 January 2018 which valued the property at 850,000,000 Moroccan Dirham (or US\$92,896,176).

The directors' valuation at 30 June 2017 was not prepared on a comparable basis. Having reviewed the external valuation at 31 January 2018 and considered the property market of Morocco, both generally and specific to Anfa, during the seven months to 31 January 2018, the directors have concluded that the external valuation undertaken as at 31 January 2018 is better evidence of the value of Anfa at 30 June 2017 and have therefore adopted this value into the accounts at 30 June 2017 as a restated directors valuation. The external valuation included the final project plan, construction costing (which were not finalized by the date of prior to the issue of the 30 June 2017 financial statements) as well as the negotiated rental concessions with tenants related to relocation and fit out allowances that was approved by the board in November 2017.

The impact of the above has been to reduce previously reported net assets for 2017 by US\$20,230,194 (2016 - reduction of US\$278,520). Profit after tax decreased in 2017 by US\$19,951,674 (2016 - decrease of US\$278,520).

Accounting for foreign currency

In prior years, the Group incorrectly recorded foreign currency exchange movements relating to subsidiaries and associates with a functional currency other than the reporting currency of the group within the income statement lines 'Foreign currency gains and losses' and 'Share of profits from associates', whereas these should have been recorded as a movement in the foreign currency translation reserve. In addition to this, the group had incorrectly classified exchange movements within the income statement line 'Fair value adjustment on investment properties'.

The impact of the above has no impact to previously reported net assets. Profit after tax decreased in 2017 by US\$1,211,320 (2016 - increase of US\$990,990, 2015 - decrease of US\$1,222,246). Other comprehensive income increased in 2017 by US\$1,979,842 (2016 - decrease of US\$990,990, 2015 - increase of US\$1,222,246).

Write off of certain balances

The Group identified a number of corrections to the recorded amounts of certain assets and liabilities in prior periods that should have either been expensed or credited to profit and loss. The adjustments predominately relate to transactions with the vendors of the properties and are deemed as irrecoverable.

The impact of the above has been to reduce previously reported net assets for 2017 by US\$2,135,225 (2016 - reduction of US\$629,336). Profit after tax increased in 2017 by US\$1,505,890 (2016 - decrease of US\$629,336).

Reclassification of accounts

Acquisition accounting

When acquiring an investment property through the acquisition of a corporate vehicle, the Group's accounting policy has been to account for the transaction as a business combination. This has involved measuring the identifiable assets acquired and liabilities assumed at fair value and recognising and measuring any goodwill or gain from a bargain purchase.

The Group has reconsidered the nature of such acquisitions in the light of guidance provided by IFRS 3 Business Combinations and has concluded that they are not characterised by the features typically associated with a business combination, but rather that of an asset. This involves allocating the acquisition cost to the identifiable assets and liabilities based on of their relative fair values at the date of purchase. In contrast to the position when accounting for a business combination, no goodwill or gain from a bargain purchase arises and acquisition costs are generally capitalised rather than expensed.

The above item has had no impact on previously reported net assets or profit after tax but has led to reclassifications within the statement of comprehensive income and statement of cashflows for years ended 30 June 2017, 30 June 2016 and June 2015.

Reclassification for disclosure purposes

Certain items have been reclassified to provide consistent disclosure with property companies in the United Kingdom. The reclassifications include:

- Disclosure of unamortised debt origination fees from other receivables to interest bearing borrowings
- Certain Related party loans are classified as current assets rather than non-current assets
- Related party loans are classified as non-current liabilities rather than current liabilities
- The movement in the interest swap has been reclassified from finance costs to fair value movement in derivatives
- The movement between straight-line leasing and Fair value adjustment on investment property

Rights offer

As part of the Rights offer in June 2017, certain shareholders participated in the offer to subscribe for 15,342,886 shares with a total value of US\$21,480,041. Settlement of their obligations was conducted via a setoff of funds due to the respective shareholders by the Company. The Company incorrectly recorded the amount in the statement of cashflows as 'Proceeds from the issue of shares' and cash outflows as 'Acquisition of investment property'. The cashflow has been restated to correct the classification.

The impact of the reclassification is to reduce the Proceeds from the issue of shares by US\$21,480,041 and decrease the cash outflow for the Acquisition of investment property by US\$21,480,041.

All details of the above restatements are fully detailed in the below provisional abridged unaudited consolidated financial statements for the seven-month period ended 31 January 2018, which also includes the provisional abridged restated historical financial information for the years ended 30 June 2015, 30 June 2016, 30 June 2017. The full set of Financial Statements will be available on the company website when the audit of the aforementioned financial statements is complete, which will be prior to publication of the Prospectus.

Grit Real Estate Income Group Limited
Consolidated statement of financial position
As at 30 June 2015, 30 June 2016, 30 June 2017 and 31 January 2018
(All unaudited)

	Restated as at 30 June 2015 US\$'000	Restated as at 30 June 2016 US\$'000	Restated as at 30 June 2017 US\$'000	Unaudited As at 31 January 2018 US\$'000
Assets				
Non-current assets				
Investment properties	210,391	239,926	307,795	381,873
Deposits paid on investment properties	-	8,620	24,440	4,117
Property, plant and equipment	97	525	1,290	1,200
Intangible assets	9	599	592	605
Other investments	-	-	-	4,931
Investments in associates	-	45,822	89,016	157,173
Related party loans	12	-	10,637	30,263
Loans receivable	-	-	56,111	9,523
Other financial asset	-	-	-	16,856
Deferred tax	-	-	-	-
Total non-current assets	210,508	295,492	489,881	606,541
Current assets				
Current tax receivable	-	-	439	547
Derivative financial instruments	-	-	-	12
Trade and other receivables	18,787	15,327	22,805	31,661
Related party loans	-	-	2,000	625
Cash and cash equivalents	6,566	17,785	24,668	8,880
Total current assets	25,354	33,112	49,911	41,725
Total assets	235,861	328,604	539,792	648,266
Equity and liabilities				
Total equity attributable to ordinary shareholders				
Ordinary share capital	127,959	171,995	319,979	319,979
Treasury shares reserve	-	(5,100)	(15,031)	(14,811)
Foreign currency translation reserve	437	230	3,275	3,652
Antecedent dividend reserve	-	636	1,261	-
Retained loss	(5,792)	(28,989)	(51,177)	(28,119)
Equity attributable to owners of the Company	122,603	138,771	258,306	280,701
Non-Controlling interest	(710)	(455)	(1,123)	(1,908)
Total equity	121,893	138,317	257,183	278,793
Liabilities				
Non-current liabilities				
Redeemable preference shares	-	-	12,840	12,840
Interest-bearing borrowings	10,491	126,633	185,051	225,787
Obligations under finance leases	-	-	171	153
Related party loans	1,153	1,365	1,365	-
Deferred tax	2,427	11,458	8,545	8,697
Total non-current liabilities	14,070	139,456	207,972	247,476
Current liabilities				
Interest-bearing borrowings	91,166	34,548	47,959	87,996
Obligations under finance leases	-	-	45	43
Trade and other payables	8,252	14,700	26,176	16,026
Current tax payable	138	1,029	-	-
Derivative financial instruments	-	554	19	-
Other financial liability	-	-	-	16,950
Bank overdrafts	342	-	438	982
Total current liabilities	99,898	50,832	74,637	121,996
Total liabilities	113,968	190,287	282,609	369,473
Total equity and liabilities	235,861	328,604	539,792	648,266
Net asset value per share (cents)	166.45	142.97	130.18	141.36
Net asset value per share (excluding deferred taxation) (cents)	169.75	154.78	134.49	145.74
EPRA Net asset value per share (cents)	168.15	160.51	137.7	148.44

Grit Real Estate Income Group Limited
Consolidated statement of comprehensive income
For years ended 30 June 2015, 30 June 2016, 30 June 2017 and for the periods ended 31 January 2017 (unaudited and restated) and 31 January 2018 (unaudited)

	Year ended 30 June 2015 RESTATED US\$'000	Year ended 30 June 2016 RESTATED US\$'000	Year ended 30 June 2017 RESTATED US\$'000	Period ended 31 January 2017 (Unaudited) US\$'000	Period ended 31 January 2018 US\$'000
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Gross rental income	13,589	19,986	22,872	12,441	17,175
Straight-line rental income accrual	2,267	1,901	1,132	859	1,061
Revenue	15,856	21,887	24,004	13,300	18,236
Share of profits from associates	-	3,313	6,893	2,793	13,848
Property operating expenses	(3,478)	(5,623)	(7,170)	(3,202)	(3,778)
Net property income	12,378	19,577	23,727	12,891	28,307
Other income	384	805	254	1,559	30
Administrative expenses	(4,541)	(7,355)	(7,006)	(3,518)	(4,474)
Profit from operations	8,221	13,027	16,974	10,933	23,863
Acquisition fees and set-up costs	(996)	(1,563)	(678)	(818)	(4,867)
Fair value adjustment on investment properties	7,889	(4,625)	(20,729)	4,460	2,279
Fair value adjustment on investment properties from cash receipts from Sellers	329	892	230	-	7,788
Fair value adjustment on other investments	-	-	-	-	61
Fair value adjustment on financial instruments	-	-	-	-	(93)
Fair value adjustment on derivative financial instruments	-	(554)	535	101	31
Gain from bargain purchase on associates	-	251	609	-	-
Foreign currency (losses)/gains	(12,969)	4,127	2,081	(3,124)	2,796
Profit before interest and taxation	2,474	11,554	(977)	11,552	31,858
Interest income	91	170	2,059	506	2,763
Finance costs	(3,640)	(9,243)	(11,433)	(5,290)	(10,932)
Profit for the period before tax	(1,075)	2,481	(10,351)	6,767	23,689
Taxation	(2,505)	(20,243)	2,914	251	(151)
Profit for the period after tax	(3,580)	(17,762)	(7,436)	7,018	23,538
Other comprehensive income	-	-	-	-	-
Amounts that may be reclassified to profit and loss (Loss)/profit on translation of functional currency	384	(207)	3,045	217	377
Other comprehensive income	-	-	-	-	-
Total comprehensive income	(3,196)	(17,969)	(4,391)	7,235	23,915
Profit attributable to:					
Owners of the parent	(2,848)	(17,962)	(6,635)	7,018	24,322
Non-controlling interests	(731)	200	(802)	-	(785)
Total comprehensive income attributable to:	(3,580)	(17,762)	(7,436)	7,018	23,538
Owners of the parent	(2,464)	(18,169)	(3,589)	7,235	24,699
Non-controlling interests	(731)	200	(802)	-	(785)
Basic and diluted earnings per ordinary share (cents)*	(7.60)	(21.73)	(6.73)	6.79	11.29

Grit Real Estate Income Group Limited
Consolidated statement of changes in equity
As at 30 June 2015, 30 June 2016, 30 June 2017 and 31 January 2018 (all unaudited and restated)

	Share capital US\$'000	Treasury shares reserve US\$'000	Foreign currency translation reserve US\$'000	Antecedent dividend reserve US\$'000	Retained loss US\$'000	Non- controlling interest US\$'000	Total equity US\$'000
Balance as at 1 July 2014							
- As previously reported	865	-	53	-	19	-	937
- effect of prior year adjustments	-	-	-	-	-	21	21
- as restated	865	-	53	-	19	21	958
Profit for the year (as restated)	-	-	-	-	(2,848)	(731)	(3,580)
Foreign currency translation differences (as restated)	-	-	384	-	-	-	384
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	384	-	(2,848)	(731)	(3,196)
Ordinary shares issued	130,704	-	-	-	-	-	130,704
Share issue expenses	(3,610)	-	-	-	-	-	(3,610)
Ordinary dividends paid	-	-	-	-	(2,963)	-	(2,963)
Balance as at 30 June 2015 (restated)	127,959	-	437	-	(5,792)	(710)	121,893
Balance as at 1 July 2015							
- As previously reported	127,959	-	(785)	-	(2,761)	-	124,413
- effect of prior year adjustments	-	-	1,222	-	(3,032)	(710)	(2,520)
- as restated	127,959	-	437	-	(5,792)	(710)	121,893
Profit for the year (as restated)	-	-	-	-	(17,962)	200	(17,762)
Share based payments	-	-	-	-	3,235	-	3,235
Foreign currency translation differences (as restated)	-	-	(207)	-	-	-	(207)
Total comprehensive income	-	-	(207)	-	(14,727)	200	(14,734)
Ordinary dividends paid	-	-	-	-	(8,470)	-	(8,470)
Treasury shares	-	(5,100)	-	-	-	-	(5,100)
Ordinary shares issued	44,830	-	-	-	-	-	44,830
Ordinary shares issued	-	-	-	-	-	56	56
Share issue expenses	(158)	-	-	-	-	-	(158)
Transfer from share issues	(636)	-	-	636	-	-	-
Balance as at 30 June 2016	171,995	(5,100)	230	636	(28,989)	(455)	138,317
Balance as at 1 July 2016							
- As previously reported	171,995	-	(2)	636	(9,256)	-	163,372
- effect of prior year adjustments	-	(5,100)	232	-	(19,733)	(455)	(25,056)
- as restated	171,995	(5,100)	230	636	(28,989)	(455)	138,317
Profit for the year (as restated)	-	-	-	-	(6,635)	(802)	(6,668)
Share based payments	-	-	-	-	133	-	133
Foreign currency translation differences (as restated)	-	-	3,045	-	-	-	2,277
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	3,045	-	(6,501)	(802)	(4,258)
Ordinary dividends paid	-	-	-	(636)	(11,526)	-	(12,161)
Treasury shares	-	(9,931)	-	-	-	-	(9,931)
Ordinary shares issued	155,535	-	-	-	-	-	155,535
Ordinary shares issued	-	-	-	-	-	133	133

Non-Current Assets											
Investment property	351,822,336	-						(19,587,426)		332,234,910	
Property Plant and Equipment	1,932,521							(642,768)		1,289,753	
Intangible assets	5,692,190			(5,100,000)						592,190	
Investment in available-for-sale financial asset	-									-	
Investments in associates	89,049,264					(33,388)				89,015,876	
Investments in subsidiaries	-									-	
Related party loans	12,722,604						(11,930,890)			791,714	
Loans receivable	66,740,037									66,740,037	
Other financial assets	-									-	
Deferred tax assets	6,174,482		(6,174,482)							-	
Total non-current assets	534,133,434		(6,174,482)		(5,100,000)		(33,388)	(11,930,890)	(20,230,194)	490,664,480	
Current Assets											
Current tax receivable	438,831									438,831	
Derivative financial instruments	-									-	
Trade and other receivables	25,916,520	(5,567,816)		19,602		(2,101,837)		4,538,114	-	22,804,583	
Related party loans	-			(10,714,274)				11,930,890		1,216,616	
Cash and cash equivalents	24,666,676			1,258						24,667,934	
Total current assets	51,022,027	(5,567,816)		(10,693,414)		(2,101,837)		16,469,004	-	49,127,964	
TOTAL ASSETS	585,155,461	(5,567,816)	(6,174,482)		(15,793,414)		(2,135,225)	4,538,114	(20,230,194)	539,792,444	
EQUITY AND LIABILITIES											
Equity											
Share Capital	319,978,513									319,978,513	
Treasury shares	-			(15,030,891)						(15,030,891)	
Foreign currency translation reserve	1,063,721					2,211,099			-	3,274,820	
Antecedent dividend reserve	1,260,656									1,260,656	
Retained Earnings	(7,578,171)	(5,567,816)	(13,821,131)		366,770	(2,211,098)	(2,135,225)		(20,230,194)	(51,176,865)	
Non-Controlling interest	-				(1,122,884)					(1,122,884)	
Total equity attributable to equity holders	314,724,719	(5,567,816)	(13,821,131)		(15,787,005)		(2,135,225)		(20,230,194)	257,183,348	
LIABILITIES											
Non-current liabilities											
Redeemable preference shares	12,840,000									12,840,000	
Interest-bearing borrowings	187,447,310							(2,396,611)		185,050,699	
Obligations under finance leases	171,247									171,247	
Related party loans	-							1,365,000		1,365,000	
Deferred tax liabilities	898,773		7,646,649							8,545,422	
Total non-current liabilities	201,357,330		7,646,649					(1,031,611)	-	207,972,368	
Current liabilities											
Interest-bearing borrowings	47,959,452									47,959,452	
Obligations under finance leases	44,566									44,566	
Trade and other payables	19,247,458			(6,409)				6,934,725		26,175,774	
Related party loans	1,365,000							(1,365,000)		-	
Current tax payable	-									-	
Financial instruments	18,724									18,724	
Other financial liabilities	-									-	
Cash and cash equivalents	438,212				(6,409)			5,569,725		438,212	
Total current liabilities	69,073,412				(6,409)			4,538,114		74,636,728	
Total liabilities	270,430,742		7,646,649		(6,409)			4,538,114		282,609,096	
Total equity and liabilities	585,155,461	(5,567,816)	(6,174,482)		(15,793,414)		(2,135,225)	4,538,114	(20,230,194)	539,792,444	
Impact on net asset value per share (cents)											
NAV per Share	150.94	(2.67)	(6.63)	0.00	0.29	0.00	(1.02)	0.00	(9.70)	130.18	
TNAV per Share	148.41	(0.14)	2.53	2.53	2.82	2.53	1.51	2.53	(7.17)	134.49	
EPRA NAV per Share	150.94	(2.67)	0.52	0.00	0.29	0.00	(1.02)	0.00	(9.70)	137.70	

IMPACT ON STATEMENT OF CHANGES IN EQUITY

	Share Capital	Treasury Shares	Foreign currency translation reserve	Antecedent dividend reserve	Retained loss	Non-controlling interest	Total Equity
	USD	USD	USD	USD	USD	USD	USD
Balance as at 1 July 2016	171,995,297	(5,100,000)	229,358	635,547	(28,988,973)	(454,515)	138,316,715
As previously stated	171,995,297		(1,898)	635,547	(9,256,498)		163,372,448
Restatements to opening balance	-	(5,100,000)	231,256	-	(19,732,475)	(454,515)	(25,055,733)
Profit for the year	-	-	-	-	(6,634,574)	(801,659)	(7,436,233)
Profit for the year as previously stated	-	-	-	-	17,731,685		17,731,685
Revenue Recognition and measurement	-	-	-	-	(3,580,481)		(3,580,481)
Deferred Tax	-	-	-	-	2,784,897		2,784,897
Consolidation of Freedom Asset Management Limited	-	-	-	-	(133,270)	(801,659)	(934,929)
Write off of certain balances	-	-	-	-	(1,505,890)		(1,505,890)
Accounting for foreign currency	-	-	-	-	(1,979,842)		(1,979,842)
Restatement of the valuation of Anfa Place Shopping Centre	-	-	-	-	(19,951,674)		(19,951,674)
Foreign currency translation differences	-	-	3,045,461	-	-	-	3,045,461
Movement for the year as previously stated	-	-	1,065,619	-	-	-	1,065,619
Accounting for foreign currency	-	-	1,979,842	-	-	-	1,979,842
Share based payments	-	-	-	-	133,270		133,270
Total comprehensive income	-	-	3,045,461	-	(6,501,305)	(801,659)	(4,257,502)
Ordinary shares issued	155,534,757						155,534,757
Ordinary shares held as treasury shares	-	(9,930,891)					(9,930,891)
Non-controlling interest						133,290	133,290
Share issue expenses	(5,330,652)						(5,330,652)
Transfer from share issues	(2,220,889)						-
Ordinary dividends paid				2,220,889	(15,686,588)		(17,282,368)
Balance as at 30 June 2017	319,978,513	(15,030,891)	3,274,820	1,260,656	(51,176,865)	(1,122,884)	257,183,348

Impact to the 2017 Financial Year

IMPACT ON STATEMENT OF	As previously	Revenue	Deferred Tax	Acquisition	Consolidation	Accounting	Write off	Reclassificat	Restatement	RESTATED
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subsidiaries and associates	(24,118,753)										(24,118,753)
Dividends received from associates	3,573,077										3,573,077
Loans (advanced to) / raised from subsidiaries and related parties	(68,533,142)										(68,533,142)
Investment in subsidiaries	-										-
Net cash utilised in investing activities	(177,216,553)	-	-	-	-	-	-	-	-	21,480,041	(155,736,512)
Proceeds from the issue of shares	133,439,348									(21,480,041)	111,959,307
Share issue expenses	(5,330,652)										(5,330,652)
Proceeds from the issue of preference shares	12,840,000										12,840,000
Proceeds from interest bearing borrowings and finance leases	168,983,007										168,983,007
Settlement of interest bearing borrowings and finance leases	(114,793,052)										(114,793,052)
Net cash generated from financing activities	195,138,652	-	-	-	-	-	-	-	-	(21,480,041)	173,658,611
Net movement in cash and cash equivalents	6,456,643	-	-	-	(12,297)	-	-	-	-	-	6,444,346
Cash at the beginning of the year	17,771,821				13,555						17,785,376
Total cash at the end of the year	24,228,464	-	-	-	1,258	-	-	-	-	-	24,229,722

Impact on the 2016 Financial Year IMPACT ON STATEMENT OF FINANCIAL POSITION	As previously reported	Revenue Recognition and measurement	Deferred Tax	Acquisition accounting	Consolidation of Freedom Asset Management Limited	Accounting for foreign currency	Write off of certain balances	Reclassificat ion for disclosure purposes	Restatement of the valuation of Anfa Place Shopping Centre	RESTATED
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
ASSETS										
Non-Current Assets										
Investment property	248,545,665	-							-	248,545,665
Property, plant and equipment	803,240								(278,520)	524,720
Intangible assets	5,699,199				(5,100,000)					599,199
Investments in associates	45,945,339						(123,030)			45,822,309
Related party loans	978,277				(978,275)					2
Deferred tax assets	5,984,142		(5,984,142)							-
Total non-current assets	307,955,862	-	(5,984,142)	-	(6,078,275)	-	(123,030)	-	(278,520)	295,491,895
Current Assets										
Trade and other receivables	18,101,466	(1,987,335)			155,991		(506,305)	(437,033)		15,326,784
Cash and cash equivalents	17,771,821				13,555					17,785,376
Total current assets	35,873,287	(1,987,335)	-	-	169,546	-	(506,305)	(437,033)	-	33,112,160
TOTAL ASSETS	343,829,149	(1,987,335)	(5,984,142)	-	(5,908,729)	-	(629,335)	(437,033)	(278,520)	328,604,055
EQUITY AND LIABILITIES										
Equity										
Share capital	171,995,297									171,995,297
Treasury shares	-				(5,100,000)					(5,100,000)
Foreign currency translation reserve	(1,898)					231,256				229,358
Antecedent dividend reserve	635,547									635,547
Retained Earnings	(9,256,498)	(1,987,335)	(16,606,028)	-		(231,256)	(629,336)	-	(278,520)	(28,988,973)
Non-controlling interest	-				(454,515)					(454,515)
Total equity attributable to equity holders	163,372,448	(1,987,335)	(16,606,028)	-	(5,554,515)	-	(629,336)	-	(278,520)	138,316,715
LIABILITIES										
Non-current liabilities										
Interest-bearing borrowings	127,070,183							(437,033)		126,633,150
Related party loans	-							1,365,000		1,365,000
Deferred tax liabilities	835,646		10,621,886							11,457,532
Total non-current liabilities	127,905,829	-	10,621,886	-				927,967	-	139,455,682
Current liabilities										
Interest-bearing borrowings	34,548,386									34,548,386
Trade and other payables	15,062,336				(362,236)					14,700,100
Related party loans	1,365,000							(1,365,000)		-
Current tax payable	1,020,938				8,022					1,028,960
Financial instruments	554,212									554,212
Total current liabilities	52,550,872	-	-	-	(354,214)	-	-	(1,365,000)	-	50,831,658
Total liabilities	180,456,701	-	10,621,886	-	(354,214)	-	-	(437,033)	-	190,287,340
Total equity and liabilities	343,829,149	(1,987,335)	(5,984,142)	-	(5,908,729)	-	(629,336)	(437,033)	(278,520)	328,604,055
NAV per Share	163.27	(1.99)	(16.60)	0.00	(0.21)	0.00	(0.63)	0.00	(0.28)	142.97
TNAV per Share	158.13	3.16	5.15	5.15	4.94	5.15	4.52	5.15	4.87	154.78
EPRA NAV per Share	163.27	(1.99)	0.41	0.00	(0.21)	0.00	(0.63)	0.00	(0.28)	160.51

IMPACT ON STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury Shares	Foreign currency translation reserve	Antecedent dividend reserve	Retained loss	Non- controlling interest	Total Equity
	USD	USD	USD	USD	USD	USD	USD
Balance as at 1 July 2015	127,958,794	-	436,857	-	(5,792,403)	(710,312)	121,892,936
As previously stated	127,958,794	-	(785,389)	-	(2,760,583)		124,412,822
Restatements to opening balance	-	-	1,222,246	-	(3,031,820)	(710,312)	(2,519,886)
Profit for the year	-	-	-	-	(17,961,949)	200,150	(17,761,799)
Profit for the year as previously stated	-	-	-	-	1,973,789		1,973,789
Revenue Recognition and measurement	-	-	(1,987,335)	-			(1,987,335)
Deferred Tax	-	-	(14,796,454)	-			(14,796,454)
Consolidation of Freedom Asset Management Limited	-	-	(3,235,083)	-		200,150	(3,034,933)
Write off of certain balances	-	-	990,990	-			990,990
Accounting for foreign currency	-	-	(629,336)	-			(629,336)
Restatement of the valuation of Anfa Place Shopping Centre	-	-	(278,520)	-			(278,520)
Foreign currency translation differences	-	-	(207,499)	-			(207,499)
Movement for the year as previously stated	-	-	783,491	-			783,491

Dividends paid	(8,469,704)										(8,469,704)
Net cash generated from / (utilised in) operating activities	1,155,594	-	-	-	12,413	-	-	-	-	-	1,168,007
Acquisition of investment property	(31,490,817)	-	-	-							(31,490,817)
Acquisition of property, plant and equipment	(798,114)										(798,114)
Acquisition of intangible assets	(593,172)										(593,172)
Net cash outflow on acquisition of subsidiaries and associates	(31,419,780)										(31,419,780)
Dividends received from associates	1,786,552										1,786,552
Loans raised from / (advanced to) subsidiaries and related parties	398,501										398,501
Net cash utilised in investing activities	(62,116,830)	-	-	-	-	-	-	-	-	-	(62,116,830)
Proceeds from the issue of ordinary shares	40,695,046										40,695,046
Share issue expenses	(158,255)										(158,255)
Proceeds from interest bearing borrowings	142,152,774										142,152,774
Settlement of interest bearing borrowings	(110,179,398)										(110,179,398)
Net cash generated from financing activities	72,510,167	-	-	-	-	-	-	-	-	-	72,510,167
Net movement in cash and cash equivalents	11,548,930	-	-	-	12,413	-	-	-	-	-	11,561,343
Cash at the beginning of the year	6,222,891				1,142						6,224,033
Total cash at the end of the year	17,771,821	-	-	-	13,555	-	-	-	-	-	17,785,376
											-

Impact to the 2015 Financial Year
IMPACT ON STATEMENT OF FINANCIAL POSITION

	As previously reported	Revenue Recognition and measurement	Deferred Tax	Acquisition accounting	Consolidation of Freedom of Asset Management Limited	Accounting for foreign currency	Write off of certain balances	Reclassification for disclosure purposes	Restatement of the valuation of Anfa Place Shopping Centre	RESTATED
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
ASSETS										
Non-Current Assets										
Investment property	210,390,631									210,390,631
Property, plant and equipment	96,512									96,512
Intangible assets	8,774	-								8,774
Related party loans	11,778									11,778
Deferred tax assets	190,143		(190,143)							-
Total non-current assets	210,697,838	-	(190,143)	-	-	-	-	-	-	210,507,695
Current Assets										
Trade and Other Receivables	18,777,373				9,767					18,787,140
Cash and Cash equivalents	6,565,282				1,142					6,566,424
Total current assets	25,342,655	-	-	-	10,909	-	-	-	-	25,353,564
TOTAL ASSETS	236,040,493	-	(190,143)	-	10,909	-	-	-	-	235,861,259
EQUITY AND LIABILITIES										
Equity										
Share capital	127,958,794									127,958,794
Foreign currency translation reserve	(785,389)					1,222,246				436,857
Retained Earnings	(2,760,583)		(1,809,574)			(1,222,246)				(5,792,403)
Non Controlling Interest	-				(710,312)					(710,312)
Total equity attributable to equity holders	124,412,822	-	(1,809,574)	-	(710,312)	-	-	-	-	121,892,936
LIABILITIES										
Non-current liabilities										
Interest-bearing borrowings	10,490,966									10,490,966
Deferred tax liabilities	807,205		1,619,431							2,426,636
Total non-current liabilities	11,298,171	-	1,619,431	-	-	-	-	-	-	12,917,602
Current liabilities										
Interest-bearing borrowings	91,165,629									91,165,629
Trade and other payables	8,683,724				(431,313)					8,252,411
Related party loans	-				1,152,534					1,152,534
Current tax payable	137,756									137,756
Cash and cash equivalents	342,391									342,391
Total current liabilities	100,329,500	-	-	-	721,221	-	-	-	-	101,050,721
Total liabilities	111,627,671	-	1,619,431	-	721,221	-	-	-	-	113,968,323
Total equity and liabilities	236,040,493	-	(190,143)	-	10,909	-	-	-	-	235,861,259
Impact on net asset value per share (cents)	-	-	-	-	-	-	-	-	-	-
NAV per Share	168.91	0.00	(2.46)	0.00	0.00	0.00	0.00	0.00	0.00	166.45
TNAV per Share	169.75	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	169.75
EPRA NAV per Share	168.91	0.00	(0.76)	0.00	0.00	0.00	0.00	0.00	0.00	168.15

Impact to the 2015 Financial Year

IMPACT ON STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury Shares	Foreign currency translation reserve	Antecedent dividend reserve	Retained loss	Non-controlling interest	Total Equity
	USD	USD	USD	USD	USD	USD	USD
Balance as at 1 July 2014	864,655	-	52,865	-	19,471	-	936,991
Profit for the year	-	-	-	-	(2,848,440)	(731,305)	(3,579,745)
Profit for the year as previously stated	-	-	-	-	183,380	-	183,380
Deferred Tax	-	-	-	-	(1,809,574)	-	(1,809,574)

shares	126,825,299				20,993					126,846,292
Capital issue expenses	(3,610,335)									(3,610,335)
Proceeds from interest bearing borrowings	122,745,142									122,745,142
Settlement of interest bearing borrowings	(23,303,118)									(23,303,118)
Net cash generated from financing activities	222,656,987	-	-	-	20,993	-	-	-	-	222,677,980
Net movement in cash and cash equivalents	5,573,563	-	-	-	1,142	-	-	-	-	5,574,705
Cash at the beginning of the year	649,328									649,328
Total cash at the end of the year	6,222,891	-	-	-	1,142	-	-	-	-	6,224,033

OUTLOOK

Whilst the Board recognises the complexity and risk in Africa, the Group has positioned itself with a skilled and experienced management team and platform to capitalise on the significant opportunities on the continent. With the proposed LSE Listing, the Company will position its reporting and governance in line with European standards. Given the strength of the company's existing portfolio coupled with the opportunities presented by the company's proposed LSE Listing, the Board continues to look to the future with confidence.

GOING CONCERN

Having considered the Group's budget and cash flow, the Board is of the opinion that the Group has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the Group's financial statements. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

NOTES

The provisional abridged unaudited consolidated financial statements for the seven months ended 31 January 2018, together with the provisional abridged restated figures for the years ended 30 June 2015, 30 June 2016 and 30 June 2017 have been prepared in accordance with the measurement and recognition requirements of IFRS, the SEM Listing Rules, the JSE Listings Requirements and the Securities Act of Mauritius 2005. The aforementioned statements for the seven months ended 31 January 2018, together with the abridged restated figures for the years ended 30 June 2015, 30 June 2016, and 30 June 2017 are provisional as they are still subject to audit sign off which is expected shortly.

The aforementioned financial information in this announcement was approved by the Board on 11 June 2018.

By order of the Board

12 June 2018

JSE sponsor and corporate advisor to Grit
PSG CAPITAL

SEM authorised representative and sponsor to Grit
Perigeum Capital

Directors: Peter Todd (chairman), Bronwyn Corbett*, Paul Huberman, Ian Macleod, Leon van de Moortele*, Nomzamo Radebe, Catherine Mollraith and Matshepo More (*executive director)
Company secretary: Intercontinental Fund Services Limited
Registered address: c/o Intercontinental Fund Services Limited, Level 5, Alexander House, 35 Cybercity, Ebène, 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
Sponsoring Broker: Axys Stockbroking Ltd
SEM authorised representative and sponsor: Perigeum Capital Ltd

This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.19 and section 88 of the Mauritian Securities Act 2005 and the JSE Listings Requirements. The Board accepts full responsibility for the accuracy of the information contained in these abridged unaudited consolidated financial statements and this communiqué.