grit

we find the way...

INTEGRATED ANNUAL REPORT 2023

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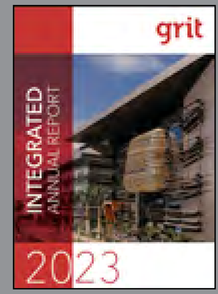


Integrated Annual Report

Sustainability Report

Stakeholder MESSAGE

Dear Stakeholders,

The Board is pleased to present the Integrated Annual Report of Grit Real Estate Income Group Limited for the year ended 30 June 2023. This report was approved by the Board of Directors on 31 October 2023 and is available on our website at https://grit.group/investor-relations/financial-results/

Peter Todd
Chairman

Bronwyn Knight
Chief Executive Officer

ABOUT THIS REPORT

Grit Real Estate Income Group Limited ("GRIT" or "Grit" or the "Group" or the "Company") was incorporated in Bermuda in May 2012. Grit was registered by continuation in Mauritius as a public company limited by shares in March 2015. On 4 February 2021, Grit successfully migrated its corporate domicile to Guernsey from Mauritius (the "Migration"). The Company was registered as a Non Cellular Company limited by shares with registration number 68739.

The Company's operations, physical head office and domicile of the main operational company, Grit Services Limited, remain in Mauritius along with the majority of the Company's staff and its place of effective management. The Company has been granted a certificate of local registration as a foreign company in Mauritius on 6 July 2021 with company number C180791 GBC. With this registration in Mauritius, Grit has been also granted by the Financial Services Commission ("FSC") a Global Business Licence bearing licence number GB21100306 on 9 August 2021.

In spite of the Migration, the Company has its central control and management in Mauritius through its foreign company and accordingly is treated as tax resident in Mauritius.

GRIT has been listed on the Stock Exchange of Mauritius (the "SEM") since 30 March 2015 and on the London Stock Exchange ("LSE") since 31 July 2018.

On 22 January 2021, the Financial Conduct authority ("FCA") approved the transfer of the listing category of Grit's ordinary shares of no par value (the "Ordinary Shares") from a standard listing (a "Standard Listing") to a premium listing on the Official List of the FCA in accordance with Rule 5.4A of the Listing Rules issued by the FCA (a "Premium Listing") (the "Transfer").

Grit remains proudly African and provides access to exciting and growing African markets via its Premium Listing on the LSE and its secondary listing on the Official Market of the SEM, where it is a constituent of the SEM10 Index.

To assist the Group's stakeholders to make an informed assessment of the Group and its ability to create and sustain value over the short, medium and long terms, GRIT is pleased to present its 2023 Integrated Annual Report ("IAR" or "Integrated Report" or "report").

The information in this report also provides stakeholders with an overview of our business model, performance, governance framework, strategy, risks and opportunities of the Group, its subsidiaries and entire portfolio for the financial year ended 30 June 2023.

This report also sets out how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the Company's business model and how its governance contributes to the delivery of its strategy.

Framework, Assurance and Compliance Reporting

The information included in this Integrated Report has been provided in accordance with and is in compliance with the:

- International Financial Reporting Standards ("IFRS");
- UK Corporate Governance Code 2018 ("the UK Code");
- FCA Disclosure Guidance and Transparency Rules;
- The Companies (Guernsey) Law, 2008;
- Mauritian Securities Act 2005;
- UK Listing Rules;
- SEM Listing Rules;
- Integrated Reporting Framework (the "Framework"); and
- National Code of Corporate Governance for Mauritius (2016).

Since Grit is not a UK company, it is not required to comply with the UK's Companies Act 2006, including Section 172. Refer to comments on page 115.

Targeted Audience

This report has been prepared primarily for the stakeholders of Grit, including but not limited to shareholders, the Government, regulatory bodies, prospective investors amongst others, and any other stakeholder who has an interest in the performance of the Group.

Integrated Reporting Principles

This report has been developed and prepared following the guidelines of the Integrated Reporting <IR> framework for the benefit of all our stakeholders with the aim of providing a more comprehensive reporting on our strategy, business model, operating context, sectors' performance, risk management and governance.

DTR Statement

Together, the Strategic Report and other sections of the Corporate Governance section incorporated by reference, when taken as a whole, form the Management Report as required under Rule 4.1.5R of the UKLA Disclosure and Transparency Rules (DTR).

STRATEGIC REPORT

DELIVERING AGAINST OUR STRATEGY

IMPACT REAL ESTATE
beyond buildings

Our business model

Our business model is designed around unlocking value for all our stakeholders, including the people of Africa.

Core Principles

- Deep Local and International Relationships
- Strong Tenants (Multinational Blue-chip)
- Hard Currency Leases (USD/Euro)
- Diversification (Sector and Geography)

Refer to page 20 for more details on our business model.

Our strategy

We focus on attracting high-quality and resilient multinational tenants, engaging directly to grow and maintain income and capital values through active management, and delivering sustainable real estate solutions that create positive IMPACT to the community and the environment.

Strategic objectives

- Strong Stakeholder Relationships
- Scalable Real Estate Value Chain in Africa
- Sustainable Superior Returns

Refer to page 13 for more details on our strategy.

The value we create

By successfully implementing our strategy, we create value for all our stakeholders:

Our Tenants

In line with our purpose, we work closely with our tenants to develop, the space they need to operate on the African continent and help them own and manage such space.

Our Shareholders/ Investors

Grit is a specialist real estate platform dedicated to investing in and developing high-quality impact assets and providing smart business solutions on the African continent (excluding South Africa). We offer investors a sustainable blend of long-term growing hard currency income and capital growth.

Our Local Communities

We continuously engage various NGOs and local communities and authorities with the objective of delivering real and measurable impact. Our social initiatives empower people to make a real and lasting difference in their own lives and the communities around them.

Refer to pages 18 and 19 for more details on our value proposition to our tenants and shareholders respectively.

Refer to pages 73 to 76 for the value we create (Impact) in our local communities through our various CSR projects.

Our ESG strategy

Our sustainability framework and strategy are built on the foundations of the United Nations' Sustainable Development Goals (SDGs) Our sustainability policy encompasses our sustainability objectives and targets, which are monitored and reported quarterly, by our Sustainability Committee to the Company's Responsible Business Committee as well as to the board of directors. We have defined six major pillars and focus areas when it comes to sustainability that provide a clear focus on how Grit sets out to conduct a sustainable and responsible business.

	1	2	3	4	5	6
Pillars	Managing our assets responsibly	Designing and delivering environmentally conscious and safe, healthy, and efficient spaces	Uplifting communities	Developing our employees	Setting the highest standards of health & safety	Protecting human rights
Core UNSDGs	9 Industry, innovation and infrastructure	12 Responsible consumption and production	8 Decent work and economic growth	4 Quality education	3 Good health and well-being	10 Reduced inequalities

Refer to pages 64 to 67 for more details on our ESG strategy and sustainability framework, and for our full Sustainability Report, visit our website on https://grit.group/responsible-business/sustainability-report/

HOW WE PERFORMED

2023

Portfolio Highlights

Growth in Gross Property Income from ongoing operations[1]

+7.3%

FY2022: +3.3%

EPRA cost ratio[2]

13.3%

FY2022: 13.0%

WALE[3]

4.4 years

FY2022: 4.8 years

Cash collection rate

101.3%

FY2022: 92.8%

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

EPRA portfolio occupancy[4]

93.6%

FY2022: 95.3%

Income earned in hard currency[5]

94.5%

FY2022: 91.5%

Grit proportionately owned lettable area ("GLA")

298,962m^2

FY2022: 366 926m^2

Weighted average annual contracted rent escalations

3.0%

FY2022: 5.4%

1. *Gross Property Income from continuing operations is an APM and is derived from IFRS NOI adjusted for the results of associates and joint ventures. A full reconciliation is provided in the Chief Financial Officer's Statement and excludes the impact of disposals of BHI and LLR and increased shareholding in GREA. The increase predominantly driven by reduced vacancies, annual contractual lease escalations & asset acquisitions.*
2. *Based on EPRA cost to income ratio calculation methodology shown on page 24.*
3. *Weighted Average Lease Expiry ("WALE").*
4. *Property occupancy rate based on EPRA calculation methodology (Includes associates and excludes direct vacancy cost). Please see calculation methodology shown on page 24.*
5. *Hard (US$ and EUR) or pegged currency rental income.*

Financial Highlights

Total income producing assets[6]

US$862.0m

FY2022: US$856.7m

Net Property Income[7]

US$52.0m

FY2022: US$49.2m

IFRS Net Property Income

US$46.6m

FY2022: US$43.3m

IFRS diluted (loss) / earnings per share

(US$4.90 cps)

FY2022: US$2.62 cps

EPRA NRV per share[8]

US$72.8 cps

FY2022: US$79.4 cps

Adjusted EPRA Earnings per share[8]

US$0.72 cps

FY2022: US$3.13 cps

WACD[9]

8.4%

FY2022: 7.1%

Group LTV[10]

44.3%

FY2022: 46.7%

Dividend per share

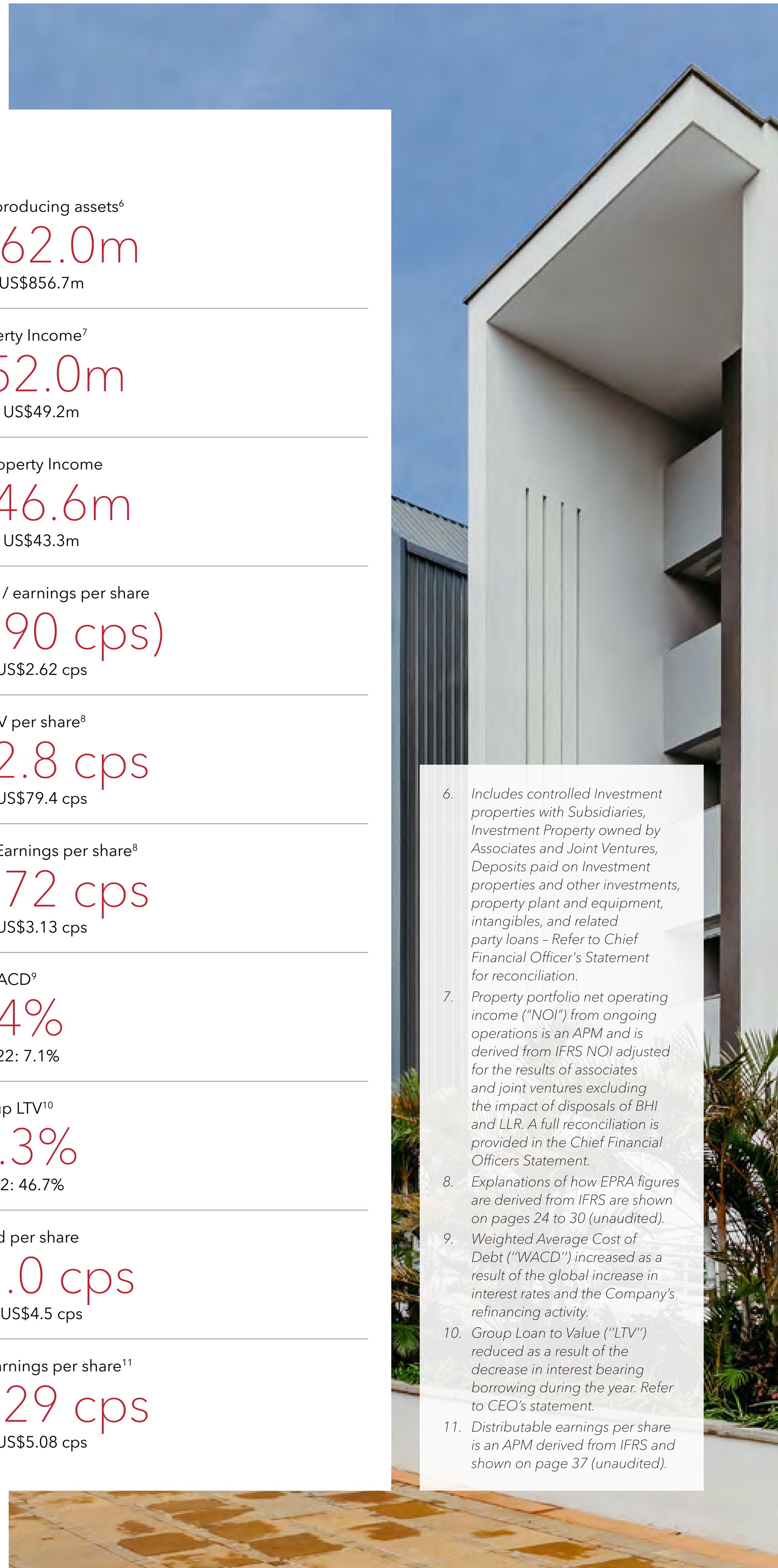
US$2.0 cps

FY2022: US$4.5 cps

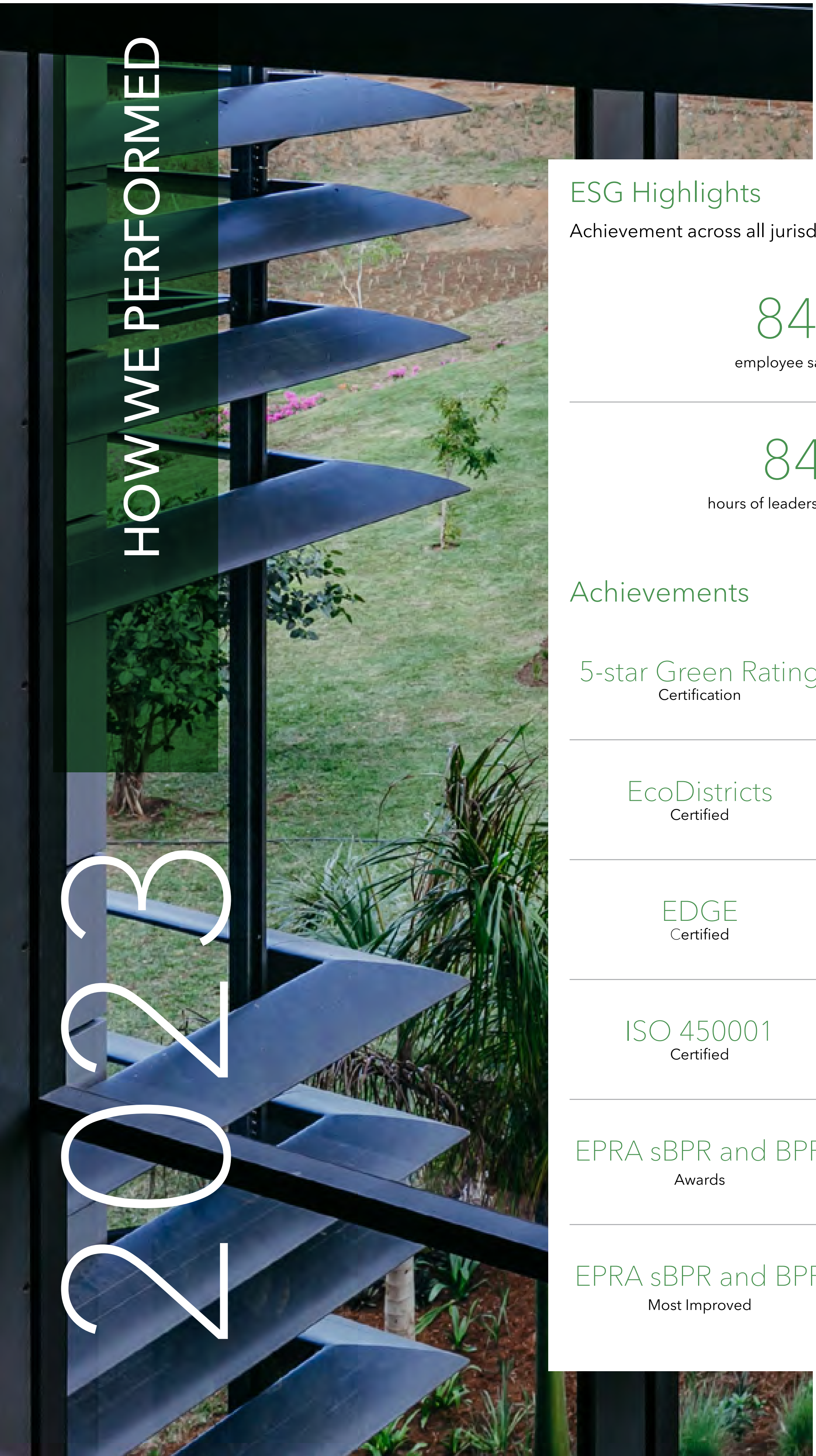
Distributable earnings per share[11]

US$4.29 cps

FY2022: US$5.08 cps



6. *Includes controlled Investment properties with Subsidiaries, Investment Property owned by Associates and Joint Ventures, Deposits paid on Investment properties and other investments, property plant and equipment, intangibles, and related party loans – Refer to Chief Financial Officer's Statement for reconciliation.*
7. *Property portfolio net operating income ("NOI") from ongoing operations is an APM and is derived from IFRS NOI adjusted for the results of associates and joint ventures excluding the impact of disposals of BHI and LLR. A full reconciliation is provided in the Chief Financial Officers Statement.*
8. *Explanations of how EPRA figures are derived from IFRS are shown on pages 24 to 30 (unaudited).*
9. *Weighted Average Cost of Debt ("WACD") increased as a result of the global increase in interest rates and the Company's refinancing activity.*
10. *Group Loan to Value ("LTV") reduced as a result of the decrease in interest bearing borrowing during the year. Refer to CEO's statement.*
11. *Distributable earnings per share is an APM derived from IFRS and shown on page 37 (unaudited).*



ESG Highlights

Achievement across all jurisdictions

84%
employee satisfaction

847
hours of leadership programs

Achievements

5-star Green Rating
Certification

EcoDistricts
Certified

EDGE
Certified

ISO 450001
Certified

EPRA sBPR and BPR
Awards

EPRA sBPR and BPR
Most Improved

Achievements FY2022/2023

7%
reduction

Carbon emissions

25% Reduction by 2025[1]
On track

25%
7%

10%
improvement

Building efficiency[2]

25% Reduction by 2025[1]
On track

25%
10%

43%
Exceeded target

Gender Equality

>40% women in leadership positions

>40%
43%

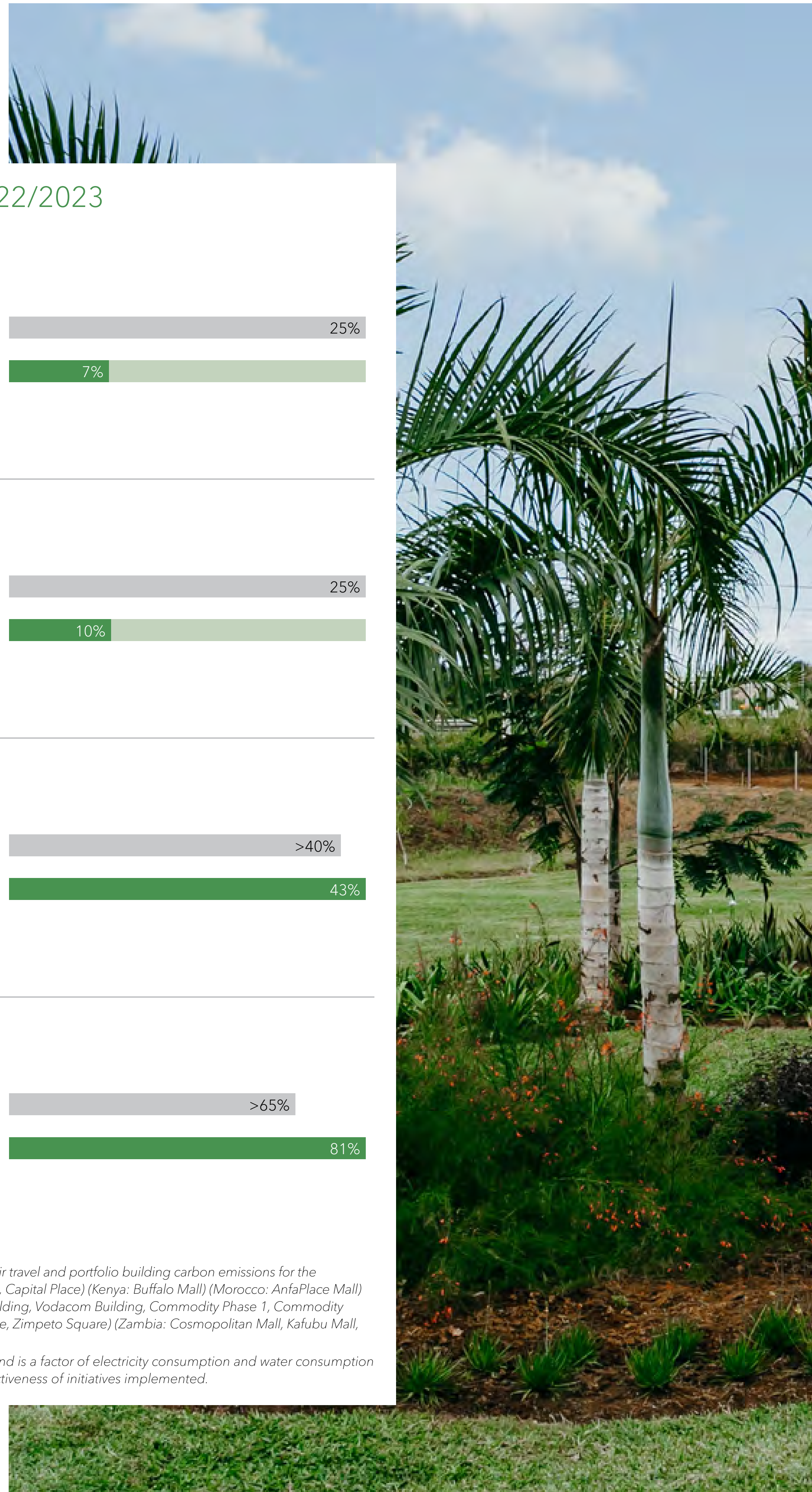
81%
Exceeded target

Local Representative

>65% local employees

>65%
81%

1. *Using FY2019 as a base year, including air travel and portfolio building carbon emissions for the following properties (Ghana: 5th Avenue, Capital Place) (Kenya: Buffalo Mall) (Morocco: AnfaPlace Mall) (Mozambique: Acacia Estate, Hollard Building, Vodacom Building, Commodity Phase 1, Commodity Phase 2, Vale Housing Estate, Mall de Tete, Zimpeto Square) (Zambia: Cosmopolitan Mall, Kafubu Mall, Mukuba Mall).*
2. *Building efficiency is an internal target and is a factor of electricity consumption and water consumption reductions that allow us to monitor effectiveness of initiatives implemented.*



CHAIRMAN'S STATEMENT

Grit is a prominent, woman-led real estate platform providing property investment and associated real estate services across the African continent. The Group recognises its role in transforming the design of buildings and developments for long-term sustainability, especially with Africa rapidly urbanising, and focuses on impact, energy efficiency and carbon reduction in its activities. In addition to environmental responsibility, the Group prides itself on achieving more than 40% of women in leadership positions and the significant support it provides to local communities in Africa through extensive CSR and upliftment programmes. More information on Grit's Environmental, Social and Governance initiatives is available in the Responsible Business Committee's report.

Peter Todd
Chairman
31 October 2023

Robust operational performance and record development activity

Operationally and strategically, 2023 was a challenging yet productive year and was characterised by disposals of non-core assets and substantial progress on the acquisition of a controlling interest GREA. Global interest rate volatility offset the strong performance from the property portfolio, where net operating income from ongoing operations increased 5.7%. We enjoyed good leasing and cash collections while GREA successfully delivered the Precinct office park, the first 5-star green rated development in the Indian Ocean region, and the Artemis Curepipe Hospital in Mauritius.

We aim to enhance our income and protect value through the active management of our high-quality portfolio. We are well positioned to deliver the Grit 2.0 strategy which is underpinned by long-term structural African demand drivers and the need for high quality real estate and infrastructure.

Macroeconomic factors impacting property valuations

A significant adjustment in global interest rates during the year caused a sharp increase in our overall cost of capital and impacted property yields across the global real estate sector. Our higher quality assets, underpinned by strong tenant covenants, are more resilient in the face of potentially weaker leasing markets which has largely been recognised by the valuers in our year-end property valuations. However, there remains near term uncertainty on market yields and valuations which is only expected to moderate once peak interest rates are reached.

The corporate accommodation and light industrial sectors experienced some valuation pressure which contributed to a negative 0.8% movement in fair values on the property portfolio, offsetting gains on completed developments. We expect growth sectors to stabilise, and given the favourable long-term African fundamentals, should continue to see considerable investment over the medium term.

A high-quality, diverse, and resilient platform

We benefit from having built a business focused on quality real estate assets with strong ESG credentials, long leases to a resilient and diverse customer base that comprise more than 85% of strong multinational and investment grade tenants. Revenue from ongoing operations grew by 7.3% in the financial year to 30 June 2023, with contractual lease escalations, which are predominantly inflation-linked, helping to offset the impacts of rising interest rates in the portfolio. We notably collected 101.3% (FY22: 92.8%) of the value of contracted revenue. In the financial year we reduced exposures to the hospitality sector and now have 33 assets across 7 sectors with 94.5% of our leases in hard currency. This provides a strong foundation to our income generation and a resilient platform from which to pursue growth opportunities through active management, sector focused development substructures and external fee generation from our professional services.

Capital recycling

In the prior financial year, the Board set an asset recycling target of 20% of the value of the property portfolio, equivalent to approximately US$160 million worth of property assets, by 31 December 2023. I am pleased to report that we have already achieved gross property disposals of US$135.2 million and are making good progress on further disposals which are hoped to be announced in late 2023 or early 2024. Given the success of the current disposal programme, the Board is considering extending the targets, including co-investors into sub-structures, and will make further announcements in due course.

Notable disposals in the financial year included the disposal of the minority interest in 3 hotels to Beachcomber Hotels International and the exit of the Group's remaining 25.1% in Letlole la Rona, a listed Botswanan property company.

Proceeds from asset recycling have principally been applied towards Group debt reduction and to the increased shareholding in GREA and APDM. Since acquiring an increased interest in APDM and GREA, Grit has combined and integrated the professional teams and continues to drive operating efficiencies through the establishment of a centralised treasury programme, shared professional services and integration of other head office support functions.

Grit 2.0 strategy

At a capital markets day hosted in May 2023, we unveiled the Grit 2.0 strategy, which set our vision for the Group post the acquisition of GREA and APDM. We described the Group as "moving from income to impactful income", which is underpinned by the value we create in new developments and with our various professional services.

Post the acquisition, the Group will continue to deploy its resources within the following principal strategic areas:

1. Owning and managing a well-diversified portfolio of high-quality real estate assets across the African continent (excluding South Africa) – which are resilient to macro-economic challenges.
2. Pursuing limited risk-mitigated real estate developments for existing and target tenants, predominantly focused on the industrial, embassy accommodation and data centres sectors, driving accelerated NAV growth into the future. Development exposure will not exceed more than 20% of Group gross asset value, and upon completion, will be included in the income producing portfolio of the Group thereby underpinning future income growth – leading to an expectation of enhanced yield and income upon completion of the developments.
3. Generation of additional fee income from real estate, facilities, and development management services to both internal clients and to third party clients and co-investors – expected to result in enhanced income, with a contribution to earnings for the year of US$4.7 million.

Grit's strategy is to organise the Group's real estate assets into logical sector groupings and to pursue development activities, wherever possible, through GREA, and focusing on the following:

1. Developing industrial and logistics assets across Africa which are then held as investments or sold to other investors; and
2. The establishment of a substructure that holds our diplomatic housing portfolio across the African continent for the US Government, other countries and multinational companies which are either held as investments or sold to investors.

The Group has made substantial progress in recapitalising GREA and have obtained shareholders' Investment Committee approval for the cash injection of US$48.5 million. While a number of administrative processes need to be concluded, the Board is confident that the targeted date of drawdown of December 2023 will be met. The capital injection will initially be utilised to temporarily reduce debt and associated financing costs before being deployed towards the Group's pipeline in due course.

The Group has made significant progress in sourcing funding for growth projects, with the targeted issuance of financing instruments in Bora to the IFC, a division of the World Bank. The IFC board approved transaction is set to close imminently providing additional growth capital for Bora to fund industrial and impact focused acquisitions and developments.

Financial results

The financial results to 30 June 2023 have been impacted by the corporate actions, rising interest rates and sluggish property valuations. EPRA NRV per share declined 8.3% to US$72.8cps (versus prior year NRV of US$79.4cps) predominantly due to property valuations, write offs and provisions against delayed property projects and transaction costs related to the GREA acquisition and the syndicated loan.

Grit's LTV improved from 46.7% in the prior financial year to 44.3%, predominantly from debt reductions related to asset disposals and active decisions by management to reduce the more expensive facilities in the face of rising interest rates. LTV is expected to fall further upon the planned consolidation of GREA.

Interest rates have remained higher, and for longer, than we initially anticipated introducing increased risks to the Group's financial performance in the near term. These risks are covered in more detail in the Chief Financial Officer's report below but has influenced the Board's assessment of liquidity risks when assessing current dividend levels.

Dividends

During the financial year the Group had a number of cash requirements to support the Board's strategic objectives and capital projects. The group successfully increased its shareholding in GREA (US$56.4 million), repaid overall quantum of debt by US$35.1 million and funded the upfront debt costs of the US$306 million syndicated loan (US$7.4 million). The bulk of the capital for these strategic and risk mitigating actions were funded from the asset recycling program that generated US$86.8 million, while US$12.0 million was funded from operational cashflows. The current transition from cash generative assets sold in the year to assets within the increased GREA portfolio, has resulted in a temporary disruption of normalised dividend flows from underlying properties that are expected to normalise by the end of the year. The current volatility of interest rates and continuing inflationary pressures combined with the rising tensions in the Middle East have additionally heightened the macro-economic risks faced by the Group. While we understand the importance of dividends to our shareholders, the Board has elected against declaring a second half dividend. Therefore the total dividend for the year amounts to US$2.00 cps following the interim dividend of US$2.00cps declared for the six months ended 31 December 2022. The full year distribution represents an 46.6% pay-out of distributable earnings.

A number of initiatives, including the implementation of a formal GREA dividend policy, normalisation of dividends from recently completed GREA portfolio assets and proceeds from further asset recycling, are expected to largely replenish the operational cashflows utilised to close the strategic objectives discussed above. The Board will consider either a special dividend later this year or an increased H1 dividend dependant on the progress it makes on all, or some, of these initiatives.

Changes to the Board

In February 2023 Nomzamo Radebe resigned off the Board. We thank Nomzamo for her valuable input she added to the Board.

We welcomed Lynette Finlay to the Board in March 2023 as an independent non-executive director. Lynette brings a wealth of property market experience, and we look forward to further engagements with her.

Outlook

Management and the Board will continue to focus on ongoing reduction in LTV, the asset recycling programme, and the expansion of Grit's investments in specialist development focused investment vehicles. The Board has identified a cost optimisation programme on Group administrative expenses, targeting a sustainable US$4.0 million reduction by December 2024.

Grit 2.0 positions the Group for growth, and with strong current cash collection, increased leasing activity, resilient assets and the potential for stronger NAV and fee income growth, the Board affirms the total return target of between 13% and 15% per annum over the medium term.

GRIT AT A GLANCE

33
properties
(including land)

7
sectors
(industrial, office, retail, medical, data centres, hospitality, and corporate accommodation

11
jurisdictions

Geographic & sectoral diversification

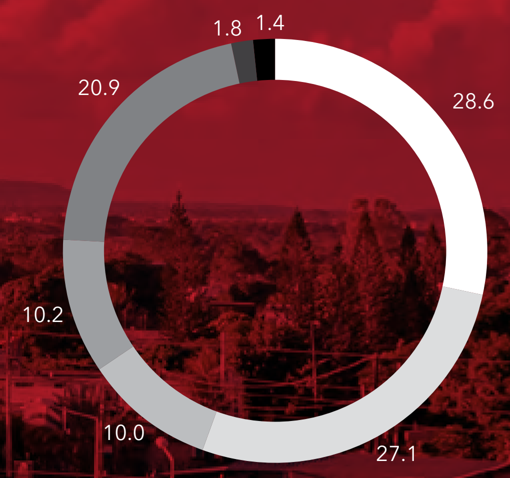
#	Country	Property*
1	**Morocco**	AnfaPlace Mall
2	**Senegal**	Club Med Cap Skirring Resort
3	**Mauritius**	Tamassa Resort | The Precinct | Curepipe Artemis Hospital
4	**Ghana**	Capital Place | 5th Avenue Corporate Offices | CADS 2 Building | Adumuah Place
5	**Nigeria**	Africa Data Centres
6	**Ethiopia**	Elevation Diplomatic Residence
7	**Uganda**	Metroplex Shopping Centre
8	**Kenya**	Buffalo Mall | Imperial Distribution Centre | Orbit Complex | Rosslyn Grove | Eneo at Tatu Central
9	**Zambia**	Kafubu Mall | Mukuba Mall | Cosmopolitan Mall
10	**Mozambique**	Commodity House Phase 1 | KPMG/Holland Building | Vodacom Building | Zimpeto Square | VDE Housing Compound | Mall de Tete | Bollore Warehouse | Commodity House Phase 2 | Acacia Estate | Tulip Stations
11	**Mali**	DH4 Bamako | GUL** | TIP**

Includes lands
*** Land*

Portfolio Exposure

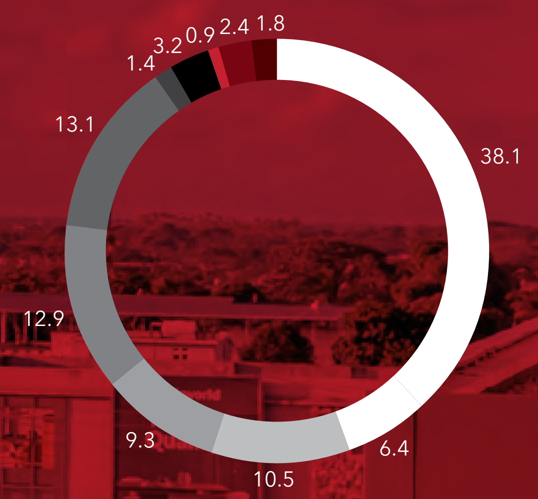
As part of our business risk management strategy, the Company targets a diversified and balanced exposure to sectors and jurisdictions, which provides a cushion in times of volatility. The Board reviews this strategy annually and objectives are set with regards to acquisitions and disposals, based on the business assessments that the Company would have performed. Refer to our investment activity on pages 16 to 17 and pages 33 to 35 of this report for more details on our acquisitions and disposals within the year under review.

Sectoral split[1] as at 30 June 2023 (%)



- Office
- Retail
- Light Industrial
- Hospitality
- Corporate Accommodation
- Data Centre
- Medical

Geographical split as at 30 June 2023 (%)



- Mozambique
- Ghana
- Mauritius
- Morocco
- Zambia
- Kenya
- Uganda
- Senegal
- Mali
- Ethiopia
- Nigeria

1. *Split by asset value; Grit economic interest.*

OUR TENANTS

Top 15 Tenants

Our tenant-mix is a rational blend of multinationals from various industries, contributing circa 69% of the Company's monthly portfolio income as at 30 June 2023.

Rank	Tenant	Industry	Income (% of Group total)	Tenant Grading	Lease Covenant	Lease Currency
1	US Embassy	Consular	10,4%	Other Global	Gross	USD
2	Total Group	Mining and Natural Resources	9,8%	Forbes	Gross	USD
3	VULCAN	Mining and Natural Resources	9,8%	Other Global	Gross	USD
4	Vodacom Group	Communication	6,9%	Forbes	Triple Net	USD
5	LUX*	Hospitality	5,7%	Other Global	Triple Net	EUR
6	Orbit	Industrial / Manufacturing	4,9%	National	Triple Net	USD
7	Shoprite Holdings	Retail	3,7%	Forbes	Gross	USD
8	Club Med Cap Skirring**	Hospitality	2,9%	Other Global	Triple Net	EUR
9	Hollard	Services	2,9%	Other Global	Gross	USD
10	Imperial Health Services	Logistics	2,5%	Forbes	Triple Net	USD
11	ExxonMobil	Mining and Natural Resources	2,5%	Forbes	Gross	USD
12	GAME	Retail	2,4%	Forbes	Gross	USD
13	International Retail Morocco	Retail	1,9%	Other Global	Gross	MAD
14	Falcon Healthcare Group	Medical	1,5%	National	Triple Net	EUR
15	Africa Global Logistics	Logistics	1,3%	Other Global	Triple Net	USD
		Total	69.1%			

** *Clubmed includes development rental*

Our prime tenants

While maintaining a diversified portfolio of properties (refer to portfolio exposure above), we also ensure a diversified mix of investment grade or multinational tenants, with specific emphasis on ensuring we are not exposed to concentration risks to any particular industry or client.

Grit has been included on SEM indices as per below:

	Stock Exchange of Mauritius		
	SEM10	SEM-AFRIDEX Index	SEMSI
GRIT Included	Yes	Yes	Yes

SEM10[1]

The SEM-10 consists of the largest 10 companies by market value (subject to Section 2) which qualify under Section 1 as eligible for inclusion in the SEM-10. The SEM-10 includes rupee denominated companies, foreign-currency denominated GBC 1 companies and international companies.

SEM-AFRIDEX INDEX[2]

The SEM-AFRIDEX tracks the performance of listed equity securities on the SEM that have a focus on the African continent (except Mauritius).

SEM Sustainability Index (SEMSI)[3]

SEMSI provides a robust measure of listed companies against a set of internationally aligned and locally relevant environmental, social and governance (ESG) criteria. It offers a useful tool for domestic and international investors with an appetite for responsible investment in frontier markets.

1. *https://www.stockexchangeofmauritius.com/products-market-data/indices/sem10*
2. *https://www.stockexchangeofmauritius.com/products-market-data/indices/sem-afridex*
3. *https://www.stockexchangeofmauritius.com/products-market-data/indices/semsi*

STRONG FOUNDATION FOR GROWTH

OUR TENANT PROPOSITION

Providing high-quality space

In line with our purpose, we work closely with our tenants to develop, own and manage the space they need to operate on the African continent

We are tenant focused

The senior leadership team work closely in partnership with our tenants to ensure our buildings meet their exact requirements to maximise their operational effectiveness. This direct approach helps to future proof our buildings for our tenants and to grow income and capital values for Shareholders.

Being close to our tenants gives us a competitive edge, by providing insight into future demand and occupier requirements. We supplement this information with specialist local knowledge and experience from operating on the ground. This insight informs our development and asset management activities, to reduce risk and enhance returns for Shareholders.

The right designs for the local markets	With a diversified portfolio and extensive experience, we are able to provide new and existing tenants with a range of buildings and development options to suit their requirements. We are flexible and efficient and with increasing economies of scale, we are enabling cost efficiencies for our tenants.
Sustainable	Our tenants are increasingly looking to occupy sustainable assets. 100% of our newly developed buildings will achieve relevant local market green ratings (EDGE, Greenstar etc) and we continue to invest in ESG initiatives such as on-site renewable energy generation and community development programmes. Our existing portfolio, although relatively new and modern, target 25% efficiency improvements by 2025. Refer to the Responsibility section of this report on page 69 for more details on our building efficiency
Modern	Our investment portfolio has an average building age of 10 years and our development activity creates a long-term pipeline of state-of-the-art buildings, to meet the requirements of market-leading occupiers.
Transforming African markets	With chronic undersupply of quality, modern real estate, we are often developing and pioneering real estate offerings in the African markets we operate in.
Well located	Our investment and land assets are in strategically important locations, which benefit from strong transport infrastructure and suitable power and labour supplies.
Innovative	The scale and flexibility of our buildings enable the installation of latest technology to improve efficiencies and reduce costs.

Family of Partnerships

OUR SHAREHOLDER PROPOSITION

A compelling investment case

Grit Real Estate Income Group is a specialist real estate platform dedicated to investing in, developing and managing high-quality impact assets and providing smart business solutions on the African continent (excluding South Africa). We offer investors a sustainable blend of long-term growing income and capital growth.

A clear and compelling strategy

We focus on attracting high-quality and resilient multinational tenants, engaging directly to grow and maintain income and capital values through active management, and delivering insight-led development solutions.

Read more about our strategy on pages 07 and 13.

A resilient portfolio

We have constructed a portfolio of high-quality assets, in key locations, let to tenants operating in strong business segments. The portfolio has proven its ability to generate highly visible and resilient income, even in uncertain times. We complement this strong foundation with various smart business offerings, including asset management, facilities management and treasury expertise to drive greater returns.

Read more about our portfolio on pages 33 and 34.

Attractive development opportunities

We have a large and attractive pipeline of opportunities for long- term phased delivery and an attractive yield on cost target of 11%-12%.

Read more about development opportunities on pages 16 to 17 and 35.

Financial position

With an LTV of 44.3% as at 30 June 2023,the Group is well financed, with a strong balance sheet and a range of funding sources to support our growth ambitions and drive Shareholder returns.

Refer to the CFO's report in pages 36 to 47.

Long-term structural drivers

We believe our focus sectors of industrial, diplomatic housing, medical and data centres are the most attractive and dynamic sectors in commercial property on the African continent. There are major long-term structural trends driving occupational and investor demand for large-scale quality assets. These trends have many years to run and events such as Covid-19 have helped to sustain and accelerate them.

Read more about our structural drivers on page 16 to 17 and 35.

A sustainable approach

ESG considerations are central to all our investment decisions. From integrating ESG initiatives into our asset management plans to developing buildings to stringent EDGE and similar certifications, or funding through Green Finance, ESG factors are fully considered to ensure long-term risks and opportunities are addressed.

Read more about our ESG strategy on page 64 to 67.

Extensive expertise

The senior leadership team's deep understanding of the continent, combined with the an extensive high quality network, gives us the capabilities we need to identify opportunities and successfully execute our strategy.

Read more about our expertise on pages 100 to 101 and page 108.

OUR BUSINESS MODEL

Unlocking value for all our stakeholders, including the people of Africa

Underpinned by Impact Investing

CORE PRINCIPLES

Deep Local and International Relationships
Powerful and long-lasting relationships resulting in consistent delivery

Strong Tenants
Robust Blue-Chip Multinational Tenant Base, Backed By Guarantees

Hard Currency Leases
(USD/Euro) revenues on long term leases

Diversification
Expansive sectoral (8 asset classes) and geographical (North, East, West & SADC) diversification in portfolio

CORE ACTIVITIES

Property Investment
(in completed, income producing assets)

Risk mitigated client led
Developments

Co-Investment
and specialist property platforms

Smart Solutions
and Real Estate, Asset and Development management

Services Fee Income
from third parties

Underpinned with

Social and Environmental
- Extensive Stakeholder Engagement
- Strategic Business Partnerships
- ESG Initiatives
- Strong Investor Relations Strategy

Human Capital
- Strong Leadership Team
- Recruit, Reward, Retain
- Culturally Diverse Workforce
- Skills & Career Development
- Women with Grit

Strategy
- Talented Team
- Relationship Strength
- Asset-class Diversification
- Country Diversification
- Investment-grade Africa
- Responsible Business and Sound ESG Strategy

Margins of Safety
- Hard Currency
- Repatriation of Funds
- Political Risks & Macro-economics
- Land Tenure
- Ability to Raise Debt
- Counterparty
- Country and Asset class Diversification

Grit's Values
1. Gutsy Go Getters…Grateful Go Givers
2. Resilience and results through relationships and Reinvention
3. Innovation with Integrity
4. Tenacity through Teamwork and Trust

"Proud to lead an impact real estate company that is passionately committed to closing the gender gap and shattering glass ceilings whilst setting the global benchmark in Africa".

Bronwyn Knight, CEO

The value we create: High quality buildings for our tenants, long-term income and capital growth for our shareholders; economic and social value for society and communities.

How we generate returns: through rent received from our tenants, fees from asset management and from profits associated with our portfolio. We have a low and transparent cost base, with an EPRA cost ratio of 13.3% as at 30 June 2023, efficiently converting the rent we receive into income for shareholders.

We recycle capital, selling assets which we believe have delivered their full potential in our ownership and redeploying the proceeds into higher-returning opportunities.

PORTFOLIO UPDATE 30 JUNE 2023

(incl EPRA performance)

Sector	Property value* US$'000	WALE (by income)	EPRA cost ratio	Weighted Average Escalation	EPRA Vacancy	EPRA NIY	EPRA topped up NIY
Office	215,444	3.9	10.5%	3.3%	9.9%	7.5%	7.7%
Retail	212,711	3.6	28.2%	3.9%	11.5%	7.8%	8.0%
Light Industrial	79,450	12.7	3.0%	2.2%	–	6.7%	6.7%
Hospitality	79,992	5.7	–	0.7%	–	6.9%	6.9%
Corporate Accommodation	157,772	1.9	16.0%	3.0%	1.4%	8.3%	8.9%
LLR	–	–	10.2%	–	–	–	–
Data Centre	14,390	8.3	–	1.0%	–	5.8%	5.8%
Medical	12,227	14.9	–	2.0%	–	6.0%	6.0%
Other	–	–	–	–	–	–	–
GREA under construction	16,241	–	–	–	–	–	–
Total	**788,227**	**4.4**	**13.3%**	**3.0%**	**6.4%**	**7.5%**	**7.8%**

* *EPRA metrics are calculated on the basis of Grit's economic interest, excluding assets under construction (Eneo Tatu City CCI, DH4 Bamako and Coromondal Hospital)*

Our property assets have a weighted average lease expiry ("WALE") of 4.4 years as at 30 June 2023 (June 2022: 4.8 years), a weighted average contracted lease escalation of 3.0% per annum (June 2022 5.8% p.a.) and are underpinned by blue-chip multi-national tenants across various industries (refer to page 14 of this report for our top 15 tenants making up c.70% of our revenue). Grit's property portfolio comprises a total of 30 property assets (excl. land) with rentals predominantly collected monthly, of which 94.5% are collected in US$, Euro or pegged currencies.

Sector	Revenue FY2023 Reported US$'000	Revenue FY2023 Change in ownership[2] US$'000	Revenue FY2023 Ongoing operations US$'000	Revenue FY2022 Restated[3] US$'000	Revenue FY2022 Change in ownership[2] US$'000	Revenue FY2022 Ongoing operations US$'000	Change in Revenue Reported %	Change in Revenue Ongoing operations %	Rental Collection[1] FY2023 %
Retail	19,074	110	**18,964**	18,310	-	**18,310**	4.2%	3.6%	95.0%
Hospitality	9,164	3,889	**5,275**	12,510	7,481	**5,029**	(26.7%)	4.9%	136.2%
Office	18,163	1,078	**17,085**	16,577	–	**16,577**	9.6%	3.1%	98.0%
Light Industrial	6,229	–	**6,229**	3,797	–	**3,797**	64.1%	64.1%	105.3%
Corporate Accommodation	14,147	460	**13,687**	13,620	–	**13,620**	3.9%	0.5%	96.1%
Medical	53	11	**42**	–	–	**–**	100.0%	100.0%	100.0%
Data Centre	803	135	**668**	364	–	**364**	120.6%	83.5%	15.9%
LLR portfolio	1,588	1,588	**–**	2,788	2,788	**–**	(43.0%)	(100.0%)	N/A
Corporate	1,444	–	**1,444**	1,389	–	**1,389**	4.0%	4.0%	N/A
Total	70,665	7,271	**63,394**	69,355	10,269	**59,086**	1.9%	7.3%	101.3%
Subsidiaries	56,249	1,001	**55,248**	51,937	–	**51,937**	8.3%	6.4%	
Associates	12,538	5,810	**6,728**	16,613	10,269	**6,344**	(24.5%)	6.1%	
Subtotal	68,787	6,811	**61,976**	68,550	10,269	**58,281**	0.3%	6.3%	
GREA Associates[2]	1,878	460	**1,418**	805	–	**805**	133.2%	76.1%	
Total	70,665	7,271	**63,394**	69,355	10,269	**59,086**	1.9%	7.3%	

1. *Rental Collections represents the amount of cash received as a percentage of contractual income. Contractual income is stated before the effects of any rental deferment and concessions provided to tenants.*
2. *Change in ownership relate to the impact of the disposal of BHI and LLR as well as the impact of the change in the Group's proportionate share in GREA from 26.29% to 35.01% during the financial year. On 30 June the Groups interest increased to 51.4%, with the resulting effect expected to be observed in the 30 June 2024 financial period.*
3. *Prior year comparatives have been restated to reflect a change in accounting policy following clarification by the IFRS Interpretation Committee ("IFRIC") in October 2022 of how lessor should account for the forgiveness of lease payments. Details of the restatement and impact on prior year comparatives are set out in note 2.3 'Changes in accounting policies'*

EPRA Key Performance metrics

As at 30 June 2023

Sector metrics

Sector	GLA (m^2)	EPRA* NIY	EPRA Topped-up NIY	EPRA Vacancy Rate	EPRA Cost Ratios (incl. direct vacancy)	EPRA Cost Ratios (excl. direct vacancy)
Office	46,898	7.5%	7.7%	9.9%	11.1%	10.5%
Retail	107,780	7.8%	8.0%	11.5%	30.7%	28.2%
Light Industrial	51,152	6.7%	6.7%	–	3.0%	3.0%
Hospitality	38,029	6.9%	6.9%	–	–	–
Corporate Accommodation	52,157	8.3%	8.9%	1.4%	16.1%	16.0%
LLR	–	–	–	–	10.2%	10.2%
Data Centre	512	5.8%	5.8%	–	–	–
Medical	2,434	6.0%	6.0%	–	–	–
Other	–	–	–	–	–	–
Grit Group	**298,962**	**7.5%**	**7.8%**	**6.4%**	**14.2%**	**13.3%**

EPRA DISCLOSURES

EPRA Vacancy Rate

EPRA Vacancy Rate is expressed as a percentage being the ERV of vacant space divided by ERV of the whole portfolio as at reporting date.

This is calculated for all completed properties (investment, trading and including share of joint ventures' vacancy), but excluding those properties which are under development.

Sector	Vacant ERV US$'000	Portfolio ERV US$'000	EPRA Vacancy
Office*	120	1 216	9,89%
Retail**	187	1 618	11,54%
Light Industrial	–	402	–
Hospitality	–	464	–
Corporate Accommodation	17	1 178	1,42%
LLR	–	–	–
Data Centre	–	103	–
Medical	–	73	–
Other	–	–	–
Grit Group	**324**	**5 054**	**6,41%**

* *Office (Net vacancy increases mainly due to Tullow oil renewed with a reduced GLA by 1,913m² (to only 32% of building) from 100% and increased in shareholding in Precinct of 1,450 m².*

** *Retail (Due to the change in shareholding for Buffalo Mall and Metroplex Mall effective in June 23, and Mukuba Mall interim vacancy of 970m² which is now fully let.*

EPRA cost ratios

The EPRA Cost Ratio (including direct vacancy costs) includes all operating expenses in the IFRS statements including the share of associates operating expenses.

Service fees, management fees and other non(cash items are netted against costs.

The EPRA Cost Ratio (excluding direct vacancy costs) deducts all vacancy costs related to standing assets.

EPRA Cost Ratios		Grit Group 30 June 2023 US$'000	Office 30 June 2023 US$'000	Retail 30 June 2023 US$'000	Light Industrial 30 June 2023 US$	Hospitality 30 June 2023 US$'000	Corporate Accommodation 30 June 2023 US$'000	LLR 30 June 2023 US$'000	Data Centre 30 June 2023 US$'000	Medical 30 June 2023 US$'000	Other* 30 June 2023 US$'000
Operating expense line per IFRS income statement (subsidiaries		(9,624)	(1,929)	(5,785)	(220)	–	(2,271)	–	–	–	581
Share of operating expenses (associates		(1,171)	(95)	(899)	(14)	–	–	(161)	–	–	(2)
Total proportionate operating expenses		**(10,796)**	**(2,024)**	**(6,683)**	**(234)**	**-**	**(2,271)**	**(161)**	**-**	**-**	**579**
Share of operating expenses (associates of associates		(230)	–	–	–	–	(230)	–	–	–	–
Total operating expenses including associates of associates		**(11,025)**	**(2,024)**	**(6,683)**	**(234)**	**-**	**(2,501)**	**(161)**	**-**	**-**	**579**
Less: unrecoverable property expenses[1]		1,224	46	880	67	–	67	–	–	–	164
Total operating costs including direct vacancy costs	A	**(9,801)**	**(1,979)**	**(5,803)**	**(167)**	**-**	**(2,434)**	**(161)**	**-**	**-**	**743**
Less: direct vacancy costs[2]		597	109	470	–	–	19	–	–	–	–
Total operating costs excluding direct vacancy costs	B	**(9,203)**	**(1,870)**	**(5,333)**	**(167)**	**-**	**(2,415)**	**(161)**	**-**	**-**	**743**
Gross rental income line per IFRS income statement (subsidiaries		56,250	16,440	14,858	6,205	5,274	12,285	–	–	–	1,187
Share of gross rental income (associates		12,554	1,724	4,216	24	3,890	–	1,588	803	53	256
Total proportionate gross rental income		**68,804**	**18,164**	**19,074**	**6,229**	**9,164**	**12,285**	**1,588**	**803**	**53**	**1,444**
Share of gross rental income (associates of associates		1,863	–	–	–	–	1,863	–	–	–	–
Total gross rental income including associates of associates		**70,666**	**18,164**	**19,074**	**6,229**	**9,164**	**14,148**	**1,588**	**803**	**53**	**1,444**
Less: gross rental income exclusions[3]		(1,680)	(338)	(145)	(655)	(21)	933	(9)	–	–	(1,444)
Gross rental income	C	**68,987**	**17,826**	**18,929**	**5,574**	**9,143**	**15,081**	**1,579**	**803**	**53**	**-**
EPRA cost ratio including direct vacancy costs (%)	A/C	**14.2%**	**11.1%**	**30.7%**	**3.0%**	**-**	**16.1%**	**10.2%**	**-**	**-**	**-**
EPRA cost ratio excluding direct vacancy costs (%)	B/C	**13.3%**	**10.5%**	**28.2%**	**3.0%**	**-**	**16.0%**	**10.2%**	**-**	**-**	**-**

1. *Unrecoverable property expenses include bad debts, marketing costs and letting commission.*
2. *Direct vacancy costs is calculated by applying the vacant GLA to the fixed costs of the building.*
3. *Gross rental income exclusions include IFRS adjustments such as lease incentives and straight (line rental income.*

* *Other includes elimination building and other consolidation adjustments.*

EPRA net initial yield (NIY) and Topped-up NIY

EPRA NIY is calculated as the annualised net operating income at the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the property.

The EPRA 'topped-up' NIY is calculated by making an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

EPRA net initial yield (NIY) and Topped-up NIY		Grit Group 30 June 2023 US$'000	Office 30 June 2023 US$'000	Retail 30 June 2023 US$'000	Light Industrial 30 June 2023 US$'000	Hospitality 30 June 2023 US$'000	Corporate Accommodation 30 June 2023 US$'000	LLR 30 June 2023 US$'000	Data Centre 30 June 2023 US$'000	Medical 30 June 2023 US$'000	Other 30 June 2023 US$'000
Investment property – subsidiaries		628,777	184,566	161,412	79,450	79,992	123,358	–	–	–	–
Investment property – associates		123,796	39,850	51,298	–	–	7,407	–	14,390	10,852	–
Total investment property		**752,573**	**224,416**	**212,709**	**79,450**	**79,992**	**130,765**	**-**	**14,390**	**10,852**	**-**
Investment property – associates of associates		33,331	–	–	–	–	33,331	–	–	–	–
Less: Undeveloped land		(19,296)	(1,570)	(4,960)	(10,100)	–	(2,666)	–	–	–	–
Less: Properties under development		(16,669)	(8,970)	–	–	–	(7,395)	–	–	(304)	–
Completed property portfolio valuation	A	**749,939**	**213,876**	**207,749**	**69,350**	**79,992**	**154-35**	**-**	**14,390**	**10,547**	**-**
EPRA annualised net operating income [1]		52,115	14,374	13,807	4,629	5,497	12,547	–	841	637	(217)
Vacancy adjustments [2]		4,266	1,566	2,449	–	–	,251	–	–	–	–
EPRA annualised net operating income plus vacancy adjustments	B	**56,381**	**15,940**	**16,255**	**4,629**	**5,497**	**12,799**	**-**	**841**	**637**	(217)
Add: Annual concessions and rent free		1,826	496	345	–	–	,985	–	–	–	–
EPRA topped up annualised net operating income plus vacancy adjustments	C	**58,207**	**16,436**	**16,600**	**4,629**	**5,497**	**13,784**	**-**	**841**	**637**	**(217)**
EPRA NIY	B/A	**7.52%**	**7.45%**	**7.82%**	**6.67%**	**6.87%**	**8.31%**	**-**	**5.84%**	**6.04%**	**-**
EPRA Topped-up NIY	C/A	**7.76%**	**7.68%**	**7.99%**	**6.67%**	**6.87%**	**8.95%**	**-**	**5.84%**	**6.04%**	**-**

1. *EPRA annualised net operating income comprises of the net operating income as at balance sheet date less EPRA exclusions (including non-recoverable property operating expenses).*
2. *Vacancy adjustments is calculated based on market rental for vacancies (i.e assuming a fully let property).*

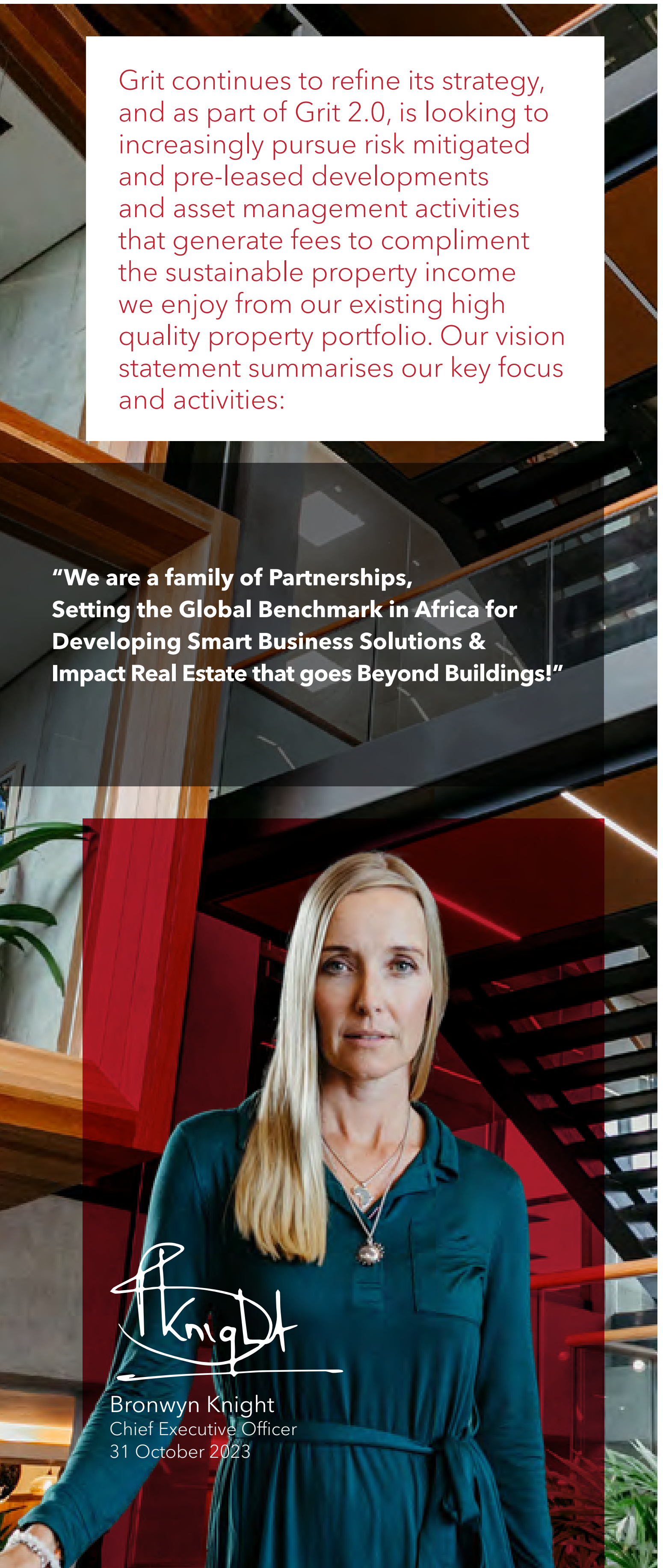
EPRA like-for-like Rental Growth

Like(for(like rental growth	Grit Group 30 June 2023 US$'000	Office 30 June 2023 US$'000	Retail 30 June 2023 US$'000	Light Industrial 30 June 2023 US$'000	Hospitality 30 June 2023 US$'000	Corporate Accommodation 30 June 2023 US$'000	LLR 30 June 2023 US$'000	Data Centre 30 June 2023 US$'000	Medical 30 June 2023 US$'000	Other 30 June 2023 US$'000
FY2023										
Gross rental income line per IFRS income statement- subsidiaries	56,250	16,440	14,858	6,205	5,274	12,285	–	–	–	1,187
Share of gross rental income- associates	12,554	1,724	216	24	3,890	–	1,588	803	53	256
Total proportionate gross rental income	**68,804**	**18,164**	**19,074**	**6,229**	**9,164**	**12,285**	**1,588**	**803**	**53**	**1,444**
Share of gross rental income- associates of associates	1,863	–	–	–	–	1,863	–	–	–	–
Total gross rental income including associates of associates	**70,666**	**18,164**	**19,074**	**6,229**	**9,164**	**14,148**	**1,588**	**803**	**53**	**1,444**
Exclusions :	–	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–	–
Other	(1,468)	–	–	(24)	–	–	–	–	–	(1,444)
Disposed Assets	(5,477)	–	–	–	(3,890)	–	(1,588)	–	–	–
New Assets	(1,063)	(325)	–	–	–	(685)	–	–	(53)	–
Pipeline Assets	–	–	–	–	–	–	–	–	–	–
	62,658	17,839	19,074	6,205	5,274	13,463	–	803	–	–
FY2022										
Gross rental income line per IFRS income statement- subsidiaries	51,681	14,012	14,437	3,797	5,030	12,815	–	–	–	1,589
Share of gross rental income- associates	17,091	2,561	3,738	(24)	7,480	–	2,788	429	–	118
Total proportionate gross rental income	**68,772**	**16,573**	**18,175**	**3,773**	**12,510**	**12,815**	**2,788**	**429**	**-**	**1,708**
Share of gross rental income- associates of associates	805	–	–	–	–	805	–	–	–	–
Total gross rental income including associates of associates	**69,577**	**16,573**	**18,175**	**3,773**	**12,510**	**13,620**	**2,788**	**429**	**-**	**1,708**
Exclusions :	–	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–	–
Other	(1,684)	–	–	24	–	–	–	–	–	(1,708)
Disposed Assets	(11,359)	(1,091)	–	–	(7,480)	–	(2,788)	–	–	–
New Assets	–	–	–	–	–	–	–	–	–	–
Pipeline Assets	–	–	–	–	–	–	–	–	–	–
	56,534	15,483	18,175	3,797	5,030	13,620	–	429	–	–
LIKE-FOR-LIKE RENTAL GROWTH	10.83%	15.22%	4.94%	63.41%	4.86%	(1.16%)	(100%)	87.15%	–	–

EPRA Capital Expenditure

Property related capital expenditure	Investment Property 30 June 2023 US$'000	Cost of investment properties 30 June 2023 US$'000	Straight -line rental income accrual 30 June 2023 US$'000	Fair value of investment properties 30 June 2023 US$'000	Foreign currency translation difference on investment 30 June 2023 US$'000	Lease incentive-IP 30 June 2023 US$'000	Right of use land-IP 30 June 2023 US$'000
Investment property - subsidiaries per IFRS income statement	628,777	552,288	7,013	59,566	-	3,311	6,599
Investment property - associates	123,796	118,861	1	4,675	-	222	37
Total investment property	**752,573**	**671,149**	**7,014**	**64,241**	**-**	**3,533**	**6,636**
Investment property - associates of associates	33,331	30,434	-	2,769	-	129	-
Closing balance of Investment Property	**785,904**	**701,583**	**7,014**	**67,010**	**-**	**3,662**	**6,636**
Movements*	(36,669)	(29,817)	1,013	(10,697)	-	(78)	2,910
Opening balance of Investment Property	**822,574**	**731,400**	**6,001**	**77,707**	**-**	**3,740**	**3,726**
**Movements made up of :*							
Acquisitons	24,844	18,770	-	6,044	-	30	-
Disposals	(116,001)	(113,021)	-	(5,920)	-	-	2,941
Properties under development	11,394	11,356	-	-	-	-	37
Land	11,318	10,460	-	926	-	-	(67)
Refurbishment	4,039	3,380	720	(57	-	(3)	-
Operating Assets	27,737	39,451	293	(11,902)	-	(105)	-
Other	-	(213)	-	213	-	-	-
Total movements	**(36,669)**	**(29,817)**	**1,013**	**(10,697)**	**-**	**(78)**	**2,910**
Closing balance of Investment Property	**785,904**	**701,583**	**7,014**	**67,010**	**-**	**3,662**	**6,636**

CHIEF EXECUTIVE OFFICER'S STATEMENT



Grit continues to refine its strategy, and as part of Grit 2.0, is looking to increasingly pursue risk mitigated and pre-leased developments and asset management activities that generate fees to compliment the sustainable property income we enjoy from our existing high quality property portfolio. Our vision statement summarises our key focus and activities:

"We are a family of Partnerships, Setting the Global Benchmark in Africa for Developing Smart Business Solutions & Impact Real Estate that goes Beyond Buildings!"

Bronwyn Knight
Chief Executive Officer
31 October 2023

In addition to sound property fundamentals, a significant catalyst for Grit's growth continues to be our focus on strong, transparent counterparty and stakeholder relationships. This ability and know-how are what differentiates Grit and allows us to deliver smart real estate solutions on the African continent.

We identified a number of key focus areas at the start of the year and are pleased to provide the following key highlights for the period:

- We delivered a strong portfolio performance including leasing and vacancy management, strong cash collections and growth in operational earnings from ongoing operations;
- We strengthened the Group balance sheet, including reductions in debt balances and Group loan to value and extended debt maturities through the US$306 million sustainability linked syndicated facility;
- Good progress on the GREA and APDM acquisitions, with beneficial ownership of 51.48% of GREA being obtained on 30 June 2023 and transfer of shares completed shortly after the financial year end;
- Acceleration in our asset recycling strategy with significant disposals that included three Beachcomber hotels and the remaining stake in Letlole la Rona concluded during the financial year;
- Significant progress in our move towards a low carbon economy and achieving our 25% building efficiency improvement target by 2025.

Key operational trends

Good leasing activity

During the year, we signed leases over 9,006 m2 of GLA in our investment property portfolio with significant activity in the office, retail, light industrial and corporate accommodation sectors, with pleasing results in the Anfa Mall and Ghana office portfolio. Although we increased our shareholding in GREA to 51.48%, the Group has been operationally controlling the completed assets since April 2022 by undertaking property management and leasing activities on their behalf via Group companies.

Balance sheet improving

In October 2022 we concluded a US$306 million multi-jurisdictional sustainability linked syndicated debt facility across Mozambique, Zambia, Kenya, Ghana, and Senegal, which was the largest of its kind in the real estate sector in Sub Sahara Africa (ex-South Africa).

Interest bearing borrowings were subsequently reduced by US$28.3 million to US$396.7 million in the financial year through a combination of utilising cashflows raised from asset disposals and from redirecting cash generated from operations towards debt reductions. The Group's reported LTV dropped to 44.3% (from 46.7% in FY2022) and is further expected to reduce upon the consolidation of GREA.

Accelerating fee income generation

Grit's proportionate fee income generation in the year accelerated as the first evidence of the Grit 2.0 fee income strategies started materialising. While the underlying portfolio continues to be delivered, the fixed asset management fee income component will increase steadily over time while the development management fees are expected to be linked to business activity and available growth capital and might vary year to year, with current year performance being bolstered by one off incentive fees earned by APDM on the delivery of its minimum return hurdles.

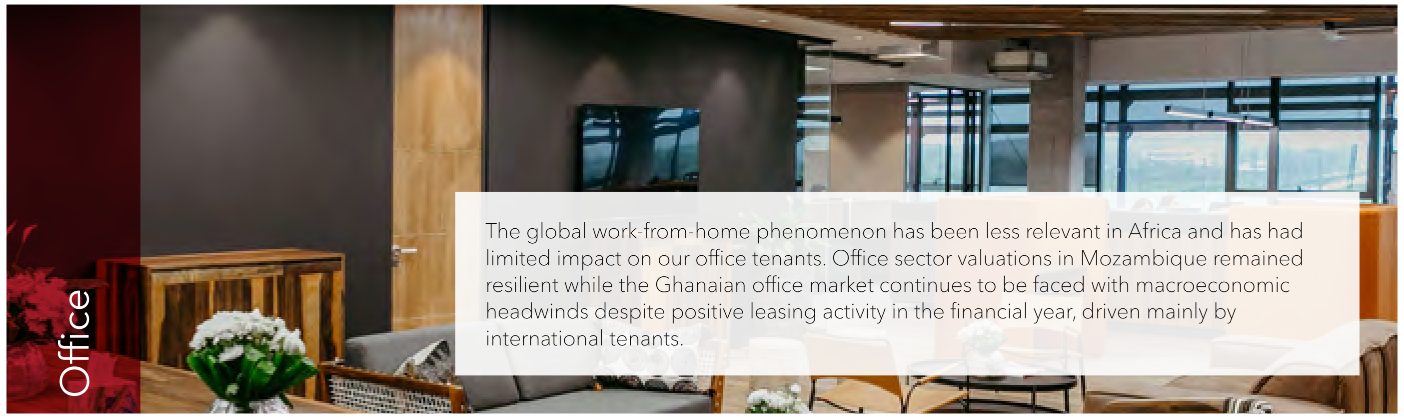
Significant liquidity redeployment

Strong cash collections of 101.3% (FY22: 92.8%) continued to support the Group's liquidity position.

Additionally, proceeds from the disposals of the remaining 25.1% interest in Letlole la Rona and the 44.2% interest in three hotels operated by Beachcomber Hotels International were applied towards both debt reductions and towards the completion of the final phases of the GREA and APDM acquisitions (where US$58.3m was deployed towards phases two and three of the acquisition).

Operational update

Grit's current portfolio consists of 33 assets located across 11 countries and 7 sector classes. The Group's portfolio has a 6.4% EPRA vacancy rate (FY2022: 4.7%) impacted by mix changes in the portfolio post asset disposals, and a weighted average lease expiry (WALE) of 4.4 years (FY2022: 4.8 years). More than 85% of income is underpinned by a wide range of blue-chip multinational tenants across a variety of sectors and has a weighted average contracted lease escalation of 3.0% per annum (FY2022: 5.4% per annum). Most rents are collected monthly, of which 94.5% (FY2022: 91.5%) are collected in US Dollar, Euro or pegged currencies.

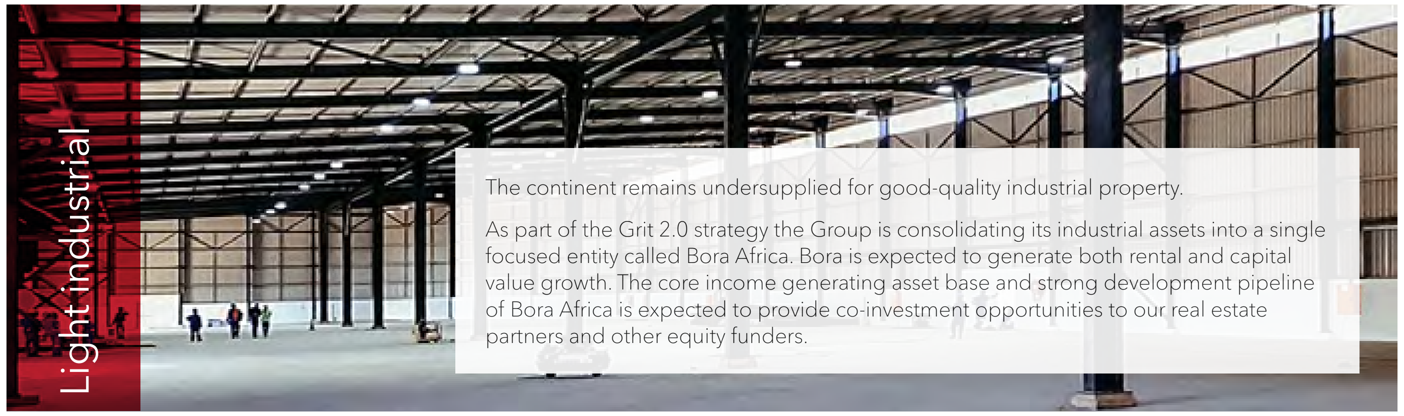


Office

The global work-from-home phenomenon has been less relevant in Africa and has had limited impact on our office tenants. Office sector valuations in Mozambique remained resilient while the Ghanaian office market continues to be faced with macroeconomic headwinds despite positive leasing activity in the financial year, driven mainly by international tenants.

Corporate accommodation

The valuation of the VDE Housing Estate in Mozambique reduced to US$50.2 million (FY2022: US$55.2 million), with valuers applying conservative leasing assumptions post the current lease maturity in May 2024. The acquisition of GREA allows the Group to accelerate its provision of diplomatic housing through a strong pipeline of secured opportunities similar to the recently completed developments in both Kenya and Ethiopia, where the Group has enjoyed good valuation performance in this financial year.

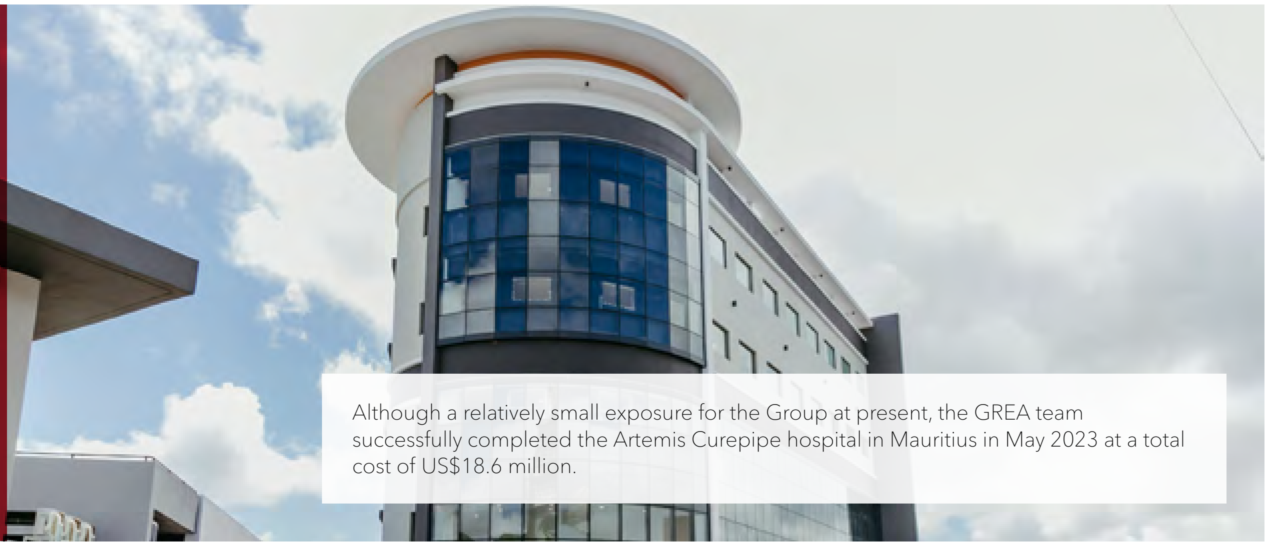


Light industrial

The continent remains undersupplied for good-quality industrial property.

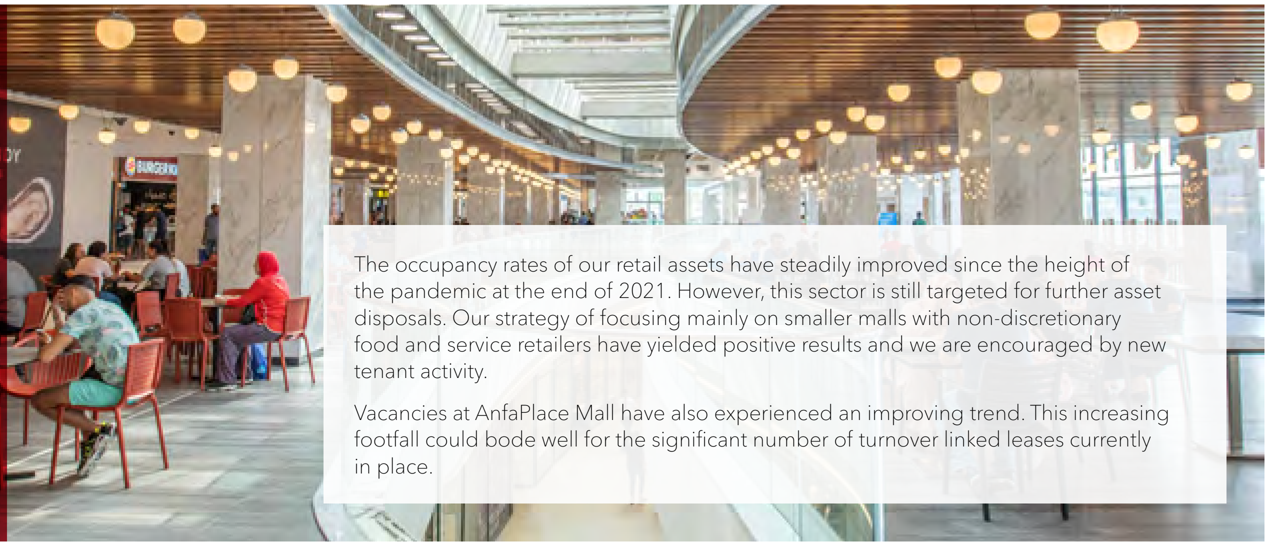
As part of the Grit 2.0 strategy the Group is consolidating its industrial assets into a single focused entity called Bora Africa. Bora is expected to generate both rental and capital value growth. The core income generating asset base and strong development pipeline of Bora Africa is expected to provide co-investment opportunities to our real estate partners and other equity funders.

Medical



Although a relatively small exposure for the Group at present, the GREA team successfully completed the Artemis Curepipe hospital in Mauritius in May 2023 at a total cost of US$18.6 million.

Retail assets



The occupancy rates of our retail assets have steadily improved since the height of the pandemic at the end of 2021. However, this sector is still targeted for further asset disposals. Our strategy of focusing mainly on smaller malls with non-discretionary food and service retailers have yielded positive results and we are encouraged by new tenant activity.

Vacancies at AnfaPlace Mall have also experienced an improving trend. This increasing footfall could bode well for the significant number of turnover linked leases currently in place.

Hospitality assets

Our hospitality portfolio now comprises two hotels post the sale of the interest in BHI – one in Mauritius and one Club Med resort in Senegal, the refurbishment of which, will be completed in November 2023, before embarking on the expansion project which is due for completion in late 2024.

Update on acquisitions and development pipeline

The acquisition of a majority stake in GREA was completed shortly after the financial year end. Control over GREA and its asset manager, Africa Property Development Managers ("APDM"), is pivotal to Grit's ambitions. These include further diversifying its asset base into defensive, high-growth real estate sub-sectors and growing fee income whilst creating positive and sustainable impacts and value to the local people and communities we serve across Africa.

The finalisation of the amendments to the shareholders agreement are expected shortly, which will result in control and the consolidation of GREA and APDM into the results of Grit from that date.

Summary of GREA developments and projects

Name	Completion date	Anchor tenant
OBO Kenya (embassy accommodation)	August 2022	US Embassy
The Precinct, Mauritius (office)	May 2023	Grit, Dentons, W17
Artemis Curepipe Hospital, Mauritius	May 2023	Falcon Group
Eneo, Tatu City, Kenya	Q2 2024	CCI
Artemis Coromandel Hospital, Mauritius	Q2 2025	Falcon Group
OBO Mali (embassy accommodation)	Q2 2025	US Embassy

ESG strategy

The Group's sustainability efforts focus on community impact, the empowerment of women, energy efficiency and carbon reduction.

The Board remains committed to a five-year target of a 25% reduction in carbon emissions and a 25% improvement in our building efficiency against 2019 base figures and has made significant progress in the achievement of these targets. In addition to environmental responsibility, the Group prides itself on achieving more than 40% of women in leadership positions at Grit, more than 65% localised employees and significant support to numerous local communities through extensive CSR and upliftment programmes.

We have made significant progress in our move toward a low carbon economy based on global best practice.

The Group integrated report provides more details on our approach, our strategy, and our achievements against these targets.

Prospects

The Group has some compelling pipeline opportunities in impact real estate investing. The year-ended 30 June 2023 has been a transitionary year for the Group with significant corporate actions and asset recycling. Our focus will remain on sustainably growing dividends and enhancing capital growth. This will be done while continuing to target key portfolio metrics such as lowering the LTV, vacancy, cost factors, maintaining collections and further strengthening the balance sheet and liquidity position through focused asset recycling initiatives.

The Board have identified a cost optimisation programme on Group administrative expenses and are a targeting a sustainable US$4.0 million reduction by December 2024. Although rising global interest rates continue to be a headwind for earnings our focus remains on the long-term sustainable debt strategy and managing the weighted average cost of debt alongside achieving our contractual lease escalations. The GREA acquisition and recapitalisation as well as the completion of the IFC financing instrument into Bora Africa positions us well for the Grit 2.0 strategy and for increased focus on selective impact investing in sectors such as light industrial, diplomatic housing, medical and data centre.

CHIEF FINANCIAL OFFICER'S STATEMENT

Presentation of financial statements

The consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB. Alternative performance measures (APMs) have also been provided to supplement the IFRS financial statements as the Directors believe that this adds meaningful insight into the operations of the Group and how the Group is managed. European Public Real Estate Association ("EPRA") Best Practice Recommendations have been adopted widely throughout this report and are used within the business when considering the operational performance of our properties. Full reconciliations between IFRS and EPRA figures are provided in notes 11 to 13. Other APMs used are also reconciled below.

"Grit Proportionate Interest" income statement, presented below, is a management measure to assess business performance and is considered meaningful in the interpretation of the financial results. Grit Proportionate Interest Income Statement (including "Distributable Earnings") are alternative performance measures. In the absence of the requirement for Distributable Reserves in the domicilium countries of the group, Distributable Earnings is utilised to determine the maximum amount of operation earnings that would be available for distribution as dividend to shareholders in any financial period. This factors the various company specific nuances of operating across a number of diverse jurisdictions across Africa and the investments' legal structures of externalising cash from the various regions. The IFRS statement of comprehensive income is adjusted for the component income statement line items of properties held in joint ventures and associates. This measure, in conjunction with adjustments for non-controlling interests (for properties consolidated by Grit, but part owned by minority partners), form the basis of the Group's distributable earnings build up, which is alternatively shown in Note 12 "Distributable earnings".

The Group made substantial progress in the current financial year toward disposal of assets accounted for as associates, and with the anticipated consolidation of GREA and APDM, expects to present largely consolidated asset results going forward.

Leon van de Moortele
Chief Financial Officer
31 October 2023

IFRS Income statement to distribution reconciliation	Audited IFRS 30 June 2023 US$'000	Extracted from Associates 30 June 2023 US$'000	Unaudited Grit Proportionate Income statement 30 June 2023 US$'000	Unaudited Non-Controlling Interest US$'000	Unaudited Grit Economic Interest Income Statement 30 June 2023 US$'000	Unaudited Distributable Earnings 30 June 2023 US$'000
Gross property income	56,249	12,538	68,787	(9,286)	59,501	59,587
Property operating expenses	(9,624)	(1,798)	(11,422)	2,784	(8,638)	(9,609)
Net property income	**46,625**	**10,740**	**57,365**	**(6,502)**	**50,863**	**49,978**
Other income	286	22,241	22,527	(3,343)	19,184	18,799
Administrative expenses	(22,578)	(7,400)	(29,978)	4,104	(25,874)	(21,419)
Net impairment charge on financial assets	(3,868)	(1,581)	(5,449)	(59)	(5,508)	-
Profit from operations	**20,465**	**24,000**	**44,465**	**(5,800)**	**38,665**	**47,358**
Fair value adjustment on investment properties	(4,108)	(1,005)	(5,113)	1,023	(4,090)	-
Fair value adjustment on other financial liability	3,625	1,948	5,573	(79)	5,494	-
Fair value adjustment on other financial asset	264	-	264	-	264	-
Fair value adjustment on derivative financial instruments	(3,085)	-	(3,085)	-	(3,085)	-
Share-based payment expense	(354)	(7,474)	(7,828)	-	(7,828)	-
Share of profits from associates and joint ventures	14,300	(14,300)	-	-	-	-
Loss on disposal of investment in subsidiary	(3,240)	-	(3,240)	-	(3,240)	-
Loss on disposal of interest in associate	(3,543)	-	(3,543)	-	(3,543)	-
Impairment of loans and other receivables	-	(71)	(71)	(658)	(729)	-
Loss on derecognition of loans and other receivables	(3,735)	-	(3,735)	(280)	(4,015)	-
Foreign currency losses	(2,241)	(1,640)	(3,881)	416	(3,465)	-
Loss on extinguishment of loans	(1,166)	(25)	(1,191)	114	(1,077)	-
Loss on disposal of property, plant, and equipment	(888)	-	(888)	-	(888)	-
Other transaction costs	(2,156)	-	(2,156)	-	(2,156)	-
Profit before interest and taxation	**14,138**	**1,433**	**15,571**	**(5,264)**	**10,307**	**47,358**
Interest income	4,096	5,527	9,623	(40)	9,583	9,582
Finance charges	**(39,582)**	**(6,088)**	**(45,670)**	**5,585**	**(40,085)**	**(36,554)**
(Loss) / Profit before taxation	(21,348)	872	(20,476)	281	(20,195)	20,386
Taxation	(4,225)	(487)	(4,712)	1,276	(3,436)	(3,113)
(Loss) / Profit after taxation	**(25,573)**	**385**	**(25,188)**	**1,557**	**(23,631)**	**17,273**
NCI of associates through OCI		**(385)**	**(385)**	**385**	**-**	**-**
(Loss) / Profit after taxation and after NCI of associates	**(25,573)**	**-**	**(25,573)**	**1,942**	**(23,631)**	**17,273**
VAT credits						**3,312**
Distributable earnings						**20,585**

Financial and Portfolio summary

The Grit Proportionate Income Statement is further split to produce a Grit Property Portfolio Revenue[2], Operating expenses[2] and NOI[2] analysis by sector. Grit's Property Portfolio revenue has increased by 1.9% after the reduction of revenue from disposed assets. Revenue from ongoing operations increased 7.3% from prior year on annual contractual lease escalations and the start of leasing operations on a number of buildings within the GREA portfolio between January 2023 and May 2023. Net operating income on ongoing operations increased by 5.7% over the twelve-month period to 30 June 2023.

Sector	Revenue FY2023 Reported US$'000	Revenue FY2023 Change in ownership[3] US$'000	Revenue FY2023 Continuing operations US$'000	Revenue FY2022 Restated US$'000	Revenue FY2022 Change in ownership[3] US$'000	Revenue FY2022 Continuing operations US$'000	Change in Revenue Reported %	Change in Revenue Continuing operations %	Rental Collection[1] FY2023 %
Retail	19,074	110	18,964	18,310	–	18,310	4.2%	3.6%	95.0%
Hospitality	9,164	3,889	5,275	12,510	7,481	5,029	(26.7%)	4.9%	136.2%
Office	18,163	1,078	17,085	16,577	–	16,577	9.6%	3.1%	98.0%
Light industrial	6,229	–	6,229	3,797	–	3,797	64.1%	64.1%	105.3%
Corp Accommodation	14,147	460	13,687	13,620	–	13,620	3.9%	0.5%	96.1%
Medical	53	11	42	–	–	–	100.0%	100.0%	100.0%
Data Centre	803	135	668	364	–	364	120.6%	83.5%	15.9%
LLR portfolio	1,588	1,588	–	2,788	2,788	–	(43.0%)	(100.0%)	N/A
Corporate	1,444	–	1,444	1,389	–	1,389	4.0%	4.0%	N/A
TOTAL	**70,665**	**7,271**	**63,394**	**69,355**	**10,269**	**59,086**	**1.9%**	**7.3%**	**101.3%**
Subsidiaries	56,249	1,001	55,248	51,937	–	51,937	8.3%	6.4%	
Associates	12,538	5,810	6,728	16,613	10,269	6,344	(24.5%)	6.1%	
SUBTOTAL	**68,787**	**6,811**	**61,976**	**68,550**	**10,269**	**58,281**	**0.3%**	**6.3%**	
GREA Associates	1,878	460	1,418	805	–	805	133.2%	76.1%	
TOTAL	**70,665**	**7,271**	**63,394**	**69,355**	**10,269**	**59,086**	**1.9%**	**7.3%**	

Sector	NOI FY2023 Reported US$'000	NOI FY2023 Change in ownership[3] US$'000	NOI FY2023 Continuing operations US$'000	NOI FY2022 Restated[4] US$'000	NOI FY2022 Change in ownership[3] US$'000	NOI FY2022 Continuing operations US$'000	Change in NOI Reported %	Change in NOI Continuing operations %
Retail	12,363	70	12,293	11,952	–	11,952	3.4%	2.9%
Hospitality	9,164	3,889	5,275	12,510	7,481	5,029	(26.7%)	4.9%
Office	16,139	870	15,269	14,664	–	14,664	10.1%	4.1%
Light industrial	5,995	–	5,995	3,692	–	3,692	62.4%	62.4%
Corp Accommodation	11,545	439	11,106	11,558	–	11,558	(0.1%)	(3.9%)
Medical	53	11	42	–	–	–	100.0%	100.0%
Data Centre	148	118	30	324	–	324	(54.3%)	(90.7%)
LLR portfolio	1,455	1,455	–	2,507	2,507	–	(42.0%)	(100.0%)
Corporate	2,023	–	2,023	2,000	–	2,000	1.2%	1.2%
TOTAL	**58,885**	**6,852**	**52,033**	**59,207**	**9,988**	**49,219**	**(0.5%)**	**5.7%**
Subsidiaries	46,625	870	45,755	43,281	–	43,281	7.7%	5.7%
Associates	10,740	5,543	5,197	15,181	9,988	5,193	(29.3%)	0.1%
SUBTOTAL	**57,365**	**6,413**	**50,952**	**58,462**	**9,988**	**48,474**	**(1.9%)**	**5.1%**
GREA Associates	1,520	439	1,081	745	–	745	104.0%	45.1%
TOTAL	**58,885**	**6,852**	**52,033**	**59,207**	**9,988**	**49,219**	**(0.5%)**	**5.7%**

1. *Rental Collections represents the amount of cash received as a percentage of contractual income. Contractual income is stated before the effects of any rental deferment and concessions provided to tenants.*
2. *Grit adjusted property portfolio Revenue, Operating expenses and Net Operating Income are unaudited alternative performance measurements*
3. *Change in ownership relate to the impact of the disposal of BHI and LLR as well as the impact of the change in the Group's proportionate share in GREA from 26.29% to 35.01% during the financial year. On 30 June the Groups interest increased to 51.4%, with the resulting effect expected to be observed in the 30 June 2024 financial period.*
4. *Prior year comparatives have been restated to reflect a change in accounting policy following clarification by the IFRS Interpretation Committee ("IFRIC") in October 2022 of how lessor should account for the forgiveness of lease payments. Details of the restatement and impact on prior year comparatives are set out in note 2.3 'Changes in accounting policies'*

The **retail sector** benefitted from lower vacancies, Covid-19 recovery and from favourable foreign exchange impacts, particularly on the Zambian portfolio during the year.

The **hospitality sector** NOI declined as a result of the disposal of the Beachcomber properties during the year. NOI from ongoing operations grew 4.9% predominantly driven by EBITDA linked rental growth at Tamassa and rentals on development capex being levied at the Club Med Skirring Resort.

The **office secto**r NOI growth was predominantly attributable to the increased shareholding in Capital Place (50% to 70% from 30 June 2022) and a one-off termination fee relating to Commodity House Phase 1 of US$0.8m. The remainder of the portfolio was broadly flat over the prior year.

The **light Industrial sector** NOI growth substantially related to the full year impact of the Orbit Complex contributing c.US$2.5m to the year-on-year movement.

Corporate accommodation sector and NOI growth predominantly related to new leasing income generated from DH1 Ethiopia and DH3 Kenya completed during the year. The diplomatic housing portfolio positive trends were offset by lower rentals achieved in the VDE Housing Complex and additional costs being incurred across the portfolio.

Cost control

The financial year-ended 30 June 2023 was a transitionary year for the Group, one in which significant inflationary pressure and investment for future growth and positioning ahead of GRIT 2.0 resulted in a 40.3% increase in ongoing administrative expenses. A substantial contributor to the increase were inflationary pressures experienced in items including insurance, travel, accommodation and staff costs. Additionally, the Group invested for growth, with the staff compliment increasing during the year and the opening of a new representative office in Kenya. The property management team added to the headcount growth with new staff in Ethiopia to manage the diplomatic housing projects.

Ongoing administrative costs as a percentage of total income producing assets equate to 2.4%, increasing from 1.7% in the prior year and against management medium term admin cost ratio target of 1.8%. The group has set a target of reducing overall administrative costs by US$4.0 million by December 2024. This will be achieved through increased integration and efficient use of the Grit and APDM staff compliment, further digitisation of business processes, initiatives surrounding insurance requirements and a more targeted marketing spend that will underpin the growth of assets under management and the generation of other fee income streams in line with the Grit 2.0 strategy.

Administrative costs for the year included a number of once off items related to the office move to the Precinct and additional costs related to the completion of phase 2 and 3 of the GREA / APDM acquisition.

Administrative expenses	30 June 2023 US$'000	30 June 2022 US$'000	Movement US$'000	Movement %
Comparable administrative costs relating to the Group (excluding APDM recharges)	21,787	16,944	4,843	28.6%
Bora representative office setup costs	532	–	532	100.0%
APDM employee costs recharged to Group	259	–	259	100.0%
Administrative expenses – IFRS	**22,578**	**16,944**	**5,634**	**33.3%**
Less: Transaction costs	(1,706)	(2,071)	365	(17.6%)
Total administrative expenses	**20,872**	**14,873**	**5,999**	**40.3%**
Fee income	**1,348**	**480**	**868**	**180.8%**

As an offset to the increased administrative costs, asset management fees of the subsidiaries grew to US$1.4 million (an increase of 180.8% from the prior year comparative of US$0.48 million). Additionally, the insourcing of property management in Ghana and Kenya resulted in net savings of US$0.16 million (with the current years fees of US$0.11 million ending during the year). These figures are expected to grow in line with the number of new projects delivered in the medium term and will be significantly bolstered through the deployment of the IFC funding instrument and GREA recapitalisation.

Material finance costs increases

The continued rise in global interest rates have driven the Group's cash weighted average cost of debt up to 8.0% at 30 June 2023 and including the full year impact of the Orbit acquisition, resulted in a 46.5% increase in net finance costs for the year. The increase in ongoing funding costs is partially shielded by annual contractual lease escalations over the property portfolio which are predominantly linked to US consumer price inflation. The Group also has hedging instruments in place amounting to US$200.0 million to mitigate the impact of interest fluctuations. Although base rates increased by c3.6% over the year, our WACD increased by 1.3% as a result of these hedges.

The additional US$11.3 million charge to income resulted in a significant impact on the financial results for the year. The reported net finance charge includes an amortisation of loan issuance costs and the impact of hedging activities.

Administrative costs	as at 30 June 2023 US$'000	as at 30 June 2022 US$'000	Movement US$'000	Movement %
Finance costs as per statement of profit or loss	39,582	26,151	13,431	51.4%
Less: Interest income as per statement of profit or loss	(4,096)	(1,935)	(2,161)	111.7%
Net finance costs - IFRS	**35,486**	**24,216**	**11,270**	**46.5%**

Interest rate risk exposure and management

The exposure to interest rate risk at 30 June 2023 is summarised below and the table highlights the value of the Group's interest-bearing borrowings that are exposed to the base rates indicated:

Administrative expenses	Total US$'000	SOFR US$'000	EURIBOR US$'000	PLR[1] US$'000	Fixed US$'000
Standard Bank Group	269,147	222,633	46,514	-	-
State Bank of Mauritius	35,361	10,000	24,336	1,025	-
Investec Group	34,722	3,152	31,570	-	-
Nedbank Group	15,635	15,635	-	-	-
Maubank	712	-	712	-	-
Housing Finance Corporation	4,369	-	-	-	4,369
NCBA Kenya	17,500	17,500	-	-	-
Private Equity	4,725	-	-	-	4,725
International Finance Corporation	16,100	16,100	-	-	-
TOTAL EXPOSURE – IFRS	398,271	285,020	103,132	1,025	9,094
Less: Hedging instruments in place	(200,000)	(200,000)	-	-	-
Less: Partner loans offsetting group exposure	(21,034)	(21,034)	-	-	-
NET EXPOSURE (AFTER HEDGING AND OTHER MITIGATING INSTRUMENTS) - IFRS	177,237	63,986	103,132	1,025	9,094

1. *PLR – Mauritius Prime Lending Rate*

Management monitor and manage the business relative to the cash WACD which is the net finance costs before loan cost amortisation and adjusted for the effects of the hedges. Including the impact of hedges and back-to-back partner loans, the Group is 78.24% hedged on its US$ SOFR exposure but remains largely unhedged to movements in EURIBOR and the Mauritian prime lending rate.

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

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

All debt	Cash WACD	WACD	Movement vs current WACD
At 30 June 2023 (including hedges)	7.97%	8.43%	
At 31 October 2023 (including hedges)	9.09%	9.55%	0.00%
+50bps	9.30%	9.76%	+21bps
+25bps	9.19%	9.65%	+10bps
-50bps	8.88%	9.34%	(21bps)
-100bps	8.55%	9.01%	(54bps)
-200bps	7.84%	8.30%	(125bps)

Asset recycling

During the year the Group continued with its asset recycling strategy and disposed of a minority interest (44.42%) in 3 hotels to Beachcomber Hotels International and the complete exit of the Group's remaining 25.1% in Letlole la Rona, a listed Botswanan property company. The impact on the financial results of the Group of these disposals are summarised below..

Disposal of Leisure Property Northern (Mauritius) Limited

Disposal of Leisure Property Northern (Mauritius) Limited

The Group disposed of its whole equity interests in Leisure Property Northern (Mauritius) Limited ("LPNL"), the legal beneficial owner of Beachcomber Hospitality Investments Ltd ("BHI") and a wholly owned subsidiary of the Group during the year. At the beginning of the financial year, Grit via LPNL owned 44.42% of BHI. The following transactions occurred during the year which resulted in the disposal of LPNL and BHI.

- In November 2022, BHI declared a €32.6 million dividend whereby shareholders had the option to elect to receive the dividend in cash or additional shares in BHI in proportion to their current shareholding. The Group elected a cash payout whereas New Mauritius Hotel ("NMH"), the other shareholder of BHI, elected to convert the dividend payout into additional BHI shares. Following the increase in shareholding of NMH in BHI, the Group interests in the associate decreased from 44.42% to 27.01%.
- In May 2023, the Group disposed of its wholly owned subsidiary LPNL (which held 27.01% of BHI at the time of disposal). Following the disposal of LPNL and the de-consolidation of LPNL in Grit's book, LPNL merged with BHI so that BHI is the only surviving legal entity that remains in operation.
- Following the disposal, the New Mauritius Hotels option to acquire all of the equity held by LPNL in BHI, expired and the call option liability that was previously recorded was reversed.

The net impact of the disposal of the LPNL and BHI on the results of the Group during the year is summarised as follows	US$'000
Assets disposed	
Investments in associates	51,298
Cash and cash equivalents	1
Total assets disposed	**51,299**
Liabilities disposed	
Interest-bearing borrowings	(19,404)
Trade and other payables	(28)
Total liabilities disposed	**(19,432)**
Net assets disposed	**31,867**
Consideration received	28,880
Loss on sale of subsidiary	**(2,987)**
Reclassification of cumulated other comprehensive income movement from foreign currency translation reserve to profit or loss	(75)
Total loss on sale of interest in subsidiary	**(3,062)**
Fair value adjustment through profit or loss on reversal of call option held by New Mauritius Hotels	2,472
Net impact of disposal on profit or loss in the current year	**(590)**

Disposal of equity interest in Letlole La Rona Limited

During the year, Grit Services Limited a wholly owned subsidiary of the Group disposed of its entire equity interests of 25.10% in Letlole La Rona Limited on the Botswana Stock Exchange for a cash consideration. The disposal of shares has been completed in tranches. The number of shares disposed of and the trading price at the different disposal dates were as follows:

Number of shares disposed	Trading price per share BWP	Percentage interest %
19,000,000	3.48	6.79%
19,768,068	3.51	7.06%
12,600,000	3.16	4.50%
18,911,932	2.50	6.75%
70,280,000		**25.10%**

The net impact of the disposal of the interest in Letlole La Rona Limited on the results of the Group during the year is summarised as follows, with the largest contributor to the loss on disposal being the crystallisation of foreign currency translation differences that were recognised during the period in which the investment was held, and which arose due to the movement in the Botswana Pula against the US Dollar during the investment period.

	US$'000
Fair value of consideration received	**16,853**
Less: Carrying amount of Investment in associate to be disposed	17,105
Loss on disposal of interest in associate	**(252)**
Reclassification of cumulative foreign currency translation reserve to profit or loss	**(3,291)**
Total loss on disposal of investment in associate	**(3,543)**

Utilisation of proceeds from disposal of assets

The proceeds on the disposal of the above-mentioned assets had largely been used to partially fund the acquisition of GREA and the settlement of debt.

Portfolio performance

Income producing assets increased by 0.6% during the year under review. The increase in investment properties is largely driven by capital expenditure incurred during the year along with the acquisition of the remaining 50% interest in Buffalo Mall, which resulted in the asset being consolidated in the Group results at 30 June 2023. The acquisition of a further 25.19% interest in GREA along with an increase of 1% interest in APDM was offset by the consolidation of Buffalo Mall as described above as well as the impact of the disposal of the entire shareholding in Beachcomber Hospitality Investments as well as LLR during the year. Other loans receivable decreased through partial repayments received from partners during the year.

Composition of income producing assets	2023 US$'m	2022 US$'m
Investment properties	628.8	604.5
Investment property included within 'Investment in associates'	197.1	203.8
	825.9	**808.3**
Deposits paid on investment properties	5.9	8.2
Other investments, Property, plant & equipment, Intangibles & related party loans	30.2	40.2
Total income producing assets	**862.0**	**856.7**

Property valuations

Reported property values based on Grit's proportionate share of the total property portfolio (including joint ventures and GREA associates) decreased by 4.5% in the period and were principally impacted by "Asset Recycling" related to the disposal of stakes in BHI and LLR (both accounted for as associates) offset to an extent by increased stakes in the GREA assets (reflected in their various sectors) as a result of Grit's increased interest in GREA (which moved from 26.29% to 51.48%). Additions predominantly related to capex deployed to various development projects in GREA as well as the Bollore property. Fair value loss on the portfolio amounted to US$5.9m, equating to -0.8% on the like-for-like portfolio.

Sector	Opening Property Value US$'000	Forex movement US$'000	Asset recycling US$'000	Development assets completed in the year US$'000	Additions US$'000	Change in ownership US$'000	Other US$'000	Fair value movements US$'000	Closing Property Value US$'000	Total Valuation Movement %
Retail	197,417	1,330	–	–	371	12,322	720	551	212,711	7.7%
Hospitality	164,603	9,235	(100,057)	–	2,244	–	8	3,959	79,992	(51.4%)
Office	195,823	–	–	11,728	–	5,032	940	1,921	215,444	10.0%
Light industrial	80,414	–	–	–	7,899	–	655	(9,518)	79,450	(1.2%)
Data Centres	6,839	–	–	–	–	6,555	338	658	14,390	110.4%
Medical	–	(140)	–	5,633	–	4,626	–	2,108	12,227	100.0%
Corporate Accommodation	145,884	(520)	–	–	1,998	16,824	(793)	(5,621)	157,772	8.1%
LLR portfolio	20,946	(6,187)	(14,909)	–	–	–	–	150	–	(100.0%)
GREA under construction	13,214	715	–	(17,361)	14,506	5,167	159	(159)	16,241	22.9%
Total	**825,140**	**4,433**	**(114,966)**	**-**	**27,018**	**50,526**	**2,027**	**(5,951)**	**788,227**	**(4.5%)**
Subsidiaries	604,474	4,401	–	–	10,531	11,769	1,710	(4,108)	628,777	4.0%
Associates	203,770	552	(114,966)	–	15,088	22,576	89	(1,005)	126,104	(38.1%)
SUBTOTAL	**808,244**	**4,953**	**(114,966)**	**-**	**25,619**	**34,345**	**1,799**	**(5,113)**	**754,881**	**(6.6%)**
GREA Associates	16,896	(520)	–	–	1,399	16,181	228	(838)	33,346	97.4%
TOTAL	**825,140**	**4,433**	**(114,966)**	**-**	**27,018**	**50,526**	**2,027**	**(5,951)**	**788,227**	**(4.5%)**

Interest bearing borrowings movements

As at 30 June 2023, the Group had a total of US$398.3 million in interest bearing borrowings outstanding as compared to a total of US$425.1 million that was outstanding at the end of the comparative period. The reduction in these balances were largely driven by the settlement of interest-bearing borrowings amounting to US$19.4 million held in Leisure Property Northern (Mauritius) Limited, which was disposed during the year as well as a US$10.0 million repayment made on the loan facility that the Group holds with the State Bank of Mauritius Limited (other loans settled during the period amounted to US$5.6 million). During the year the Group acquired the remaining 50% interest in Buffalo Mall Naivasha Limited and due to the consolidation of this entity at 30 June 2023 the interest-bearing borrowings that relate to this entity amounting to US$4.4 million was included in the Group balance as at that date.

Movement in reported interest-bearing borrowings for the year (subsidiaries)	as at 30 June 2023 US$'000	as at 30 June 2022 US$'000
Balance at the beginning of the year	425,066	410,588
Proceeds of interest bearing-borrowings	324,459	58,513
Loan reduced through disposal of subsidiary	(19,404)	(6,624)
Loan acquired through asset acquisition	4,369	6,011
Loan issue costs incurred	(7,355)	(4,386)
Amortisation of loan issue costs	3,368	2,765
Foreign currency translation differences	3,561	(14,836)
Interest accrued	2,798	751
Debt settled during the year	(340,127)	(27,716)
As at 30 June	**396,735**	**425,066**

For more meaningful analysis, a further breakdown is provided below to better reflect debt related to non-consolidated associates. At 30 June 2023, the Group had a total of US$440.9m in interest bearing borrowings outstanding, comprised of US$398.3m in subsidiaries (as reported in IFRS balance sheet) and US$42.7m proportionately consolidated and held within its associates.

	30 June 2023				30 June 2022			
	Debt in Subsidiaries US$'000	Debt in associates US$'000	Total US$'000	%	Debt in Subsidiaries US$'000	Debt in associates US$'000	Total US$'000	%
Standard Bank Group	269,147	28,881	298,028	65.18%	183,496	6,516	190,012	40.30%
Bank of China	–	–	–	0.00%	76,405	–	76,405	16.21%
State Bank of Mauritius	35,361	2,769	38,130	8.34%	57,659	16,375	74,034	15.70%
Investec Group	34,722	–	34,722	7.59%	36,129	–	36,129	7.66%
Absa Group	–	14,157	14,157	3.10%	7,913	3,057	10,970	2.33%
ABC Banking Corporation	–	–	–	0.00%	7,121	–	7,121	1.51%
Afrasia Bank Limited	–	21	21	0.00%	–	–	–	0.00%
Nedbank Group	15,635	7,772	23,407	5.12%	21,820	286	22,106	4.69%
Mauritius Commercial Bank	–	–	–	0.00%	–	7,774	7,774	1.65%
Maubank	712	–	712	0.16%	3,345	–	3,345	0.71%
First National Bank	–	–	–	0.00%	–	9,013	9,013	1.91%
Housing Finance Corporation	4,369	–	4,369	0.96%	–	2,316	2,316	0.49%
Bank of Gaborone	–	–	–	0.00%	–	727	727	0.15%
SBI (Mauritius) Ltd	–	2,078	2,078	0.45%	–	–	–	0.00%
Cooperative Bank of Oromia	–	3,303	3,303	0.72%	–	–	–	0.00%
NCBA Bank Kenya	17,500	–	17,500	3.83%	10,700	–	10,700	2.27%
Private Equity	4,725	–	4,725	1.03%	4,725	–	4,725	1.00%
International Finance Corporation	16,100	–	16,100	3.52%	16,100	–	16,100	3.41%
TOTAL BANK DEBT	398,271	58,981	457,252	100.00%	425,413	46,064	471,477	100.00%
Interest accrued	7,725				4,927			
Unamortised loan issue costs	(9,261)				(5,274)			
As at 30 June	396,735				425,066			

Capital commitments

Upcoming capital commitments in the current financial year include:

- Club Med Senegal redevelopment: EUR27.1 million up to January 2025; and
- Drive in Trading guarantee settlement: US$17.5 million by March 2024.

Net Asset Value and EPRA Net Realisable Value

Further reconciliations and details of EPRA earnings per share and other metrics are provided in notes 11 to 13.

Net asset value evolution	Unaudited US$'000	Unaudited US$'cps
IFRS NAV as reported	**336,301**	70.1
Derivative financial instruments	**(1,862)**	(0.4)
Deferred Tax on Properties	**46,873**	9.7
EPRA NRV at 30 Jun 2022	**381,312**	**79.4**
Portfolio valuations	**(5,113)**	(1.1)
Other fair value adjustments	**(873)**	(0.2)
Other non-cash items (including non-controlling interest)	**(20,680)**	(4.3)
Dividend attributable to NCI	**(2,397)**	(0.5)
Cash profits	**17,267**	3.6
Movement through FCTR	**4,802**	1.1
Dividend paid	**(19,188)**	(4.0)
Movement other equity instruments	**(5,568)**	(1.2)
EPRA NRV Before Dilution	**349,562**	**72.8**
Effect of treasury shares	**94**	0.0
EPRA NRV at 30 Jun 2023	**349,656**	**72.8**
Deferred Tax on Properties	**(48,217)**	(10.0)
Derivatives	**(789)**	(0.2)
IFRS NRV at 30 Jun 2023	**300,650**	**62.6**

Going Concern

The Directors' assessment of the Group's and Company's ability to continue as a going concern is required when approving the financial statements. As such the Directors have modelled a 'base case' and a 'severe but plausible downside' of the Group's and Company's expected liquidity and covenant position for a going concern assessment period through to March 2025, a period of at least 12 months following the approval of these accounts. The Directors considered the existing structure of the group, where GREA is accounted for as a joint venture, and also the forecasts under a scenario where GREA is controlled and therefore consolidated which is the stated intention of the group

The process involved a thorough review of the Group's risk register, an analysis of the trading performance both pre and post year-end, extensive discussions with the independent property valuers, a review of the operational indicators within the Group and economic data available in the countries in which the Group operates. All of this has been done in the context of the continued global market instability, previous experience of the African real estate sector and best estimates of expectations in the future.

Base Case model

1. Management has modelled the proceeds of both the IFC funding instrument (US$30 million) as well as the recapitalisation of GREA (with a cash injection of US$48.5 million) to be closed from November 2023.
   a. The initial deployment of the IFC instrument shall be utilised to acquire a sale and lease back asset with a value of at least US$15 million (which is a requirement of the IFC instrument) with the remaining balance being undrawn.
   b. The US$48.5 million recapitalisation of GREA is to fund new development projects and to unlock the fee income strategies of the Group as contemplated under "Grit 2.0". The proceeds of the GREA recapitalisation shall initially be applied to reduce debt in the short term, through the shared Treasury policy, before being deployed towards the Group's pipeline in due course. The applicable development fee income surrounding the deployment of the cash has been included in the model. As the cash is targeted to be received in December 2023, the Directors have applied significant judgement on the inclusion of the US$48.5 million capital injection in GREA. The judgement that the cash will be received from the capital injection has been made on the basis that this has been approved by the Board of GREA and by the investment committee of the third-party investor. For these reasons the Directors have concluded that they have obtained sufficient evidence that the cash will be received in due course. The Group is not compelled to inject cash of its own as part of the recapitalisation of GREA.
2. Modelling the Company's contractual lease income, which at 30 June 2023 had a weighted average lease expiry of 4.4 years and applying the applicable contractual lease escalations (which averaged 3.0% in the current period);
3. Expected take up of vacancies from ordinary letting activities, updated for any leases concluded post year end;
4. Debt is refinanced in the ordinary course of business, based on the Group's historical ability to refinance debt as required;
5. Hedging contracts with a nominal value of US$200 million, which are more fully described in the CFO statement and have been concluded post year end, are included in the model;
6. Base interest rates increase to 5.38% (in the case of US Dollar SOFR base rates) and 3.92% (in the case of Euro base rates) before retracing to 3.91% and 1.85% respectively by March 2025;
7. Depreciation of the various African currencies versus the US Dollar, most notably the Zambian Kwacha depreciating by 19.4% and the New Mozambique Metical depreciating by 21.3% over the period, with the Euro appreciating by 4.2% over the period;
8. Property valuations that assume constant discount and exit capitalisation rates to those applied by the independent valuers for the year ended 30 June 2023, while applying the cashflows and currency impacts mentioned above;
9. Drive in Trading guarantee settlement paid in March 2024 of US$17.5 million;
10. Further progress towards, and extension of, the Company's stated asset disposal strategy whose proceeds are deployed to reduce debt facilities and to fund future pipeline opportunities; and
11. Administrative expense reductions of c.$4.6 million during FY24 and FY25.

Severe but plausible downside model

The severe but plausible downside scenario is initially applied to Grit on a standalone basis and then includes additional overlays of consolidated GREA scenarios to reflect the intention of the Directors to obtain control over GREA. A summary of the key assumption overlays to the Base Case made in the severe but plausible scenario are as follows:

1. As the IFC agreement has not yet been signed by the financial statement date, the initial utilisation of the funds has therefore not been assumed. The funds from the GREA recapitalisation have been assumed to be held in debt facilities as the projects to which they will be allocated have not yet reached sufficient finality (most specifically binding pre-let agreements and specific project debt funding) reducing the Group's interest costs and improving liquidity. Any fee income related to these projects have also not been modelled. As the cash is targeted to be received in December 2023, the Directors have applied significant judgement on the inclusion of the US$48.5 million capital injection in GREA. The judgement that the cash will be received from the capital injection has been made on the basis that this has been approved by the Board of GREA and by the investment committee of the third-party investor. For these reasons, the Directors have concluded that they have obtained sufficient evidence that the cash will be received in due course;
2. Base interest rates are assumed to continue to increase to levels higher than those assumed in the base case, with base rates staying higher for longer and at levels increasing to c1.25% higher than the base case scenario and then maintaining this average over the measurement period. The resultant assumed rates are:
   - SOFR base rates increase to a maximum of 6.31% up to June 24 before rate retracting 5.16% in March 2025;
   - 3 month Euribor rates increase to 5.05% before retracting to 4.55% in June 2024 and 3.48% in March 2025;
3. All debt facilities that mature during the period to December 2024 are assumed to be repaid on the current maturity date; while those beyond this date, specifically the US$306 million sustainability linked syndicated loan facility maturing in 2027, the SBM Euro 22.3 million and Nedbank US$8 million facilities maturing in April 2025, are assumed to be refinanced in the ordinary course;
4. Further depreciation of currencies versus the US Dollar, most notably the Euro depreciating by 4.0% over the period and movements in various African currencies of up to 22.8%;
5. Only contractual preference share coupons are paid;
6. The ongoing refurbishment of the Club Med Cap Skirring Resort in Senegal is reduced to the contractually obligated spend; and
7. Administrative expense reductions of c.US$4.6 million during FY24 and FY25.

Given the Group's stated intention to consolidate GREA, further overlays in the severe but plausible downside scenario are applied to GREA and include:

1. Interest rate and currency sensitivities, as above, are applied to GREA debt, and debt facilities that mature during the period are assumed to be repaid on the current maturity date;
2. Delays and cancellations to targeted asset disposals are modelled;
3. Potential delays of current development projects underway have been factored in by up to 6 months; and
4. Future projects are ceased, with no additional fee income generation from these projects or related asset management services.

Where potential risks to covenants have been identified, the Group has received specific condonements from its financiers should the scenario modelled come to pass. This includes Interest Cover Ratio covenant condonements and Loan to Value covenant condonements during the going concern period for risks identified at the December 2024 measurement period.

Under both the base case and the severe but plausible scenario, along with certain remedies within management's control, which include actions like cuts in dividends, the Company is able to meet its liquidity and covenant positions through to March 2025. The Board has therefore concluded that it is appropriate to prepare the financial statements on the going concern basis and have concluded that there is no material uncertainty in forming that view, noting the significant judgement made in connection with the GREA capital raise.

VIABILITY STATEMENT

Period of Assessment

The Directors continue to challenge the period over which to assess viability on an annual basis and determined that the two-year period to 30 June 2025 remains an appropriate period over which to assess its viability. The Board has assessed the ability to appropriately predict a number of variable factors beyond the two-year period, as a result of volatile interest rates (and applicable hedging pricing), exchange rates and the timing and extent of fee income generation surrounding the newly implemented Grit 2.0 strategy, the Board has concluded that a two year viability period is appropriate.

Although the Boards viability review focused on a two-year period, it has considered several longer-term factors when considering the Group's future prospects, including:

- The Group's fixed leases with high quality tenants with a weighted average lease expiry of 4.4 years, and therefore does not pose any significant changes in revenue past the 24 month assessment period;
- The Group's debt maturities have materially been shifted into 2027 and beyond with the US$306m sustainability linked syndicated loan facility. The weighted average debt expiry is 3.25 years and the Group has a demonstrated and proven track record of refinancing debt upon contractual maturity. Upon consolidation of GREA, the Group will also be able to use its relationships and access to debt products to improve the tenor and effectiveness of GREA debt;
- The Group replaced US$100m of matured notional interest rate hedges with further 2-year tenor instruments, increasing the total interest rate hedge nominal amount back to US$200m. Upon consolidation of GREA, the Group will be able to implement interest rate hedges over GREA's debt and other risk mitigation policies similar to those applied currently over Grit's debt;
- The Group's diversified portfolio, high-quality tenants and limited concentration risk provide greater future stability to the Group;
- The short-term focus on continued strong rental collections, balance sheet optimisation and the reduction of our LTV towards our targeted 40% provides stability and balance sheet strength to absorb impacts of future volatility;
- Strong track record of disposing of property assets at near or close to book value and the ability to further extend the asset recycling programme over the medium term if required; and
- Internal 4-year management forecasts are maintained with key business decisions being assessed against their impact to long term metrics, liquidity and risk mitigants of these forecasts.

The assessment highlighted that the Group has:

- A proven business model which has allowed us to remain flexible and resilient during previous property cycles, and periods of significant uncertainty;
- A high quality customer base of tenants with a weighted average lease expiry of 4.4 years;
- Consistent and improving rental collections metric;
- Demonstration of the ability for significant short term cost reductions when required; and
- Strong relationships with our debt providers.

Assessment Process

Principal risks

We have continued to identify principal risks and uncertainties that could prevent the Group from achieving its strategic objectives - the main objective being to ensure consistent income and capital growth for investors and have assessed the ideal mitigating actions for these risks, through a combination of approved internal controls, risk management policies and procedures, as well as the purchase of various insurance and hedging products. These risks are monitored on a live basis and reported to senior management and the Board regularly for review and implementation of the best course of action.

Emerging risks

New and unforeseen risks which are not fully quantifiable include the impact of the growing risk of recession, dislocated interest rates markets, the continuing war in Ukraine and rising instability in the Middle East. While certain aspects of the above have been included in the assessment (in the form of increased base lending rates in both US Dollars and the Euro and impact of rising inflation), we cannot fully assess the extent of these risks and quantify their impact on the Group's results. The Board will continue to monitor these risks and their impact on the business.

The emerging and principal risks and uncertainties faced by the Group in the financial year 2023 are set out on pages 52 to 59, with the potential impact and the mitigating actions and controls in place.

Assessment of viability

For the reasons outlined above, the period over which the Directors consider it feasible and appropriate to report on the Group's viability is two years, to 30 June 2025.

Sensitivity analysis of our strategy

Our strategy considers the Group's cash flows and compliance and other key financial ratios. In the current period the Group has assessed these factors against two scenarios being the consolidation of GREA (which is the Group's stated intent) as well as GREA continuing as a joint venture.

Strengthened financial position

While our mandate is clear, that of reducing our Group LTV and strengthening our Balance Sheet, Grit will continue to grow shareholder value through asset recycling initiatives and redeploying its equity into accretive opportunities across resilient sectors.

In addition to focusing on the generation of revenue by targeting select completed, income generating properties, Grit's investment strategy is suitably diversified to be complemented by participation in risk mitigated, pre-let development opportunities as well as co-investment and property management services to co-investment structures and third parties.

Key Assumptions and stress testing

In its assessment, the Board has considered a two-year review of the Group's viability, prepared by senior management. The review considers the impact of the business risks, particularly those related to the economic outlook, the availability of finance and working capital, adherence to financial covenants and the Company's ability to meet its targets in current market conditions over the assessment period. This assessment included a base case and severe but plausible downside scenario.

The Directors have modelled a base case and severe but plausible downside scenario in order to assess the Group and Company's liquidity and covenant metrics.

Base case

The base case reflects the director's best expectations of the position going forward. It was modelled on board approved forecasts over the assessment period of 1 July 2023 to 30 June 2025. The base case

scenario includes the Group's and Company's financial projections including:

- Management have modelled the proceeds of both the IFC preference note (US$30 million) as well as the recapitalisation of GREA (cash injection of US$48.5 million) to be closed from November 2023.
  - The initial deployment of the IFC preference note shall be utilised to acquire a sale and lease back asset with a value of at least US$15 million (which is a requirement of the IFC preference note) with the remaining balance being undrawn.
  - The US$48.5 million recapitalisation of GREA is to fund new development projects and to unlock the fee income strategies of the Group as contemplated under "Grit 2.0". The proceeds of the GREA recapitalisation shall initially be applied to reduce debt in the short term, through the shared Treasury policy, before being deployed towards the Group's pipeline in due course. The applicable development fee income surrounding the deployment of the cash has been included in the model. As the cash is targeted to be received in December 2023, the Directors have applied significant judgement on the inclusion of the US$48.5 million capital injection in GREA. The judgement that the cash will be received from the capital injection has been made on the basis that this has been approved by the Board of GREA and by the investment committee of the third-party investor. For these reasons the Directors have concluded that they have obtained sufficient evidence that the cash will be received in due course. The Group is not compelled to inject cash of its own as part of the recapitalisation of GREA.
- Modelling the Company's contractual lease income, which at 30 June 2023 had a weighted average lease expiry of 4.4 years and applying the applicable contractual lease escalations (which averaged 3.0% in the period under review);
- Expected take up of vacancies from ordinary letting activities, updated for any leases concluded post year end;
- Debt is refinanced in the ordinary course of business, based on the Group's historical ability to refinance debt as required;
- Hedging contracts with a nominal value of US$200 million, which are more fully described in the CFO statement and have been concluded post year end, are included in the model,
- Base interest rates increasing to 5.38% (in the case of US Dollar SOFR base rates) and 3.92% (in the case of Euro base rates) before retracting to 3.91% and 1.85% respectively by March 2025;
- Depreciation of the various currencies versus the US Dollar, most notably the Zambian Kwacha depreciating by 19.4% over the period and the New Mozambique Metical depreciating by 21.3% over the period, the Euro appreciating by 4.2% over the period;
- Property valuations that assume constant discount and exit capitalisation rates to those applied by the independent valuers for the year ended 30 June 2023, while applying the cashflows and currency impacts mentioned above;
- Drive in Trading guarantee settlement paid in March 2024 of US$17.5 million;
- Further progress towards, and extension of, the Company's stated asset disposal strategy whose proceeds are deployed to reduce debt facilities and to fund future pipeline opportunities; and
- Administrative expense reductions of c.$4.6m during FY24 and FY25.

Severe but plausible downside scenario

The severe but plausible downside scenario is applied to Grit on a standalone basis and then has additional overlays to account for a consolidated GREA scenario. A summary of the key assumption overlays to the Base Case made in the severe but plausible scenario are as follows:

1. As the IFC agreement has not yet been signed by the financial statement date, the initial utilisation of the funds has therefore not been assumed. The funds from the GREA recapitalisation have been assumed to be held in debt facilities as the projects to which they will be allocated have not yet reached sufficient finality (most specifically binding pre-let agreements and specific project debt funding), reducing the Groups interest costs and improving available liquidity. Any fee income related to these projects has also not been modelled. As the cash is targeted to be received in December 2023, the Directors have applied significant judgement on the inclusion of the US$48.5 million capital injection in GREA. The judgement that the cash will be received from the capital injection has been made on the basis that this has been approved by the Board of GREA and by the investment committee of the third-party investor. For these reasons the Directors have concluded that they have obtained sufficient evidence that the cash will be received in due course;
2. Base interest rates are assumed to continue to increase to levels higher than those assumed in the base case, with base rates staying higher for longer and at levels on average c1.25% higher than the base case scenario over the measurement period. The resultant assumed rates are:
   - SOFR base rates increase to a maximum of 6.31% up to June 24 before rate retracting 5.16% in March 2025;
   - 3-month Euribor rates increase to 5.04% before retracting to 4.55% in June 2024 and 3.48% in March 2025;
3. All debt facilities that mature during the period to December 2024 are assumed to be repaid on the current maturity date; while those beyond this date, specifically the US$306 million sustainability linked syndicated loan facility maturing in 2027, the SBM Euro 22.3 million and Nedbank US$8 million facilities maturing in April 2025, are assumed to be refinanced in the ordinary course;
4. Further depreciation of currencies versus the USD, most notably the Euro depreciating by 4% over the period and movements in various African currencies of up to 22.8%,
5. Only contractual preference share coupons are paid;
6. The ongoing refurbishment of the ClubMed Cap Skirring Resort in Senegal is reduced to the contractually obligated spend; and
7. Administrative expense reductions of c.$4.6m during FY24 and FY25.

Given the Group's stated intention to consolidate GREA, further overlays in the severe but plausible downside scenario that are applied to GREA include:

1. Interest rate and currency sensitivities are applied as above to GREA debt and debt facilities that mature up to March 2025 are assumed to be repaid on the current maturity date;
2. Delays and cancellations to targeted asset disposals are modelled and no further disposals are included in the model;
3. Potential delays of current development projects underway have been factored in by up to 6 months; and
4. Future projects assumed to cease, with no additional fee income generation from these projects or related asset management services.

Where potential risks to covenants have been identified, the Group has received specific condonements from its financiers should the scenario modelled come to pass. This includes Interest Cover Ratio covenant condonements and Loan to Value covenant condonements during the going concern period for risks identified at the December 2024 measurement period.

Viability statement

Having considered the forecast cashflows and covenant compliance and the impact of the sensitivities applied in the severe but plausible downside scenario, unmodeled upside from the asset recycling program and other mitigations available to the Group and Company, the Directors confirm they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period ending 30 June 2025.

RISK MANAGEMENT FRAMEWORK

As a predominantly Africa-focused Group, we are particularly sensitive to factors which impact upon the growth and demand for office space on the continent. We are also impacted by the wider macroeconomic, geopolitical, and property-related risks and uncertainties. Due to these uncertainties, conducting business with foresight and caution becomes a key attribute in consideration at Grit.

This business culture is embedded in our risk management framework, which is designed to consider reducing the uncertainty around the likelihood and/or impact of a risk, as a primary approach to handling identified risk. We transfer risks that cannot be managed internally to third parties with more capacity or specific skill sets, and where the risk is deemed too severe to breach our risk tolerance in consideration of our strategic objectives, it is eliminated. Our risk management framework is always built in consideration of the Group strategy.

While risk monitoring is an ongoing practice within the organization, extensive quarterly working sessions are held with the various risk owners, during which the Company identifies and assesses the evolution in current and emerging risks to acceptable levels of severity and appropriate risk management tools and techniques are devised. Our risk management framework and procedures are regularly reviewed and enhanced to ensure all probable and emerging risks are appropriately identified, monitored, and managed.

A key aspect of our risk management is to rate the various identified controls through the assessments performed on residual risks as shown on page 58 of this report.

As at 30 June 2023, the Company's risk management framework is as set out below:

Other committees

Risk Committee

- Independently review the adequacy and effectiveness of risk management at Grit Group.

Audit Committee

- Independently review Tax, Finance and Treasury-related risks.

Group Risk & Compliance Functions

- Ongoing development and coordination of the guidance for risk management.
- Consolidation, challenge and reporting of all risk management information.
- Providing support and guidance on the application of Risk Management and implementation of controls.

Internal Audit

- Provides assurance to the C-Suite, Executive Committee and Audit & Risk Committees on the effectiveness of the risk management guidance and its application across the business.
- Reports to the Group Risk & Compliance functions with respect to IA findings as per the IA plan.

Board

- Ultimately responsible for risk management, setting risk appetite and communicating the risk management guidance.

C-Suite & Executive Committee

- Responsible for ensuring that each of the operational divisions implement the risk management guidance and defining, supporting and providing challenge on risk issues, their mitigation, and the overall risk appetite of the organisation.

Risk Owners

- Heads of each function are risk owners.
- Ensure compliance to the guidance in respect of owned risk, escalation, reporting and monitoring.
- Ensure that the risk register(s) is/are kept up to date.

Group Functions/Operational Divisions

- Responsible for implementing the requirements of the risk management guidance and for providing assurance to the C-Suite/ SMT and the Risk Committee/ Board that it has done so.
- Oversight and review of common risk areas (relating to own area of responsibility) across Operational divisions.

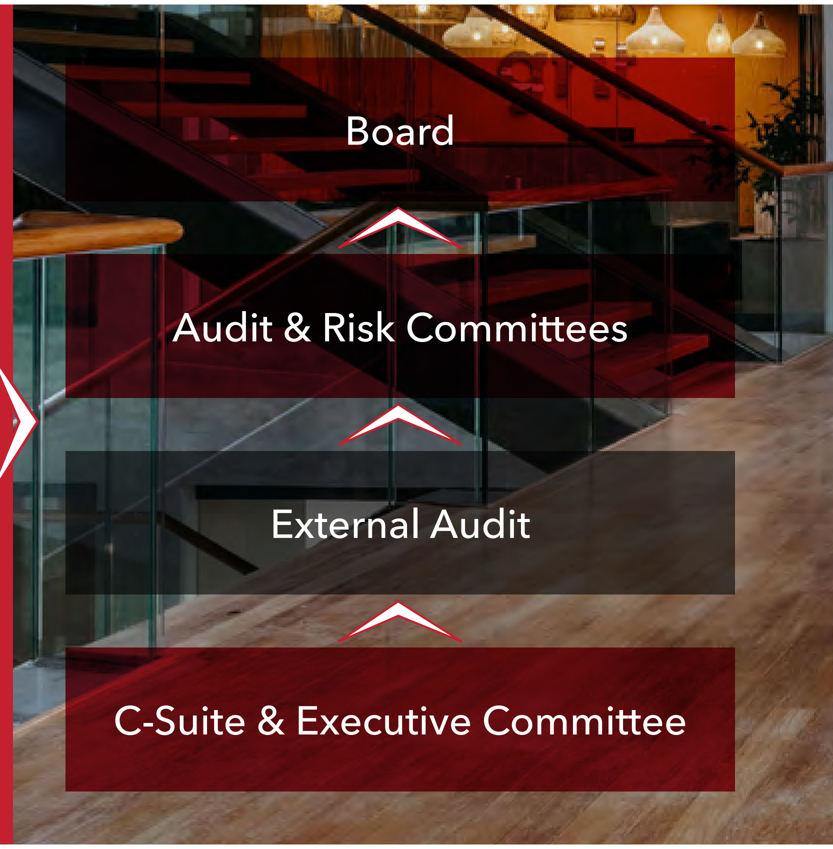
Group Functions/ Operational Divisions

Facilities | Property | Asset Management
Risk, Legal and Compliance
Human Capital & Payroll
Investment
Information Technology
Treasury
Finance (including Tax)
Strategic Projects
Investor Relations & Business Development
Development
Business Intelligence

Group Risk & Compliance Functions

Group-wide Risk Register

Internal Audit

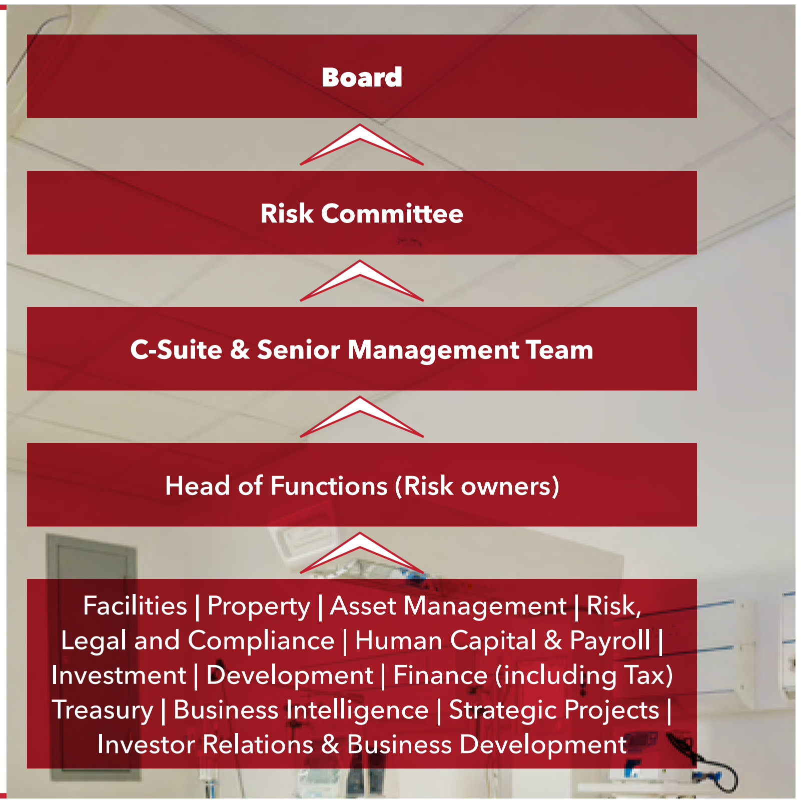


Managing Risk: a business ethos at Grit

While conducting business with caution and good judgment is carved in the minds of all employees across the organization, we have noticed this culture being demonstrated by most of our stakeholders. This speaks to our vision of creating a family of partnerships, as our corporate practices that we strongly hold on to are reflected through our business partners. During the year under review, we assessed and enhanced our operating policies and procedures, in alignment with our risk management strategy, as a measure of internal control to manage business operating risks as well as have an outlook on country (macroeconomic) risks that could affect the achievement of the Company's strategic objectives.

We remain committed to the fight against climate change and our alignment to international standards such as the UN SDGs and recommendations such as the TCFD (Taskforce on Climate-related Financial Disclosures) recommendations on how to disclose our assessment of the impact of climate change on our operations and the opportunities thereabout – refer to pages 78 to 93 of the Responsibility section of this report, for details on our TCFD disclosure.

The Risk Committee ensures a bottom-up process of risk identification and management, which has proven to be an effective risk management framework that ensures risk owners are responsible for the assessment of the various residual risks that affect their functions, and report through the Responsible Business department to the Risk Committee and ultimately to the Board – refer to the diagram above for more details on our risk governance:



Our Risk Governance

The responsibility for risk management has been delegated by the Board to the Risk Committee ("the Committee") as per the Risk Charter (refer to our Risk Charter on https://grit.group/wp-content/uploads/2021/12/risk-committee-charter.pdf for details on the responsibilities of the Risk Committee).

As indicated on our risk management framework in page 51, management as well as the board committees support the Risk Committee in the identification, mitigation and monitoring of operating and specific risks by subject matter experts across the business. This model ensures significant risks are escalated to the Risk Committee (or Board, where appropriate), and assessments are done in consideration of the overall risk tolerance of the Group, which is set at "low" as at 30 June 2023.

Our Group Wide Risks register serves as the platform on which assessed business risks are documented and shared with the Risk Committee on a quarterly basis for their review and challenge to management on the principal risks (refer to pages 54 to 57 of this report for the top ten risks). During the year ended 30 June 2023, the Company identified specific emerging risks (refer to page 59 of this report for our emerging risks) that could impact business objectives in the short to medium-term (12 to 24 months). The Risk and Audit Committees monitor our information technology and specific tax risks through the detailed quarterly reports shared and presented by the relevant consultants.

Our principal and emerging risks

Principal risks

Through our ongoing risk assessments, the Company has identified various principal risks and uncertainties that could prevent the Group from achieving its strategic objectives. The Risk Committee and management have assessed how these risks could best be mitigated, where possible, through a combination of internal controls, risk management and the purchase of insurance cover. The actions taken by the Company as a measure to manage each type of risk are either to:

For the period ended 30 June 2023, the principal risks and uncertainties facing the Grit Group are set out in pages 54 to 57 as well as the corresponding mitigating actions and potential impact to the performance of the Group's operating and strategic objectives. The top ten risks (principal risks) that could have the most impact on the Company have been identified by the Risk Committee and the Board and are monitored and reported quite closely, as per the risk management and governance in pages 54 and 57 of this report. The Board and Risk Committee acknowledge the fact that the severity of our principal risks as at 30 June 2023 are above the approved Group risk tolerance level which is set at "low", and are continuously reviewing the assessment and implementation of more efficient mitigating controls on these risks, on a periodic basis, in order to reduce the severity – refer to page 132 of the Risk Committee report for the focus areas for the next financial year – FY2024.

Our comprehensive Group Wide risks register in which every possible risk faced by the Group is identified, categorized and assessed, continues to be maintained as it provides a reliable platform on which the Company performs ongoing monitoring and control of all business operating risks.

During the year under review, there was no significant movement in the total risk scores of the key risks that affected the Company in the previous financial year – FY2022. However, having increased our stake in Gateway Real Estate Africa ("GREA") to 51.48% (refer to CEO's Statement in page 32 of this report) we have integrated development-related risks in our risk management framework and assessment. To this effect, the Company's principal risks include two new risks – the delay impact of projects under construction and development risk.

Four of the top ten risks as at 30 June 2023 are finance-related risks, one IT-related, one climate change-related, one operations-related, one external-related and two development-related risks. Refer to table below for details on the y-o-y movement in our principal risks, details on management action for each principal risk and the outcome.

y-o-y movement in our principal risks

Principal Risks as at 30 June 2023	Movement in Risk Score from FY2022 to FY2023
Interest Rate Risk	↑
Covenant Risk	→
Cyber Attack	→
Liquidity Risk	↑
Resilience to Climate Change	→
Capital Raising Risk	→
Global Economic Depression/Financial Recession Risk	→
Valuation Risk (Currency + Leases)	→
Delay Impact of Projects Under Construction	↑
Development Risks	↑

Movements reflect changes in total risk score from FY2022 to FY2023. The Company experienced increased severity from four of the principal risks.

Interest rates have continued to rise throughout the year under review, and this has impacted our cost of debt – refer to the risk management section of the financial statement on pages 252 to 256 of this report for more details on how we are impacted by interest rates and to pages 54 to 57 for our mitigating actions.

The rise in cost of debt due to the changing interest rates environment affected the Company's ability to meet its short-term obligations. However, through our ongoing cash flow management function performed by the treasury team, we have been able to mitigate liquidity risk to an acceptable level – refer to our mitigating actions for liquidity risk in page 55.

As reported above, the Company has incorporated development-related risks into its risk management framework and assessment. Two new risks - the delay impact of projects under construction and development risk have been identified as part of the Group's principal risks and these are monitored and managed by the Risk Committee and management - refer to our mitigating actions for development-related risk in page 57.

The principal risks identified during the period under review, that could impact the Group's strategic objectives, are as per table below and are not in any order of severity:

		Risk & Description	Consequence (Impact)	Risk Mitigation
1	Interest Rate Risk	• Risk that interest rates on loan impact on interest cost. • Risk that interest rates rise and impact investment rates. • Risk that the maximum deductible interest is capped at a low rate	Impact on interest expense allowed and therefore on the tax payable. Impact on interest income. Affect the profitability of the Group and return on investments.	The Group on occasion uses derivative instruments to convert a proportion of its floating rate debt to fixed rate debt in order to hedge the interest rate risk arising, principally, from capital market borrowings. Permitted derivatives to be used for debt management purposes and limits for these derivatives are set out below: • Interest Rate Swaps • Interest Rate Caps • Interest Rate Collars • Cross currency swaps (EUR and USD) circa 50% of debt hedged through instruments described above. • Ability to access debt from multiple jurisdictions and currencies. • Limited duration of loan terms. Existing terms of loans are currently kept at a maximum of five years. Renegotiation of loan terms takes place in advance of expiry of existing loan arrangements.
2	Covenant Risk	Failure to adhere to individual loan covenant clauses	• Financiers will either call back their facilities or reject any request for a refinance • Reputational damage • Leads to increased finance costs thereby affecting the Group's DSR. • Inability to raise further funds	• Key business performance ratios (both actual and forecast) monitored by Management on a monthly basis. • key business performance ratios (both actual and forecast) monitored by the Board on a monthly basis (Monthly dashboard). • Compliance with covenants is monitored and reported in management accounts prepared on a monthly basis. The Treasury department prepares a checklist to ensure compliance with covenants and is reviewed by the CFO - forms part of Treasury monthly report. • The Board is updated on compliance with covenants through executive committee sessions done on a quarterly basis. This is also submitted to the Risk Committee on a quarterly basis for review and comments, if any. Any issues that may hinder the Group's ability to obtain finance for future projects are dealt with at Group level and appropriate resolutions are taken. • Constant communication with banks, stronger relationships with financiers.
3	Cyber Attack	Successful attacks, via cyberspace, targeting an enterprise's use of cyberspace	• Risk of cybercrime such as hacking, phishing, waling, ransomware heightened • Disruption of operations, fraud and reputational damage.	• Independent external 'penetration' tests have been conducted by our accounting software service provider - Broll SA on the Broll Online system. • Multifactor authentication exists for remote access to our systems as well as emails. • Incident response and remediation policies are in place. • The Group's data is protected by anti-virus software and firewalls that are frequently updated. • Annual staff awareness and training programmes are implemented. • Security measures are regularly reviewed by the IT Liaison Committee. • Different levels and layers of security in place - inbound and outbound and various back up technologies.

		Risk & Description	Consequence (Impact)	Risk Mitigation
4	Liquidity Risk	Risk that the company will be unable to meet short term financial obligations	Liquidity or cash is unavailable to meet obligations leading to financial distress / Not be able to meet its financial commitments as and when they fall due, due to insufficient funds available	Policy to control liquidity risk is approved by the board Treasury Function: • Cash balances should be held in US$ as long as possible. • The working capital requirements for each entity should be determined in the currency of the requirements. • Following any receipt in currency other than US$, any funds in excess of the working capital requirements should be promptly converted to US$. • The Group should strive to minimise the number of currency conversion transactions, especially for currencies other than US$ and EUR. As far as practically possible, costs should be paid out of the currency receipts from tenants without conversion of the currency. • Group LTV (including total RCF facilities) not to exceed 50% • Enhance ongoing cashflow forecasts and cash repatriation from regions. • Strong relationships with financiers. • Monthly sessions to discuss upcoming interest payments and capital needs - tracker (whiteboard / schedules) updated monthly by the Treasury team. • Continuous discussion with all other HoDs to establish top priorities in terms of liquidity needs. • More involvement and analytics being introduced in Cash Flow and Working Capital model and Airflow integration. • Improve ongoing cashflow functions with senior leadership and monitored weekly at Senior Leadership meetings.
5	Resilience to Climate Change	Risks faced by Grit, if the Group fails to respond appropriately and sufficiently to climate change risks or fails to benefit from the potential opportunities.	Resilience to climate change could lead to damage to our reputation, loss of income and/or property values and loss of our licence to operate. In addition, there is a risk that the cost of construction materials and providing energy, water and other services to tenants will rise as a consequence of climate change.	• Identify risks induced or exacerbated by climate variability and change, that affect the Group as well as its immediate operating environment (including humans). • Build a strategy around climate change adaptation by implementing an incremental adaptation - adjustments to existing business practices to more climate-resilient processes.
6	Capital Raising Risk	Risk that investors do not participate in capital raise	• Impacts potential investments / growth • Reputational risks	• Maintain balance of debt/equity in policy limits • Appointment of sponsors with deep knowledge of the market, to assist in raising capital.

#		Risk & Description	Consequence (Impact)	Risk Mitigation
7	Global Economic Depression/ Financial Recession Risks	Risk of Economic depression due to unforeseen circumstances (Pandemics and catastrophic climatic conditions)	• Impact on share price. • Impact on company performance and dividend pay-out. • Staff job security at stake.	• Review of contracts with tenants. • Secure higher quality tenants with low risk. • Tenants with essential services who need to ensure business continuity. • Policies and controls under liquidity/treasury management.
8	Valuation Risks (currency + leases)	Unfavourable movement in Currency and drop in contractual and market rentals, impacting property value.	• Impact on property value as at valuation date, hence affecting: - Loan to value - LTV (debt covenants) - NAV - Net Asset Value • Decrease in the market value of the asset on completion of the development (impairment), especially for properties held in the short-term, with an immediate off-take anticipated on completion of construction.	• Valuation policy in place with methodology on choice of external experienced valuer. • Valuation Committee ensuring compliance with policy. • Independent meetings between valuation committee and external valuers. • Operations teams (Real Estate and Treasury) continue to observe the LTV in their monthly reports. • Real Estate team liaise with Treasury to ascertain the impact of renewals on the value of assets. • GREA ensures a pre-agreed off-take price is agreed with the purchaser (off-taker) of properties held in the short-term with an immediate off-take anticipated on completion of construction.
9	Delay Impact of Projects Under Construction	Delay in the completion of projects under construction could have significant impacts on a development, from both a TPC and ROI perspective.	Delay in the completion of projects under construction could have significant impacts on a development, from both a TPC and ROI perspective.	• Healthy start is applied for early detection on any development project. • GREA strives to negotiate additional P&G cost with Contractors based on more Time-related items hence a lower rate/day. • Various stress case scenarios developed to ensure the worst case scenarios still reflect a feasible project. • Quantity Surveyors on projects to relook at value engineering exercises as well as re-measuring for final accounts where contingencies are low to cover delay claims.

#		Risk & Description	Consequence (Impact)	Risk Mitigation
10	Development Risk	Risks associated with the contractors, the professionals and consultants failing to perform their duties in accordance with the objectives set by the Company. Risk of failure of/ delay in property development. Risk that permits are not obtained on a timely basis leading to delays in projects and delayed revenue.	• Delay in project could have an impact on IC-approved ROI and cash flow to meet financial requirements. • Loss of key tenants	• Diligent review of contractors and professionals/consultants before appointment and at end of project (performance review in line with KPIs). • Regular meetings. • Ensuring that proper contractual agreements between parties involved and include penalties and completion guarantees. • Engaging with strategic partners. • Framework in place to set budgets and plans and monitor actuals vs. budgets and plans (note: this control can be enhanced via closer monitoring). • Quality controls and adequate monitoring process throughout projects life cycle. • Internal processes to deal with hiccups (e.g. quality issues, delays) . • Diligence in the selection of third party professionals. • Professional Insurance to cover negligence of a professional. • Penalty to be claimed if contractor delays the project. • Maintain good relationships with authorities responsible for delivering permits. • Diligence in making sure that the Group satisfies all permit delivery requirements by submitting all required documents in a timely manner. • Healthy start is applied for early detection on any development project.

Outcome of mitigating actions on our principal risks

Inherent Risks

Rank	Risk* Ref.	Probability	Impact	Inherent Severity	Risk Description
1	R4	5	5	25	Cyber Attack
2	R46	5	5	25	Pandemics & Endemics (currently Coronavirus) Related Risks
3	R49	5	5	25	Global Economic Depression / Financial Recession Risks
4	R1	5	4	20	Regulatory Risk - Compliance with LSE and SEM Listing Rules
5	R2	5	4	20	Covenant Risk
6	R11	5	4	20	Liquidity Risk
7	R58	4	5	20	Significant Risks to the Timely and Accurate Reporting of FPP Information
8	R59	5	4	20	Cross Default Risk
9	R16	5	4	20	Credit Risk (to be monitored in line with Coronavirus)
10	R19	4	5	20	Reputational Risk - Long Term

Residual Risks

Rank	Risk* Ref.	Probability	Impact	Inherent Severity	Risk Description
1	R22	5	4	20	Interest Rate Risk
2	R2	4	4	16	Covenant Risk
3	R4	4	4	16	Cyber Attack
4	R11	4	4	16	Liquidity Risk
5	R47	4	4	16	Resilience to Climate Change
6	R43	4	4	16	Capital Raising Risk
7	R49	4	4	16	Global Economic Depression / Financial Recession Risks
8	R51	4	4	16	Valuation Risks (currency + leases)
9	R61	4	4	16	Delay Impact of Projects Under Construction
10	R65	4	4	16	Development Risk

* *Risk reference as per Group Risk Register*

Emerging Risks

The Risk Committee and the Board have identified a new specific emerging risk which could have a significant impact on the business. Having recently obtained special licences for Asset Management, global headquarter activity and global Treasury under Grit Services Limited in Mauritius. The Risk Committee has agreed that the Company complies with the AML-CFT (Anti-Money Laundering / Countering the Financing of Terrorism) requirements of the Financial Services Commission (FSC). These special licences constitute an important step towards the achievement of the Group's strategy of real estate services, hence the impact of non-compliance on the business is quite significant.

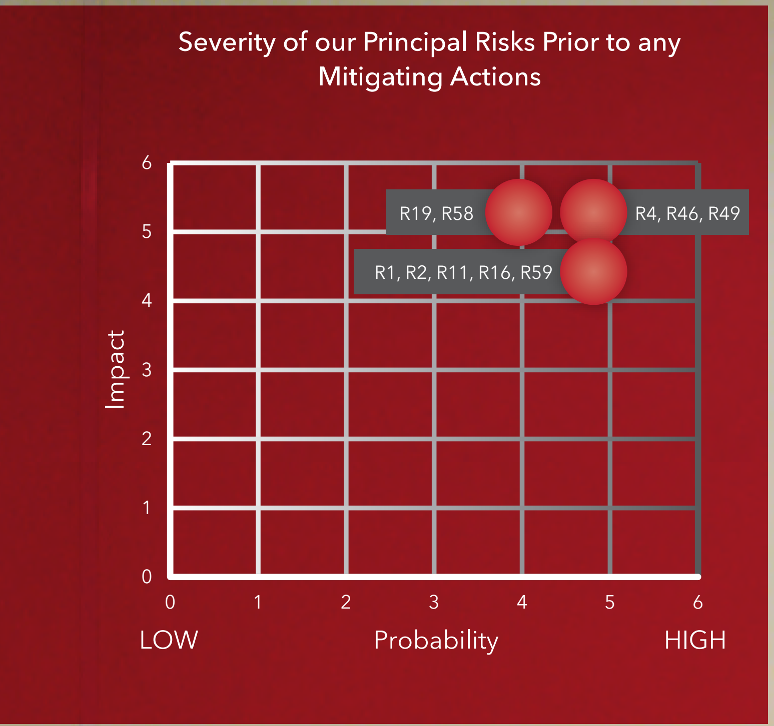
Management and the Risk Committee are taking appropriate measures to ensure both the compliance and business risk assessment manuals relating to the special licenses are implemented across the Group. We have taken the necessary steps to appoint a Compliance Officer, an MLRO and a DMLRO, who would provide compliance reports and MLRO reports to the Board and Risk Committee of the Company. As a third line of defence, we have engaged the services of our internal auditors to conduct an independent audit of the effectiveness of our AML-CFT framework. All Company directors and officers would be trained on an annual basis.

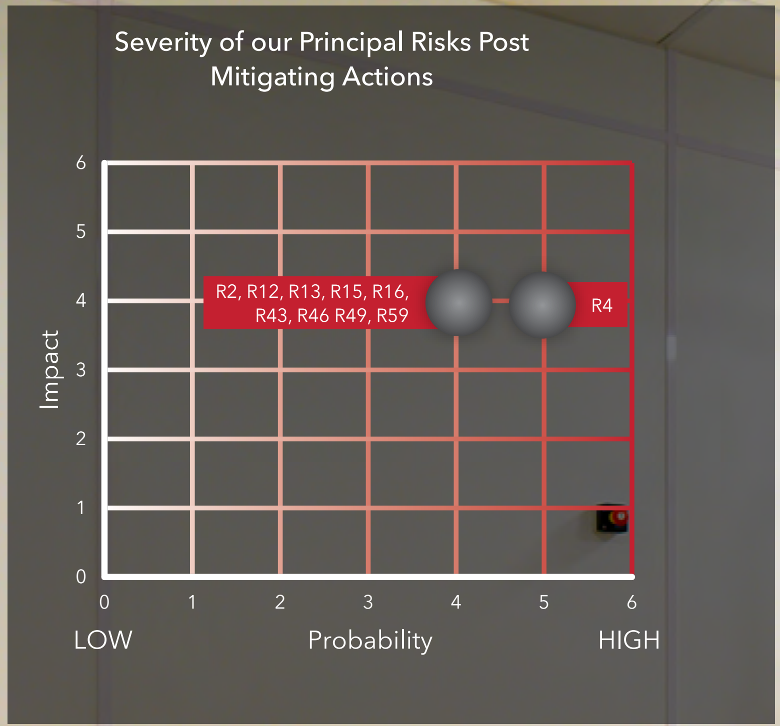
Another emerging risk which has been under our radar since the previous financial year is the war between Ukraine and Russia as well as current events in the Middle East. While the impact of this risk is not immediately felt by the Group, we continue to monitor the evolution of the fight as its impact around the globe and the African continent continues to raise concerns.

Our monitoring, assessment and reporting of the above emerging risks follow the same risk management process/framework as described in pages 50 to 51 of this report.

As requested by the Risk Committee, we continue to scan the horizon for longer term emerging risks. This is carried-out as part of the Risk Committee's responsibility to evaluate the effectiveness of risk management framework and internal controls.

Overall, the Board is satisfied that a robust assessment of the Company's emerging and principal risks has been carried out.





RESPONSIBILITY REPORT

RESPONSIBLE BUSINESS

The Board is satisfied with the Company's sustainability agenda which falls under the mandate of the Responsible Business Committee (refer to pages 136 to 137 for the responsibilities of the Responsible Business Committee). Our sustainability framework and strategy are built on the foundations of the United Nations' Sustainable Development Goals (SDGs) and ESG frameworks and the focus of the Responsible Business Committee is to ensure ongoing alignment of our sustainability strategy with international sustainability frameworks.

For more information on our sustainability strategy and framework, please refer to our Sustainability Policy on our website https://grit.group/wp-content/uploads/2023/09/2023_Grit-Sustainability-Policy.pdf and https://grit.group/wp-content/uploads/2023/05/grit-sustainability-framework.pdf

Introduction to Impact Policy

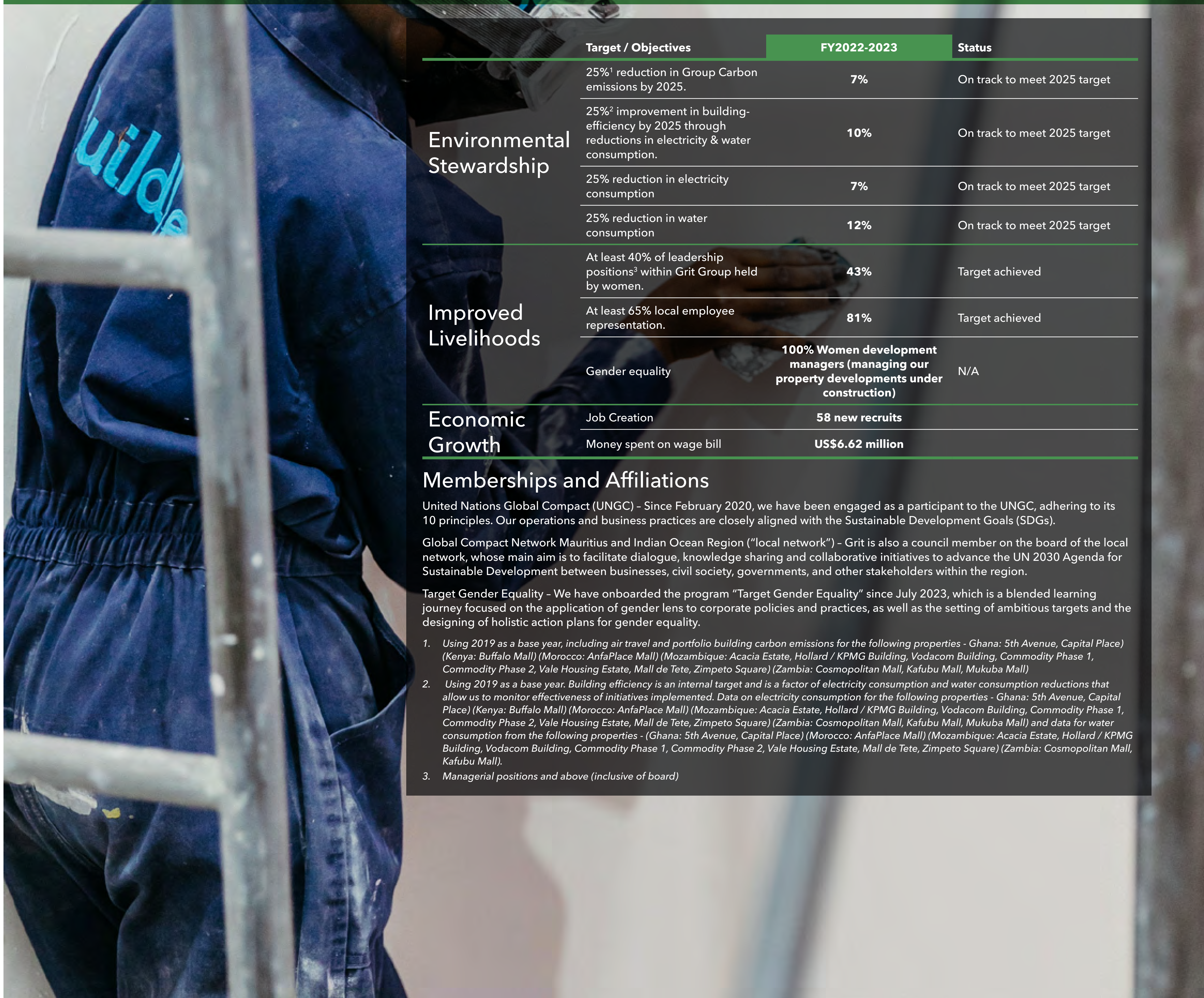
In 2023, Grit has taken the important step of adopting an Impact policy to articulate its commitment to Impact and outline the way in which the organisation seeks to maximise the Impact it creates through the business it carries out.

At Grit, our commitment to creating a lasting Impact extends beyond the boundaries of our real estate investments. We believe in being a force for positive change in the communities we touch and the environment we operate in. Our Impact Policy outlines our dedication to three core focus areas:

1. Economic growth: Grit is committed to contributing positively to the economies of the countries in which we operate. We see our role as not just a real estate developer and landlord but as a catalyst for economic vitality. This commitment translates into actively spurring economic activity through the development of new projects and sustaining it within existing ones. We aim to bolster economic resilience and growth in our operational regions, ensuring that our presence brings enduring benefits to the local economy.
2. Improved livelihoods: Enhancing the livelihoods of our stakeholders is at the heart of what we do. This encompasses a broad spectrum of individuals, including our employees, community members, and those who directly or indirectly engage with our projects and utilize the products and services offered by our tenants. We strongly emphasise creating and sustaining decent job opportunities, equal remuneration for work of equal value, ensuring access to life-improving goods and services, and promoting economic prospects, particularly for marginalized groups, such as women. Grit actively engages with and supports host communities, while also prioritizing local employment and suppliers to foster economic empowerment.
3. Environmental Stewardship: We recognize our responsibility to minimize the environmental impact associated with our infrastructure development and building management efforts. Grit is committed to the responsible consumption of resources and the integration of environmental considerations throughout the lifecycle of our buildings. This commitment spans from the initial stages of development to ongoing maintenance and management. We actively work to reduce our environmental footprint, aligning our operations with sustainable practices to safeguard the planet for current and future generations.

Grit's Impact policy is not just a statement of intent; it is a guiding framework that shapes our actions and decisions, ensuring that considerations around Impact are incorporated into each step of our decision-making and management processes.

In order to support the rollout of our Policy, we are in the process of designing an Impact Measurement Framework, which will facilitate the systematic gathering and consolidation of data against KPIs which are aligned to our Impact focus areas, allowing us to track and communicate our performance over time.



SNAPSHOT OF OUR SUSTAINABILITY PERFORMANCE

	Target / Objectives	FY2022-2023	Status
Environmental Stewardship	25%[1] reduction in Group Carbon emissions by 2025.	**7%**	On track to meet 2025 target
	25%[2] improvement in building-efficiency by 2025 through reductions in electricity & water consumption.	**10%**	On track to meet 2025 target
	25% reduction in electricity consumption	**7%**	On track to meet 2025 target
	25% reduction in water consumption	**12%**	On track to meet 2025 target
Improved Livelihoods	At least 40% of leadership positions[3] within Grit Group held by women.	**43%**	Target achieved
	At least 65% local employee representation.	**81%**	Target achieved
	Gender equality	**100% Women development managers (managing our property developments under construction)**	N/A
Economic Growth	Job Creation	**58 new recruits**	
	Money spent on wage bill	**US$6.62 million**	

Memberships and Affiliations

United Nations Global Compact (UNGC) – Since February 2020, we have been engaged as a participant to the UNGC, adhering to its 10 principles. Our operations and business practices are closely aligned with the Sustainable Development Goals (SDGs).

Global Compact Network Mauritius and Indian Ocean Region ("local network") – Grit is also a council member on the board of the local network, whose main aim is to facilitate dialogue, knowledge sharing and collaborative initiatives to advance the UN 2030 Agenda for Sustainable Development between businesses, civil society, governments, and other stakeholders within the region.

Target Gender Equality – We have onboarded the program "Target Gender Equality" since July 2023, which is a blended learning journey focused on the application of gender lens to corporate policies and practices, as well as the setting of ambitious targets and the designing of holistic action plans for gender equality.

1. *Using 2019 as a base year, including air travel and portfolio building carbon emissions for the following properties - Ghana: 5th Avenue, Capital Place) (Kenya: Buffalo Mall) (Morocco: AnfaPlace Mall) (Mozambique: Acacia Estate, Hollard / KPMG Building, Vodacom Building, Commodity Phase 1, Commodity Phase 2, Vale Housing Estate, Mall de Tete, Zimpeto Square) (Zambia: Cosmopolitan Mall, Kafubu Mall, Mukuba Mall)*
2. *Using 2019 as a base year. Building efficiency is an internal target and is a factor of electricity consumption and water consumption reductions that allow us to monitor effectiveness of initiatives implemented. Data on electricity consumption for the following properties - Ghana: 5th Avenue, Capital Place) (Kenya: Buffalo Mall) (Morocco: AnfaPlace Mall) (Mozambique: Acacia Estate, Hollard / KPMG Building, Vodacom Building, Commodity Phase 1, Commodity Phase 2, Vale Housing Estate, Mall de Tete, Zimpeto Square) (Zambia: Cosmopolitan Mall, Kafubu Mall, Mukuba Mall) and data for water consumption from the following properties - (Ghana: 5th Avenue, Capital Place) (Morocco: AnfaPlace Mall) (Mozambique: Acacia Estate, Hollard / KPMG Building, Vodacom Building, Commodity Phase 1, Commodity Phase 2, Vale Housing Estate, Mall de Tete, Zimpeto Square) (Zambia: Cosmopolitan Mall, Kafubu Mall).*
3. *Managerial positions and above (inclusive of board)*

OUR SUSTAINABILITY FRAMEWORK AND STRATEGY

Our Sustainability Framework

Our sustainability framework, deployed in 2020, is a core part of our sustainability strategy. Our sustainability policy encompasses our sustainability objectives and targets, which are reviewed quarterly, by our Sustainability Committee called the ESG Exco and our Responsible Business Committee as well as our board of directors. We have defined six major pillars and focus areas when it comes to sustainability that provide a clear focus on how we set out to conduct ourselves as a responsible and sustainable business.

Our six sustainability pillars

Pillar	Core SDGs	Ancillary SDGs
1 Managing our assets responsibly At Grit, we constantly find ways to drive efficiency and improve our business, through the close monitoring of our assets, and further developing and delivering innovative solutions that maximize utility for the tenant, returns for our shareholders and positive change and value for all our stakeholders.	9	7, 12, 13
2 Designing and delivering environmentally conscious and safe, healthy and efficient spaces Grit provides spaces which are energy efficient, reduce water usage, promote prudent waste management, and consider the environment, while also reducing operating costs for the benefit of both our tenants and shareholders.	12	13
3 Uplifting communities Grit provides support and resources to the communities in which we operate to ensure that our on-the-ground presence, and not just our assets, add value, and provide access and opportunities to the surrounding communities.	8	3, 4, 5, 14, 15
4 Developing our employees The Company realises that it is important to build people, who in turn, build businesses, by creating opportunities for individuals and teams to grow, innovate, debate, problem solve and realise their full potential.	4	5
5 Setting the highest standards of health & safety Grit creates and provides a safe and healthy work and living environment for our stakeholders by implementing the ISO45001 health and safety standards.	3	
6 Protecting human rights Human rights are basic rights that belong to everybody. They embody key values in their society such as fairness, dignity, equality and respect. They are an important means of protection for us all, especially those who may face potential abuse and neglect. At Grit, the protection of human rights and fundamental freedoms are managed from both an internal and external perspectives.	10	

Our 3-year ESG plan (FY2022 – 2024)

Materiality Assessment

An update on the status of our materiality assessment timeline as indicated in FY2022 is shown below:

Year 1	Year 2	Year 3
Development of survey and scoring methodology specific to Grit. Data gathering for materiality assessment (surveys, workshop). *RESULTS FINALISED* Report in progress and projected to be completed in December 2023	N/A	Materiality Assessment repeated.

Carbon Footprint

An update on the status of our carbon footprint timeline as indicated in IAR FY2022 is shown below:

Year 1	Year 2	Year 3
Identify and report on scope 1 and scope 2 emission sources. On-going and projected to be completed in FY2024.	Repeat Carbon footprint exercise and include all scope 3 emission sources.	Repeat Carbon footprint exercise (scope 1, scope 2 and scope 3) with verification from external third party.

ESG Strategy

An update on the revision of our ESG targets and enhancement of our ESG strategy is shown below:

Year 1	Year 2	Year 3
Set targets and strategy on scope 1 and scope 2 reductions. Use results of materiality assessment to review Grit's current ESG Strategy (high priority areas). On-going and projected to be completed in FY2024.	Report on progress against latest target set. Implement corrective actions, if needed. Further develop strategy to address medium priority areas as identified in the materiality assessment.	Report on targets set (monitoring). Implement corrective actions, if needed. Realign strategy, if need be, based on results from materiality assessment.

TCFD Report

We have addressed some of the gaps identified in our TCFD disclosure and have reported on how we align to the recommendations of the task force and the status of the action points identified in FY2022 IAR (refer to pages 78 to 93 of this report for our full TCFD report)

Year 1	Year 2	Year 3
Develop Action plan to address gaps in TCFD Report. *COMPLETED*	Report on progress against action plans and re-evaluate. On-going and projected to be completed in FY2024	Continue to report against action plans and enhancements for future reporting in alignment with TCFD recommendations. On-going and projected to be completed in FY2025

ESG Report

As indicated in our FY2022 IAR, we have ensured our ESG reporting is aligned with Global Reporting Initiatives ("GRI"), through which we have continued to uphold transparency and accountability as core attributes in our communication to stakeholders around our ESG strategy and actions.

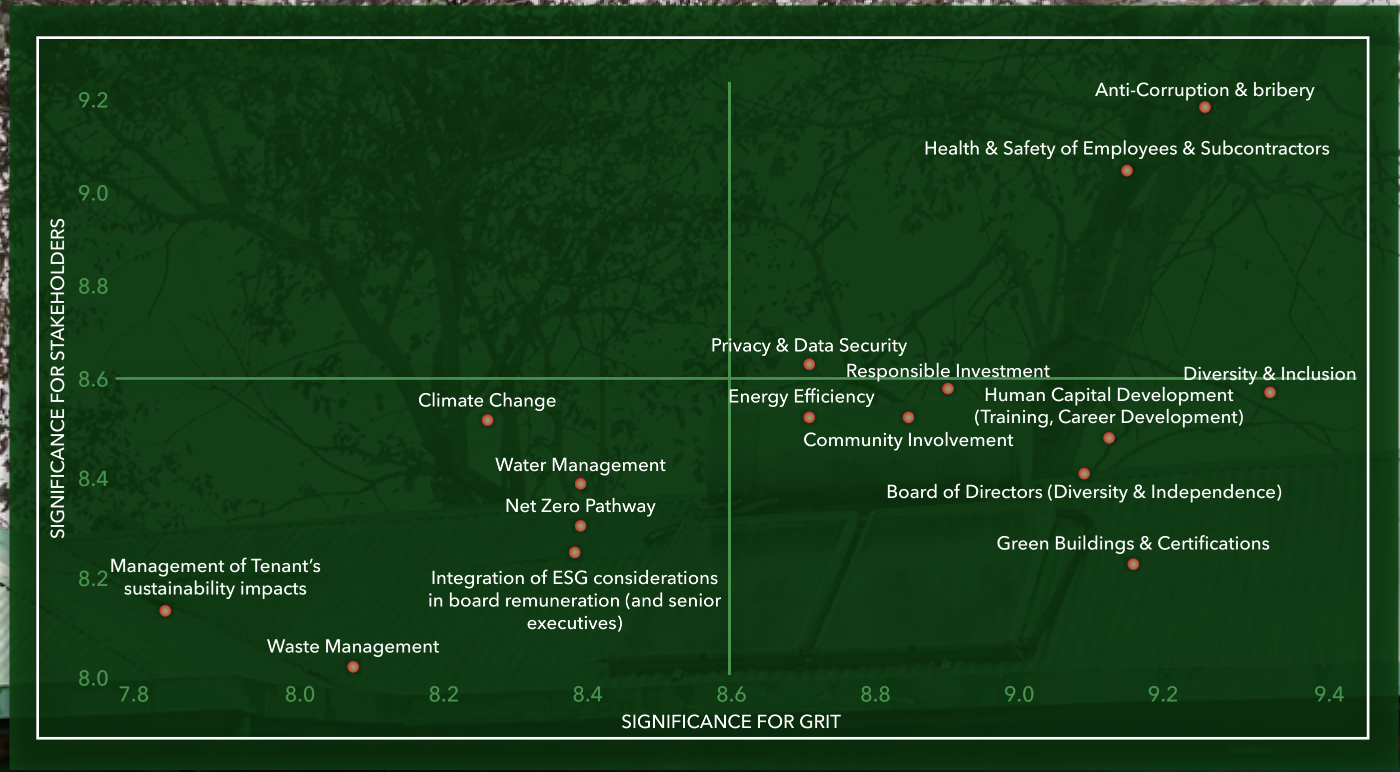
Year 1	Year 2	Year 3
Alignment with GRI Indicators. *COMPLETED*	Alignment with GRI Indicators.	Verification of non-financial KPIs by external auditors.

Main initiatives for the financial year 2022/2023:

1. Materiality Assessment Results

Stakeholder mapping

Grit's materiality map



This year, we conducted our materiality assessment to identify and be able to prioritise our most critical ESG issues as well as engage with our stakeholders. This process will allow us to realign our sustainability strategy accordingly.

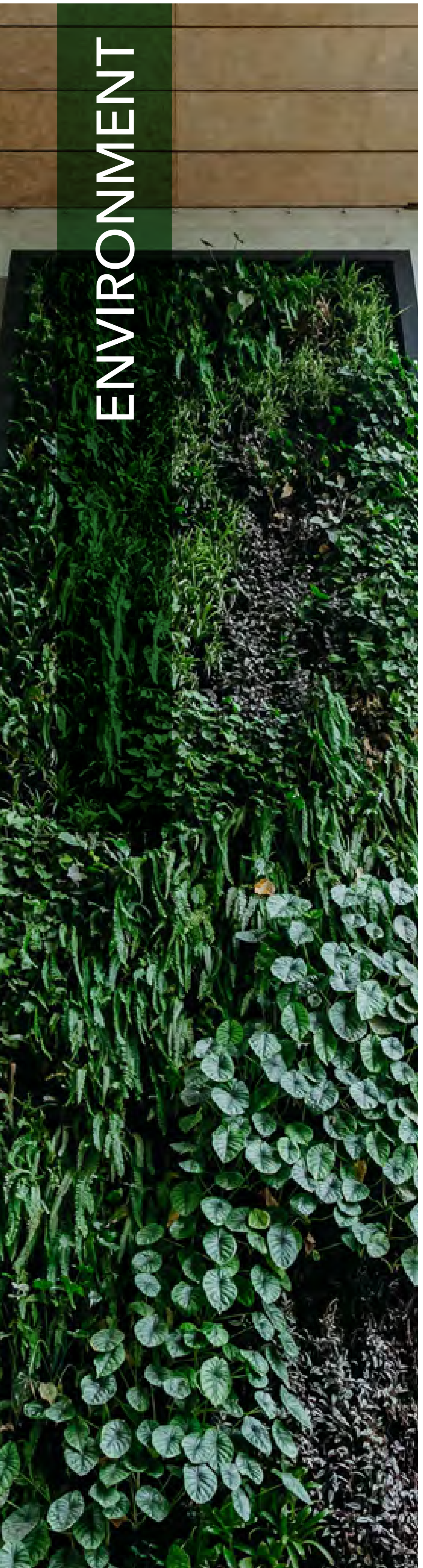
Below is a high-level overview of the methodology we followed:

- Stakeholder Mapping Exercise: Senior management conducted a stakeholder mapping exercise via a survey to identify key stakeholders and their importance to the organization.
- Identification of Relevant Issues: Through the exercise, a list of relevant issues affecting stakeholders and the organization was identified.
- Stakeholder Survey: A survey was conducted with these stakeholders, asking them to rate the importance of these identified issues and how well the organization is managing them.
- Analysis of Results: The results were analyzed, with the x-axis representing the perspective of senior management and the y-axis showing the weighted average of stakeholder ratings. This analysis helps identify areas where there may be gaps or misalignment between management's perception and stakeholder concerns.

The next step is to devise a comprehensive action based on the materiality map.

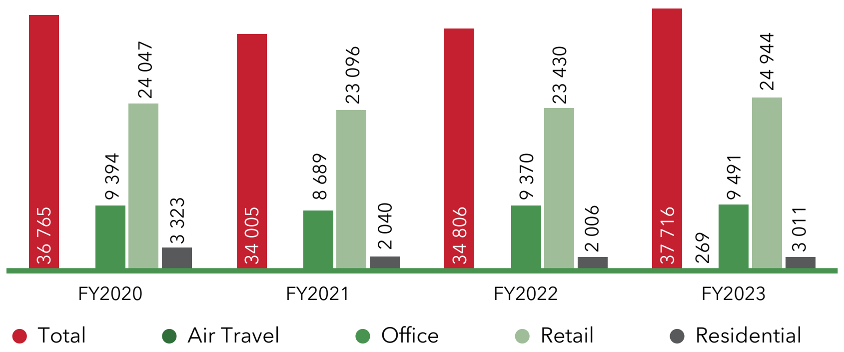
2. Climate Change

Refer to pages 78 to 93 of this IAR for full disclosure on the Company's action plans around climate-related risks and opportunities in the short, medium and long term.



Energy and Carbon

Group Carbon Emission (Electricity and Air Travel) (kg CO_2e'000)



Trends: The emissions in FY2023 are slightly lower than those in FY2022, owing mostly to an increase in our occupancy rates and full resumption of normal activities post the Covid-19 pandemic Refer to our full sustainability report – FY2023 for our initiatives and projects related to carbon and energy, as well as our outlook.

Carbon Footprint report

This year, we have conducted our first carbon footprint exercise as per the Greenhouse Gas Protocol. This will provide us with an overview of our greenhouse gas emissions directly and indirectly produced by assets under our operational control. By understanding and managing our carbon footprint, we aim to contribute to the global effort to minimize GHG emissions, underscoring our commitment to transition towards a low carbon economy.

Water

Group Water consumption ('000 KL)

Trends: We have noted an overall increase in water consumptions in FY2023 compared to FY2022, owing mostly to an increase in occupancy rates.

1. *Using 2019 as a base year, including air travel and portfolio building carbon emissions for the following properties - Ghana: 5th Avenue, Capital Place) (Kenya: Buffalo Mall) (Morocco: AnfaPlace Mall) (Mozambique: Acacia Estate, Hollard / KPMG Building, Vodacom Building, Commodity Phase 1, Commodity Phase 2, Vale Housing Estate, Mall de Tete, Zimpeto Square) (Zambia: Cosmopolitan Mall, Kafubu Mall, Mukuba Mall)*
2. *Using 2019 as a base year, including air travel and portfolio building carbon emissions for the following properties - Ghana: 5th Avenue, Capital Place) (Morocco: AnfaPlace Mall) (Mozambique: Acacia Estate, Hollard / KPMG Building, Vodacom Building, Commodity Phase 1, Commodity Phase 2, Vale Housing Estate, Mall de Tete, Zimpeto Square) (Zambia: Cosmopolitan Mall, Kafubu Mall, Mukuba Mall)*

Green Buildings

New Buildings

Target: Through its development arm (GREA), the Group aims to secure IFC EDGE Certification for all new developments.

We have achieved the following certifications for our buildings:

1. EcoDistrict Certification – The Precinct in Mauritius

   Ecodistrict certification is of paramount importance in today's environmentally conscious and sustainability-driven landscape. Achieving such certification underscores our commitment to creating and managing urban developments that prioritize ecological, social, and economic sustainability.

2. 5-Star Green Star Certified Rating – Unity Building, Phase 1 of The Precinct in Mauritius

   A 5-star Green Star certified rating holds immense significance for us as it showcases our unwavering commitment to sustainable development. This prestigious certification signifies that a property has achieved the highest standards of environmental performance, demonstrating a dedication to energy efficiency, water conservation, and overall reduced environmental impact.

Existing Buildings

For our existing property portfolio, we are exploring strategies to achieve an IFC Edge rating. To this end, we will conduct comprehensive energy audits on our existing properties to identify efficiency enhancements and consider retrofitting strategies.

Building Efficiency

Over and above our commitments in respect to green building certifications, we have designed an internal target that allows us to monitor building efficiency through reductions in electricity and water consumption. This target is a key metric of our sustainability policy.

Target: Achieve 25% improvement in building efficiency[3] by 2023

10%
FY 2022-2023

Waste

We are currently developing a waste framework to minimize waste generation and promote recycling and upcycling within Grit's operations, this also includes collaboration with suppliers and partners to source materials with a lower environmental impact and encourage product longevity.

A monitoring system has been put in place at the following properties: Capital Place, 5th Avenue, Anfa Place, Mukuba Mall, Kafubu Mall, Cosmopolitan.

4,497
tonnes of waste are generated.

The Precinct – Case Study

The Precinct, an office development comprising three buildings situated at the entrance of Grand Baie, Mauritius, has earned the distinction of becoming the first commercial development in Africa to attain EcoDistricts status. Within the current development, the Unity Building stands as a pioneering office complex - the first 5-Star Green Star rated building in Mauritius - designed with a primary focus on enhancing employee well-being and promoting work-life balance. Beyond the Unity Building, there are plans to construct two more buildings, named Freedom and Harmony in the future.

The EcoDistrict's protocol represents a sustainable urban development framework that exemplifies a strong commitment to fostering people-centric, economically vibrant neighbourhoods, and district-scale sustainability. This forward-thinking approach underscores a steadfast dedication to environmental stewardship and close collaboration with tenants.

For GREA, an EcoDistrict certification is an integral component of their pursuit of responsible real estate development and achieving a zero-carbon footprint. This certification complements the 5-Star Green Star Certified Rating previously attained by the Unity Building at The Precinct, reinforcing their commitment to sustainability. While the 5-Star Green Star rating focuses on certifying individual buildings, the EcoDistrict certification takes a broader, progressive approach, encompassing the sustainable development of an entire district rather than a single structure.

The EcoDistrict certification is rooted in three imperatives: equity, resilience, and climate protection. Additionally, evaluators assess six priority areas, including peace, prosperity, health and wellness, connectivity, living infrastructure, and resource generation during the certification process.

A significant aspect of the EcoDistrict certification centres on guiding the path towards a zero-carbon footprint in the future. To maintain this certification, progress against established goals and targets will be monitored every two years.

The achievement of EcoDistrict status was made possible through collaboration. While Grit and GREA's development team spearheaded the technical support and implementation, the active involvement and commitment of tenants like Dentons and Workshop 17, along with non-governmental organizations and other partners, played a pivotal role in this achievement.

3. *Using 2019 as a base year. Building efficiency is an internal target and is a factor of electricity consumption and water consumption reductions that allow us to monitor effectiveness of initiatives implemented. Data on electricity consumption for the following properties - Ghana: 5th Avenue, Capital Place) (Kenya: Buffalo Mall) (Morocco: AnfaPlace Mall) (Mozambique: Acacia Estate, Hollard / KPMG Building, Vodacom Building, Commodity Phase 1, Commodity Phase 2, Vale Housing Estate, Mall de Tete, Zimpeto Square) (Zambia: Cosmopolitan Mall, Kafubu Mall, Mukuba Mall) and data for water consumption from the following properties - (Ghana: 5th Avenue, Capital Place) (Morocco: AnfaPlace Mall) (Mozambique: Acacia Estate, Hollard / KPMG Building, Vodacom Building, Commodity Phase 1, Commodity Phase 2, Vale Housing Estate, Mall de Tete, Zimpeto Square) (Zambia: Cosmopolitan Mall, Kafubu Mall).*

EPRA Sustainability Performance Measures

Environmental Indicators

EPRA Code	Metrics	FY 2022	FY 2023	Like-For-Like performance (LfL) FY2023 vs FY2022	Coverage	Trend	Additional Information
Elect-Abs Total electricity consumption	annual kWh	37,426,798	**40,304,606**	8%	15 assets out of 24	Increasing	This increase in electricity consumption is mostly attributed to an increase in our occupancy rates and a resumption of normal activities post Covid-19 pandemic. Initiatives implemented: LED Lighting, Motion sensors and timers, Air Conditioning Replacements and thermal insulations. Strategies and initiatives have been planned to achieve reductions in the coming years. This will focus on Renewable energy and lighting as well as our plan to move towards a low carbon economy..
Elect-LfL Like for Like total electricity consumption	annual kWh	10,075,931	**10,206,172**	1%	6 assets - Office	Increasing	
		25,193,624	**26,821,582**	6%	7 assets - Retail	Increasing	
		2,157,243	**3,276,852**	52%	2 assets - Residential	Increasing	
DH&C-Abs Total district heating and cooling consumption	annual kWh	Not applicable - All our assets under monitoring consumes electricity from the grid of their respective countries with generators as backups for power outages.					
DH&C-LfL Like for Like district heating and cooling consumption	annual kWh						
Fuel-Abs Total fuel consumption	annual Litres		**35,049**	Data not comparable	6 assets - 5th Avenue, Capital Place, AnfaPlace, Mukuba Mall, Kafubu Mall, Cosmopolitan	Data not comparable as we reported only for 3 assets in the previous year.	We are putting in place measures to allow us to monitor diesel consumption at an increasing number of properties.
Fuel-LfL Like-for-Like total fuel consumption	Historic data not available for comparison						
Energy-Int Building energy intensity	kWh/m²/year	186	**200**	8%	15 assets out of 24	Increasing	Similar to above and confirms our analysis of the increasing trend.
		273	**276**	1%	6 assets - Office	Increasing	
		209	**223**	6%	7 assets - Retail	Increasing	
			75	52%	2 assets - Residential	Increasing	

EPRA Code	Metrics	FY 2022	FY 2023	Like-For-Like performance (LfL) FY2023 vs FY2022	Coverage	Trend	Additional Information
GHG-Dir-Abs Total direct greenhouse gas (GHG) emissions	Kg CO_2e	-	**29,441**	Data not comparable	6 assets - 5th Avenue, Capital Place, AnfaPlace, Mukuba Mall, Kafubu Mall, Cosmopolitan	Data not comparable as we reported only for 3 assets in the previous year.	Conversion factor used: 0.84 kg CO_2 per L (https://ghgprotocol.org/sites/default/files/Emission_Factors_from_Cross_Sector_Tools_March_2017.xlsx) We are currently in the process of conducting our full carbon footprint accounting, during which we will be able to disclose our full scope 1 emissions across the relevant assets for FY2023.
GHG-Indir-Abs Total indirect greenhouse gas (GHG) emissions	kg CO_2e	34,806,922	**37,483,284**	8%	15 assets out of 24	Increasing	Conversion factor used: 0.93 kg CO_2 e per kWh of electricity generated as indicated in the ESKOM 2019 sustainability report.
		9,370,616	**9,491,740**	1%	6 assets - Office	Increasing	
		23,430,070	**24,944,071**	6%	7 assets - Retail	Increasing	
		2,006,236	**3,047,472**	52%	2 assets - Residential	Increasing	
GHG-Int Greenhouse gas (GHG) emissions intensity from building energy consumption	kg $CO_2e/m^2/year$	173	**186**	8%	15 assets out of 24	Increasing	
		254	**257**	1%	6 assets - Office	Increasing	
		194	**207**	6%	7 assets - Retail	Increasing	
		46	**69**	52%	2 assets - Residential	Increasing	
Water-Abs Total water consumption	KL	164,061	**189,316**	15%	13 assets out of 24	Increasing	Increase in water consumption is attributed mostly to an increase in occupancy rates. **Initiatives implemented:** Tap Aerators and Sensor Taps, Irrigation Timing Optimisation, Water conservation measures. Strategies and initiatives have been planned to achieve reductions in the coming years. This will focus on implementation of water-saving equipment, smart technologies and systems.
Water-LfL Like-for-like total water consumption	KL	44,827	**41,793**	-7%	6 assets - Office	Increasing	
		109,388	**130,450**	19%	7 assets - Retail	Increasing	
		9,846	**17,073**	73%	2 assets - Residential	Increasing	
Water-Int Building water intensity	KL / m² / Year	0.964	**1.113**	15%	13 assets out of 24	Increasing	
		1.214	**1.132**	-7%	6 assets - Office	Increasing	
		0.953	**1.136**	19%	7 assets - Retail	Increasing	
		0.535	**0.928**	73%	2 assets - Residential	Increasing	

EPRA Code	Metrics	FY 2022	FY 2023	Like-For-Like performance (LfL) FY2023 vs FY2022	Coverage	Trend	Additional Information
Waste-Abs Total weight of waste by disposal route	Tonnes		4,497	Data not comparable	6 assets - 5th Avenue, Capital Place, AnfaPlace, Mukuba Mall, Kafubu Mall, Cosmopolitan	Data not comparable as we reported only for 3 assets in the previous year.	Historic data is not available for waste. We are looking into waste management strategies across all our assets.
Waste-LfL Like-for-like total weight of waste by disposal route	Kg	Historic data not available for comparison					
Cert-Tot Type and number of sustainably certified assets	Total number by certification/ rating/labelling scheme	2	2	Precinct Building - EcoDistrict Certification Unity Building, Phase 1 of the Precinct Building - 5-Star Green Star Certified Rating			

SOCIAL

Target	FY 2022-2023	Status
At least 40% of leadership positions[1] within Grit Group held by women.	43%	Target achieved
At least 65% local employee representation.	81%	Target achieved

Total number of employees: 157

	Under 30 years old	30 to 50 years old	Above 50 years old	Total
Male	12	63	7	**82**
Female	22	47	6	**75**
Total	**34**	**110**	**13**	**157**

FY 2023 Key Highlights

- We successfully completed the Job Levelling project in collaboration with Korn Ferry, enhancing our organisational structure and talent management strategies.
- Our enhanced social media presence as part of our Employer Branding efforts has significantly amplified our company's online visibility, further strengthening our talent attraction and engagement strategies.
- We proudly introduced the Grit Sporty 2.0 initiative to boost employee health and wellness, featuring exciting additions such as a volleyball club, foot 5 team, and an upcoming running club, reinforcing our commitment to fostering a healthy and vibrant workplace culture.

2,244
hours of training

58
new recruits
(28% referral rate)

Employee engagement score:
84%
(74% last year)

657
Peer Reviews

Occupational Health & Safety

In April of 2023, Grit successfully completed the ISO 45001 Accreditation audit process, which was officially granted to us in June 2023. The certification was issued to properties under our operational and management control which includes our Head Office in Mauritius, two assets in Ghana, three assets in Zambia, one asset in Kenya and seven assets in Mozambique. This remarkable milestone marks a significant leap forward for GRIT and highlights our unwavering commitment to the highest standards of occupational health and safety.

Privacy and Data Security

Information security is a key consideration in our daily operations, and as part of our periodic awareness sessions, all Grit staff are made fully aware of the significance of our Information Security and Data Protection Policy and the consequences of non-compliance on the Group - refer to https://grit.group/wp-content/uploads/2023/09/2023_DATA-PROTECTION-POLICY.pdf Our information security and acceptable use policy is reviewed annually (or when required) by the Responsible Business department and is approved by the Risk Committee. The purpose of this policy is to outline the acceptable use of computer equipment and information assets at the Company and is applicable to GRIT and all employees/contractors. The risks surrounding inappropriate use of information to the Group cannot be overemphasized, and all staff have been made fully aware of the severity thereon.

The Board is ultimately responsible for the Information Technology Governance ("ITG") of the Company, which is built around several policies and procedures. The duty of ensuring that the IT risks pertaining to financial obligations, has been delegated to the Risk Committee, together with the satisfactory management of the going concern status of the Company.

A live monitoring system is utilized to generate system health check reports that are presented to the Risk Committee at quarterly Risk Committee meetings. Likewise, monthly performance monitoring reports are pulled from the IT system and submitted to the Responsible Business department and the CFO, for specific process implementation verifications and improvements where required.

The Group's IT Governance Framework is composed of several IT-related policies, which are maintained and reviewed by the IT service provider and the Risk Committee. For security reasons, our detailed IT policies have not been shared on our website, but a synopsis is available at https://grit.group/wp-content/uploads/2023/09/Grit-IT-Policies-Summary.pdf.

1. *Managerial positions and above (inclusive of Board)*

Giving Back to our Communities

GR1T Foundation

In 2022, Grit and its development subsidiary, Gateway Real Estate Africa ("GREA"), registered GR1T Foundation (or "the Foundation") to formalise and house its social initiatives that empower people across Africa with knowledge and skills that go beyond buildings.

The creation of the Foundation is testimony to Grit's commitment to the United Nations Sustainable Development Goals and ESG, which are key strategic priorities.

The additional governance oversight of the Foundation leverages the Group's Family of Partnerships to greater effect, enabling it to collaborate with likeminded organisations and amplifying its outreach considerably.

GR1T Foundation formalises Grit and GREA's social investment programmes and leverages the Group's Family of Partnerships to greater effect.

The main purpose of the GR1T Foundation is the protection of the planet and human development. These objectives will be delivered through the creation and support of initiatives focused on environmental conservation and measurable social impact initiatives across Africa that empower people to make a tangible and lasting difference in their own lives and the communities around them.

As a result of its real estate development mandate, GREA plays a significant role in delivering on the Foundation's objectives.

Grit applies its in-house methodology to quantify projects based on their impact on the Group's elected SDGs. The scoring methodology considers the materiality, beneficiaries, significance of outcomes, contribution as well as level of achievement for each project.

All Life Matters Animal Sanctuary

We are proud supporters of All Life Matters Animal Sanctuary (ALM). This Mauritian animal welfare NGO runs a successful low-cost veterinary clinic with a big focus on sterilising dogs and cats as the solution to managing the overpopulation of these animals. ALM provides essential veterinary services, helping the less fortunate communities and working very closely with other animal welfare organisations. ALM further operates an animal rescue sanctuary that provides a happy home to many types of rescued animals such as retired racehorses, pigs, monkeys, cows and many more.

ALM not only serves as a platform to educate people on responsible pet ownership and the importance of sterilisation but contributes to the local economy by providing employment to 16 passionate local staff.

Shamas Rugby Foundation

The Shamas Rugby Foundation ("SRF") is a development organization that uses rugby to promote the holistic development of underprivileged children and youth in Kenya. SRF supports the attainment of child rights and the UN Sustainable Development Goals.

The support given by the GR1T Foundation has enabled SRF to continue achieving its mission of using rugby to promote life skills, education and employability and in so doing building community engagement among boys and girls living in urban slums and rural areas in Kenya and beyond.

BuildHer

One of the key objectives of the SDGs is to reduce gender disparities in economic opportunities. This aligns with the efforts of Grit, which is dedicated to advancing economic prospects for marginalized groups, particularly women. This initiative resonates with target 10.2 of the SDGs, which aims to empower and foster social and economic inclusion.

Notably, Kenya's construction industry employs less than 3% of women, a figure that falls below the already meagre global standard where no country employs more than 15% of women in construction (NCA, 2018). This is concerning because the construction sector is among the fastest-growing industries on the African continent, yet it remains one of the least inclusive in terms of gender diversity.

GREA supports BuildHer Kenya, a non-profit operation ("NPO") focused on assisting women to sit for the prestigious National Industrial Training Authority exams. BuildHer Kenya's 12-month programme is designed to systematically enhance their technical construction skills and life skills, contributing to their empowerment and advancement in the industry. On completion of the skills curriculum, cohorts are placed at preapproved employers for two to eight months of training in a live working environment (depending on the training area).

In 2021, GREA co-funded 30 female cohorts to participate in BuildHer Kenya's programme. Research has shown that after four months of training, cohorts report an increase in income of 520% on average.

Employers report a 67% increase in productivity and 60% have changed their policies to incorporate gender, sexual harassment, and dignified pay.

In addition to the sponsorship of new cohorts, GREA will continue to be a catalyst in onboarding its suppliers and contractors to provide cohorts with relevant on-the-job experience.

Sports Ambassadors

GR1T Foundation also supports young talents who have the potential but not the funding required to pursue their dreams. Our involvement is not just limited to financial support but also includes mentorship in collaboration with surf legend Seth Hulley and classes to hone our beneficiaries' skills and allow them to compete on world stage.

Mauritius Women Barbarian Rugby Team

The Foundation provides ongoing support for the Mauritius Women Barbarian Rugby Team, including facilitating the team's participation in the Dubai Sevens International Rugby Tournament. The objective of the support for the team is to promote diversity, breaking down stereotypes of women, to anchor and showcase the place of women within Mauritian sport and to proudly represent Mauritius internationally.






EPRA Sustainability Performance Measures

Social Indicators

EPRA code	Metrics	FY2022 Men	FY2022 Women	FY2023 Men	FY2023 Women	Trend	Employee Categories	Additional Information (if any)
Diversity-Emp Employee gender diversity	Percentage	67%	33%	**67%**	**33%**	No change	Board	
		54%	46%	**52%**	**48%**	Increasing	Total Employees	
		59%	41%	**58%**	**42%**	Increasing	Leadership positions	No double counting of employees who are both in board and in managerial roles
Diversity-Pay Gender pay ratio	We have successfully completed the Job Levelling project in collaboration with an external third party: Korn Ferry, which will allow us to look into Gender Pay Ratio. However, our remuneration policy is strictly based on merit and experience.							
Emp-Training Training and development	Average number of hours	9.71	9.71	**15.09**	**17.75**	Increasing	All employees	Average training hours per employee: 14.11 (Total of 2,216 hrs)
Emp-Dev Employee performance appraisals	Percentage of total workforce	100%		**100%**		No change	Confirmed employees	
Emp-Turnover Employee turnover and retention	Total number of new employee hires	14	14	**29**	**29**	Increasing	Not applicable	
	Rate of new employee hires	50%	50%	**50%**	**50%**	Not applicable	Not applicable	
	Rate of employee turnover	19.0%		**19.1%**		Slight increase	Not applicable	

		FY 2022	FY 2023	Trend (if applicable)
H&S-Emp Employee health and safety	Injury rate, lost day rate , absentee rate and work-related fatalities	0 days	**0 days**	N/A
H&S-Asset Asset health and safety assessments	Percentage of assets	33%	**100%**	8 assets last year 24 assets under operational control
H&S-Comp Asset health and safety compliance	Number of incidents	No incidents noted	**No incidents noted**	N/A
Comty-Eng Community engagement, impact assessments and development programmes	N/A	Incorporation of Grit Foundation in 2022	**GR1t Foundation fully operational**	See section on GR1T Foundation in our Sustainability Report

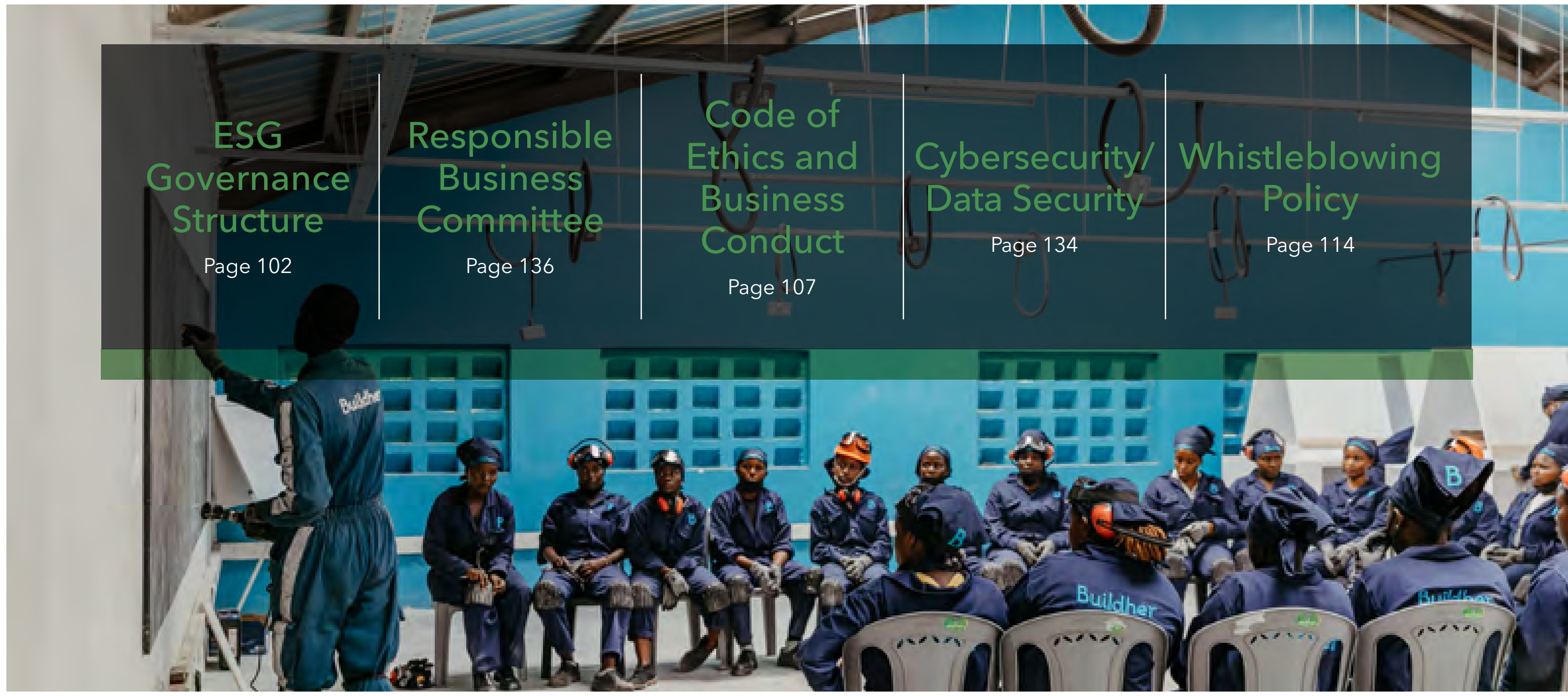
GOVERNANCE

A responsible business

The oversight of ESG matters is critical. It not only allows the Board to appreciate more holistically the impact of its decisions on key stakeholders and the environment, but also ensures it is kept aware of any significant changes in the market. This includes the identification of emerging trends and risks, which in turn can be factored into its strategic discussions.

ESG is overseen principally by the Board, Responsible Business Committee and Sustainability Committee (refer to page 102 for details on our ESG Governance Framework). Our Head - ESG, CSR and GR1T Foundation, Shevira Bissessor and our Head - Responsible Business Moira van der Westhuizen, are the designated members of the Executive team with overall accountability for ESG matters (refer to pages 78 to 79 of the TCFD report for disclosure on our governance with respect to ESG).

Our governance is well detailed in our IAR, under our Corporate Governance section from pages 94 to 118.



EPRA Sustainability Performance Measures

Governance Indicators

EPRA CODE	Performance Measure	Types of Disclosures	Metrics	Refer to Integrated Annual Report FY2022	FY2023
Gov-Board	Composition of the highest governance body	Corporate-level performance measure	Total numbers	Pages 80 to 83	**Pages 98 to 100**
Gov-Select	Process for nominating and selecting the highest governance body	Corporate-level performance measure	Narrative Description	Page 101 to 105	**Page 119 to 127**
Gov-Col	Process for managing conflicts of interest	Corporate-level performance measure	Narrative Description	Page 99	**Page 116**

* *FY2023 Integrated Annual Report available online at: https://grit.group/investor-relations/financial-results/ .*

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Reporting clearly and concisely to all our stakeholders continues to be a business ethos that the Company upholds, and this extends to our disclosure of the risks and opportunities associated with climate change as these affect our business – refer to pages 78 to 93 of this report, for the importance of climate change considerations in our risk management strategy.

In the previous reporting period (FY2022), we expressed our support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and our commitment to managing and reporting climate-related risks and opportunities across our operations in a manner that ensures stakeholders understand our strategy in response to such risks and opportunities and what actions we as a Company, are taking, to contribute towards the reduction of climate change.

An action plan on full disclosure in accordance with the recommendations of the task force was put in place and disclosed in the previous reporting period, and we would be reporting on the status of the short-term and long-term actions in the roadmap and disclosures implementation table in pages 83 to 87 of this report.

Although the climate-related financial disclosures in this report are partially consistent with the recommendations of the task force as at 30 June 2023, we are confident that upon completion of our strategy assessment and execution of the identified action plans within the timelines reported in this Annual Report, the Company would be in a position to make disclosures that are fully consistent with the TCFD recommendations and UK Listing Rules requirements.

Governance

a. Describe the board's oversight of climate-related risks and opportunities

Throughout the year under review, climate change has been a key concern to our business. The overall responsibility for setting up a long-term environmental-friendly strategy around the Group's response to the risks and opportunities related to climate change (refer to page 80 of this report) rests with the Board.

Through its charter, the Board has delegated the responsibilities of various aspects of the risks and opportunities related to climate change to the sub-Committees of Grit. The delegation of climate-related responsibilities is based on the purpose of the sub-Committees as per their charters and expertise of committee members (refer to page 117 of the report for expertise of Board Committees).

Flow of communication

While the Board has oversight on all climate-related aspects of the Company, the Responsible Business Committee ("RBC") has been mandated to drive our Sustainability and ESG agenda, in line with the overall Group strategy. During its planned meetings, the RBC discusses ESG matters based on an agreed agenda. The Committee receives reports on various climate-related targets and metrics from the ESG Exco and its sub-committees – Sustainability. Discussions held at the Committee meetings and action points to be taken are communicated to the Risk Committee and the Board, for informed decisions and planning (refer to page 117 of this report for Board and Committees' skills and experiences in dealing with climate-related matters).

Climate risk Group governance structure

The Board	Ultimately responsible and accountable for climate-related risks and opportunities affecting the business.
Responsible Business Committee	• Has been assigned the responsibility to drive the Company's ESG agenda including its climate-related matters. The Committee has overall responsibility for the direction which the Group will take, through its Sustainability and ESG strategy, inclusive of climate-related aspects. • The Committee meets at least three times a year to ensure the Board makes informed decisions in consideration of all climate-related aspects (refer to page 136 of this report for composition of the Responsible Business Committee).
Nomination Committee	• Ensures the Board takes climate-related skills and expertise into consideration when assessing Board composition and identifying needs for upskill. The Committee meets at least three times a year (refer to page 119 of this report for composition of the Nomination Committee).
Audit Committee	• Has the duty of ensuring that the Company complies with best practice reporting standards with regards to the reflection of climate-related risks and capital expenditure in our financial statements. The Committee meets at least three times a year (refer to page 128 of this report for composition of the Audit Committee).
Risk Committee	• Through its risk management framework (refer to page 50 of this report) the Risk Committee ensures appropriate identification, monitoring and management of the climate-related risks that affect the business. The Committee meets at least three times a year (refer to page 133 of this report for composition of the Risk Committee).
Remuneration Committee	• The Remuneration Committee considers climate-related performance metrics as part of the Company's short-term incentive process – refer to page 140 of the Remuneration Committee Report.
ESG Executive Committee	• The ESG Executive Committee (ESG Exco) has been delegated with the responsibility to supervise the implementation of the Company's Sustainability Policy and execution of Board ESG strategies. During the year under review, the ESG Exco performed its duty of overseeing and steering Grit's approach to climate-related risks and opportunities, ensuring ongoing Board level discussion and involvement. • The ESG Exco is a business operating committee and meets on an ad hoc basis to discuss ESG-related matters inclusive of climate change.

b. Describe management's role in assessing and managing climate-related risks and opportunities

The Company's ESG Exco, chaired by Moira van de Westhuizen (Head - Responsible Business) has the duty of performing day-to-day oversight on climate-related matters. During the year under review, this operational committee met monthly and is composed of core department members – Andries Smit (MD – Grit Real Estate Services) and Rui Moca (Head - Facilities Management) are part of the asset management team involved in determining the capital expenditure requirements of the Group during budgeting and consider our carbon reduction ambitions through building efficiency as part of the Group's asset management plan.

Moira van de Westhuizen (Head - Responsible Business), Anouchka Chummun (Group Compliance Manager) and Ojong Nso (Head – Integration) are part of the Responsible Business department of the Group and are intrinsically involved in several ESG, risk and compliance-related aspects of the business, including climate-related risks and the reporting thereof.

The outcome of the ESG Exco discussions is rolled-out to sub-committees and other business units and departments for execution and reporting on progress with targets back to the Company's ESG Exco. This, in turn is communicated up to the Group's Executive Committee (C-Suite) and Responsible Business Committee and ultimately to the Board, in the form of a performance report and data dashboard (inclusive of climate-related targets/metrics).

Key governance actions during the year under review

The Board	• The Board was presented with the key actions from the senior leaders' strategy sessions held in May 2023, which was inclusive of our ESG ambitions and the IMPACT the Group would want to create in its operating environments. Such IMPACT is inclusive of climate change.
Responsible Business Committee	• Performed quarterly review of the achievement of our ESG targets and metrics as well as on the Company's carbon footprint materiality assessment carried out by ESG Intellis, as part of our plan to move towards a low carbon economy.
Audit Committee	• Questioned the Company on its integration of the latest carbon accounting and climate-related regulations applicable to the business.
Risk Committee	• Performed thorough review of the Company's risk management actions around key risks including climate change, by challenging the actions proposed by management. • Took note of the progress of the Company's materiality assessment of our carbon footprint and the status of our plan to move towards a low carbon economy.
ESG Executive Committee	• Performed on-going oversight and steering Grit's strategy towards climate change through building efficiency and sustainability initiatives, ensuring ongoing discussion with the RBC and at Board level.

Looking ahead

- In the upcoming FY2024, we would look to continue to expand Board, Committee and senior management knowledge on the various climate-related risks and opportunities relevant to the business and enhance strategy implementation procedures to address climate-related risks. The Board is cognisant of the need to upskill Board Committee members' knowledge and expertise in this field and would closely engage the Responsible Business department and our ESG consultants through-out the process to set up our plan to transition to a low carbon economy and identify targets based on the outcome of the science-based tests on various scenarios.
- Reporting on our climate-related risk targets and metrics, and timely communication thereof to all stakeholders would be a key focus area for the upcoming financial year, especially given our ESG reporting obligations on the Company's performance around its sustainability targets, associated with the perpetual note issuance made out to Ethos Mezzanine Partners and Blue Peak Pvt Capital, under the sale and leaseback acquisition of Orbit as reported in our IAR FY2022 (refer to our IAR FY2022 on our website https://grit.group/investor-relations/financial-results/.)

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

Since climate-related issues are often linked to the medium to long-term and given that Grit's investment properties each have a service life of several decades, we consider time horizons for the purpose of climate-related risks and opportunities, to be 0 – 5 years for short-term, 5 – 15 years for medium-term and 15+ years for the long-term.

While we are still on our roadmap to establishing our low carbon plan and have not performed any science-based tests on the climate-related risk assessments and scenario analysis in FY2023, we have however identified some key climate-related risks (physical and transition) and opportunities that could impact our business. The monitoring and management of these climate-related risks is done as per the Company's risk management framework (refer to pages 50 to 51 of this report) with specific focus on our ESG targets and metrics that are reported quarterly to the Responsible Business Committee.

Risks / Time horizons	Short-term	Medium-term	Long-term
Transition risks	There continues to be i**ncreasingly stringent legislation** across the Group's investment jurisdictions as governments reiterate their "net-zero" demand. The objective here being to transform conservation finance in Africa and enhance evidence of governments' commitments to the UN Climate Change Conference. Promoting socio-economic growth of these nations and developing sound policies have been identified to be the ideal solutions, as well as building a regulatory framework that promotes the use of appropriate environmentally friendly and technological practices and techniques.	**Government legislation** around climate change in most of the jurisdictions in which we operate has been taking several years to implement. We do not foresee any change in the impact and likelihood of this transition risk from the short-term to the medium-term. We foresee an increase in the **demand for more energy-efficient and environmental-friendly buildings** from our multinational tenants and the market in the medium term. This would have a direct impact on the Company's ability to secure long-term leases with such blue-chip companies.	We are confident that in the long-term, although **government legislation** on climate change would be enforced across all jurisdictions, we do not foresee a change in the risk impact and likelihood as the Company would have decarbonized by then. We do not expect any variation in the severity of the **change in consumer demand** in the long term, hence the risk profile is considered same as that in the medium term.
Physical risks	The Group's portfolio in Mauritius, Mozambique and Morocco have a moderate exposure to damage from **flooding** in the short-term. While this scenario has not been scientifically tested, we relied on the flooding history in these coastal regions for our conclusions in the short-term. **Drought** is a common physical risk attributable to climate change resulting from shortage of rainfall. We do not perceive any impact nor likelihood of drought in any of our portfolios (including Mozambique, Kenya and Ethiopia) in the short-term. Nonetheless, this risk remains one of the most frequent climate-related risks which the Company has identified could have an impact on the business.	While **flooding** continues to be a threat to our property portfolio in the medium-term, we do not foresee significant damage as all our portfolios in Mozambique, Mauritius and Morocco are out of high flood zones, hence the risk of flooding remains moderate in the medium-term. It is likely that our Mozambique property portfolio could face a moderate risk of **drought** in the medium-term, due to climate change. **Coastal erosion** is a physical risk which is kept under our radar, as it could have an impact on our property portfolios close to the shores – Mauritius and Morocco. However, the likelihood is quite remote in the medium-term, given the nature of the shorelines (less sandy) and the strength of the waves.	We do not expect any change in the intensity or frequency of **flooding** in the long-term, hence the risk profile is considered same as that in the medium-term. With continuous rise in temperature and low precipitation, we expect an increase in the intensity and frequency of **drought** in the long-term. We do not expect any change in the intensity or frequency in **coastal erosion** in the long-term, hence the risk profile is considered same as that in the medium-term.
Opportunities	• Putting in place a sustainability strategy that is aligned with most governments' socio-economic development objectives, opens doors to alternative and more cost-effective sources of finance, such as Impact Finance, which the Group is aiming for, as part of its growth strategy. • Aligning our carbon reductions requirements with market and tenant demand for a more sustainable workspace would inevitably lead to better rental premiums in the medium to long term. • We also expect our operating expenses to drop in the medium term, with the roll-out of more energy-efficient initiatives across our property portfolio. • The Group will need to inject capital in both existing and pipeline portfolios, to ensure the assets are climate-resilient and fit-for-purpose in the long-term, while creating a positive impact on the environment.		

Refer to pages 89 to 90 of this report for management's response and cost of response for each identified transition and physical risk and opportunity.

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Being a pan-African real estate company focused on investing in and actively managing a diversified portfolio of assets in carefully selected African countries, inevitably exposes the Company to climate-related issues. This is a key consideration through the impact on our property acquisitions, renovations, property portfolio management and the level and type of engagement we have with various stakeholders – tenants, professionals, financiers, and regulators.

This impact is expected to be exacerbated by increasing demand from our tenants and other stakeholders seeking buildings with higher sustainability credentials, not excluding the regulatory landscape which is becoming more compelling.

As a result, the Company has put in place a sustainability strategy that drives our corporate approach to managing these issues and is supported by our sustainability framework and policy documents that underpin our asset management activities - refer to https://grit.group/wp-content/uploads/2023/09/2023_Grit-Sustainability-Policy.pdf and https://grit.group/wp-content/uploads/2023/05/grit-sustainability-framework.pdf, for details on these documents.

The sustainability framework and policy documents set out how the Group manages climate-related risks within our property and asset management activities through the monitoring of our six major pillars and corresponding KPI's, so that the risks identified in section (a) above do not adversely affect our activities.

As indicated in the governance section in pages 78 to 79 of this report, we would create a separate risk monitoring and risk assessment working document over the financial year ending June 2024, specifically for climate-related risks, in which we would define the risks identified in this strategy section, wherein we would indicate the cause and effect of each risk on the business, strategy and financial planning. While this means the Company's disclosure is not fully consistent with this specific recommendation of the task force as at reporting date, resilience to climate change as a risk is currently assessed as part of the Group wide risks management process, and is rated amongst the principal risks that have an impact on the business (refer to page 55 of this report for our principal risks.)

For illustration, we expect change in consumer demand and increased stringent government legislation around carbon emission to be most likely in the short to medium-term. This would have an impact on our business through the costs to be incurred to make our portfolios more energy efficient as we strive to implement our Sustainability Policy and achieve building-efficiency and Group carbon footprint key performance measures that would be set out by the Responsible Business Committee and the Board. By factoring in the cost of achieving these KPI's in the Group budget, the Company would ensure all possible financial impacts of the various climate-related risks affecting the business are appropriately mapped in our financial planning.

During the year under review, the Company has been establishing its carbon footprint, with materiality assessments, and is in the process of defining its plan to transition towards a low carbon economy which would be aligned to best practice standards. Refer to pages 65 to 67 of this report for more information.

The aim is for the plan to extend across all business units and departments, to effectively reduce our carbon footprint and exposure to climate risk. Examples of how the plan would affect several aspects of the business include:

Assets management – Our low carbon plan would be aligned to our Sustainability Framework and Policy documents, which define how we intend to develop and deliver pioneering and sustainable asset management solutions that augment value for occupants, through ideal cost-effective systems and techniques, which are energy-efficient, reduce water consumption, as well as promote prudent waste management and consider the environment for all stakeholders.

Financial planning (capital expenditure & allocation) – we continue to price and include our ESG initiatives in the Groups' annual budget and report quarterly on the execution to the Responsible Business Committee. The financial planning to achieve this plan would tie back to these initiatives and capital expenditures for environmental purposes. The Company is still in search for an ideal cost-effective data capturing and reporting tool to be utilized in the capital resource allocation of the business in the short-term.

Property Acquisitions – Grit's main business model is based on acquiring completed and tenanted yield-accretive properties and performing asset management across the entire value chain. Key to our value chain is the Impact we create in the environment, and this is governed by the sustainability framework and policy documents. Incorporating climate-related risks' mitigating actions in our technical due diligence (DD) process for acquisitions is in process and this would guide us in establishing the actual carbon cost of the transaction and give an indication of how we can transition onto a low carbon economy.

We have been implementing IFC standards around E&S as a reporting requirement since 2021 and intend to build on this going forward.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

While we have not yet run any science-based tests on the impact of identified risks on the Company, management has been able to establish the severity of climate change on our properties and organization to a certain extent, and the resilience of the Company's strategy towards managing identified climate-related risks. We are cognizant of the fact that the Company is not fully consistent with this specific recommendation at this point.

As indicated in the metrics and targets section further below in this report, we would be engaging with consultants within the next financial year (FY2024) to run science-based tests to identify what climate-related risks could affect our properties and the severity of the impact thereon.

Being a company in the real estate industry, and considering the regions in which we operate, our properties are exposed to climate-related risks such as floods, drought, and coastal erosion, which could lead to increased physical stress on our buildings and the occupants, thereby increasing our cost base significantly – both capital and operating expenses in the medium to long term. A key component of the Company's business model remains centered around acquiring yield-accretive sustainable income-earning properties in carefully selected countries within the African continent, that meet our investment criteria and building strong partnerships with key stakeholders – refer to the CEO's statement in page 32 to 35 of this report for more details on our business model.

At our strategy sessions in February 2023, one key phrase that resonated with the senior leadership team is IMPACT creation in all our transactions and operations. A core aspect of our value proposition is to build a sustainable business for all our stakeholders and the environment. To achieve this, we ensure our business strategy demonstrates a high degree of resilience in consideration of our environmental responsibility. While the resilience of our strategy would be further measured with the science-based tests that would be run in the short-term, we are confident that the current strategy provides a solid foundation for our plan to move towards a low carbon economy.

Our sustainability framework and policy define the key performance measures identified by the Responsible Business Committee and the Board, which would permit the Company demonstrate its resilience to climate-change under various scenarios when the science-based test would be run. Through-out the year under review, we focused on ways and means of achieving energy efficiency and carbon reduction in our property portfolios, thereby ensuring we meet our major sustainability pillar of designing and delivering environmentally conscious and efficient spaces.

Grit's sustainability strategy is built around the concept of ongoing improvement, which we are confident ensures a high degree of both climate and financial resilience as all factors pertaining to any of the currently identified climate-related risks are taken into consideration in the execution of the strategy. We are convinced the science-based tests would reveal similar levels of resilience and would be disclosed in FY2024.

While the Company has not performed any science-based tests on the climate-related risks under various scenarios in FY2023 as indicated at the beginning of this strategy section, we have made use of a World Bank report – Turn Down the Heat: Climate Extremes, Regional Impacts, and the Case for Resilience. This report shows a forecast on the impact of climate change in sub-Saharan Africa, and was put together by scientists at the Potsdam Institute for Climate Impact Research and Climate Analytics. The aim of the research was for the scientists to prepare a climate forecast based on the best available evidence and supplemented with advanced computer simulations in selected regions around the world.

Climate Risk	0.8°C Warming (Currently Observed) (2020s)	2°C Warming (2040s)	4°C Warming (2080s)
Heat Extremes (Unprecedented heat extremes)	Absent	About 15 percent of land in austral summer months (DJF)	>55 percent of land in austral summer months (DJF)
Drought	Increasing drought trends observed since 1950.	Likely risk of severe drought in southern and central Africa, increased risk in west Africa, possible decrease in east Africa but west and east African projections are uncertain.	Likely risk of extreme drought in southern Africa and severe drought in central Africa, increased risk in west Africa, possible decrease in east Africa, but west and east African projections are uncertain.
Aridity	Increased drying.	Area of hyper-arid and arid regions grows by 3 percent.	Area of hyper-arid and arid regions grows by 10 percent.
Sea-level Rise		70cm (60cm-80cm) by 2080-2100.	105cm (85-125cm) by 2080-2100
Water availability (run-off/ground water recharge)		50 – 70 percent decrease in recharge rates in western southern Africa and southern west Africa; 30 percent increase in recharge rate in some parts of eastern southern Africa and east Africa.	Increase in blue water availability in east Africa and parts of west Africa; decrease in green water availability in most of Africa, except parts of east Africa.
Rainfall/ Precipitation (Flooding risk)	Central Africa	10%-20% increase in most equatorial Africa.	No prediction

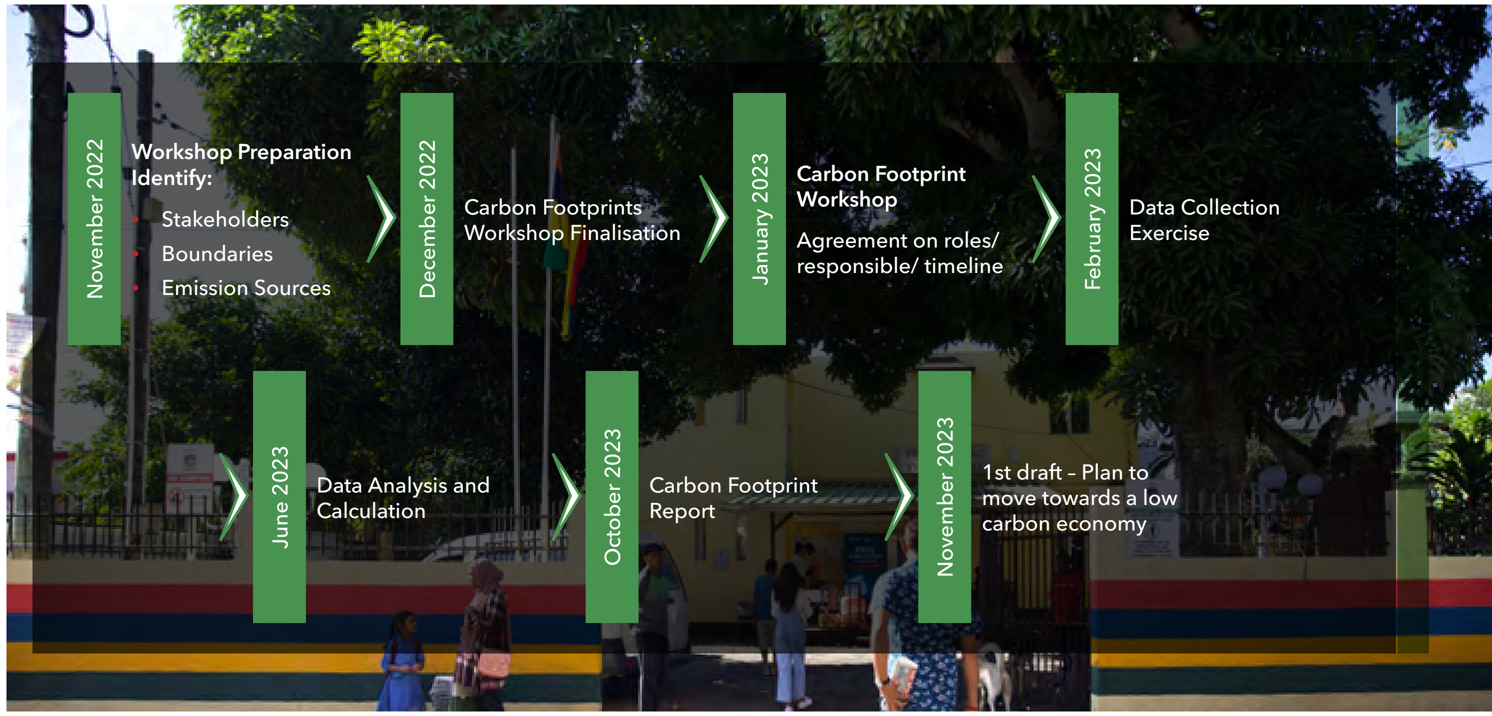
Source: Turn Down the Heat: Climate Extremes, Regional Impacts, and the Case for Resilience
https://documents.worldbank.org/curated/en/2013/06/17862361/

Based on the findings under various scenarios, management is strongly of the opinion that the Company's current property investment strategy is not far from where it needs to be in order to achieve the targets that would be set upon completion of the pathway towards a low carbon economy. This means we do not foresee any major changes to our strategic approach when considering climate-related risks.

This is even more evident in our recent developments in Mauritius ("The Precinct") – refer to page 69 of this report for more details on The Precinct, for which we obtained an EcoDistrict certification under the EcoDistricts Protocol, composed of a rigorous framework for sustainable urban development, aiming to achieve sustainability centered around the needs of the population and economic vitality in neighborhoods and districts at the local level. The EcoDistrict certification represents a new milestone in our pursuit of responsible real estate development and a zero-carbon footprint. It complements the 5-Star Green Star certification that The Precinct's Unity Building obtained in FY2022.

As stated above, we recognize the impact of climate change on our business and part of our strategy looking ahead is to become a low carbon business in the long-term. To achieve this, the Company will need to clearly address the transition and physical risks and opportunities to which the business is exposed.

In the previous reporting period (FY2022) we had indicated we would commence our journey towards putting in place our plan to transition to a low carbon economy. While we are still in the process of setting-up the plan, we are glad to disclose the status of the progress so far, and the roadmap of what is still to come:



As alluded in several areas of this TCFD disclosure, we have not relented on the implementation of our energy reduction and other environmentally sustainable initiatives which are aligned with our ESG strategy (refer to pages 64 to 67 of this report for more details on our ESG strategy) and we are confident sets a strong base for the implementation of our low carbon plan once finalized:

Environmentally sustainable Initiatives*	Related sustainability pillars - metrics	Climate-related risk which metrics and targets respond to	Page(s) in which metrics are reported
• Increasing energy reduction and efficiency in our assets.	• Managing our assets responsibly	• Stringent legislation. • Demand for more energy-efficient and environmental-friendly buildings.	Pages 64 to 65
• Increasing renewable energy procurement e.g. sustainable clean energy procurement such as solar energy given the regions in which we invest, with as opportunity, upper hand in the market, reduction in energy cost as well as our carbon footprint.	• Designing and delivering environmentally conscious and safe, healthy, and efficient spaces.	• Stringent legislation. • Demand for more energy-efficient and environmental-friendly buildings.	Pages 64 to 65
• Reducing the embodied carbon associated with our development schemes through the consideration of the EDGE certification as part of our investment decisions. We have achieved this through the EcoDistrict certification obtained for The Precinct in Mauritius.	• Designing and delivering environmentally conscious and safe, healthy, and efficient spaces. • Uplifting communities.	• Stringent legislation. • Demand for more energy-efficient and environmental-friendly buildings. • Significant Changes in weather causing flooding, drought, and coastal erosion.	Pages 64 to 65

* *Refer to detailed breakdown of initiatives and metrics in our Sustainability report - https://grit.group/responsible-business/sustainability-report/*

How we have embedded TCFD recommendations in our reporting:

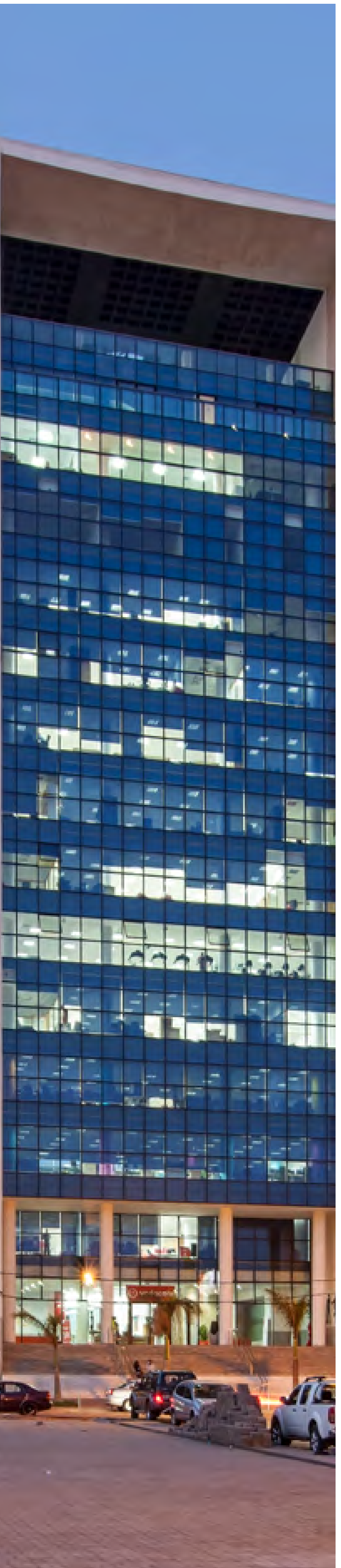
Pillar/description	Recommendation	Fully / Partially disclosed	Where recommendations are disclosed / reasons why partially disclosed	Update on actions in FY2023	Actions plan for full disclosure in FY2024
Governance: Disclose the organisation's governance around climate-related risks and opportunities.	Describe the Board's oversight of climate-related risks and opportunities.	Fully	Governance Framework Page 102. Board Skills and Experience Page 117.	• Increased Board knowledge on climate-related risks through training and discussions. • Climate risks have been made a recurring item on the Company's Risk Committee agenda.	• Keep the Board continuously aware of the climate-related risks and opportunities that could affect the business. • Climate-related risks and opportunities should be an ongoing point of discussion on Board agendas. Ongoing
	Describe management's role in assessing and managing climate-related risks and opportunities.	Fully	Governance Section: Management's Role in Assessing Climate Risks Pages 78 to 79. Governance Framework Page 102.	• Management's role in the identification and assessment of climate-related risks and opportunities was reiterated and roles and responsibilities further clarified.	• Fully consistent with recommendation to describe management's role in assessing and managing climate-related risks and opportunities. Ongoing

Pillar/description	Recommendation	Fully / Partially disclosed	Where recommendations are disclosed / reasons why partially disclosed	Update on actions in FY2023	Actions plan for full disclosure in FY2024
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Partially	Partially disclosed as science-based tests have not yet been run on various scenarios. Strategy Section: Risks and opportunities Page 80	• While science-based tests have not been run to identify climate related-risks (physical) that could affect Grit, management has been able to establish to some extent, climate-related risks and opportunities that could affect the business in FY2023.	• Science-based tests would be run to clearly identify climate-related risks that could affect the Company. Short term: 1 year • As part of our ongoing risk management function, management and the Board would perform a periodic review of the risks and opportunities to which the Company is exposed, and these would be disclosed as part of the TCFD reporting. Ongoing
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Partially	Partially disclosed as science-based tests have not yet been run on various scenarios. Strategy Section: Impact of climate-related risks and opportunities on the rganization's businesses, strategy, and financial planning Page 81	• While we have not yet performed science-based tests on the risks that could affect the Company, we however consider the impact of physical risks on our business and financial planning as part of our annual budgeting process.	Management to perform full assessment of the impact of identified climate-related risks and opportunities on the organization's businesses, strategy, and financial planning, through science-based tests on various scenarios Short term: 1 year
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Partially	Partially disclosed as science-based tests have not yet been run to assess the resilience of the Company's strategy under various scenarios. Strategy Section: Resilience of the organisation's strategy Page 81	• During the review period, we met with consultants in the field of SBTi and management is in the process of identifying other tools in the market for comparison.	Consultants to perform full assessment of the resilience of the Company's strategy under different climate-related scenarios. Short term: 1 year

Pillar/description	Recommendation	Fully / Partially disclosed	Where recommendations are disclosed / reasons why partially disclosed	Update on actions in FY2023	Actions plan for full disclosure in FY2024
Risk management: Disclose how the organisation identifies, assesses, and manages climate-related risks.	Describe the organisation's processes for identifying and assessing climate-related risks.	Partially	Partially consistent as science-based tests have not yet been completely integrated in the Company's risk management processes. Risk Management Pages 50 to 51. Risk Management Section: Processes for identifying, assessing, and managing climate-related risks Pages 88 to 90.	• While SBTi are yet to be integrated in our risk management processes in terms of likelihood and impact analysis, we have however integrated aspects of climate-related risks into our risk management framework.	Management to enhance and integrate processes for identifying, assessing, and managing climate-related risks into the organization's overall risk management framework. Ongoing Science-based targets should be integrated in the Company's overall risk management processes. Short term (1 year)
	Describe the organisation's processes for managing climate-related risks.	Partially	Partially consistent as science-based targets have not yet been completely integrated in the Company's risk management processes. Risk Management Pages 50 to 51 Risk Management Section: Processes for identifying, assessing, and managing climate-related risks Pages 88 to 90		
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Partially	Partially consistent as science-based targets have not yet been completely integrated in the Company's risk management processes. Risk Management Pages 50 to 51 Risk Management Section: Processes for identifying, assessing, and managing climate-related risks Pages 88 to 90		

Pillar/description	Recommendation	Fully / Partially disclosed	Where recommendations are disclosed / reasons why partially disclosed	Update on actions in FY2023	Actions plan for full disclosure in FY2024
Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially	Partially consistent as the metrics need to be aligned with the Company's low carbon plan, which is still in progress. ESG Highlights Pages 10 to 11. Metrics and Targets: Disclose the metrics used by the organization to assess climate related-risks and opportunities Pages 91 to 92.	• Review of targets to reduce GHG emissions forms part of our low carbon plan which is in progress as shown in the roadmap in page 83 of this report.	Management to set metrics based on the low carbon plan, and perform periodic reviews of the organization's quantified targets to reduce GHG emissions in relative or absolute terms (Scopes 1, 2 and 3) and performance against these. Short term: 1 year
	Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	Partially	Partially consistent as the scope 1, scope 2 and scope 3 GHG emissions would only be fully established upon completion of the Company's carbon footprint assessment, which is still in progress. Part of the plan is to understand the most relevant scope 3 related emissions and put in place reduction strategies. While this process is still ongoing, the Company has identified business travels as part of our carbon reduction target and this forms part of our Sustainability policy.		
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Partially	Partially consistent as the targets need to be aligned with the Company's low carbon plan, which is still in progress. ESG Highlights Pages 10 to 11. Metrics & Targets: Metrics used by the organization Pages 91 to 92.	• Review of targets to reduce GHG emissions forms part of our low carbon plan which is in progress as shown in the roadmap in page 83 of this report. Upon completion of the low carbon plan, the targets would be reviewed using SBTi.	Management to set targets based on low carbon plan, and perform periodic review of the targets used to manage climate-related risks and opportunities, including use of science-based targets, and performance against these targets. Short term: 1 year

* *Refer to Sustainability Report on our website: https://grit.group/responsible-business/sustainability-report/*



Risk Management

Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

As pointed out in the governance section in pages 78 to 79 of this report, the Risk Committee ("the Committee") ensures appropriate identification, monitoring and management of the climate-related risks that affect the business. The ESG Executive Committee members of the Company (refer to page 79 for details on the members of the ESG Exco) are further mandated to execute this responsibility as part of their day-to-day functions. During the period under review, the Risk Committee together with the ESG Exco defined and documented the identified risks that are likely to affect the business, and a risk assessment model in the form of a register has been built with risks assigned to the relevant Heads of Departments, based on the nature of the risk.

Climate-related risks are identified in consideration of the overall strategy of the organization, as well as the community in which the Company operates. Two key targets have been set by management and the Board – Carbon Emissions and Building Efficiency (refer to page 11 of this report) which if achieved, would indicate the Group is managing its climate risk exposure to an acceptable degree of severity.

The Heads of Departments and their nominated risk champions perform in-depth assessments of their respective risks (which include sustainability/climate-related risks) with the Group's Head of Integration on a quarterly basis, and establish the severity of each risk as well as update controls/actions. While the Company is still in the process of finalizing its low carbon plan and carbon footprint assessment, the Responsible Business Committee and the Board have identified certain climate-related targets – building efficiency and carbon – refer to page 11 of the Responsibility section of this report for more details on these targets.

Our property and facilities management team fully understand the sustainability strategy of the Group and our targets, and are responsible for the collection of data, which is reported to senior management for processing and performance measurement. Subsequently, a working session is organized wherein the principal risks (those with medium – high degrees of severity) are discussed between the various risk owners and the members of the Risk Committee. The risks are then assessed by the Committee to understand their severity, likelihood of occurrence and the ideal controls and/or mitigation required, to improve the performance of the key targets. This method ensures every outcome of the mitigation procedure applied is appropriately considered. To conclude our climate-related risk management process, a summarized report of the assessment of the Company's principal risks including resilience to climate change is presented to the Board by the Chairman of the Risk Committee for consideration and approval. The report guides the Board in their assessment of the evolution of risks over time and contributes to the evaluation of the risk management strategy of the Company.

The Responsible Business Committee has overall responsibility for the direction which the Group will take, through its Sustainability and ESG strategy, inclusive of climate-related aspects. The ESG Executive Committee has the duty to monitor, flag and assess all climate-related risks to which the business could be exposed. We have engaged an ESG consultant – ESG Intellis, to provide consulting services to the Company, and as indicated in the strategy section above, in FY2024 we would be engaging another consultant to run science-based tests to identify the climate-related risks to which Grit is exposed and the degree of severity under various scenarios.

In the absence of science-based tests specific to our portfolio, management has made use of research conducted by Climate Analytics and Potsdam Institute for Climate Impact Research (PIK) for the World Bank on the impact of climate change. Through this research, we have been able to identify several physical risks in certain jurisdictions, which could have an impact on the Company, under two scenarios: IPCC RCP 4.5 (2°C) and RCP 8.5 (4°C).

While the Company's disclosure is inconsistent with this specific recommendation given the absence of science-based tests as at 30 June 2023, we are however of the opinion that through the desktop assessment performed on the exposure of the Company's portfolio under various scenarios - 0.8°C Warming (Currently Observed) (2020s), 2°C Warming (2040s) and 4°C Warming (2080s), there is no change in the degree of severity of any of the climate-related risks to which the business would be exposed in any of the time horizons as assessed in the current review period, compared to last year (FY2022).

Risks & opportunities

In the Risk Management section of this report, we disclosed how the Company manages the risk of resilience to climate change – refer to page 55 of the IAR. While the consequences of climate change to the business are considered medium to long term as shown in the table below, the Board and management of Grit have decided to consider climate-related risks amongst our principal risks, in order to monitor the evolution of the risks and managements mitigating strategy.

Management's responses on climate-related risks affecting the business are outlined in the table below:

Risk Heading	Increasingly stringent legislation	Change in occupier demands	Significant changes in weather
Risk Description	Reduced operations and/or transactions in the light industrial sector, due to stringent local government legislation on minimum energy efficiency standards. **Time horizon[1]:** Medium **Likelihood:** Likely **Magnitude[2]:** Moderate	Increased vacancies caused by changes in occupier demand for more energy efficient buildings. **Time Horizon:** Medium **Likelihood:** Likely **Magnitude:** High	Increased wear and tear on the Company's properties caused by extreme weather changes such as flooding, drought, coastal cyclones, and aridity, leading to increased operating expenses **Time Horizon:** Medium **Likelihood:** Possible **Magnitude:** Moderate
Category	Transition – stringent government legislation	Transition – market	Physical - acute
Financial Impact	Decrease revenue in the light industrial sector by circaUS$4.8m per annum NOI	Decrease revenue from multinational tenants by circa US$19.8m per annum NOI	Increased operating expenses and specifically repairs and maintenance by circaUS$4.5m per annum NOI
Management Response	The Company's risk management strategy considers the dynamics of investing in properties across several sectors and jurisdictions, which require keeping track of changes in legislation around energy efficiency standards on properties and the build environment in general. Our light industrial portfolio is the most prone sector that would be affected by stringent legislation when it comes into effect in any of our operating jurisdictions. Our exposure to such climate-related risks in the short to medium term if we are not compliant, would be circa US$4.8m in annual NOI. Through our various in-country legal representatives, we do not foresee any change in legislation within the next twelve months. However, we continue to engage our stakeholders in the light industrial sector, for improved energy efficiency techniques. **Timeline:** Ongoing	Circa 70% of our tenants are multinationals with ESG targets of their own. While it is not currently an issue to our portfolio, we foresee a high demand for energy efficient workspace in future, which would have a significant impact on the Group's operations and revenue, driven by non-renewals or limited new deals. We have identified a few initiatives such as LED lighting and clean/sustainable energy to be implemented on our properties within the next two years. Furthermore, we ensure EDGE certification is part of our investment feasibility for construction as reported in page 90 of this report. Our asset managers have ongoing discussions with key tenants on what other initiatives they would consider relevant for their carbon reduced emission requirements. Such discussions are predominantly held for single-tenanted buildings. **Timeline:** Ongoing	With operations across eleven jurisdictions in Africa, the Group is exposed to extreme weather conditions that could impact our operating expenses and revenue. A report on the research conducted by Climate Analytics and Potsdam Institute for Climate Impact Research (PIK) for the World Bank on the impact of climate change identified several physical risks in certain jurisdictions, which could have an impact on the Company, under two scenarios: IPCC RCP 4.5 (2°C) and RCP 8.5 (4°C) (refer to table under strategy section for details of the analysis). We would be working with ESG consultants and a specialized SBTi consultant to perform more in-depth science-based scenario analysis that would be aligned to relevant standards as well as to our low carbon plan which is in progress as indicated earlier in this report. **Timeline:** Ongoing
Cost of Response	US$0 per annum cost[3]	US$0.5m – US$1m per annum cost	US$0.1m – US$0.5m per annum cost

1. *For climate-related risks and opportunities, we consider short, medium and long-term time horizons to be 0-5, 5-15 and 15+ years respectively.*
2. *Our risk assessment criteria for the magnitude impact of a risk are based on net operating profit (NOI) attributable to Grit for the next financial year: >20% NOI – high; 10-20% NOI – medium to high; 5-10% NOI – moderate; 0-5% NOI – low Impact Score.*
3. *While the cost of our response to the risk of increased stringent legislation is reported as US$0, the Company, however, incurs some cost through business travel during which discussions with stakeholders around energy efficient techniques are held.*

Management's responses on climate-related opportunities that could be seized by the Company are outlined in the table below:

Risk Heading	Increasingly stringent legislation	Change in occupier demands	Significant changes in weather
Risk Description	Increased competitive advantage, through compliance with government legislation on minimum energy efficiency standards. **Time horizon[1]:** Medium **Likelihood:** Likely **Magnitude[2]:** Moderate	Opportunity to increase revenue through competitive advantage earned from meeting occupiers' growing demands for energy efficient buildings. **Time Horizon:** Medium **Likelihood:** Likely **Magnitude:** High	Through efficient resource allocation, we expect to reduce capital expenses as well as the cost of repairs and maintenance caused by extreme weather changes. **Time Horizon:** Medium **Likelihood:** Possible **Magnitude:** Moderate
Category	Transition – stringent government legislation	Transition – market	Physical – acute
Financial Impact	Increased revenue especially from the light industrial sector by circa US$5.3m per annum NOI	Increased revenue especially from multinational tenants by circa US$21.7m per annum NOI	Reduced operating expenses in general by circa c.US$2.25m per annum NOI
Management Response	The Company stands a chance to increase revenue through its competitive advantage if compliant with changes in legislation specifically in the light industrial sector. As at the period ended 30 June 2023, there have been no changes to any of the local legislation around minimum energy efficiency standards. **Timeline:** Ongoing	Ongoing engagement with our key tenants gives us an indication of what their appetite for both office and industrial space would be in the near future. Our property improvement and development strategy are built around eco-projects aligned with the EDGE and EcoDistrict certifications to create future resilient premises that would align with the low carbon plans of both Grit and its tenants. Over the years, we have been measuring two key targets – reduced carbon emissions and building efficiency, the performance of which we continue to enhance each year (refer to page 91 of this report for y-o-y comparison) **Timeline:** Ongoing	At Grit, resource efficiency means choosing the ideal technology in managing the Company's assets, and in meeting stakeholders' changing demands for a sustainable environment. This results in optimal utilization of resources, through reduction of capital resources allocated for operations, such as electricity, water, waste, and associated costs. The Company's environmental policies permit a more efficient and optimal utilization of resources across the portfolio. **Timeline:** Ongoing
Cost of Response	US$0 per annum cost[3]	US$0.5m – US$1m per annum cost	US$0.1m – US$1m per annum cost

1. *For the purpose of climate-related risks and opportunities, we consider short, medium and long-term time horizons to be 0-5, 5-15 and 15+ years respectively.*
2. *Our risk assessment criteria for the magnitude impact of a risk are based on net operating profit (NOI) attributable to Grit for the next financial year: >20% NOI – high; 10-20% NOI – medium to high; 5-10% NOI – moderate; 0-5% NOI – low Impact Score.*
3. *While the cost of our response to the risk of increased stringent legislation is reported as US$0, the Company, however, incurs some cost through business travel during which discussions with stakeholders around energy efficient techniques are held.*

Metrics and Targets

Disclose the metrics used by the organization to assess climate related-risks and opportunities in line with its strategy and risk management process

Grit assesses its climate-related risks and opportunities by monitoring a range of metrics in its sustainability framework and policy documents for energy, carbon emission, waste management and water. For more granular detail on the climate-related targets that the Company monitors, kindly refer to our Sustainability report which covers all aspects of the business's environmental and social actions in detail, with y-o-y comparisons and alignment to best practice standards. This information is disclosed to all stakeholders in our EPRA sustainability report section – Refer to pages 32 to 37 of our FY2022 Sustainability Report on our website: https://grit.group/wp-content/uploads/2023/05/sustainability-report.pdf, for the below sustainability initiatives:

Climate-related target	Environmentally Sustainable initiative to meet target	Metrics	y-o-y performance of target FY2022 v/s FY2023	Trend
25% improvement in building-efficiency by 2025 through reductions in electricity & water consumption	Total energy consumed across the portfolio	Annual kwh	10%	Increasing
25% reduction in Group Carbon emissions by 2025.	Total fuel consumed	Annual litter	7%	Data not comparable as we reported only for 3 assets in the previous year.
25% improvement in building-efficiency by 2025 through reductions in electricity & water consumption	Building energy intensity	kWh/m^2/year	10%	Increasing
25% improvement in building-efficiency by 2025 through reductions in electricity & water consumption	Building water intensity	KL / m^2 / Year	10%	Increasing
25% reduction in Group Carbon emissions by 2025.	GHG emissions intensity from buildings for each property type	kg CO_2e/m^2/year	7%	Increasing

Refer to page 83 of this report for the link between each environmentally sustainable initiative and the associated climate-related risks and opportunities.

The Company has a "source-locally" policy in place regarding suppliers. We continue to reduce international suppliers where possible across all our offices as this reduces our travel footprint, thereby mitigating the risk facing supply chain issues. This policy speaks to our social responsibility through the growth of local businesses in the regions in which we operate. The ratio of local/international suppliers is reported annually to the Responsible Business Committee for their appraisal of the initiative.

Please refer to the Responsibility Section of our IAR, under Environmental, for more details on the above metrics.

As disclosed earlier in this report, we are making progress in putting together our low carbon plan, and our Science Based Targets. This would be backed by our scenario analysis to support the Company's strategy roadmap.

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 Greenhouse gas (GHG) emissions, and the related risks.

While our carbon footprint assessment is currently in progress during which we are partially addressing our scope 1 and scope 3 emissions, 2019 has been our base year for the measurement of the Company's GHG emissions from electricity consumption (scope 2), air travel emissions (scope 3). We started reporting on diesel for generators (scope 1) related to our business operations – refer to our latest Sustainability Report on our website – https://grit.group/responsible-business/sustainability-report/, that shows how we track our scope 1, scope 2 and scope 3 emissions and the methodology adopted. Our long-term plan is to fully map our scope 1, scope 2 and scope 3 emission sources and report on them as per the Greenhouse Gas Protocol.

While the emissions disclosed in this IAR are based on what we consider appropriate to be monitored and controlled in consideration of our carbon footprint, the Company would expand on the targets to cover all associated risks and emissions disclosed across scopes1, 2 and 3.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

The Company's environmental, social and governance responsibilities are driven by the sustainability strategy, under which the business has four high-level KPIs (targets) which are aligned to specific UN SDGs – refer to page 64 of the Responsibility section of this report. We have been reporting the Company's actions against climate-related targets, through two of its climate-related sustainability KPIs - carbon emissions and building efficiency:

- 25% reduction in carbon emission (aligned to UN SDG 7, 12 & 13) - refer to page 68 of this report for details on the relevant metrics. During the year under review, the Company collected and analyzed data on the below KPI's to measure the performance of this target:
  - Electricity consumption (scope 2) across the Company's properties.
  - Air travel emissions (scope 3).
- 25% increase in building efficiency (aligned to UN SDG 6, 9 & 12) - refer to page 69 of this report for details on the relevant metrics. During the year under review, the Company collected and analyzed data on the below KPI's to measure the performance of this target:
  - Water consumption at our properties across the portfolio.
  - Water building intensity. We calculate the water intensity based on the floor area for all our buildings given the availability of the relevant data.
  - Waste management at our head office in Mauritius. The Company has a waste management policy aligned to the IFC performance standards. Roll-out and training is currently in progress across all regions. Our target is to have all facilities and development managers fully trained on the standards within the policy by June 2024.

The Responsible Business Committee will review these targets in line with the SBTi and the Company's low carbon plan which is in progress as reported in this report.

For more details on our ESG and associated metrics and targets, kindly refer to our comprehensive annual Sustainability Report on https://grit.group/responsible-business/sustainability-report/

Compliance statement

The Board is convinced that while the Company is still partially consistent with the recommendations of the task force in its disclosure, the actions identified and reported in this report would permit Grit to disclose its climate-related risks and opportunities in full consistency with the recommendations within the timelines indicated in this section of the integrated report. We are confident that once finalized, our science-based targets would permit the Company's carbon reduction objectives to be aligned with the 1.5°C Paris Agreement of 2015. We have had due regard for all relevant guidance from the task force, when assessing the consistency of our current disclosures and actions to full disclosure, as reported in the table on pages 84 to 87 of this report. We have disclosed the extent to which the Company is partially consistent with the recommendations of the task force, the actions to be taken to be fully consistent, and the timelines. This is in consideration of the UK Listing Rules. We also provide the same disclosures within our annual Sustainability Report https://grit.group/responsible-business/sustainability-report/, which is a more detailed report on the performance of the Company's environmental and social key performance targets, with granular detail on the data that builds up the performance of each target. To cater for the needs of all our stakeholders and for those who want a more detailed breakdown of the metrics and targets disclosed in the TCFD report, we have disclosed more granular, detailed climate-related data sets and performance metrics within our disclosures on EPRA sustainability performance measures in pages 70 to 77 of the Responsibility section of this report and in our annual Sustainability Report on https://grit.group/wp-content/uploads/2023/05/sustainability-report.pdf.

Resilience to climate change has been identified by the Risk Committee as one of the principal risks to our business – refer to page 55 of the Risk Management section of this report and is monitored and managed quite closely at all levels within the Company, with Board inclusion. As a business culture, a risk is considered to be "severe" whenever its assessment denotes significant importance to both Grit's business and the Company's stakeholders.

CORPORATE GOVERNANCE REPORT

INTRODUCTION FROM THE CHAIRMAN

Dear Stakeholder,

As Chairman of Grit and on behalf of the Board, it gives me great pleasure to present the Corporate Governance statement on pages 94 to 118.

This financial year has been an active and progressive year for the Company. The Board continues to embrace high standards of corporate governance linked to the delivery of its strategy, as set out in this Corporate Governance section of the IAR. As well as overseeing the management of risks, the Board and its principal committees have taken key decisions as set out under each committee report (refer to "Key activities during the year under review").

In February 2023, Nomzamo Radebe stepped down from the Board. We would like to express our gratitude to Nomzamo for her meaningful contribution to Grit over the years and wish her well for the future and in her exciting new role.

We welcomed Lynette Finlay to the Board in March 2023 as an independent non-executive. Lynette brings a wealth of African property market experience, and we look forward to further engagements with her.

At the Board's strategy review meeting in May 2023, the Board discussed at length on the Grit 2.0 Strategy (refer to page 13), as the Group's strategic direction and intentions to our stakeholders.

Stakeholder Engagement is important and assists the Board in making and defining its strategy. Our stakeholders play an important role in monitoring and safeguarding the governance of our Group. Further information on how we engage with our stakeholders is on pages 109 to 113.

The Annual General Meeting (AGM) and re-election of Directors

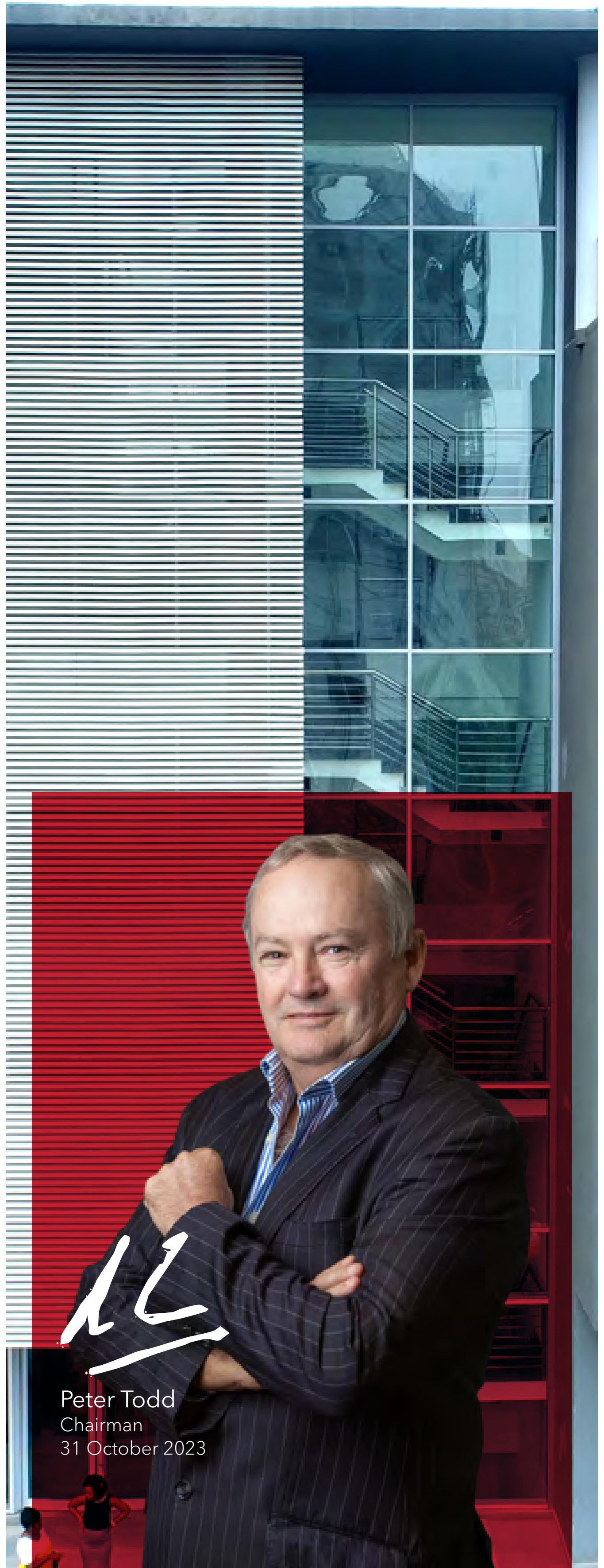
The forthcoming AGM will be hosted at The Precinct, the new headquarters of the Grit based in Mauritius, Grand Baie. Alongside my fellow Directors, I hope that you will be able to join us as we believe that your input and presence (even via online means) is important.

In accordance with the Code, all Directors, except Sir Samuel Jonah, will be putting themselves forward for re-election at the AGM. The Directors have also confirmed that they have sufficient time to dedicate to the Company and this is demonstrated by their involvement in and attendance to board and committee meetings.

The rest of our Corporate Governance Report will describe in detail how the Company continues to uphold high standards of corporate governance. Each Committee Chair will provide a detailed review of the work that their respective Committee has undertaken.

I can confirm that each Director's performance continues to be highly effective and demonstrates a high level of commitment to their roles.

As I look forward to the year ahead, I would like to take the opportunity to thank my colleagues on the Board and across the business for their continued hard work and dedication.



Peter Todd
Chairman
31 October 2023

CORPORATE GOVERNANCE AT A GLANCE

Strong corporate governance helps us to generate value for our stakeholders and underpins our success, through transparency and accountability.

84%	33%	56%
Employee Engagement	Female representation on our board	Board independence (excluding the Chairman)

(as at 30 June 2023)

UK Corporate Governance Code – Compliance Statement

The Board confirms that for the year ended 30 June 2023, the principles of good corporate governance as per the 2018 UK Corporate Governance Code (the UK Code) have been consistently applied, except for the following instances:

a. Composition of Risk Committee: Following the change in shareholding of Botswana Development Corporation ("BDC") in December 2021, as a result of which the latter became a substantial shareholder of Grit, Cross Kgosidiile was no longer considered as independent. Mr. Kgosidiile stepped down from the Risk Committee with effect from 13 February 2023, following which the composition of the Risk Committee was fully compliant with the UK Code.

2. Composition of Nomination Committee: It is to be noted that from the period 01 July 2022 to 08 February 2023, the composition of the Nomination Committee, which comprised of the Chair, one non-executive director, and one independent non-executive director was not compliant with the Provision 17 of the UK Code, since, Mr Peter Todd, as Chairman of the Board, was not an independent non-executive director. However, with the appointment of Mr David Love, the Nomination Committee is now fully compliant with the UK Code.

c. Composition of the Remuneration Committee: It is to be noted that the composition of the Remuneration Committee, which comprised of the Chair and two independent non-executive directors as at 30 September 2023 was not compliant with the UK Code, since, Mr Peter Todd, as Chairman of the Board, was deemed not to be an independent non-executive director (Provision 11 of the UK Code). As per Provision 32 of the UK Code, the Remuneration Committee needed to be composed of only independent non-executive directors. With effect as from 01 October 2023, Mr Todd ceased to be a member of the Remuneration Committee and Mrs Lynette Finlay was appointed as a member of the Remuneration Committee, as a result of which, the composition of the Remuneration Committee is now fully compliant with the UK Code.

d. Significant dissent vote: The Company was required to publish an update on the views received from shareholders and actions taken no later than six months after the annual general meeting. This was not done, as the Company engaged separately with the dissenting shareholders. Going forward, the Company shall publish (through an announcement) such updates or the way it will engage with such dissenting shareholders and the impact this may have. Refer to additional disclosures under the Remuneration Committee Report.

The FRC is currently reviewing the Code and is likely to publish a revised version. We are monitoring the changes being proposed to the Code and we commit to ensure compliance with these amendments.

Further information on the Code can be found on the Financial Reporting Council's website: www.frc.gov.uk

National Code of Corporate Governance for Mauritius (2016) – Compliance Statement

The Company is categorised as an International Issuer having a secondary listing on the SEM and, by virtue of being an entity listed on the SEM, Grit is a public interest entity as defined by the Financial Reporting Act 2004. Accordingly, Grit is required to adhere by the principles and provisions of the National Code of Corporate Governance for Mauritius (2016) (the "MRU Code"). Grit fully complies with the MRU Code for the financial year ended 30 June 2023 and this report sets out how the Company has considered and applied these principles.

Pursuant to the "Guidance for Groups and Subsidiaries" from the Code, wholly owned subsidiaries are exempted from applying the principles of the Code except if the wholly owned subsidiary is a financial institution regulated by the Bank of Mauritius and/or Financial Services Commission as stipulated in the First Schedule of the Financial Reporting Act 2004. Organisations that have group and subsidiary structures need to make only one statement but should explain which parts of the organisation are covered by the approach described in their statements.

Accordingly, the governance framework of Grit (covering all the eight principles from the MRU Code) has been designed to cater for its subsidiaries as well and therefore the wholly owned subsidiaries of Grit, do apply the Guidance for Groups and Subsidiaries under the MRU Code, as may be applicable and required.

The MRU Code provides that "If applicable and subject to relevant laws or other regulatory requirements, the auditor should be reappointed every year at the annual general meeting and the Board should consider putting the external audit contract out to tender at least every 7 years."

The period of total uninterrupted engagement of PwC UK is 6 years, covering the years ended 30 June 2018 to 30 June 2023. Accordingly, if it is approved at the annual general meeting to re-appoint PwC UK as auditors of the Company, the latter will then be the external auditors for a period of 7 years until 30 June 2024. The Company may consider to put the external audit contract out to tender post completion of the 7 years since the appointment of PwC UK, if applicable and subject to relevant laws and other regulatory requirements.

BOARD OF DIRECTORS

Peter Todd

64

Non-Executive Director (Chairman)
External

Appointed to the Board:
14 August 2014

Appointed as Chairman:
12 April 2018

Other listed directorships: None

Committees: Chairman of the Investment and Nomination Committees.

Residency: Mauritius

Bronwyn Knight

42

Executive Director, Chief Executive Officer
Internal

Appointed to the Board:
12 May 2014

Appointed as CEO:
May 2014

Other listed directorships: None

Committees: Member of the Investment Committee

Residency: United Arab Emirates

Leon van de Moortele

48

Executive Director, Chief Finance Officer
Internal

Appointed to the Board:
30 June 2015

Appointed as CFO:
April 2015

Other listed directorships: None

Committees: None (Invitee to Committees)

Residency: Mauritius

Catherine McIlraith

59

Independent Non-Executive Director
External

Appointed to the Board:
24 November 2017

Other listed directorships: 6 (Astoria Investments Limited, CIEL Limited, Les Gaz Industriels Ltd, MUA Limited, Mauritius Union Assurance Company Limited, Phoenix Beverage Limited)

Committees: Chairman of the Audit and Remuneration Committees. Member of the Nomination, Risk and Responsible Business Committees

Residency: Mauritius

David Love

58

Independent Non-Executive Director (SID)
External

Appointed to the Board:
04 December 2018

Appointed as Senior Independent Director:
04 August 2020

Other listed directorships: None

Committees: Chairman of the Responsible Business Committee. Member of the Audit, Risk, Nomination and Investment Committees

Residency: United Kingdom

Sir Samuel Esson Jonah, KBE, OSG

74

Independent Non-Executive Director
External

Appointed to the Board:
21 February 2019

Other listed directorships: 2 (Roscan Gold Incorporation, Helios Towers PLC)

Committees: Member of the Investment, Remuneration and Responsible Business Committees

Residency: Ghana

Jonathan Crichton

68

Independent Non-Executive Director
External

Appointed to the Board:
17 September 2020

Other listed directorships: None

Committees: Chairman of the Risk Committee. Member of the Audit Committee

Residency: Mauritius

Cross Kgosidiile

54

Non-Executive Director
External

Appointed to the Board:
05 March 2021

Other listed directorships: None

Committees: None

Residency: Botswana

Lynette Finlay

64

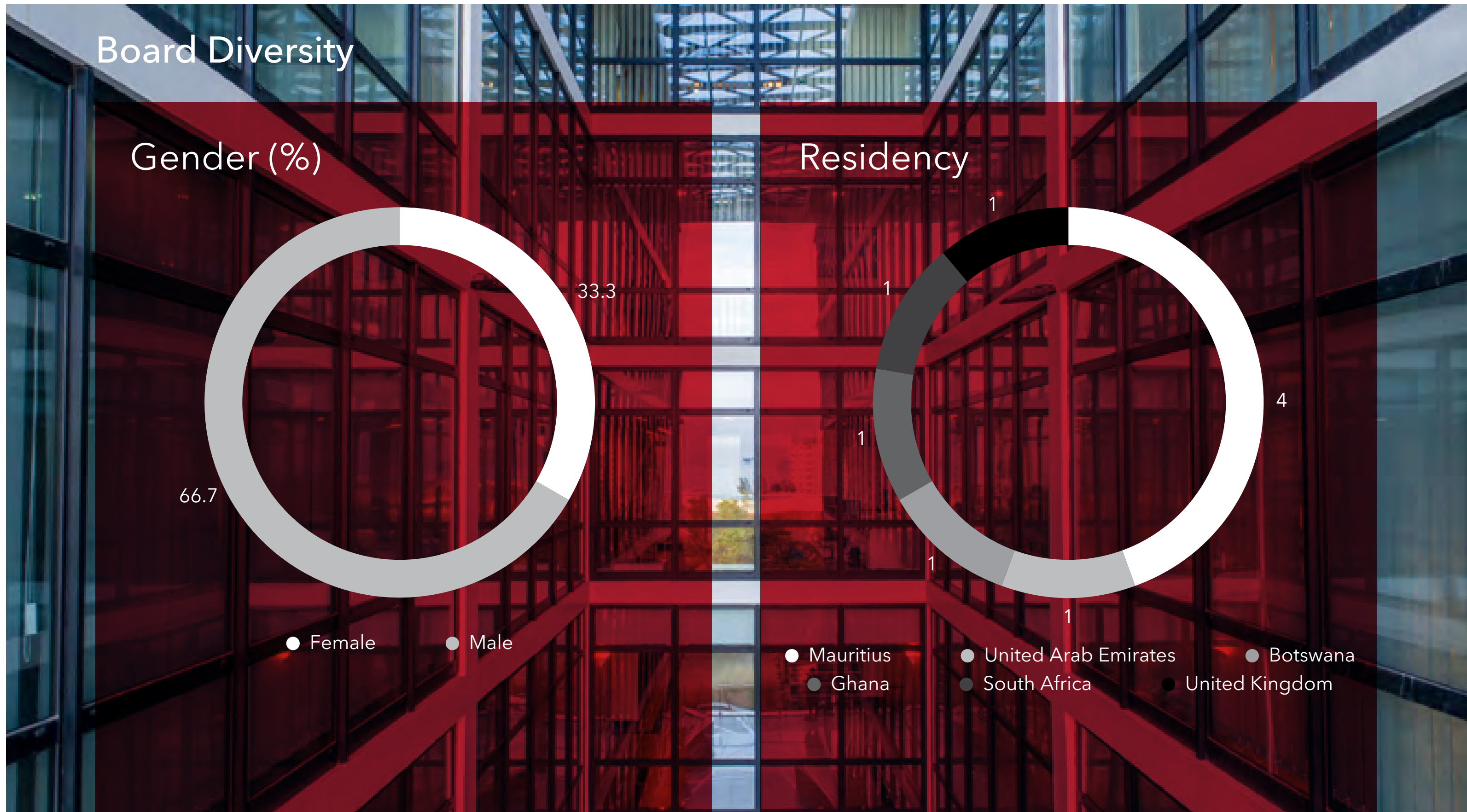
Independent Non-Executive Director
External

Appointed to the Board:
24 March 2023

Other listed directorships: None

Committees: Member of the Investment and Remuneration Committee.

Residency: South Africa



ORGANISATIONAL STRUCTURE

C-Suite

Bronwyn Knight
Chief Executive Officer

Greg Pearson
Chief Executive Officer - APDM

Krish Kistnen
Chief Financial Officer - APDM

Leon van de Moortele
Chief Financial Officer

Oteng Keabetswe
Chief Investment Officer - Strategic Investments

Executive Committee

Corporate Services

Moira van der Westhuizen
Head - Responsible Business

Aurelie Mallac
Head - Human Capital

Shevira Bissessor
Head - ESG, CSR and GRIT Foundation

Leigh Varrie
Head - Marketing

Hugo Jordaan
Finance Director

Jaco Van Zyl*
Head - Treasury

Andre Janari
Head - Strategic Investment

Darren Veenhuis
Head - Investor Relations and Corporate Finance

* *Resigned June 2023*

Business Development and Operations

Andries Smit
Head - GMS

Craig Clutz
Head - APDM

Donald Borthwick
Head - Industrial

Senior Leaders

Corporate Services

Ojong Nso
Head - Integration

Anouchka Chummun
Group Compliance Manager

Natacha Clarisse
Group Company Secretary

Alex Mugambi
Head - Legal

Jacques Hattingh
Head - Group Finance

Thomas Humphrey
Corporate Finance Manager (Treasury)

Evangelos Karnavos
Senior Business Analyst

Luc Tseung-Sum-Foi
Investment Principal

Kai Marini
Senior Strategic Manager to the CEO

David Borthwick
Corporate Finance Manager

Louis Broutin
Investment Principal

Business Development and Operations

Craig Leach
Head - Asset Manager

Debra Kippen
Head - Leasing Manager

Marieke Pieterse
Head - Operations Manager

Rui Moca
Head of Facilities Manager

Beth Titan
Senior Development Manager

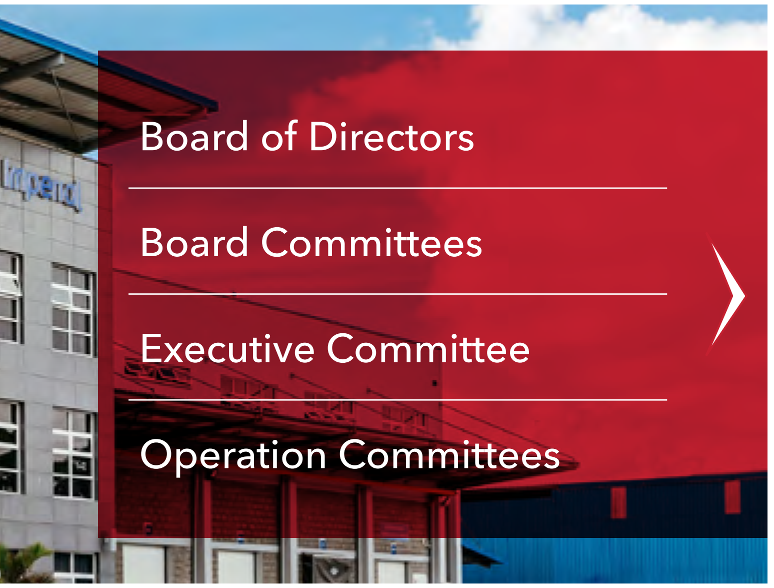
Pumi Lukhele
Head of Construction and Development - East Africa

Jessica Ha Shun
Group Finance Manager

CORPORATE GOVERNANCE STATEMENT

Our Governance Structure

Our well-established structured framework comprising of the Board and its committees, enables the Company and our directors to work effectively as described below:



The Board Charter, duly approved by the Board and reassessed on an annual basis, is available on the Company's website at https://grit.group/wp-content/uploads/2023/05/board-charter.pdf.

Biographies are available on our website at https://grit.group/about-us/ under "Our People".

Roles and Responsibilities is available on the Company's website at https://grit.group/wp-content/uploads/2023/05/Grit_Governance_Board_Roles_and_Responsibilities.pdf

The Board

Responsible for the overall leadership of the Group, the Board defines our purpose, values, and strategy and aligns them with our culture. Considering the views of our key stakeholders, the Board promotes the Group's long-term sustainable success and its contribution to wider society. It is also responsible for the Group's performance and governance oversight, whilst remaining flexible and allowing for fast decision.

The Board maintains a formal schedule of matters which are reserved solely for its approval, whilst operational matters are approved by a sub-committee of the Board - the local committee ("Local Committee"). These non-operational matters include decisions relating to the Group's strategy, capital structure, financing, any major property acquisition or disposal, the risk appetite of the Group and the authorisation of capital expenditure above the delegated authority limits. As and when required, the Board also approves the set-up of sub-committees to take certain decisions.

Board members and attendance during the year under review

The Board met three times during the year, in October 2022, February 2023 and June 2023*.

	Independent	No. of meetings**	Attendance
Bronwyn Knight[1]	No	3/3	100%
Leon van de Moortele[2]	No	3/3	100%
Peter Todd[3]	No	3/3	100%
Nomzamo Radebe[4]	No	1/1	100%
Jonathan H. K. Crichton[5]	Yes	3/3	100%
Catherine McIlraith[6]	Yes	3/3	100%
Cross Kgosidiile[7]	No	3/3	100%
David Love[8]	Yes	3/3	100%
Sir Samuel Jonah[9]	Yes	3/3	100%
Bright Laaka[10]	No	0/10	0%
Lynette Finlay[11]	Yes	1/1	100%

* *26 October 2022, 22 February 2023 and 14 June 2023.*

** *Includes the three Boards, excluding a sub-committee of the Board held on 27 October 2022 and Leon van de Moortele, Catherine McIlraith and Johnathan Crichton were the only directors required for the meeting, as appointed by the Board on 26 October 2022.*

Other than the three formal meetings, there were regular interactions with the members of the Board, including but not limited to the following ways:

a. *Liaising though different means of communication (emails, whatsapp and other means – announcements)*
b. *Sharing monthly management packs on Dilitrust Exec*
c. *Informing the board prior to any announcement being released*
d. *Other matters being approved by written resolutions of directors*

1. *Bronwyn Knight was appointed to the Board on 12 May 2014 and is a member of the Investment Committee.*
2. *Leon van de Moortele was appointed to the Board on 30 June 2015 and is a invitee to Committee meetings.*
3. *Peter Todd was appointed to the Board on 14 August 2014 and is the Chairman of the Board as from 12 April 2018. He is a member of the following committees: Nomination (Chairman) and Investment (Chairman). He was removed as a member of the Remuneration Committee effective 1 October 2023.*
4. *Nomzamo Radebe was appointed to the Board on 24 November 2017 and was a member of the following committees: Nomination; Investment and Responsible Business. Mrs. Radebe resigned as a director of the Company on 05 February 2023.*
5. *Jonathan Crichton was appointed to the Board on 17 September 2020 and is a member of the following committees: Risk (Chairman) and Audit.*
6. *Catherine McIlraith was appointed to the Board on 24 November 2017 and is a member of the following committees: Chairman of the Audit (Chairman); Remuneration (Chairman); Risk and Responsible Business.*
7. *Cross Kgosidiile was appointed as a director of the Company effective as from 5 March 2021. He resigned as a member of the Risk Committee on 13 February 2023 and was appointed as a member of the Responsible Business Committee on 13 February 2023.*
8. *David Love was appointed to the Board on 4 December 2018 and is a member of the following committees: Responsible Business (Chairman), Audit, Risk, Investment and Nomination (effective as from 09 February 2023). David has also been the Senior Independent Director (SID) since 04 August 2020.*
9. *Sir Jonah was appointed to the Board on 21 February 2019 and is a member of the following committees: Remuneration, Responsible Business and Investment.*
10. *Bright Laaka was appointed to the Board as the permanent alternate director to Nomzamo Radebe on 29 November 2018. At the AGM held on 30 November 2022, Bright Laake did not put himself forward for re-appointment.*
11. *Lynette Finlay was appointed to the Board on 24 March 2023 and is a member of the Investment Committee (effective 24 March 2023) and of the Remuneration Committee (effective 01 October 2023).*

Board Committees

The Board delegates certain matters to its six principal Committees comprised only of members of the Board.

		Page
Nomination Committee	Manages the composition of the Board and succession planning.	119
Audit Committee	Oversees all our financial reporting, audit and risk.	128
Risk Committee	Identifies, Assesses, Manages and Monitors risks.	132
Remuneration Committee	Ensures rewards are linked to our wider strategy.	138
Investment Committee	Consider and approves all investment opportunities for the Group.	154
Responsible Business Committee	Oversees delivery of our Responsible Business activities, providing collective advice and assurance.	136

The company's Articles of Association, terms of reference of each of the Board Committees (under the Charters) and details on the Roles and Responsibilities of the Board are available on the Company's website at https://grit.group/about-us/ under "Our Corporate Governance". The Charters are reviewed and duly approved by the Board on an annual basis.

Executive Committee

The Executive Committee comprises of the C-Suite (of which the Executive Directors are members) and the Exco and Senior Management, to whom the Board has delegated the execution and implementation of the Group's strategy and the management of the Group's day-to-day operations. The Board should complement, enhance and support the Executive Committee.

Refer to the Organisational Chart (which is reviewed by the Nomination Committee and the Board from time to time in line with the strategy of the Group) at pages 100 to 101 for details on the Members of the Executive Committee.

The title of each member of the Executive Committee in itself constitute their job description and the Organisational Chart provides an indication under which department they fall under at Grit.

Operational committees

Grit has the following operational committees that support the Executive Committee:

Operational Committees

- Valuation Committee
- Sustainability Committee
- MAR Compliance Committee
- Related Party Transaction Committee
- Grit Foundation Committee

Compliance with the UK Code of Corporate Governance

The Governance section has been organised to follow the structure (1 to 5) and principles (A to R) of the 2018 UK Corporate Governance Code (the Code) and illustrates how we have applied the Code principles and complied with the provisions.

In addition, this report also sets out compliance with the MRU Code as described on page 97.

One — Board leadership and Company purpose

We have a diverse and effective Board which leads the Company to achieve our purpose and safeguard our strong stakeholder focused culture.

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Value creation and preservation	106
Workforce policies and practices	114
Governance framework	102
Purpose, values and culture	106
Stakeholder engagement	109
Key activities of the Board in FY ended 30 June 2023	96

Two — Division of responsibilities

Our Board as at 30 June 2023, comprised of 56% independent Directors. We monitor the external commitments and conflicts of interest which could impact on our Directors' independence and effectiveness.

Board roles	116
Independence	116
Conflicts of interest	116
Other external appointments	116

Three — Composition, succession and evaluation

The composition of the Board and its succession plans are kept under regular review by the Nominations Committee. We have an ongoing training programme and follow a three-year cycle of internal and external Board evaluations.

Board skills, experience and knowledge	117
Training	118
Board evaluation	118
Board and committee composition	121
Succession planning	124
Board diversity	123

Four — Audit, risk and internal control

We have a low tolerance for risk taking and a conservative management style, which is supported by a framework of internal controls and risk management policies which are routinely subject to independent assurance.

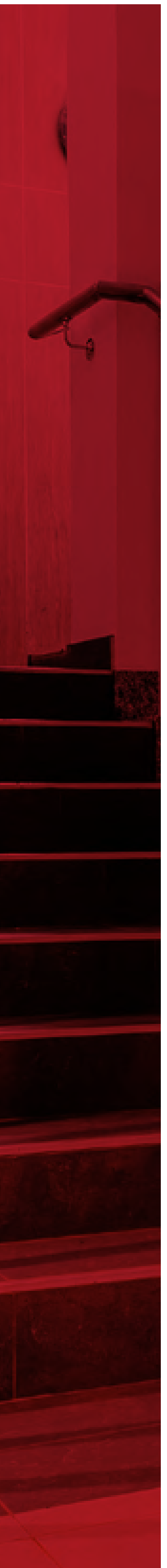
Financial reporting	129
Significant financial judgements	254
Internal financial controls	130
Assurance over external reporting	131
Internal and external audit	130
External audit tender	97
Risk management	50
Business continuity and disaster recovery	134
Cyber security	134

Five — Remuneration

We are transparent about our pay practices which aim to incentivise our employees to achieve our strategy and generate sustainable value for our stakeholders.

Executive Director policy table	146
Alignment with strategy and performance	144
Shareholder voting and engagement	109
Remuneration decisions in context	141
Executive Directors' remuneration in FY ended 30 June 2023	147

Board leadership and Company purpose



Effective Board

The Board is made up of highly talented and skilled professionals individuals, with a depth of skills, perspectives and corporate experience to our boardroom, from a range of industries (see page 117). The independent directors have the opportunity to meet and consult with one another prior to the Board meetings.

To ensure sufficient time for discussion, the Board utilises its principal committees to effectively manage its time (see page 104). At each Board meeting, the agenda ensures sufficient time for the chairs of the board committees to report on the contents of discussions, any recommendations to the Board which require approval and the actions taken.

Board Biographies	Board Skills and Experience	Board Training during 2023
Available on our website at https://grit.group/about-us/ under "Our People".	Page 117	Page 118

The Board conducts a detailed annual review of our strategy (including our purpose and strategic objectives).

Reasons to Invest	Our strategy	The section 172(1) statement
Pages 18 to 19	Page 13	Page 115

Value creation and preservation

In accordance with the Code, the role of the Board is to promote the long-term sustainable success of the Company, generate value for shareholders and contribute to wider society. The appropriateness of our business model is regularly reviewed by the Board at its strategy review meetings to ensure it remains capable of generating long-term sustainable value for our shareholders and other key stakeholders.

As a business, we continue to create value responsibly through:

Sustainable Initiatives	Conservative balance sheet (CFO Report)
Page 60	Page 36

Purpose, values and culture

Grit's purpose, values and culture are disclosed under the Business Model section of the Strategic Report on page 20.

Purpose and values

Grit's purpose communicates the Group's strategic direction and intentions to all our stakeholders, including our employees and shareholders.

Due to its importance, it is regularly reviewed by the Board. At the Board's strategy review meeting in May 2023, We described the Group as "Moving from income to impactful income", which in underpinned by the value we create in new developments and with our various professional services.

Our values articulate the qualities we embody and our underlying approach to doing business. Our values are embedded in our operational practices and to a large extent through the policies approved by the Board and the direct oversight and involvement of the Executive Directors. (refer to page 06)

Our Culture

Our culture has developed from our values and is a key strength of our business. As the cultural tone of a business comes from the boardroom, safeguarding our culture is a key factor in the development of the Board's succession plans and the Company's strategy.

Embedding our Culture

The Board is focused on long-term corporate and strategic plans. The Board's principal duty is to deliver lasting, sustainable success and generate value for shareholders and other investors, whilst being mindful of our impact on stakeholders and wider society.

The Board recognises the importance of ensuring a healthy and supportive culture within the Group. The Company has dedicated Committees, prioritising culture, stakeholder transparency and ensuring compliance with Board approved strategy and policy. The Board recognises that its decisions regarding strategy and risk impact the corporate culture of the Company, which influences its performance. The Board is further aware that the tone and culture it sets has a great effect on all aspects of the Company and the way that employees behave.

The Board members also strive, through their own behaviours, to set a strong example for Executive Committee and the wider workforce in conducting themselves appropriately and in line with the Group's values and supporting policies. Information on the Company's approach to investing in and rewarding its workforce is set out in the Strategic Report.

Assessment and monitoring

Grit's Board assesses and monitors the Culture of the Group via:

- Dedicated time at Board meetings, supported by the Group HR Manager, to hold discussions on culture and employee/ workforce matters;
- Monitoring the levels and nature of whistleblowing reports and grievance and disciplinary hearings;
- Monitoring absenteeism and employee turnover;
- Audit Committee receiving internal audit reports on fraud and compliance breaches;
- Review of induction and training policies and practices;
- Engaging with employees directly through physical or virtual means;
- Overseeing management's plans to respond to matters raised by the workforce; and
- Reviewing the Group's key policies and HR initiatives.

The Company has an approved Code of Ethics and Business Conduct policy, which is reviewed annually by the Responsible Business Committee ("RBC") and the Board, which also regularly monitors and evaluates compliance with this policy.

The MRU Code requires the following disclosures so that an assessment can be carried out as to whether the Company has a comprehensive ethics implementation plan. The table below sets out compliance with the MRU Code in relation to the Code of Ethics and Business Conduct policy:

Requirements of the MRU Code	Compliance with the MRU Code
i. The Code of Ethics has been approved within the last 3 years by the Board and communicated to all employees and stakeholders.	The Code is approved on an annual basis. The Code of Ethics and Business Conduct policy has been shared with employees in October 2023 and will going forward be shared with employees on an annual basis.
ii. Structured ethics training program for employees and directors is conducted each year.	See comments above. Employees are requested to reach out for any query following reading through the Code.
iii. Whether the organisation surveys corporate ethical behaviour periodically (e.g., at least every 2 years) in order to implement remedial actions.	Breach of the Code, if any, is reported at the RBC.
iv. Whether the Ethics Officer creates an environment which facilitates discussion on corporate ethical dilemmas with employees.	The Company does not an Ethics Officer, but this is under the joint responsibility of the Head of Responsible Business and the Head of Human Capital. At Grit, we have an open door policy that encourages employees to discuss any concern they may have.
v. Whether the organisation readjusts its ethics implementation plan for its overseas offices and details of how the processes are readjusted should be disclosed.	The Code is applicable for the Grit group of companies.
vi. Whether there is a formal complaints and breach handling process in place.	Grit has a complaints register and a breach register in case such matters are reporting. There has been no such case for the FY ended 30 June 2023.
vii. An organogram of the team handling ethical issues and the role and responsibilities of the Ethics Officer.	The Code provides for this.
viii. Whether the Code of Ethics is periodically reviewed and adjusted (at least every 3 years).	The Code is reviewed on an annual basis.

The policies can be viewed on the Company's website at https://grit.group/about-us/#corporate-governance. No breach of any of Grit's policies has been reported for the financial year ended 30 June 2023.

Governance framework and resourcing

The Board seeks to maintain strong corporate governance structures and processes by working within a clearly defined governance framework, which enables the delivery of sustainable benefit and growth to all stakeholders. Corporate governance is essential to ensuring our business is run in the right way for the benefit of all of our stakeholders. Our governance arrangements support the development and delivery of strategy by:

- ensuring accountability and responsibility;
- facilitating the sharing of information to inform decisions;
- establishing engagement programmes with key stakeholders (see pages 109 to 113);
- maintaining a sound system of risk oversight, management and an effective suite of internal controls (see pages 50 to 59);
- providing independent insight and knowledge from the Non-Executive Directors; and
- facilitating the development and monitoring of key performance indicators.

The governance framework has established a structure that supports and assists the Board in discharging its duties through a more comprehensive evaluation of specific issues, followed by well-considered recommendations to the Board. Refer to "Our Governance Structure".

The Board has approved the key senior governance positions, an organizational chart and a statement of accountabilities, which are all reviewed from time to time in line with the strategy of the Group.

If any Director has concerns about the running of the Group or a proposed course of action, they are encouraged to express those concerns (which are then minuted) or by using the Whistleblowing Contact Details. No such concerns were raised for the financial year ended 30 June 2023.

The Directors utilise an electronic Board paper system ("Dilitrust Exec") which provides immediate and secure access to papers. The Chairman of the Board and the chairs of the committees review the agendas for upcoming meetings with support from the Company Secretary/Group Corporate Secretary, who are dully qualified to provide such services. The Board pack/papers are communicated at least 5 working days in advance to the directors.

We aim to ensure that the information shared with our Board is of sufficient depth to facilitate debate and to fully understand the content without becoming unwieldy and unproductive. Papers are required to be clear and concise with any background material loaded on Dilitrust Exec. We often invite the author of the paper/report or advisers to join the Board in their discussions, to enable our Directors to truly 'drill down' into the data supplied and question management directly.

All Directors have access to the services of the Company Secretary/Group Corporate Secretary and any Director may instigate an agreed procedure whereby independent professional advice may be sought at the Company's expense. No such advice was sought by any Director during the year.

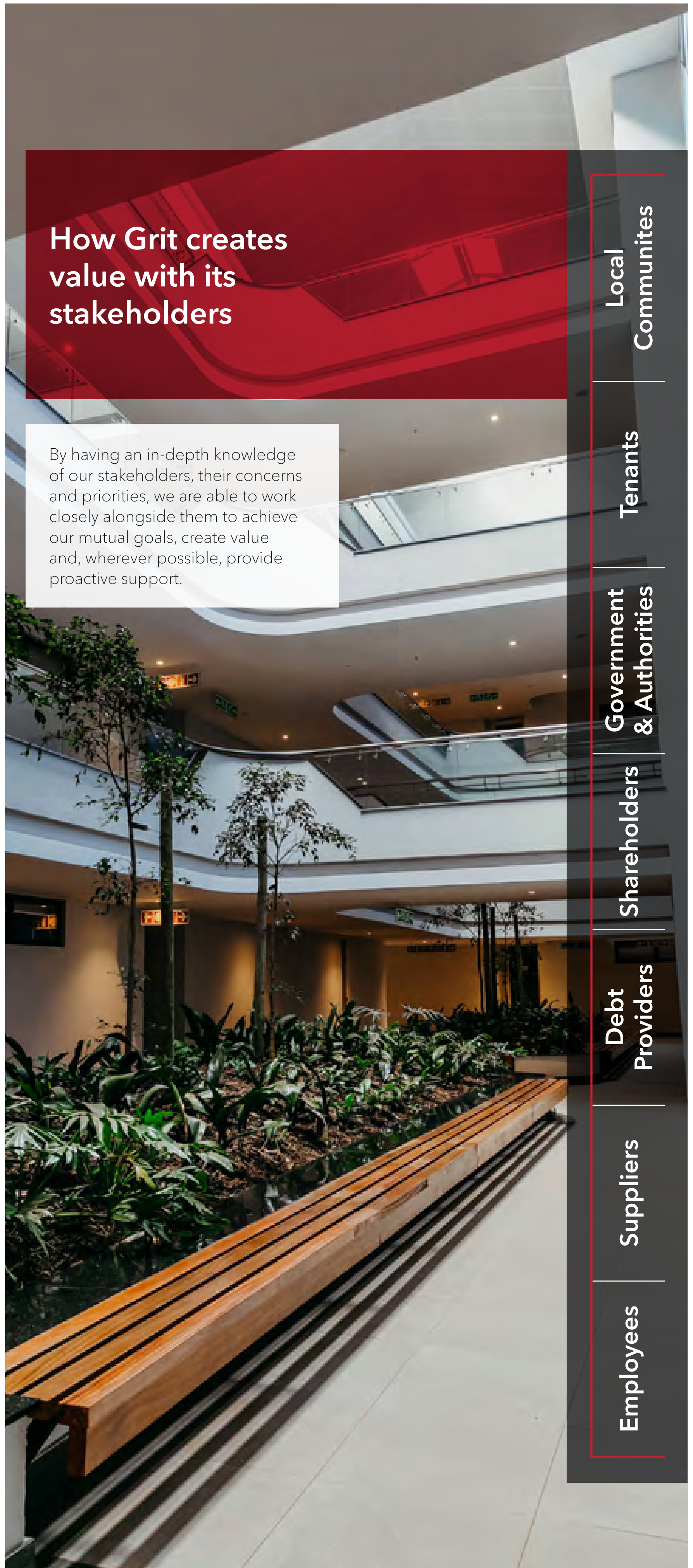
Resourcing

The Board ensures that the necessary resources are in place for the Company to meet its objectives and measures performance against them. The Board has an integral role in the Company's budget setting and capital allocation processes, and in monitoring availability of credit/debt capital facilities. The Board/Remuneration Committee also receives reports from the Executive Committee on any development gaps in key roles and the plans to address these. When appointing senior executives/managers, the Group's recruitment policy is followed and the Board is informed of such appointments. This recruitment policy is effective in employing all the employees at Grit.

Our commitment to shareholder engagement

Grit recognises the importance of clear communication and proactive engagement with all of our stakeholders. Proactive and positive stakeholder engagement secures our long-term success. The Board recognises the importance of engaging with all of its stakeholders, including its shareholders and employees, around all aspects of the Group's activities.

We recognise that we have a responsibility to all our stakeholders. Through effective engagement we are able to build strong and sustainable relationships. The table below illustrates the value provided to Grit by our stakeholders and the value we create in return.



How Grit creates value with its stakeholders

By having an in-depth knowledge of our stakeholders, their concerns and priorities, we are able to work closely alongside them to achieve our mutual goals, create value and, wherever possible, provide proactive support.

Local Communites	We are committed to supporting the communities in which we operate, including the local businesses, residents and the wider public. **Value received:** feedback on the needs of local communities and charitable organisations so that our buildings can become an integral part of the community. **Value created:** enhancement of the local area surrounding our buildings for the joint benefit of Grit, our occupiers and local communities. We operate as a responsible neighbour and member of the community.
Tenants	Our success is dependent on our ability to understand and respond to our occcupiers' changing needs occupier trends and requirements. **Value received:** Individual feedback on changing occupiers trends and requirements collaborate on our carbon reduction and community initiatives. **Value created:** design-led, amenity-rich 'long-life, loose-fir, low carbon' space which helps to retain and enrich talent. A community 'village' environment for our occupiers.
Government & Authorities	As a responsible business, we are committed to engaging constructively with central and local government to ensure we support the wider community. **Value received:** better understanding of the public policy and regulatory frameworks. **Value created:** we are helping to lead the industry in supporting the Government's net zero carbon ambitions and improving the carbon footprint of the built environment. We provide access to employment and training opportunities.
Shareholders	We adopt an open and transparent approach with our investors with frequent contact. They plan an important role in helping inform our strategy and monitor our governance. **Value received:** long-term finance, strategic input and stewardship. **Value created:** responsibly created, above average long-term returns.
Debt Providers	We maintain close and supportive relationships with this group of long-term stakeholders, characterised by openness, transparency and mutual understanding. **Value received:** availability of long-term cost effective finance. **Value created:** maintenance of our strong financial position and return on investment to our debt providers.
Suppliers	We outsource many of our activities to third party suppliers. We develop strong working relationships to ensure we receive the best service. **Value received:** expertise and service from our supply partners. **Value created:** sustainable relationships built on trust and mutual respect for human rights.
Employees	We have an experienced, diverse and dedicated workforce which we recognise as a key asset our business. **Value received:** benefit of their talent, skills and experience. Receipt of new ideas and perspectives. **Value created:** an inclusive fulfilling and high-performing workplace. Initiatives that support health and wellbeing. Long-term relationships with our occupiers, suppliers and other key stakeholders.

How we engage with our stakeholders – FY2023 Outcomes & FY2024 Focus

Stakeholder	Their Expectations	How we Engage	2022/23 Outcomes and Highlights	2023/24 Focus Areas
Shareholders and Investors Play an important role in funding the future growth and shaping of capital allocation strategies of the Group. They additionally provide meaningful review and monitoring over Grit's governance.	• Robust financial performance. • Sound business strategy. • Sustainable growth and dividend returns. • Clear risk mitigation plans. • Environmental, social and governance (ESG) initiatives.	Regular interactions, trading updates, and reporting throughout the year and an Annual General Meeting to solicit voting on specific governance topics. Strategy: • Direct engagement with prospective investors and our top 20 shareholders across UK, Mauritius and Africa • Group engagement across hybrid, virtual and physical presences events with a broad spectrum of investors targeting retail, wealth, pension and institutional stakeholders Other engagements including Conference attendance, Capital markets days, perception surveys, property tours and other industry events.	143 one-on-one meetings in FY 2023: Our investor relations and senior management teams engaged all key institutional investors and met several prospective investors. Over 550 engagements with key decision makers at group events and conferences • The Group hosted an inaugural Capital Markets Day (CMD) in Mauritius and Kenya (including asset tours) between 10 and 15 May 2023. The CMD events were well-supported and received positive feedback from a variety of stakeholders. The Mauritius Capital Markets Day had over 60 physical attendees and more than 100 virtual participants. • Results presentation events are hosted twice yearly with stakeholders attending both in person and virtually through the Investor-meet platform. • The Group also participated in a wide range of conferencing events during the period, including: The Avior Corporate Access Summit, RMB Morgan Stanley Property Showcase, API Summit (South Africa), the EPRA Conference (London), AFSIC Conference and several InvestAfrica Networking Events (London), the 24th International Trade Fair for Property and Investment (Germany); the 6th Pension and Alternative Investments Africa Forum and the Women in Finance & Investment Network Diversity and Inclusion Conference (Mauritius). 29.78% of shareholders entitled to vote at our 2022 AGM, voted against our advisory remuneration policy. The company engaged with the dissenting shareholders and sought clarity on areas of concern.	Continued focus on existing shareholders with engagements across one on one, group and conference meetings. A particular focus for the upcoming financial year will be on increasing awareness of Grit's attractive investment case amongst African pension funds and retail and wealth investors in the United Kingdom. • In conjunction with our sustainable business team, we will be striving to achieve an industry recognised ESG rating on the listed share.
Suppliers In order to run our business efficiently, and manage expectations, we maintain strong relationships with all our service providers.	• Open and fair payment terms. • Long-term partnerships and collaborative approach. • Transparency in terms of business decisions and activities.	We build strong and sustainable relationships through transparent and effective collaboration with all suppliers that share our values and business ethics. Focus is placed on compliance and levels of service delivery, to meet Grit's required expectations.	• We maintained our support of local businesses in all operating jurisdictions. • Enhanced our communication with service providers, with the aim to ensure good working relationships. • Engaged our key suppliers on our sustainability and ESG journey. • Continued to communicate the onboarding and procurement process to all suppliers, and the compliance requirements thereabout for.	• Continue to manage our suppliers efficiently and keep an open communication channel. • Drive our core values and business ethics with all our suppliers. • Continue to engage our suppliers on environmental sustainability best practices.
Tenants Grit's success is dependent on its ability to understand and respond to its tenants' needs, by delivering tailor-made Real Estate solutions.	• Suitable and flexible lease terms. • Quality, safety and sustainability of premises and its amenities. • Prompt and efficient communications regarding Group activities and decisions.	We actively engage with our tenants, through dedicated property management teams in all jurisdictions, regular meetings, communication, and site visits. These active engagement measures ensure not only quality service, but also ensure an understanding of our tenants' businesses to enable us to work towards meeting their needs and encourage retention of tenancies.	• We retained the tenancy of key global tenants by extending and pre-empting the renewals for lease terms and further secured occupancy over additional premises by meeting their expansion requirements • Increased occupancy of commercial and Industrial portfolio through engagement with tenants on business expansion requirements	• Regions are being empowered to engage on the ground with in-country tenants • Continue to focus on key tenancies for ensuring retention, growth and expansion opportunities are met. • Implement a process of carrying out Customer satisfaction surveys on a rotational basis across the portfolio • Engage with tenants on sustainability initiatives to understand their targets and incorporate into group framework.

Stakeholder		Their Expectations	How we Engage	2022/23 Outcomes and Highlights	2023/24 Focus Areas
Government and Authorities	Grit is committed to engaging constructively with the local authorities and government in all jurisdictions, where it operates.	• Compliance with applicable listing rules and legislations. • Proactive engagement with authorities and governments. • Openness and ethical business practices.	Grit takes constructive, positive approach to working with authorities and regulatory bodies to ensure continuous compliance with all applicable listing rules, and legislations. Required filings done on time.	• Continuous compliance with all applicable listing rules, legislations and the principles of the Codes of Corporate Governance (Mauritius & UK). • Filings done with authorities on time. • Engagement with authorities and regulatory bodies. • Special Licenses obtained from Financial Services Commission (FSC) and close collaboration with authorities for development of projects.	• Advanced robust controls to comply with all applicable listing rules, legislations and the principles of the Codes of Corporate Governance (Mauritius & UK). • Impact assessment and adherence to changes to the UK Code of Corporate Governance and changes in legislation, listing rules. • Attending to FSC's recommendations following the on-site inspection • Compliance with other specific licensing requirements.
Local Communities	We support the local communities in our operating jurisdictions, including residents and the wider public.	• Support the local economy and give back to the community.	We continuously engage various Non-Governmental Organisations (NGOs) and local communities and authorities with the objective of delivering real and measurable impact. Our social initiatives empower people to make a real and lasting difference in their own lives and the communities around them.	• Through the GR1T Foundation, we have been able to implement social initiatives/projects that have empowered the under-privileged in some of our operating jurisdictions and created real and lasting impacts in their lives and the community at large. • Refer to the Responsibility section of this IAR on pages 70 to 76 with respect to our CSR initiatives.	• Our focus for the years ahead is to ensure that through the GR1T Foundation, the Company continues to upskill the under-privileged and create meaningful impact in the communities of our investment jurisdiction.
Employees	Grit has a talented, diverse and dedicated workforce which the Company recognises as a key asset of its business. (also refer to "How do we engage with our employees")	• Opportunities for growth and development. • Opportunity to share ideas and make a difference. • Diversity and inclusion. • Rewarding work environment. • Wellbeing and adjudication for solid work-life balance.	Foster an exciting, collaborative, high-performance culture, and work environment, that supports wellbeing, embraces diversity, and challenges individuals to reach their highest potential, through access to empowering development initiatives, compelling career growth opportunities, and by celebrating successes, recognising, and rewarding outstanding contributions.	• 2,216 hours of training registered within the group, we've fortified our team for a future of excellence and innovation. • 58 new recruits and a remarkable 25% referral rate, our team continues to grow through a network of talent that believes in our mission and values. • Employee Engagement Score increased from 74 % to 84%, reflecting our commitment to fostering a thriving and motivated workforce. • With 657 Peer Reviews shared as part of our performance appraisal process, our commitment to fostering a culture of feedback continues to drive collaboration, growth, and excellence within our organisation.	• Employee Retention. We intend to design an Employee Experience framework, with a view to achieving long-term commitment and success. • Talent Upcycling whenever there is a departure. This will help in nurturing internal talent to fuel growth and organisational excellence. • Management Development Programme tailored for our Middle Managers, equipping them with the skills and insights to lead, innovate, and drive our organisation's success to new heights. • Succession Planning- to ensure business continuity by preparing our existing leaders
Debt providers	Grit maintains collaborative relationships with all of its debt partners, this relationship is reinforced and enhanced through maintaining communication with all parties not just during transactions but also having general business updates where we advise on update on the business strategy etc.. We are transparent and open with our debt providers creating a partnership that allows us to work collaboratively towards financing solutions.	• Financial performance. • Good Credit Rating. • Low Gearing. • Proactive Communication. • Prudent, clear, timely and transparent reporting. • Valuations from reputable external valuers . • Understanding of their business needs and timelines.	We engage with our debt providers through a variety of means, including in person meetings either at the banks, or GRIT's head office and on site visits to our properties. Additionally, we also go on investor and banking roadshows for our results presentations where we provide in depth analysis of our results and narrative as well as providing updates on other business plans and strategy. Financial Covenants and ratios and other information packs are usually provided via email in line with our agreed reporting timelines.	During the Year ending 2023 we concluded the $306 million Standard Bank lead Loan Syndication which involved regular and detailed engagement with our various banking partners, both in Mauritius and South Africa and across virtual and in person meetings. Many of our bankers joined our Capital Markets day, We've engaged with our mezzanine debt providers on a monthly basis and have met with potential, existing and past lenders throughout the year.	We are updating our medium and long term Group Debt Strategy, incorporating elements of GREA's debt management. We are working with experts in the field in combination with consultions with our existing debt providers. Unfavourable macro environment and geared business models such as our own, mean that the relationship between borrower and lender has never been more important.

How do we engage with our employees?

Grit recognises that its people (employees and the Board) are its most important asset in achieving the Company's business strategy. For its employees, the priorities outlined in the Group's HR Strategy will help drive alignment, encourage exceptional leadership, talent management, high performance, competitive reward and recognition, personal growth and a culture of passion and relentless determination. It is through a talented team that Grit drives superior performance, innovation and growth to deliver shareholder return.

To succeed, therefore, we need the right people with the right skills and values in place at the right time. Grit's leadership champions an inclusive and supportive working environment, facilitating high performance of a talented, diverse and motivated workforce who are empowered and engaged.

The Grit HR Strategy to create an environment which enables a talented team to thrive and achieve high performance includes:

- Attracting, identifying, developing and retaining high-performing talent across all areas of the business;
- Developing and supporting the growth of transformational leadership and management;
- Enabling the development of a high-performance culture that encourages, recognises, rewards, enhances and manages staff performance;
- Fostering a values-based culture focused on diversity, inclusivity, wellbeing and positive engagement;
- Developing a total reward approach which is valued by staff and facilitates organisational objectives; and
- Providing excellent core HR digitisation processes across all business areas to enable the availability of consistent data analytics across the organisation.

For more information, refer to the "Social" section under the "Responsibility" Section of the Strategic Report of this IAR on pages 04 to 50.

Engagement is strengthened through the following means:

- Employee Surveys - Regular surveys to gather feedback and insights from our employees.
- Social Media Channels - Utilising social media platforms to share company updates and engage with employees.
- Whistleblowing Channels- Offering confidential channels for reporting concerns or ethical issues.
- Dedicated INED (page 115) - An Independent Non-Executive Director responsible for employee engagement.
- Appraisals/Constant Feedbacks - Regular performance appraisals and continuous feedback mechanisms.
- Open door policy/Open Communication - Encouraging open and transparent communication between employees and management.
- Responsible Business Committee (pages 136 to 137) - A committee dedicated to promoting responsible business practices.
- Let's Talk sessions, Newsletter (The Talker), Happy hours, etc. - Additional initiatives, including regular communication sessions, newsletters like 'The Talker,' and social events like happy hours.

Workforce policies and practices

The Board and Executive Committee review and approve all key policies and practices which could impact on our workforce and drive their behaviours. All policies are assessed to ensure they support the Group's purpose and reflect our values.

Policies are published on BambooHR and contained within the employee handbook. Our employees are required to confirm their understanding of these policies upon recruitment and on an annual basis.

To ensure policies are embedded in our business practices, we hold presentations to staff which highlight the key messages and notify them of any changes. The Company has a policy management control document, which sets out the versions of each policy and what changes (if any) have been made. These are otherwise set out in the version control table in each policy. We operate a mandatory training programme which aims to reinforce key compliance messages in areas such as anti-bribery, modern slavery, conflicts of interest, etc.

All employees (including the Board) are required to notify the Company as soon as they become aware of a situation that could give rise to a conflict or potential conflict of interest.

Whistleblowing Policy

The Company's Whistleblowing policy has been implemented since 2018 (a copy of this policy is available at https://grit.group/wp-content/uploads/2023/09/2023_GRIT-Whistleblowing-policy.pdf, which sets out the whistleblowing rules and procedures. The scope of this policy was amended to be extended to all stakeholders. Contact details are available at https://grit.group/contact-us/

The purpose of this policy is to ensure that no stakeholder should feel at a disadvantage in raising legitimate concerns, as Grit believes that a culture of openness and accountability is essential in order to prevent such situations occurring and to address them when they do occur.

The policy sets out:

i. Information on what to report.
ii. Information on how to report (including channels to report, including corruption).
iii. Safeguards and confidentiality of the whistleblower (the whistleblower can opt to remain anonymous)
iv. An estimate of the time period it will take for the complaints to be investigated and a report on actual performance.

The Board has appointed Catherine McIlraith, the Chairman of the Audit Committee, to act as an Independent point of contact in the Group's whistleblowing procedure, to handle the concerns, decide how these would be investigated and recorded.

Through feedback from the Responsible Business Committee, the Board is routinely updated on any reporting done through the Whistleblowing Channels, if any. For the FY ending 30 June 2023, no matter was reported and the Responsible Business Committee and the Board are satisfied of the arrangements for raising concerns in confidence.

Section 172 of the Companies Act 2006

Provision 5 of the UK Code provides that the board should understand the views of the company's other key stakeholders and describe in the IAR how their interests and the matters set out in section 172 of the Companies Act 2006 have been considered in board discussions and decision-making. The board should keep engagement mechanisms under review so that they remain effective. For engagement with the workforce, one or a combination of the following methods should be used:

- a director appointed from the workforce;
- a formal workforce advisory panel;
- a designated non-executive director. If the board has not chosen one or more of these methods, it should explain what alternative arrangements are in place and why it considers that they are effective.

Grit is not registered in UK and it is therefore not required to comply with the UK's Companies Act 2006, including Section 172 but has opted to report on compliance with Section 172

Section 172 of the UK Companies Act 2006 requires directors of a company to promote the success of the company for the benefit of its members, and to consider the interests of all stakeholders in their decision making. Stakeholder engagement is critical to the formulation and execution of our strategy and in achieving sustainable success for the long term.

The Board of Directors confirm that during the year under review, it has acted to promote the long-success of the Company for the benefit of stakeholders. Refer to "How we engage with our stakeholders – FY2023 Outcomes &FY2024 Focus" on pages 110 to 113.

Section 172 factor	Relevant disclosures	Page
a. the likely consequences of any decision in the long-term	Company Purpose	106
	Grit's Business model	20
	Grit's strategy	13
b. the interests of the Company's employees	Our people	114
	Diversity and inclusion	123
	Employee engagement	114
c. the need to foster the Company's business relationships with suppliers, customers and others	Tenant-focused solutions	110
	Social value strategy	70
	Relationship with Suppliers	110
d. the impact of the Company's operations on the community and the environment	Environmental	68
	Low zero carbon	60
	TCFD disclosures	78
	Community	73
e. the desirability of the Company maintaining a reputation for high standards of business conduct	Purpose, values and culture	106
	Whistleblowing	114
	Internal financial controls	130
	Risk Management	150
	Anti-bribery and corruption	135
	Awards and recognition	10
f. the need to act fairly between members of the Company	Shareholder engagement	110
	Annual General Meeting	96
	Remuneration Policy	141

For engagement with the workforce, the use of the following methods are in place:

- A formal workforce advisory panel: The Group also has a dedicated Human Capital department to deal with workforce matters. In addition, there is continuous engagement between management and employees through #LetsTalk sessions. For example, at one of the #LetsTalk sessions, an explanation was given about how the executive remuneration aligns with the wider company pay policy.
- A designated non-executive director: The Board had approved that Mrs Catherine McIlraith be the NED that engages with the workforce, given that Catherine visits the office quite often, attends most of the committee and board meetings in person, is the Whistleblowing officer at Grit and is known to all the employees as this has been communicated to everyone. Catherine keeps engaging more with the Head of Human Capital to organise more recurring formal sessions to meet up with the workforce. Catherine has suggested that she will be recommending decisions to the Board for and on behalf of the workforce.

Also refer to "How do we engage with our employees?" on page 114.

Two

Division of Responsibilities

Board roles and responsibilities

There is a clear division between executive and non-executive responsibilities. The Company operates a unitary tier board whereby the roles of Chairman and CEO are separately held, and their responsibilities are clearly established, set out in writing and regularly reviewed by the Board.

More details on the Board Roles and Responsibilities are available on the Company's website at: https://grit.group/wp-content/uploads/2023/05/Grit_Governance_Board_Roles_and_Responsibilities.pdf.

Independence and tenure

Independence of the Board

Status

Independent directors	Non-independent Directors
5	4

The Board has identified which Directors are considered to be independent. As at 30 June 2023, 55.6% of our Board are independent NEDs, which ensure that there is no group think.

The independence of our Non-Executive Directors is reviewed by the Board from time to time.

The Board has reconfirmed that our INEDs are and remain independent, and free from any business or other relationship which could materially interfere with the exercise of their judgement. The definition of "independence" is as per the UK Code and the MRU Code (of Corporate Governance). A paper on the "Assessment of the Independent Directors" is available at https://grit.group/wp-content/uploads/2023/10/Grit_Independence-of-Board.pdf.

The Non-Executive Directors play an important role in ensuring that no individual or group dominates the Board's decision making. It is therefore of paramount importance that their independence is maintained. To safeguard their independence, Non-Executive Directors are not permitted to serve more than nine-year terms unless in exceptional circumstances.

Tenure of the Non-Executive Directors

Years	Number of NEDs
Under 3	3
3-6	3
6-9	3

Peter Todd has served for nine years in August 2023 and accordingly the Nomination Committee/Board has discussed and recommended the extension of his position as Chair for a limited period, though it has been assessed that Peter Todd is not considered as independent as per the UK Code. Refer to "Additional considerations for the Nomination Committee" (refer to page 122) for rationale for extending the tenure of Peter Todd.

Other external appointments

The Board takes into account a Director's other external commitments when considering them for appointment to satisfy itself that the individual can discharge sufficient time to the Grit's Board and assess any potential conflicts of interest.

Our Directors are required to notify the Group Compliance Manager of any alterations to their external commitments that arise during the year, on a monthly basis. At each Board meeting, the Board also considers the number of directorships (including other listed companies) held by the individual already and their expected time commitment for those roles. All Directors have confirmed (as they are required to do annually) that they have been able to allocate sufficient time to discharge their responsibilities effectively. There has been no significant external appointment that would hinder any Board member's commitment to the Company.

The details of directorships of the directors held in other organisations are set out at https://grit.group/about-us/ under "Our People/Board" by clicking on "List of other directorships" under the profile of each director of the Company.

Conflict of interest

As a Non-Executive Director's independence could be impacted where a Director has a conflict of interest, the Board operates a policy that restricts a Director from voting on any matter in which they might have a personal interest unless the Board unanimously decides otherwise.

Prior to all major Board decisions, the Chairman requires the Directors to confirm that they do not have a potential personal conflict with the matter being discussed. If a conflict does arise, the Director is excluded from discussions.

The interests register is regularly reviewed by the Board to ensure it remains up-to-date. The Board is satisfied that potential conflicts have been effectively managed throughout the period. The Company Secretary or the Group Corporate Secretary maintains the register of interests and a copy is available to the shareholder upon written request to the Company Secretary.

Other than set out in the registers maintained by the Company (Register of declared transaction interest of directors, Register of Directors' interest in the Shares of the Company and Declaration of Directors' Interest) and as set out under Note 36b of the AFS on Related Parties, the directors do not have a relationship with the Company or with the majority shareholder.

A copy of the Company's Conflict of Interest Policy is available at https://grit.group/wp-content/uploads/2023/09/2023_CONFLICT-OF-INTEREST-POLICY.pdf, in which the definition of "conflict of interest" is provided as per the applicable listing rules and laws.

Three

Composition, Succession And Evaluation

Appointments to the board

Appointments to the Board are made, following recommendation from the Nomination Committee, on merit with the overall objective of ensuring that the Board maintains the correct balance of skills, length of service and knowledge of the Group to successfully determine the Group's strategy. Due consideration is also given to the benefits of diversity in its widest sense, including gender, social and ethnic backgrounds and personal strengths.

This report provides further information on:

Board composition	Non-Executive Director tenure	Board appointments and induction	Succession planning	Diversity
Pages 98 to 99	Page 116	Page 124	Page 124	Page 123

For information on the procedure for appointment of new directors to the Board, and the role of the Nomination Committee in this process, refer to the Nomination Committee Report on pages 119 to 127.

The size and composition of the Board and its various committees are reviewed by the Nomination Committee on a quarterly basis and the current size and composition are considered appropriate for the Company and this is how the Board has reached its current size as of date.

Board skills, experience and knowledge

An effective Board requires the right mix of skills and experience. Our Board is a diverse and effective team focused on promoting the long-term success of the Group for the benefit of all stakeholders. The Directors' biographies are available on our website at https://grit.group/about-us/ under "Our People".

Skills & Experience of directors

Details on the skills and experience of directors are provided below and under their respective biographies (available on our website at https://grit.group/about-us/ under "Our People").

Skills & Experience	Brief Definition	Number of Non-Executive Directors	Number of Executive Directors
Executive and strategic leadership	Senior executive and directorship experience	7	2
Financial acumen (including audit)	Senior executive experience in financial accounting, reporting or corporate finance	7	2
Property and real estate	Experience in property development, construction or real estate management	7	2
African Experience	Experience linked to investments in Africa	7	2
Governance and compliance	Prior experience as a Board member, industry, or membership of governance bodies	7	2
Corporate responsibility and community relations	Experience in corporate or social responsibility, charitable bodies or human resources	7	2
Sustainability	Experience in sustainable matters	7	2
Health and safety	Experience in health and safety matters	7	2
Capital projects	Experience working in an industry with projects involving large-scale capital outlays and long-term investment horizons	7	2
Remuneration	Prior Remuneration Committee membership and/or experience in relation to remuneration including incentive programmes	5	2
Risk management	Experience in risk management or internal controls	6	2

Training

With the ever-changing environment in which Grit operates, it is important for our Executive and Non-Executive Directors to remain aware of recent, and upcoming, developments. We require all Directors to keep their knowledge and skills up to date and include training discussions with the Chairman in their annual performance reviews.

As required, we invite professional advisers to provide in-depth updates. Updates and training are not solely reserved for legislative developments but aim to cover a range of issues including, but not limited to, market trends, the economic and political environment, environmental, technological and social considerations. Regular updates to the Board and its committees on regulatory and corporate governance matters are provided.

During the year ended 30 June 2023, the Board received regular updates on:

- the strategy of the Company;
- completion of Project Glow;
- market and leasing updates;
- risk matters, including updates on tax matters and IT matters;
- the implementation of ISO 45001 for the Group;
- ESG/Sustainability matters, with focus on TCFD;
- Compliance matters, in particular with the operational company of Grit (Grit Services Limited) obtaining special licences from the Financial Services Commission

Annual Board Evaluation

Every year, the Board and Committees conduct an evaluation to consider the following areas:

- Effectiveness of the Board members and its Committees, the Chair and Company Secretary
- Composition and dynamics
- Information flows and meeting management
- Chairman's leadership
- Extent to which the Board fulfils its role and responsibilities, with particular regard to strategy, oversight of risk and succession planning
- Strategic issues and oversight; and
- Areas for development identified and priorities for change

It had been reported in the annual report as at 30 June 2022 that results of the Board and Committee evaluation process would be published in the IAR for the year ended 30 June 2023. The Company confirms that no issues were identified, hence there is no result (or update on actions thereon) to be reported in this IAR, and none which impacted board composition.

It is required as per Provision 21 of the UK Code that:

"There should be a formal and rigorous annual evaluation of the performance of the board, its committees, the chair and individual directors. The chair should consider having a regular externally facilitated board evaluation. In FTSE 350 companies this should happen at least every three years. The external evaluator should be identified in the annual report and a statement made about any other connection it has with the company or individual directors."

The process for the FY ended 30 June 2023 was launched in August 2023, internally with the help of the Group Compliance Manager. Questionnaires were sent out to the members of the Board to assess the areas set out above. No issues were identified and therefore no impact on Board composition.

For the next FY to end 30 June 2024, it has been reported that the Company will be required to carry out the Board and Committee evaluation by an external evaluator, which should not have any connection with the Company or individual directors. Accordingly, reporting will be done in the annual report as at 30 June 2024 in accordance with Provisions 21 and 23 of the UK Code.

Re-election of Directors

In accordance with the Code, all the Directors will be putting themselves forward for re-election at the 2023 AGM except for Sir Samuel Jonah. The Board believes that the re-election of each Director is in the best interests of the Company. In this respect, the Nomination Committee and the Board have also considered extending the tenure of Peter Todd as Chair of the Company for a limited time. Refer to "Extenuating circumstances and motivation to extend the tenure of Peter Todd as Chair for a limited time" on page 122.

NOMINATION COMMITTEE REPORT

2023/2024 Focus Areas

- Continue to monitor compliance with the UK Code and MRU Code
- Discuss and monitor changes to existing policies in line with reporting on Diversity, including changes to the UK Code, as may be applicable
- Ensure a smooth transition of responsibility for those succeeding Peter Todd as Chair of the Board
- Continue to monitor the Group's long-term succession and development of the internal talent pool
- Plan for the next annual Board and committee evaluation to be performed by an independent 3rd party

Committee Composition and performance

The Nomination Committee ("Committee") consists of three Non-Executive Directors (biographies are available on pages 98 to 99). At the request of the Committee, Executive Directors, members of the senior management team and external advisers may be invited to attend all or part of any meeting, as and when appropriate.

Meetings of the Committee

During the year under review, the Committee met three times, in November 2022, February 2023 and June 2023.

Members of the Committee	Independent	No. of meetings	Attendance
Peter Todd - Chair	No	3/3	100%
Catherine McIlraith	Yes	3/3	100%
Nomzamo Radebe*	No	1/1*	100%
David Love**	Yes	2/2**	100%

* *Mrs Nomzamo Radebe resigned as a director of the Company on 05 February 2023.*

** *Mr David Love was appointed a member of the Committee on 09 February 2023.*

It is to be noted that from the period 01 July 2022 to 08 February 2023, the composition of the Nomination Committee, which comprised of the Chair, one non-executive director, and one independent non-executive director was not compliant with provision 17 of the UK Code, since, Mr Peter Todd, as Chair of the Board, was not an independent non-executive director. However, with the appointment of Mr David Love, the Nomination Committee is now fully compliant with the UK Code.

Peter Todd

Chair of the Nomination Committee

Gender and Ethnic Diversity of the Nomination Committee

Members of the Committee	Gender	Ethinicity
Peter Todd - Chair	Male	White/Caucasian
Catherine McIlraith	Female	White/Caucasian
Nomzamo Radebe	Female	Black/African
David Love	Male	White/Caucasian

Roles and Responsibilities

The Committee's role and responsibilities are set out in the Charter and are on the Company's website at: https://grit.group/wp-content/uploads/2023/05/nomination-committee-charter.pdf

Key Activities during the year under review

- Continuously reviewed the composition and effectiveness of the Board and its committees;
- Engaged in the annual review of the Nomination Committee Charter;
- Continuous ensuring each director has sufficient time to dedicate to the Company by assessing his/her list of other directorship;
- Took note of gender representation on board;
- Discussed around training plans and documents to be shared with directors as part of ongoing personal development; and
- Continuously sought confirmation from directors whether each has sufficient time to dedicate to the Company.

Other changes to the Board and Committee composition of the Company as reported in this IAR have all been approved by the Nomination Committee and the Board.

Committee Performance Evaluation

The 2023 evaluation of the Board, its committees and individual Directors was internally facilitated by the Group Compliance Manager, in accordance with Grit's yearly evaluation process.

There has been confirmation by the members that the Committee continues to operate effectively, with no significant matters raised.

Please also refer to the Corporate Governance Statement report under "ANNUAL BOARD EVALUATION".

Board and Committee Composition

At each of its meetings, the Committee considers the composition of the Board and its committees in terms of its balance of skills, experience, length of service, knowledge of the Group and wider diversity considerations. The Committee did not identify any material skill gaps on the Board or its committees.

An overview of the Board's skills, experience and knowledge is on page 117.

The Committee's review also aims to ensure each committee is appropriately composed to be effective and is conducted alongside discussions on Board succession and Non-Executive Director (NED) tenure.

The table below provides an overview of the composition of the Board's six principal committees as at 30 June 2023 and their attendance at the respective Committee meetings.

Board Members	Audit Committee (6 meetings held)	Risk Committee (3 meetings held)	Remuneration Committee (3 meetings held)	Nomination Committee (3 meetings held)	Responsible Business Committee (3 meetings held)	Investment Committee (5 meetings held)
Peter Todd - Chair			3	3 (Chair)		5 (Chair)
David Love - Senior Independent	6	3		2[5]	3 (Chair)	4
Catherine McIlraith	6 (Chair)	3	3 (Chair)	3	3	
Nomzamo Radebe				1[6]	1[6]	3[6]
Bronwyn Knight1						5
Leon van de Moortele[2]						
Sir Sam Jonah			2[4]		3	4
Jonathan Crichton	6	3 (Chair)				
Cross Kgosidiile		1[3]			2[7]	
Lynette Finlay						1[8]

1. *Mrs Bronwyn Knight is an invitee to the other Committees.*
2. *Mr Leon van de Moortele is also invited to all the Committees and in particular the Audit and Risk Committees.*
3. *Mr Cross Kgosidiile stepped down from the Risk Committee on 13 February 2023.*
4. *Sir Samuel Jonah attended 2 out of the 3 meetings held over the financial year ended 30 June 2023.*
5. *Mr David Love was appointed a member of the Committee on 09 February 2023.*
6. *Mrs Nomzamo Radebe resigned as a director of the Company on 05 February 2023.*
7. *Mr. Cross Kgosidiile was appointed a member of the Committee on 13 February 2023.*
8. *Mrs. Lynette Finlay was appointed a member of the Committee on 24 March 2023. Mrs Lynette Finlay has been appointed as a member of the Remuneration Committee in replacement of Peter Todd effective 1st October 2023.*

Refer to comments under each board Committee Report.

Following the Board and Committees' review in June 2023, it was confirmed that the membership of the Board is appropriate and in compliance with the UK Code of Corporate Governance and the Mauritius Code of Corporate Governance (the "Codes").

As regards the six principal committees, they continue to be appropriate, effective and in accordance with the Codes save for the following to be considered by December 2023:

a. Given that the Chair of the Company is the Chair of the Nomination Committee, ensuring that chairman should not chair the nomination committee when it is dealing with the appointment of a successor to the Chairmanship
b. It is proposed that at the next annual general meeting in December 2023, following Sir Samuel Jonah not opting to be re-elected as independent non-executive director, the composition of the Board and Committees will need to be assessed to comply with the Codes.

Additional considerations for the Nomination Committee

In light of the above, the following will also be given due consideration, after seeking advice from external service providers on the matter:

a. Recommending that Mr Peter Todd remains as Chair of the Company for another limited time period (refer to "Tenure of Chair of the Company")
b. Continue to carefully examining the other directorships of each director and deliberating again if each director has sufficient time to dedicate to the Company
c. Reviewing the composition of the Board and Committees, following Sir Samuel Jonah not opting to be re-elected as INED, to comply with the Codes.

Non-Executive Director changes

Over the financial year ended 30 June 2023, the following changes took place:

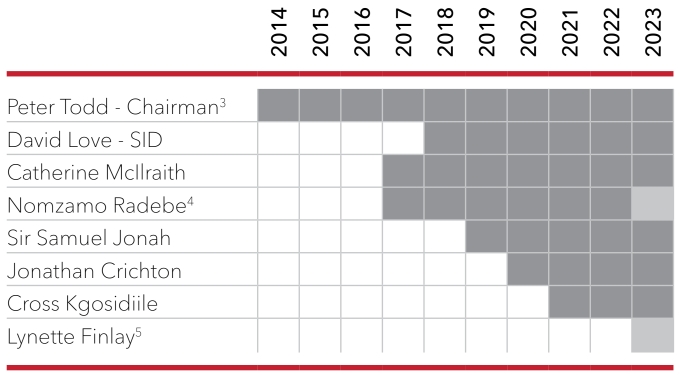
- Mrs Nomzamo Radebe resigned as a director of the Company on 05 February 2023.
- Mr. David Love was appointed a member of the Nomination Committee on 09 February 2023.
- Mr Cross Kgosidiile stepped down as member of the Risk Committee with effect as from 13 February 2023.
- Mr Cross Kgosidiile was appointed as member of the Responsible Business Committee with effect as from 13 February 2023.
- Mrs. Lynette Finlay was appointed a member of the Board and of the Investment Committee on 24 March 2023.
- Mrs Lynette Finlay has been appointed as a member of the Remuneration Committee in replacement of Mr Peter Todd, effective 1 October 2023.

The Committee have considered the composition of the Board, its effectiveness and diversity, and has concluded that no further appointments to the Board will be required.

Executive Director changes

There is no expectation for any change in the Executive Directors as Bronwyn Knight and Leon van de Moortele remain the Executive Directors of Grit.

Non-Executive Directors' tenure[1 & 2]



1. *Directors hold their office until the next following AGM and then retire, but are eligible for appointment at that meeting. The Board has the authority to appoint Directors to fill any vacancy that may arise from time to time, which appointment is ratified at the following AGM.*
2. *Life directorships and directorships for an indefinite period are not permissible.*
3. *Refer to date of appointment of each directors under their profile under "BOARD OF DIRECTORS". Refer to comment under the Corporate Governance Statement under "Tenure" as Peter Todd has completed 9 years in August 2023 and the Nomination Committee has been requested to consider extending the tenure of Mr Peter Todd as Chair for a limited period of time. Refer below to "Tenure of Chair of the Company – UK Code"*
4. *Mrs Nomzamo Radebe resigned as a director of the Company on 05 February 2023.*
5. *Mrs. Lynette Finlay was appointed a member of the Board and the Investment Committee on 24 March 2023. She was also appointed as member of the Remuneration Committee effective 1 October 2023.*

Tenure of Chair of the Company – UK Code

Provision 19 of the UK Code of Corporate Governance states:

"The chair should not remain in post beyond nine years from the date of their first appointment to the board. To facilitate effective succession planning and the development of a diverse board, this period can be extended for a limited time, particularly in those cases where the chair was an existing non-executive director on appointment. A clear explanation should be provided."

Extenuating circumstances and motivation to extend the tenure of Peter Todd as Chair for a limited time

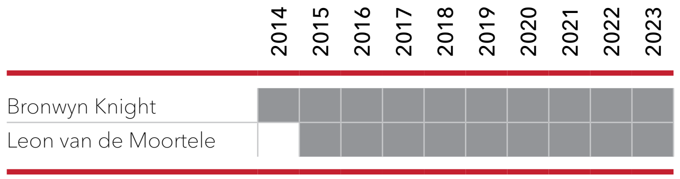
The replacement of Peter Todd as Chair will result in significant loss of corporate memory, a loss in Board cohesion and potentially decelerate Grit's delivery against strategy:

- Peter is a founding board member of Grit and as such has immense institutional knowledge of the company and its business, the benefit of which will be lost upon his replacement.
- As a result of exogenous circumstances, several new Board members have joined/will be joining, emphasizing the need for institutional memory: Ms Nomzamo Radebe, who has been a long-serving member of the Board, resigned in February 2023 and Sir Samuel Jonah indicated that he will not stand for re-election at the next AGM.
- Peter has significant experience in and plays a key guiding role in the formulation of Grit's vertical integration strategy, including the completion of Project Glow (the acquisition of GREA) that is currently in the early stages of implementation. His replacement at this point in time could significantly impact the consistency of Grit's delivery against this strategy.

The independence of the Board remains aligned with the recommendations of the UK Code of Corporate Governance as it will continue to be weighted with more independent non-executive directors as well as a Senior Independent Director (SID).

The extension of Peter Todd's tenure will allow for an appropriate transfer of knowledge and facilitate effective succession planning whilst supporting Board diversity.

Executive Directors' tenure



Process used in Relation to Appointment of Directors

The Board currently includes seven non-executive directors, including the Senior Independent Director and the Chair, who all bring considerable knowledge, skills and experience to the Group and all of whom (save for Mr Peter Todd and Mr Cross Kgosidiile), are considered independent.

As is best practice, the Board is continually assessed and periodically refreshed to ensure it maintains an appropriate balance of skills and experience. Directors are appointed based on their specific skills set, industry expertise and experience as well as the overall level of contribution they can make to the activities of the Group. The Committee is tasked with identifying and recommending suitable Board candidates for the Board's consideration through a formal process.

The Committee conducts a robust selection process for appointments, as outlined in the FY2021 IAR (refer to page 87 of the FY2021 IAR at https://grit.group/wp-content/uploads/2023/05/2021-integrated-annual-report-2.pdf. The process will be reviewed as appropriate ahead of the next Board-level appointment and to always ensure supporting a diverse pipeline.

Board and Committees Evaluation

The 2023 evaluation of the Board, its committees, the individual Directors, the Chair, the Company Secretary was internally facilitated by the Group Compliance Manager, in accordance with Grit's yearly evaluation process.

There has been confirmation by the members that the Board and the Committees continue to operate effectively, with no significant matters raised. Please also refer to the Corporate Governance Statement report under "ANNUAL BOARD EVALUATION".

Diversity - Valuing, Encouraging, and Supporting a Diverse Workforce

The Board believes that diversity and inclusivity at Board level and throughout the business is key to the long-term success of Grit and assists in achieving its objectives.

Diversity at Board level sets the tone for diversity throughout the business and brings constructive challenge and fresh perspectives to discussions. At Grit, we consider diversity, in its widest sense (and not limited to gender, but also skills, experience, professional background and tenure), during our Board composition reviews, as part of succession planning and the development of recruitment specifications.

Grit promotes diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. The Company operates a non-discrimination policy, which covers, amongst others, disability, gender equity, sexual orientation, race, religious beliefs, and age and there has been no discriminatory case reported during the FY ended 30 June 2023. As regards the gender balance of senior management and their direct reports, please refer to the Sustainability Report on the website at https://grit.group/wp-content/uploads/2023/05/sustainability-report.pdf.

Nationality of Board Members as at 30 June 2023

Board Members	Count as at 30 June 2022	Count as at 30 June 2023
South Africa	3*	3*
Mauritius	1	1
UK	2	2
New Zealand	1	1
Ghana	1	1
Botswana	1	1
Grand Total	**9**	**9**

* *Mrs Nomzamo Radebe resigned as a director of the Company on 05 February 2023 and Mrs. Lynette Finlay was appointed a member of the Board on 24 March 2023, such that the number of South Africans remained the same.*

Gender Diversity of Board as at 30 June 2023

	Board members only
Number of Female at 30 June 2022	3*
Number of Male at 30 June 2022	6
Grand Total at 30 June 2022	**9**
Number of Female at 30 June 2023	3*
Number of Male at 30 June 2023	6
Grand Total at 30 June 2023	**9**

* *Mrs Nomzamo Radebe resigned as a director of the Company on 05 February 2023 and Mrs. Lynette Finlay was appointed a member of the Board on 24 March 2023, such that the number of female on the Board remained the same.*

Ethnic Diversity of Board as at 30 June 2023

Ethnicity	No.	%
Black/African	2	22%
White/Caucasian	7	78%
Mixed Race/Multiracial	0	0%
Asian	0	0%

Gender Diversity of Executive Management as at 30 June 2023

	Csuite	Exco & Senior Management
Male	4	16
Female	1	11
Total	**5**	**27**

Ethnic Diversity of Executive Management as at 30 June 2023

Ethnicity	Csuite	Exco & Senior Management
Black/African	1	3
White/Caucasian	3	18
Mixed Race/Multiracial	–	2
Asian	1	4
Total	**5**	**27**

Skills & Experience of directors

The board is also well diversified in term of their personal strengths, skills and experience. Details on the skills and experience of directors are provided on pages 98 to 99 under their respective bio-data.

Induction

The Company provides new Directors with a comprehensive and tailored induction process which includes visiting a number of the Group's properties, meetings with the Group's audit partner and corporate lawyer, together with meetings with the Executive Directors, Executive Committee and senior management.

Induction programmes are developed by the Group's Responsible Business team and approved by the Chair of the Committee.

If considered appropriate, new Directors are also provided with external training that addresses their role and duties as a Director of a quoted public company.

We aim to limit the amount of information provided as reading material during an induction process.

All new Directors are provided with access to the Company's online Board meeting system and also provides easy and immediate access to the following key documents:

- Our latest budget and strategic plan.
- Recent audited financial statements.
- Information on our sustainability initiatives.
- The Group's Risk Register, Schedule of Principal Risks and Schedule of Emerging Risks.
- Organisation and legal charts, overview of the committees' membership and Non-Executive Director tenure.
- Matters reserved for the Board and the committees' terms of reference.

Succession Planning

As Directors, we have a duty and the responsibility to ensure the long-term success of the company, which includes ensuring that we have a steady supply of talent for executive positions and established succession plans for Board changes. The Committee considers the Group's succession planning on a regular basis to ensure that changes to the Board are proactively planned, diversified and co-ordinated. The Executive Directors are responsible for the Group's succession plans below the Board.

The Chair of the Board has completed 9 years in August 2023, the Nomination Committee/Board has discussed/considered for Peter Todd to remain a non-executive director for a limited time. Refer to "Tenure of Chair of the Company – UK Code".

Succession planning is a continuous process that identifies necessary competencies required by an organisation and works to assess, develop and retain a talent pool of employees to ensure a continuity of leadership within the organisation, for all critical positions. The Board views succession planning as crucial to the Company's sustainability. The Committee ensures that, as Directors retire, candidates with the necessary skills and experience are identified to ensure that the Board's competence and balance is maintained and enhanced, taking into account the Group's current and future needs.

The Company is also required to align the Succession Policy in line with the proposed amendments to be made to the Divresity Policy in order to comply with LR 9.8.6 (9) of the UK Listing Rules and DTR 7.2.8AR. Refer to "Amendments to the Board Diversity Policy".

In considering Executive Director succession, we address continuity in, and development of, the Management Team below Board level. Current Executive Directors have a long tenure. Whilst there are no immediate vacancies at Board level, we recognise that it is important to develop internal talent. Our development planning encourages employees to fulfil their potential and grow in their roles. In the absence of any of the Executive Directors for any reason, there is still business continuity.

Management ensures that all departments are staffed to the optimum. The table below shows that the Company has sufficient skilled human resources to ensure that the Company meets its objectives in line with its Strategy, whilst complying with all internal controls:

Headcount per Department (numbers) as at 30 June 2023

Department	Headcount as at 30 June 2023	Headcount as at 30 June 2022
Admin	26	18
Business Analytics		2
Communication	2	1
Development	10	5
Executives	4	–
Finance	29	28
Human Capital	5	3
Investment	11	9
Legal	Under Responsible Business	1
Management	Under "Executives"	5
Operations	Under "Property Staff"	33
Property Staff	43	–
Responsible Business	8	8
Risk & Compliance	Under Responsible Business	–
Strategy	3	4
Treasury	7	7
Agency House	3	–
African Impact industrial (AII)	3	–
Office to CEO	3	–
Grand Total	157	124

The Group's talent pipeline has been strengthened through a number of external appointments and internal promotions.

Diversity of the workforce

Gender of workforce	No.	%
Male	82	52%
Female	75	48%
Total	**157**	**100%**

Category of workforce	No.	%
Local	127	81%
Expat	30	19%
Total	**157**	**100&**

Nationalities of workforce	No.	%
Cameroonian	1	1%
French	1	1%
Botswana	2	1%
Portuguese	1	1%
New Zealander	1	1%
Austrian	1	1%
British	1	1%
Kenyan	15	10%
Moroccan	8	5%
Ghanaian	7	4%
Mozambican	14	9%
South African	36	23%
Mauritian	69	44%
Total	**157**	**100%**

Country of residence of workforce	Male	Female	Total
Mauritius	42	50	**92**
South Africa	8	4	**12**
Kenya	10	7	**17**
Botswana	–	–	**-**
Mozambique	9	6	**15**
Dubai	–	3	**3**
Ghana	6	1	**7**
Morocco	4	4	**8**
London	3	–	**3**
Total	**82**	**75**	**157**

Amendments to the Board Diversity Policy

Diversity policy requirements for premium listed companies in the UK encompass several key aspects. The Financial Conduct Authority's (FCA) Listing Rules require listed companies to report on their compliance with the UK Corporate Governance Code, which emphasises the importance of diversity and inclusion.

The Financial Conduct Authority (FCA) introduced changes in 2022 to both the UK Listing Rules and the Disclosure Guidance and Transparency Rules in respect of encouraging further disclosure by standard and premium listed companies in the UK relating to gender and ethnic diversity at board and executive management level. The changes took effect to both sets of guidelines for financial years beginning on or after 1 April 2022. Additionally, premium listed companies are encouraged to foster diversity and inclusion throughout their organisation, from senior management to the wider workforce, by implementing inclusive recruitment practices, training programs, and diversity initiatives.

The revised policy

The revised Policy will help ensure that the Board and the Company meet the requirements and expectations of the UK's current legal and regulatory regime, as well as investor / stakeholder expectations in this space.

The key revisions are aimed to:

- set out explicit targets for gender and ethnic diversity on the Board; and
- to encompass a wider range of diversity considerations, including (but not limited to) gender, nationality, culture, generation, ethnic group, ableism and social background aspects.

The Responsible Business Committee will discuss the revised policy and recommend to the Board for approving same. Following approval by the Board, disclosures in light of the new Diversity Policy will be made in the FY2024 IAR.

At the Nomination Committee held on 11 October 2023, the members considered the requirements of UK Listing Rules (LR 9.8.6 (9)) and DTRs (7.2.8AR) and reached the following conclusions as per below:

Change	Impact	Assessment of compliance with the changes to UK Listing Rules (LR 9.8.6 (9)) and DTRs (7.2.8AR)
Amendment to UK Listing Rules (LR 9.8.6 (9))	Companies must include in their annual report a statement confirming whether they have met the following board diversity targets as at a reference date (to be chosen by the company) in the financial year: • the board comprises at least 40% women; • at least one of the Chair, CEO, CFO or Senior Independent Director is a woman (NB this does not apply on a mandatory basis to closed-ended investment funds); and • at least one member of the board is from a minority ethnic background.	a. Currently, the board is composed of 33% of women. During the FY to end 30 June 2024, the Nomination Committee and the Board would consider increasing the composition of the Board to 40% or explaining each year as to non-compliance with the required composition of women on the Board. b. The CEO, Mrs Bronwyn Knight is a woman. c. Both Mr Cross Kgosidiile and Mr Samuel Jonah are from a minority ethnic background.
	Under the revised Listing Rules, companies are also encouraged (but not mandated) to include the following in its annual financial report: a. a brief summary of any key policies, procedures and processes, and any wider context, that it considers contribute to improving the diversity of its board and executive management;	The Nomination Committee and the Board will consider during FY to end 30 June 2024, amendments to the Diversity Policy, the Succession Policy and the Nomination Committee Charter as may be required.
	b. any mitigating factors or circumstances which make achieving diversity on its board more challenging (for example, the size of the board or the country where its main operations are located); and c. any risks it foresees in being able to meet or continue to meet the above board diversity targets in the next accounting period, or any plans to improve the diversity of its board.	The Nomination Committee has discussed and assessed that it is rather difficult to find an additional woman director having the skills, experience and knowledge required to serve on the Board of the Company. The Nomination Committee has discussed meeting the appointment of an executive director to increase the board composition to having 40% women.
	Companies must also include numerical data on the ethnic background and the gender identity or sex of the individuals on the listed company's board and in its executive management. *However, this does not apply if data protection laws in the country in which the Company is registered prohibit the collection of such data.*	Data as regard the ethnic background and he gender diversity of the Board and the executive management of the Company is set out under this Nomination Committee report.
Amendment to DTRs (7.2.8AR)	The new rules also expand the disclosures required in relation to a company's board diversity policy under DTR 7.2.8AR. The description of the company's board diversity policy within the Company's corporate governance statement should cover factors such as ethnicity, sexual orientation, disability and socio-economic background. Companies will also need to disclose how their diversity policy is applied to the audit, nomination and remuneration committees. Note that under the UK Listing Rules, an overseas company with a premium listing must comply with DTR 7.2 (Corporate governance statements) as if it were an issuer to which that section applies.	As per comments above, the Nomination Committee and the Board will consider during FY to end 30 June 2024, amendments to the Board Diversity Policy to adhere to DTR 7.2.8R to the extent applicable. The Nomination Committee is of opinion that gender and ethnicity data may be disclosed and this has been applied for the audit, nomination and remuneration committees as set out in each respective committee report.

AUDIT COMMITTEE REPORT

2023/24 Focus Areas

- Evaluate the adequacy of controls on the accounting and reporting system for external auditors' and those of the internal auditors to ensure robust control environment and a quality assurance framework in place;
- Review internal auditors' scope of work upto June 2025 and their assignments with specific focus on recommendations with regards to Grit's integration of GREA; and
- Chairman to engage with stakeholders with respect to areas of responsibility.

Committee Composition

The Committee continues to be composed solely of independent Non-executive Directors, all with sufficient financial experience, commercial acumen and sector knowledge to fulfill their responsibilities. The Board is satisfied that the Committee as a whole has competence relevant to the real estate sector and that the Chair, Catherine McIlraith, has sufficient business experience, which combined with her Chartered Accountant certification, gives her the required skills to perform her duties as Chair of the Committee.

Members of the Committee	Gender	Ethnicity
Catherine McIlraith - Chair	Female	White/Caucasian
David Love	Male	White/Caucasian
Jonathan Crichton	Male	White/Caucasian

Meetings of the Committee

During the year under review, the Committee met six times: in October 2022 (2 meetings), February 2023 (2 meetings) and June 2023 (2 meetings).

Members of the Committee	Independent	No. of meetings	Attendance
Catherine McIlraith - Chair	Yes	6/6	100%
David Love	Yes	6/6	100%
Jonathan Crichton	Yes	6/6	100%

In addition to the Committee members, meetings are also attended by the Internal and external Auditors and members of the Group's executive and senior management. To ensure assurance and transparency, the Committee holds secluded sessions with the Internal and External Auditors, in the absence of management when required. The Committee liaises closely with the Risk Committee and may invite any relevant persons to attend Committee meetings. The Chair, who has competence in accounting or auditing, also reports all matters to the full Board. All the members of the Audit Committee as a whole have competence relevant to the real estate sector.

Catherine McIlraith

Chair of the Audit Committee

Roles and Responsibilities

The quality assurance on the financial information that we produce is established by Audit Committee, through ongoing discussions with management and key service providers. The Committee's roles and responsibilities are set out in the Audit Committee Charter (https://grit.group/wp-content/uploads/2023/05/audit-committee-charter.pdf), which has been approved by the Board and is reviewed annually by the Committee.

Key Matters considered by the Committee during the year

- 2022 Annual Report and announcement;
- Fair, balanced and understandable assessment;
- Going concern and viability assessments;
- Internal controls effectiveness;
- Internal Audit update;
- Corporate Governance Code review;
- Non-Audit services policy;
- Valuations reports, assumptions and judgements made by valuers an effectiveness of valuers;
- 2023 Half year results and announcement;
- External Audit plan, fees and engagement letter;
- Annual fraud and anti-bribery and corruption update;
- Whistleblowing Reports;
- TCFD update, including reflecting the risk of climate change in our financial reporting;
- Effectiveness of Audit committee, internal and external auditors;
- Determining accounting treatment and disclosure required for acquisitions and disposals;
- Assessment of principal and emerging risks, key risk indicators and risk appetite; and
- Financial reporting judgements.

In addition to the above further details are provided in Note 1 to the Annual Financial Statements.

Committee Performance Evaluation

The 2023 evaluation of the Board, its committees and individual Directors was internally facilitated by the Group Compliance Manager, in accordance with Grit's yearly evaluation process.

There has been confirmation by the members that the Committee continues to operate effectively, with no significant matters raised.

Please also refer to the Corporate Governance Statement report under "ANNUAL BOARD EVALUATION".

Financial Reporting

A primary responsibility of the Committee is to review and report any concerns to the Board around the clarity and accuracy of the Group's financial statements, including the Annual Financial Report and interim statement. During the year ended 30 June 2023, this included a detailed review of the accounting implications of the integration of GREA, as a joint venture in the Group, including any likely changes to the accounting standards adopted under IFRS.

The Committee continues to bear in mind the general requirement that the financial statements present a 'true and fair view' and also consider the following:

- the accounting policies and practices applied;
- the effectiveness and application of internal financial controls;
- material accounting assumptions and estimates made by management;
- significant judgements or key audit matters identified by the External Auditor:
  - Valuation of investment properties (group)
  - Going concern (group and parent)
  - Accounting for acquisitions and disposals during the year (group)
  - Valuation of Investment in subsidiaries and recoverability of receivable balances (parent); and
- compliance with relevant accounting standards and other regulatory financial reporting requirements including the UK and the MRU Code of Corporate Governance.

The Committee further seeks clarifications from management on these matters, if required, though there is transparent communication from management with the Board, through monthly management packs and ad hoc meetings at the request of the Committee.

Viability Statement

The Committee reviewed the process and assessment of the Company's prospects and viability made by management for the next two years which formed the basis for the viability statement (see pages 48 to 49)

Review of the 2023 Integrated Annual Report

At the request of the Board, the Committee reviews annually whether, in its opinion, the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and whether it provides the information necessary for stakeholders to assess the Company's position, performance, business model and strategy. In carrying out its review, the Committee had regard to the following:

Fairness and balance

- Is the report open and honest, are we reporting on our weaknesses, difficulties and challenges alongside our successes and opportunities?
- Do we provide clear explanations of our KPIs and is there strong linkage between our KPIs and our strategy?
- Do we show our progress over time and is there consistency in our methodology for metrics and measurements?

Understandable

- Do we explain our business model, strategy and accounting policies simply, using precise and clear language?
- Do we break up lengthy narrative with quotes, tables, case studies and graphics?
- Do we have a consistent tone across the IAR?
- Are we clearly 'signposting' to where additional information can be found?

Specific considerations for the 2023 Integrated Annual Report

- Whether there were any significant issues identified;
- Whether we clearly explain the short and long-term impacts of the GREA integration on our business and performance;

- Valuation of property portfolio – the committee analysed the reports and reviewed the valuation outcomes, challenging assumptions made where appropriate. The Committee challenged the valuers on how the changing macroeconomic environment, including rapidly rising interest rates, had impacted valuations
- Interest rates – were sufficient disclosures made on the impact of the changing rising interest rate environment
- TCFD – The Committee continued to review and provide comment on the revised TCFD disclosure and satisfied itself that the TCFD disclosure was appropriate.

As part of the discussions with the auditors and the executives, the Audit Committee challenged the underlining assumptions and parameters that were applied by the Company and the auditors in establishing the viability of the Group and its going concern. The Committee expressed its satisfaction with the outcome of the various scenarios that were run by management, in consideration of each parameter applied.

The Committee paid particular attention to the above to ensure they did not impact on the balance and clarity of the IAR. Following its review, the Committee confirmed to the Board that the 2023 IAR is fair, balanced and provides sufficient clarity for shareholders to understand our business model, strategy, position, performance and outlook. The Committee further confirmed that no significant issue was identified.

Internal Financial Controls

The Audit Committee is responsible to review the adequacy and effectiveness of the Group's system of Internal financial controls as described briefly in the table below on an ongoing basis. The system and its effectiveness are reviewed annually by both the Audit Committee and the Risk Committee, as set out in the Risk Committee report and the Risk Management Framework section on pages 50 to 51.

Governance framework	Our governance framework (see page 102) supports effective internal financial controls.
Financial reviews and internal procedures	An annual budgeting exercise is carried out with quarterly/semi-annual rolling forecasts prepared. A three-year strategic review is prepared annually.
Treasury and tax procedures	Treasury is controlled by the Chief Financial Officer and Finance Director. All transactions are checked, monitored and reviewed by our advisers. Corporate tax returns are prepared by the Finance department supported by our external tax advisers Carpus Tax.
Risk identification and monitoring	The Risk Committee regularly reviews the Group's risk registers, the schedule of key controls and key risk indicators. The schedule of key controls provides evidence of how the controls are being operated and their effectiveness.
Training and staff awareness	Staff are aware of the delegated authority limits set by the Board and confirm their understanding of our internal policies. The Company is working on finalizing a Group Policy Handbook, which will be available to all employees.
External verification	Through the comments and reviews by both the external and internal auditors, recommendations are implemented to improve the internal financial controls.

The Audit Committee reviews the operation and effectiveness of the internal financial controls in the following ways:

- By receiving detailed monthly management reports timeously;
- By receiving reports from and discussing with the internal auditors on such reports; and
- By considering the outcomes of the external audit at year end

The Committee also received updates on the policies and procedures in place and how these are being communicated to and complied with by our staff.

Grit is relatively small in terms of number of employees. Our Group structure is organised to be simple and transparent and our internal control procedures and policies are well established, reviewed annually and subjected to external verification by both our internal and external auditors.

Although the Audit Committee remains satisfied that the review of internal financial controls did not reveal any significant weaknesses or failures and they continue to operate effectively, it was agreed that the documentation and evidence of assurance would continue to be a focus area for the financial year 2023/24. Information on the Risk Committee's review of non-financial internal controls and risk management is available on page 133.

Internal Audit

Internal Audit ("IA") forms part of our 3rd line of defence. This function remained outsourced to KPMG Advisory Services Limited ("KPMG") as at 30 June 2023. The value-add is obtained through the independence and objective assurance provided by KPMG for each Group function that is audited internally, thereby improving Grit's operations. All business units are fully corporative with KPMG, understand the importance of the internal audit function and information is shared with no restriction.

In the course of the year under review, KPMG examined and assessed the activities and the appropriateness of the systems of internal control, enterprise risk management and governance. As part of their duties, the internal auditors reviewed and evaluated compliance with policies and procedures for each business division being reviewed and ensured firm business practices. They also provided the Audit Committee and the Board with a quarterly report of findings and recommendations subsequent to discussions with management around actions and timelines for each review performed. The Board makes use of these reports in evaluating the efficiency of the Group's internal controls and risk management system.

The Audit Committee and Board set-out defined boundaries of authorities within which KPMG operates and this is aligned with the service level agreement. The IA plan is strongly followed, with deviations discussed and agreed at the Audit Committee upfront. A risk-based approach is adopted in preparing the IA plan, and changes in risk profiles and emerging risks are equally considered. An updated IA plan for the financial years running July 2023 – June 2025 July 2023 – June 2024 has been prepared and approved by the Audit Committee, in consideration of recent changes in the Group's operating functions, with the completion of GREA's integration in the Grit Group. A forward outlook approach is implemented in a bid to consider anticipated risks at each Audit Committee and the IA plan and areas to be covered are discussed and revised accordingly.

For the period under review, the methodology used remained the same as previous years and was based on the identification of key inherent risks through an enterprise risk assessment carried out by KPMG to define the IA plan. For every business process under review, the process level risks were clearly identified, and the IA approach consisted of verifying key internal controls in terms of design and effectiveness, with the aim to eliminate or minimize the risks to an acceptable level ("low"), and design appropriate recommendations.

As part of the review process, the internal auditors discuss all business process improvement points identified through the reviews with GRIT Management, who commits on the execution of acceptable remedial steps for the overall benefit of the Company. The Responsible Business department has been mandated by the Audit Committee and the Board, to monitor the agreed deadlines to close on remedial actions.

KPMG's IA team continues to maintain its independence through its internal policies and procedures designed to communicate clearly on every assignment, manage its professional competence, independence and objectivity. The independence of the IA team is also governed by the terms of its engagement letter with the Grit Group. The Audit Committee continues to perform a formal review of KPMG's effectiveness during the course of every financial year.

In the course of the year under review, the IA function had and continues to have a direct reporting line to the Audit Committee and maintains an open communication channel with Management and the Chairperson of the Audit Committee. This reporting structure permits KPMG to remain independent and report all items of significance to the Committee and ultimately to the Board.

The IA Plan for the financial year ended 30 June 2023 covered the following areas:

- Treasury Cycle Review;
- Real Estate Management Process Review; and
- Data Migration Review

Effectiveness Review of the Internal Auditors

The Audit Committee has been pleased overall with the work performed by KPMG and with the additional assurance received from their reviews. Management has implemented the recommendations made by KPMG on the internal controls around the investment and facilities management functions, and system improvements have been rolled-out to all business units where necessary. The recommendations on data migration are still in progress and the Committee would continue to monitor these till complete implementation.

The annual effectiveness review of the internal auditor included a consideration of their roles and responsibilities, review of the quality of audit work undertaken and the skills and competence of the audit teams. Key stakeholders across the Group, including Committee members, Head of Responsible Business, Head of Integration, Head of Real Estate and other senior employees, completed a questionnaire to assess the effectiveness of the internal auditor. The committee concluded that KPMG had discharged its duties as internal auditor effectively throughout the year.

External Auditor

The Audit Committee has primary responsibility for managing the relationship with the External Auditor, including assessing their performance, effectiveness, and independence annually and recommending to the Board their reappointment or removal. Accordingly, the Chair of the Audit Committee and the CFO would have regular meetings to discuss findings raised by the external auditors in a timely manner to ensure a smooth audit process.

PricewaterhouseCoopers LLP (PwC) remain the Group's External Auditor since appointment in the audit purposes in 2018.

The tenure of the statutory auditors is for one year, subject to annual re-assessment as set out below and in accordance with the guidance from the Financial Reporting Council.

Annual review of the External Auditor

Based on the Audit Committee's satisfaction with their assessment of the independence, objectivity and effectiveness of the external auditors, it has been recommended to the Board that PricewaterhouseCoopers LLP be re-appointed.

While assessing the effectiveness of the External Auditors following the year end audit, the Committee reviewed the audit plan, which was focused on risk and materiality, and considered the quality of their planning, whether the agreed plan had been met, the extent to which it was tailored to our business and its ability to respond to any changes in the business.

The results of the assessment revealed the Committee was satisfied that PricewaterhouseCoopers LLP had performed their audit effectively, efficiently and to a high quality. Once again this is why the Committee had recommended that the External Auditor be maintained for the year ending 30 June 2024.

Any feedback arising from the annual assessment are discussed with the External Auditor for implementation into the audit plan for the next year end audit. Likewise, any key accounting issues or judgements made by management are monitored and discussed with the Audit Committee throughout the year.

Non-audit services

The purpose of our Non-Audit Services Policy (https://grit.group/wp-content/uploads/2023/09/Grit_Non-Audit-Services-Policy_final.pdf) is to ensure that the provision of such services do not impair the external Auditor's independence or objectivity. We align our Non-Audit Services policy to the latest FRC Ethical Standards.

Non audit services provided by PwC during the financial year ended 30 June 2023, as approved by the Audit Committee and recommended to the Board for approval, related to services for the online accounting manual.

	30 June 2023 US$'000	30 June 2022 US$'000
PwC UK	1	16

RISK COMMITTEE REPORT

2023/24 Focus Areas

- Ongoing enhancement of the enlarged Group's risk management framework and methodology;
- Monitoring the Group's principal and emerging risks, with a focus on the impact of geopolitical issues, interest and inflation rates on the business;
- Closely tracking the Group's key development projects; and
- Working on enhanced monitoring/reporting of climate-related risks.

Risk Committee

The governance of the Company rests on the Board, which has the ultimate responsibility of aligning the nature and extent of the principal risks that the Group is willing to take, to its strategic objectives. The responsibility of risk identification and management has been assigned to the Risk Committee (the "Committee") (refer to pages 50 to 51). The Committee is liable for the risk management processes that are in place and provides assurance to the Board on the effectiveness of the internal controls and processes, in managing the risks to which the business is exposed. To gain a comprehensive understanding of the risks to which the Company is exposed, and the management thereof, the Committee receives quarterly reports and presentations on any specific risks to be considered, from senior management and external advisers (Tax, Insurance Brokers and IT), as well as internal auditors. The Committee is involved in internal audits through their contribution in identifying risks and in defining the scope of internal audit reviews for Audit Committee consideration and Board approval.

Grit's principal risks (refer to pages 54 to 57) continue to be assessed on an on-going basis and documented in a risk schedule which includes a comprehensive overview of the main controls in place to mitigate the likelihood of each risk and its potential impact on the Company.

During the year under review, the Risk Committee and the Board reviewed and approved the Group's risk assessments on a quarterly basis. As part of the risk assessments process, emerging risks that could have a potential impact on the Company's operations in the short to medium term are identified and monitored on specific risks register, which is equally assessed on an on-going basis with a forward outlook. Overall, the Board is satisfied that a robust assessment of the company's emerging and principal risks has been carried out.

The Committee confirmed its satisfaction on the Group's internal control and risk management framework for the period under review. The confirmation highlighted that:

- Through-out the reporting period, the Group's internal control and risk management framework was efficient in managing the Company's external risks, strategic risks, financial risks, operational risks, Information Technology risks as well as Legal and compliance risks; and
- The Group's internal control and risk management framework continued to be aligned with the guidance confined within the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Jonathan Crichton
Chair of the Risk Committee

The Group's Risk Management Framework ("the Framework") and Policy were reviewed during the reporting period, and continuous reporting is done through the various discussion sessions and via several channels.

The Framework defines how the Company will identify, assess, monitor and respond to risks as summarized below:

Risk Management Framework

1 Identify

Risks are identified through workshops between the Directors, members of the C-Suite and senior management team, and appointed Risk Champions using analytical techniques, independent reviews as well as historical data and experience.

2 Assess

Following the identification of a potential risk, the members of the C-Suite and senior management team and Risk Champions undertake a detailed assessment process to gain sufficient understanding of the risk to allow an effective and efficient mitigation strategy to be determined.

3 Manage – risk response and action plan

Controls and procedures are implemented in response to identified risks with the aim of reducing the Group's risk exposure, so that it is aligned to or below our risk appetite as approved by the Board. These measures may be tactical changes such as new controls or more strategic projects.

4 Monitoring and Reporting

As part of our risk management procedure, risk owners and the Committee routinely conduct monitoring exercises to ensure that risk management activities are being consistently applied across the Group, that they remain sufficiently robust to monitor significant risks and to identify any weaknesses or enhancements which could be made to the procedures.

Refer to our Group Risk Management Policy on https://grit.group/wp-content/uploads/2023/09/2023_Grit-Risk-Management-Policy.pdf for more detail on our Risk Management structure and framework.

Committee Composition

As at 30 June 2023, the Committee comprised of three independent Non-executive Directors. Given that the responsibility for reviewing the internal financial controls of the Group equally rests on the Risk committee, the composition of the Committee ought to be of only independent non-executive directors.

The Company is currently compliant with provision 25 of the Corporate Governance Code as at the reporting date. However, the composition of the Risk Committee was not compliant up to 12 February 2023. Following the change in shareholder of Botswana Development Corporation ("BDC") in December 2021, as a result of which the latter became a substantial shareholder of Grit, Cross Kgosidiile was no longer considered as independent. Mr. Kgosidiile stepped down from the Risk Committee with effect from 13 February 2023, following which the composition of the Risk Committee then became compliant with the UK Code.

Meetings of the Committee

During the year under review, the Committee met three times: in October (2022), February and June (2023). Committee meetings continue to be held via tele/videoconference calls, with some Committee members attending in person as and when possible.

Members of the Committee	Independent	No. of meetings	Attendance
Jonathan Crichton – Chair	Yes	3/3	100%
David Love	Yes	3/3	100%
Catherine McIlraith	Yes	3/3	100%
Cross Kgosidiile	No	1/1*	100%

* *Refer to notes under "Committee Composition".*

The Risk Committee continues to liaise regularly with the Audit Committee and could invite any relevant persons, including the CFO, to attend Committee meetings. The Chair of the Committee also reports all key matters to the Board.

Roles and Responsibilities

The roles and responsibilities of the Committee are fully set out in the Risk Committee Charter which is available on the Company's website at https://grit.group/wp-content/uploads/2023/05/risk-committee-charter.pdf. The ultimate responsibility of the Risk Committee is to review the effectiveness of the risk management and internal financials controls on an ongoing basis.

More information on Risk Management can be found on pages 50 to 51.

Key activities during the year under review

- Performed thorough review of the Company's risk management strategy around key risks including interest rates and climate change, by challenging the actions proposed by management. Throughout the year, the Board was made aware of all significant findings;
- Interrogated the updates on country and specific risks affecting the business, and followed-up on the action plans to curb the specific risks within a reasonable timeframe;
- Established the integrity of the internal control framework through Internal Audit reports findings and engagement with the Audit Committee;
- Carried-out quarterly reviews of the following registers across the Group:
  - Warranties/Guarantees/Indemnity Register and enhancements thereto, for both existing and potential investment transactions;
  - Related party register (enhancements thereto and requesting Directors to provide updates as regards their list of directorships and shareholdings);
  - Litigation register;
  - Register of compliance with covenants;
  - Register of mortgages and charges;
  - Register of building permits and licenses; and
  - Register of IT licenses.

- Challenged the adequacy of insurance coverage for both new and existing covers, and ensured all renewals were completed in time for effective cover;
- Took note of the action plans towards meeting the compliance requirements associated to the special licenses received by Grit Services Limited – Asset Management Licence, Global Treasury Activities Licence and Global Headquarter Activities Licence;
- Interrogated the efficacy of the Company's IT General Framework and the adequacy of the disaster recovery and business resumption plans, as well as reviewed the Group's IT reports quarterly;
- Performed the annual review of the Group's Risk Management Policy as well as Committee charter and annual work plan;
- Received quarterly updates on compliance with debt facility covenants and challenged management actions on covenants approaching threshold limits;
- Queried the updates on assessments and other tax-related issues shared and presented in the Corporate Tax reports quarterly; and
- Performed reviews and approvals of the Group Delegation of Authority matrix as and when required by management.

Cyber Security

As ransomware continues to be a threat to businesses across the Globe, our IT service provider – TripleTech performs live monitoring of our entire IT infrastructure, using Crowdstrike to perform IT health checks as part of internal control.

The Group's disaster recovery process as well as business continuity plan and cyber security controls were reviewed and enhanced during the reporting period, to cater for any new cyber security threats that could affect the business. We adopt a layered approach to cyber security through policies and procedures around various IT securities – physical, perimeter, internal, host, as well as application and data security, which provides various opportunities for threats to be promptly identified and addressed, before any impact could be felt by the Group.

Information Security

As part of our periodic awareness sessions, all Grit staff have been made fully aware of the significance of our Information Security and Data Protection Policy and the consequences of non-compliance on the Group -refer to https://grit.group/wp-content/uploads/2023/09/2023_DATA-PROTECTION-POLICY.pdf. Our information security and acceptable use policy is reviewed annually (or when required) by the Responsible Business department and is approved by the Risk Committee. The purpose of this policy is to outline the acceptable use of computer equipment and information assets at the Company and is applicable to GRIT and all employees/contractors. The risks surrounding inappropriate use of information to the Group cannot be overemphasized, and all staff have been made fully aware of the severity thereon.

The Board is ultimately responsible for the Information Technology Governance ("ITG") of the Company, which is built around several policies and procedures. The duty of ensuring that the IT risks pertaining to financial obligations, has been delegated to the Risk Committee, together with the satisfactory management of the going concern status of the Company.

A live monitoring system is utilized to generate system health check reports that are presented to the Committee at quarterly Risk Committee meetings. Likewise, monthly performance monitoring reports are pulled from the IT system and submitted to the Responsible Business department and the CFO, for specific process implementation verifications and improvements where required.

The Group's IT Governance Framework is composed of several IT-related policies, which are maintained and reviewed by the IT service provider and the Committee. For security reasons, our detailed IT policies have not been shared on our website, but a synopsis is available at https://grit.group/wp-content/uploads/2023/09/Grit-IT-Policies-Summary.pdf.

Data Protection

In order to ensure that all personal data collected is protected in compliance with the Mauritius Data Protection Act 2017 (the "DPA"), the Data Protection (Bailiwick of Guernsey) Law, 2017 ("Guernsey DPL") and the European Union's General Data Protection Regulation 2016/679 (the "GDPR"), the Company has maintained an updated Data Protection Policy - refer to https://grit.group/wp-content/uploads/2023/09/2023_DATA-PROTECTION-POLICY.pdf.

Through our operational company, Grit Services Limited, Grit is also registered as a Data Controller under the DPA, and we ensure that all contracts in which personal information is shared, have data protection clauses under which the recipient of the data undertakes to protect such personal data in case of collecting, procuring, retaining, processing, transferring or disclosing it.

Insurance

An inevitable means of managing risk across the Group is insurance, which is taken up for specific risks that can be controlled through appropriate insurance covers.

Throughout the period under review, we made use of an insurance broker with which we have built a strong business relationship that spans to the main insurers and reinsurers providing cover across Grit's investment territories. Our insurance brokers have continued to show proof of their understanding of our business environment through the value-add we have realized from the guidance and advice received on the type and extent of covers we have taken at the renewal of both asset and corporate covers.

Property damage and loss of income continue to be the principal risks to which the Company is exposed, and as a means of control, we have maintained our comprehensive asset all risk and business interruption policy that covers the assets against loss from complete property damage and loss of income during reconstruction.

Given the inherent risks in the countries in which Grit invests, the Company has maintained its comprehensive insurance covers against the impacts of political violence and terrorism on our business. Throughout the year under review, we carried-out country risk assessments on existing as well as new jurisdictions, at the feasibility stages of each transaction.

Business Continuity and Disaster Recovery

The responsibility of the Disaster Recovery ("DR") and Business Continuity Plan ("BCP") of the Company rests with the Risk Committee and the implementation of the measures therein are delegated to the Responsible Business department. While we survived the ordeal of Covid-19 during which the resilience of our DR and BCP were stress-tested with success, we have continued to review and monitor the effectiveness and reliability of the DR framework of our IT infrastructure and systems connectivity, through the ongoing monitoring and system health checks, as well as periodic reporting and testing conducted by our IT service provider. Daily backups on the on-site and off-site servers and data restorations are performed and reported to the Committee and management as required. As at reporting date, all tests returned successful for DR, backup s and data restoration.

Anti-bribery and Corruption

At Grit, we remain committed to the highest standards of ethical conduct and integrity, which forms part of our business ethos. We continue to adopt a zero-tolerance approach to bribery and corruption and withheld this practice throughout the period under review.

Refer to the table below for a summary of the Company's policies relating to anti-bribery and corruption.

All employees will receive refresher training on anti-bribery and corruption during FY2023/2024 as part of the mandatory compliance training programme.

Principle	How Grit Manage it	Applicable Policy
Corporate hospitality	Hospitality must be reasonable in value, appropriate to the occasion and provided openly and transparently. It must not compromise, nor appear to compromise, the Group nor the business judgement of our staff.	Grit Group Gifts and Hospitality Policy
Business gifts	Generally, gifts should not be accepted unless valued less than US$75, are not cash or a cash equivalent (e.g. gift certificate), are appropriate to the circumstances and are not given with the intention of compromising or influencing the party to whom it is being given.	Grit Group Gifts and Hospitality Policy
Hospitality and Gift Returns	All staff are required to complete quarterly Hospitality and Gift Returns which document all instances of third- party hospitality or gifts (given or received) if the value is in excess of US$75 for hospitality and for gifts. The Hospitality and Gift Returns are subject to review by the Risk Committee.	Grit Group Gifts and Hospitality Policy
Political donations	The Company strictly prohibits any political donations being made on its behalf.	Grit Group Gifts and Hospitality Policy/Corporate Fraud, Anti-Bribery & Corruption Policy
Charitable donations	Charitable donations are handled by the ESG Exco, under the supervision of the Responsible Business Committee. 'Know your client' procedures are applied to charitable organisations to ensure we are dealing with a valid body acting in good faith and with charitable objectives.	Sustainability Policy
Purchase cycle process flow	Contains the minimum KYC we expect from our suppliers	Group Accounting Manual/ Corporate Fraud, Anti-Bribery & Corruption Policy
Payments	All payments made must be warranted, transparent and proper. All payments must be accurately recorded through the normal accounting and financial procedures without any deception or disguise as to the recipient's identity or the purpose of the payment in question. No one approves their own expense claim. For all approvals linked to expense claims, there is a capturer and approver process/actioner and controller process.	Group Accounting Manual/ Corporate Fraud, Anti-Bribery & Corruption Policy
Facilitation payments	Facilitation payments are bribes and are strictly prohibited.	Corporate Fraud, Anti-Bribery & Corruption Policy/Group Accounting Manual
Conflicts of interest	All conflicts of interest or potential conflicts of interest must be notified to the Company Secretary/Group Corporate Secretary and a register of such notifications is maintained. The Corporate governance statement on page 99 explains our process for managing potential conflicts.	Corporate Fraud, Anti-Bribery & Corruption Policy/Grit Conflict of interest Policy
Training	We provide our employees with guidance notes and regular training on anti-bribery, corruption, ethical standards and the prevention of the facilitation of tax evasion.	
Whistleblowing procedures	A confidential reporting helpline is available for staff to raise concerns anonymously (see page 114).	Whistleblowing Policy
Record Keeping / Retention	Grit is currently reviewing its Record Keeping Policy to comply with applicable laws and legislations, given its geographical presence.	Record Keeping Policy

Committee Performance Evaluation

The 2023 evaluation of the Board, its committees and individual Directors was internally facilitated by the Group Compliance Manager, in accordance with Grit's yearly evaluation process.

There has been confirmation by the members that the Committee continues to operate effectively, with no significant matters raised.

Please also refer to the Corporate Governance Statement report under "ANNUAL BOARD EVALUATION".

RESPONSIBLE BUSINESS COMMITTEE REPORT

David Love

Chair of the Responsible Business Committee

The Responsible Business Committee ("Committee") supports the Board with the oversight and reporting on organizational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships.

The commitment to sustainable development involves ensuring that the Company conducts business in a manner that meets existing needs without knowingly compromising the ability of future generations to meet their needs.

2022/23 Focus Areas

Continue to operate as a sustainable business and enhance our monitoring and reporting (also enhance on the technical standards, scoring framework and the way data is collected) thereof, including consideration of the following:

- the six pillars of Grit's ESG priorities (refer to "Responsibility" under Strategic Section)
- Mechanisms to achieve targets set to achieve 25% reduction in Group carbon emissions and building efficiency by 2025;
- Reporting against ISSB standards;
- implementing Impact measurement and management process;
- comprehensive stakeholder consultation process and reporting;

Committee Composition

As at 30 June 2023, the Committee is comprised of four Non-executive Directors, three of which are independent, as per table and notes set out under "Meetings of the Committee" and whose biographies are set out in the Board and Committees section of this IAR.

Meetings of the Committee

During the year under review, the Committee met three times: in October 2022, February 2023 and June 2023.

Members of the Committee	Independent	No. of meetings	Attendance
Catherine McIlraith	Yes	3/3	100%
David Love - Chair	Yes	3/3	100%
Sam Jonah	Yes	2/3	66.6%
Nomzamo Radebe*	No	1/1	100%
Cross Kgosidiile*	No	2/2	100%

* *Mrs Nomzamo Radebe resigned as a director of the Company on 05 February 2023 and Mr. Cross Kgosidiile was appointed a member of the Committee on 13 February 2023.*

Roles and Responsibilities

The Committee's roles and responsibilities are set out in the Responsible Business Committee Charter, which has been approved by the Board and is reviewed annually by the Committee. The full Charter is available on the Company's website at: https://grit.group/wp-content/uploads/2023/05/responsible-business-committee-charter.pdf.

Key Activities during the year under Review

During the year under review, the Committee considered and was involved in the following:

- Sustainability Policy and framework and the monitoring against targets;
- ESG and EPRA sustainability reporting;
- TCFD reporting;
- Monitoring of whistleblowing reports;
- Health and Safety monitoring and keeping updated on progress towards becoming ISO450001 certified;
- Related party register and transactions;
- Monitoring the progress of the ESG action plan – Materiality assessment and Carbon footprint;
- Edge certification roll out plan for all new developments and existing assets;
- EcoDistricts certification for The Precinct; and
- Monitoring of the progress made against the KPI's in relation to the Syndicated loan which are: Reducing electricity consumption by 25% by 2025 and maintaining at least 40% woman in managerial positions, which includes the Board.

The Company has a zero-tolerance policy in respect of committing or concealment of fraudulent acts by employees, contractors or suppliers.

Grit promotes the highest standards of ethical behavior among all persons involved in the Group's operations in line with its adopted Code of Ethics and Business Conduct Policy for the Company, which can be found on the Company's website at https://grit.group/wp-content/uploads/2023/09/2023_Code-of-Ethics-and-Business-Conduct-Policy.pdf.

Committee Performance Evaluation

The 2023 evaluation of the Board, its committees and individual Directors was internally facilitated by the Group Compliance Manager, in accordance with Grit's yearly evaluation process.

There has been confirmation by the members that the Committee continues to operate effectively, with no significant matters raised.

Please also refer to the Corporate Governance Statement report under "ANNUAL BOARD EVALUATION".

This report should be read alongside the Responsibility section on pages 60 to 78, which provide detailed information on Grit's Environmental, Social and Governance related activities.

REMUNERATION COMMITTEE REPORT

2022/23 Focus Areas

Job Levelling and Benchmarking: Complete the job levelling exercise and conduct a benchmarking exercise to ensure alignment.

Performance Condition Review: Continuously assess the effectiveness and relevance of performance conditions for the long-term incentive plan.

Employee Satisfaction and Talent Retention: Maintain a focus on enhancing employee satisfaction and retaining key talent.

Shareholder Engagement: Sustain ongoing engagement with shareholders regarding the Remuneration Policy and its implementation.

Statement from the Chair

Fostering Equitable Remuneration at Grit

In light of the challenges faced by Grit in the property sector across various geographical regions, we steadfastly uphold the belief that a well-structured, equitable, and market-responsive remuneration strategy is instrumental in both motivating and retaining top-tier talent. Grit's remuneration framework has been designed to support the company's goals of attracting and retaining exceptional individuals who contribute to the sustained value for all our stakeholders.

During 2023, Grit's commitment to equitable and responsible remuneration was affirmed as the Remuneration Committee ("RemCo") approved our policy, exercising their oversight responsibilities in accordance with their mandate and adhering to the principles of sound corporate governance.

Catherine McIlraith

Chair of the Remuneration Committee

What the committee did in FY23

Key areas of focus for the Remuneration Committee were:

Remuneration Element	Key Activities
Total Guaranteed Package ("TGP"), including benefit	• Approved no annual increase for Executive Directors, employees earning salaries in USD and NEDs. • Approved an annual increase for FY24, for all other employees aligned with local CPI.
Equitable and Responsible pay	• Approved the introduction of the Hay level for our job levelling and reviewed its progress. • Approved the implementation of an internal pay ratio benchmarking aligned to our Code of ethics and Remuneration policy ensuring fair pay and non-discriminatory pay gaps. • Amended the Remuneration policies to accommodate new performance conditions, incorporating ESG factors into the remuneration framework.
STI	• Reviewed the STI performance outcomes against the FY22 Corporate Performance conditions, including Individual performance factor. • Approved the executive director bonus outcomes and aggregate outcomes for employees and management eligible to STI. • Exceptional performers were rewarded with discretionary bonuses by the RemCo.
LTI	• Approved the annual performance conditions for the FY23 share awards. • Reviewed and approved proposed share awards of executive directors and eligible employees. Award letters issued in FY23.
Governance	• Endorsed revisions to the Remuneration Charter and Work-Plan. • Reviewed the Remuneration policies. • The Chairman engaged with employees regarding areas of responsibility. • Following the Nov 22 AGM, we engaged with dissenting shareholders on the implementation of the remuneration policy for FY22
Non-Executive Directors	• Reviewed and recommended FY23 non-executive directors fees for approval at the AGM that was held in Novemeber 2022

Linking Executive Directors' remuneration with our purpose and strategy

In FY23, Grit's Remuneration Policy remains dedicated to its core principles of simplicity and transparency, aiming to foster effective stewardship crucial for achieving the Group's overarching mission i.e. to deliver superior long-term returns to our shareholders while simultaneously generating social and economic benefits for all stakeholders.

The assessment of progress toward strategic objectives is primarily based on key performance indicators (KPIs), which are largely integrated into the executive remuneration framework.

Role of the Remuneration Committee

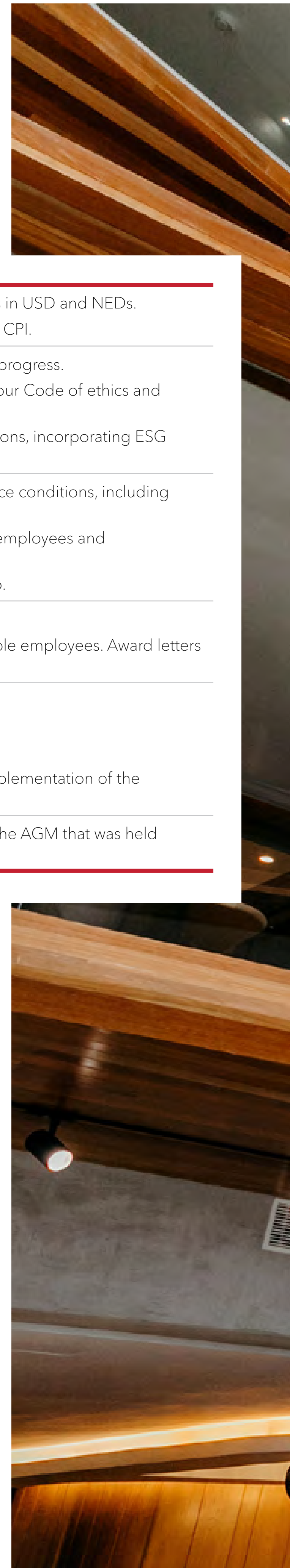
The Remuneration Committee ("RemCo") is delegated with the authority from the Board to establish an independent role to determine the Group's remuneration policy and practices, the payment of bonuses and retention schemes of Executive directors and senior management for approval by the Board. The RemCo ensures that all employees, Executive and Non-executive Directors are appropriately remunerated in accordance with Grit's strategy as well as its short- and long-term incentive schemes. The RemCo's chairperson reports to the Board following each Remco meeting and accordingly makes recommendations to the Board for its consideration and final approval. The Remco chairperson attends the AGM to respond to questions from shareholders on the Remco's areas of responsibility.

The RemCo attended to all activities set out in the Remuneration Work-Plan during the year, and in accordance with the Remuneration Charter ("Charter").

Roles and responsibilities

The RemCo 's roles and responsibilities are set out in the Remuneration Committee Charter, which has been approved by the Board and is reviewed annually by the RemCo.

The full Charter is available on the Company's website at: https://grit.group/about-us/#corporate-governance. The Charter fully complies with the requirements of the UK Code and the National Code of Corporate Governance for Mauritius 2016 ("MRU Code").



Committee Composition and meetings

For the year under review, the Remco comprised of Peter Todd (Chairman of the Board) and two independent non-executive directors. Since the Chairman of the Board, per Provision 11 of the UK Code, was deemed not to be an independent non-executive director, the Remco was not compliant with the UK Code. Per Provision 32 of the UK Code, all members of the Remco must be independent non-executive directors. To remedy this, with effect 1 October 2023, Peter Todd ceased to be a member of Remco and Lynette Finlay was appointed. The composition of the Remco is now fully compliant with the UK Code. The RemCo met in November (2022), February and June (2023).

The table below sets out the meeting attendance and diversity of the RemCo for the year ended 30 June 2023.

Members of the RemCo	Gender	Ethnicity	Independent	No. of meetings	Attendance
Catherine McIlraith-Chairman	Female	White/ Caucasian	Yes	3/3	100%
Peter Todd	Male	White/ Caucasian	No	3/3	100%
Sir Samuel Jonah	Male	Black/ African	Yes	2/3	67%

The biographies of the members are set out on the website - https://grit.group/about-us/#corporate-governance.

The table below shows the diversity of RemCo from 01 October 2023.

Members of the RemCo	Gender	Ethnicity	Independent
Lynette Finlay	Female	White/Caucasian	Yes
Catherine McIlraith	Female	White/Caucasian	Yes
Sir Samuel Jonah	Male	Black/African	Yes

Committee performance evaluation

The 2023 evaluation of the Board, its committees and individual Directors was internally facilitated by the Group Compliance Manager, in accordance with Grit's yearly evaluation process.

There has been confirmation by the members that the RemCo continues to operate effectively, with no significant matters raised.

Please also refer to the Corporate Governance Statement report under "ANNUAL BOARD EVALUATION".

Advisers to the Committee

The RemCo has authority to obtain the advice of external independent remuneration consultants.

During the year under review, the RemCo engaged with various third parties provided assistance on corporate tax consultancy and employment tax consultancy, among other services to the Group.

The Committee assesses the advice given by its advisors to satisfy itself that it is objective and independent.

- Korn Ferry – Engaged to perform Global benchmarking and job levelling exercises, due for completion in FY24.
- Stephenson Harwood LLP – Legal advisors on the UK Code and the Long-term incentive plan
- One Advisory – Advice on compliance with the UK Code
- Carpus tax – Advisors on corporate and employment tax compliance across all jurisdictions.

The Remuneration Policy

The remuneration policy, and its application, is reviewed on an ongoing basis to ensure that the pay outcomes are competitive and in accordance with regulatory requirements, aligned to the LSE peer groups.

Grit has a performance-based remuneration philosophy that promotes the Group's entrepreneurial culture. The Remco ensures that the remuneration for Executive Directors is aligned with our key remuneration principles which are detailed below, as well as taking into account the principles of clarity, simplicity, risk, predictability, proportionality and alignment set out in the UK Code.

The following guiding principles underpin the performance-based remuneration philosophy which applies to all staff:

Total remuneration	Grit Group adopts both guaranteed and variable pay to reward its staff. The variable pay currently comprises of a short-term incentive (STI) plan, a long-term incentive (LTI) plan and a Discretionary Bonus based on Outstanding Contributions to the business. The total remuneration will comprise an appropriate balance of these reward elements. Grit Group embraces defensible differentiation in pay whereby a greater proportion of reward is distributed to the highest performers.
Attract, retain and motivate	Support the attraction and retention of staff by ensuring effective pay for performance culture which enables the Company to attract, retain and motivate Executive Directors who have the skills and experience necessary to deliver the Group's purpose. Advocate and ensure equal remuneration for work of equal value.
Clarity, simplicity and transparency	Ensure that remuneration arrangements are clear, simple and transparent to key stakeholders and take account of pay policies for the wider workforce. The reward philosophy, principles and structures are to be openly communicated, to internal and external stakeholders, with the annual reward opportunity and alignment to individual performance being communicated to the individual.
Performance aligned to strategy and culture	Align executive remuneration with the Group's objectives and long-term strategy of value creation for all stakeholders and reflect our culture through a balanced mix of short- and long-term performance-related pay and ensure that performance metrics remain ESG focus and effectively aligned with strategy.
Sustainability and Risk management	Promote long-term sustainable performance through sufficiently stretching performance targets, whilst ensuring that the incentive framework does not encourage Executive Directors to operate outside the Group's risk appetite. (Refer to Risk Management section on page 50). Malus and claw back provisions apply to annual bonus and LTIP awards, and the Committee has the means to apply discretion and judgement to vesting outcomes as well as ensuring compliance with regulatory changes.
Stewardship	Promote long-term shareholdings by Executive Directors that support alignment with long-term shareholder interests. Executive Directors are subject to within-employment and post-employment shareholding guidelines. Once LTIP awards have vested there is a two-year holding period during which Executive Directors are not able to sell their shares to support sustainable decision making.
Predictability & Affordability	The Remuneration scenarios for Executive Directors' on page 146 indicate the potential values that may be earned through the remuneration structure. Total remuneration costs need to be affordable at an individual corporate entity level and justifiable to employees and stakeholders.
Proportionality, fairness	Total remuneration should fairly reflect the performance delivered by the Executive Directors and the Group. The Committee takes into account underlying business performance and the experience of shareholders, employees and other stakeholders when determining vesting outcomes, ensuring that poor performance is not rewarded. The Committee considers the approach to wider workforce pay and policies when determining the Remuneration Policy to ensure that it is appropriate in this context.
Market competitive	The Company's defined market position for Total Guaranteed Pay is at the 50 percentile or median, with a bell-shaped curve around the median, ranging from new entrants at the lower end to sustained high performers at the higher end of the pay-scale. The company conducts External benchmarking against the peer group every 2 years and Grit Group endeavours to pay at or around the industry specific median for on-target performance. The primary peer group for purposes of benchmarking pay will comprise of other similar sized property funds listed or multi-listed on the London & Mauritius stock exchange. Benchmarking is used only as a guide to determining market competitiveness of remuneration levels.

A copy of the complete Remuneration Policy can be found on the company's website at https://grit.group/wp-content/uploads/2023/09/2023-Remuneration-Policy.pdf

Remuneration elements

The following table sets out the key elements of Grit's remuneration structure:

Fixed pay

Base Salary

Definition	The company normally reviews guaranteed package adjustments on an annual basis, in June effective from July each year. Adjustments can also be made when individuals are promoted to a higher level, with Executive promotions needing approval from the Remuneration Committee and staff-level promotions requiring approval from the Executives. Annual adjustments to Guaranteed Package are discretionary and are determined with reference to a projected consumer price inflation, affordability within the legal entity, skills scarcity, compa-ratio, internal value (position in the job hierarchy), individual performance and external value (relative positioning in the market). Appraisal of performance remains a major factor in the determination of an individual's guaranteed package. External benchmarking is conducted every 2 years and Grit Group endeavours to pay at or around the industry specific median for on-target performance. Benchmarking will be conducted using local/country executive remuneration surveys as well as peer group companies.
Strategic Intent and Eligibility	To attract, retain and motivate employees to achieve operational and strategic objectives. To reward all permanent employees for completion of their base role requirements and competencies.
Performance Link	A broad assessment of Individual performance and corporate performance is considered as part of salary review.

2. Benefits

Definition	Benefits include, but are not limited to, private medical insurance, car and fuel allowances, and life assurance. Executive Directors have the opportunity to participate in these benefits and other all-employee schemes, adhering to service providers approved limits, just like other employees. Under specific conditions, the RemCo has the authority to approve additional on/off or ongoing allowances or benefits related to the relocation of an executive director and employees, as needed to fulfil their role. Moreover, our policies allow for reimbursement of reasonable business-related expenses. Should it be deemed appropriate, the RemCo may introduce additional benefits.
Maximum Opportunity	In determining the value of benefits, the RemCo does not specify a fixed upper limit. Instead, it assesses an appropriate level, considering various factors, such as the overall cost incurred by the company in securing these benefits, individual situations, benefits offered to the broader workforce, and the broader market standards.

Variable pay

Short-term Incentives (STI)

Definition	A short-term incentive to reward executives, senior management and key talent who achieve and exceed their individual and company annual performance targets. Participating Employees only become eligible to benefit from the STI scheme after successful completion of the 6-month probation period. To receive payment the recipient must be in the employ of the company at the time of payment and must not be under notice of termination or poor performance. Usually paid annually once the financial figures have been finalised and audited. Awards are at the sole discretion of the Remco. The RemCo retains the discretion to review and moderate STI awards to avoid any unexpected outcomes. The Board approves the STI awards, considering the recommendations made by the RemCo. Awards under the STI plan are not guaranteed and Management reserves the right to amend the design of the plan from time to time.
Strategic Intent and Eligibility	To encourage superior performance by rewarding key/strategic employees against the achievement of their KPIs. To attract, motivate and retain strategic employees who are accountable for, and contribute to, the achievement of key short-term business performance measures.
Performance Link	The STI plan is a key driver of the company's strategy. This is demonstrated through the careful selection of performance conditions that are aligned to the company's strategy. The performance metrics are reviewed and approved annually by the RemCo
Maximum opportunity	The maximum percentage of Base Salary varies at each level for staff. The maximum is 80% of annual Base Salary for Executives

Discretionary Bonus

Definition – STI Plan	An opportunity to formally recognize employees at any level who have made an exceptional contribution to the business, on a once-off or short-term basis, which is over and above the employee's normal job requirements and is worthy of recognition.
Strategic Intent and Eligibility	To encourage a culture of going above and beyond the requirements of the job and recognising outstanding performance and contribution to the business at all levels in the Company.
Performance Link	Extraordinary performance over and above achievement of KPIs.
Maximum opportunity	In determining the value, the RemCo does not specify a fixed upper limit. The amount is discretionary but subject to Remco's approval if award put forward is more than 1 x annual salary.

4. Long-term incentive Plan

Definition	The long-term incentive (LTI) is a shared based incentive, which purpose is to reward the forward looking performance and service conditions over a combined vesting and holding period of generally five years. It aims to align the interests of Senior Executives with those of shareholders and to aid in maintaining a stable Senior Executive team.
Strategic Intent and Eligibility	It is expected that awards will be granted on an annual basis to help attract, retain and incentivise key employees and consultants. All employees within the Company's group (and a small number of consultants) shall be eligible to be considered for an award at the discretion of the RemCo; however, participation will normally be focused on those individuals who can and are expected to have the greatest positive impact on the delivery of long-term performance and value creation.
Performance Link	The LTIS is a key driver of the company's strategy. This is demonstrated through the careful selection of performance conditions determined and set by the Board on or prior to the grant of an award and shall be based on the achievement of stretching and demanding performance conditions and targets linked to the achievement of separate long-term financial and non-financial targets.
Maximum opportunity	The maximum aggregate market value of the shares awarded to an individual in a financial year cannot exceed 150% of that individual's base salary (or 200% of base salary if the Board decides that exceptional circumstances exist). Awards granted in excess of the individual limits will be void as to the excess.

Short-term incentive (STI) Plan

The STI is a payment that varies each year in accordance with annual corporate performance factor (CPF) of the Group and the individual performance factor (IPF) of the individual.

Guiding principles

The actual individual STI award is determined by a formula which is set by the RemCo and recommended to the Board for final approval. The generic formula is set out below:

Participants	STI on target
Executive Directors	80%

The table below shows the weighting between the Corporate Performance and Individual Performance factors:

Participants	Company	Individual
Executive Directors	70%	30%

Individual Performance Factor (IPF)

Individual Performance Factor will be determined according to the overall performance evaluation outcome as set out below:

Moderated performance appraisal rating	Description	Individual Performance Factor (IPF for 2020 Financial Year)
1	Unsatisfactory Performance	0%
2	Needs Improvement	0%
3	Meets Requirements	80%
4	Exceeds Requirements	100%
5	Outstanding performance	120%

Corporate Performance Factor (CPF)

The CPF is determined through Performance conditions made up of financial and non-financial metrics as detailed in the table below. The targets were approved by the RemCo for FY23:

Financial Based Metrics	Target	Weightage
Total (accounting) return - measured by EPRA NAV movements between period plus dividend yield (calculated on opening NAV)	13%	60%
Total property return - i.e. "portfolio performance"	3%	10%
Growth in EPRA earnings per share	2%	5%
Resulting %		75%

Non Financial - Strategic target metrics	Target	Weightage
EPRA Occupancy Rate	95%	5.0%
Staff Satisfaction Score	75%	5.0%
ESG KPI's per Grit sustainability policy		
i. Reduction of Carbon Footprint by 2025	25%	2.5%
ii. Improvement of Building efficiency by 2025	25%	2.5%
iii. Women in Leadership positions (gender diversity)	40%	5.0%
iv. Local Employee representation	65%	5.0%
Resulting %		25%

Long-term incentive plan ("LTIP")

An LTI award is an incentive share-based award funded by corporate performance over a fixed three-year period beyond minimum threshold levels. Such a reward is made at the discretion of the Remuneration Committee to eligible individuals who achieve a minimum moderated performance rating score each year.

Guiding Principles

The LTIP reinforces the remuneration philosophy of 'performance-based pay' and helps to develop and maintain a performance oriented culture. Performance related pay is characterised by meaningful differentiation of variable pay in accordance with robust performance targeting and measurement over a fixed performance period of at least three-years.

It is intended that LTI awards are granted on an annual basis. Each LTI award will be subject to its own distinct three-year performance period. This helps ensure that key employees have a continuing and meaningful interest in the ongoing long-term performance of the Group. Performance conditions will not be retested at the end of the relevant performance period. Annual LTI awards with different forward looking three-year performance periods and targets help ensure that eligible individuals and participants are not overly reliant and incentivised by large up-front one-off awards, which can sometimes lead to the wrong behaviours.

Eligibility	Executive directors
Performance period	Three years
Vesting period	Three years
Post-vesting holding period	Executive performance awards are subject to a two-year post-vesting holding period
Maximum Opportunity	The maximum aggregate market value of the shares awarded to an individual in a financial year does not exceed 150% of that individual's base salary (or 200% of base salary if the Board decides that exceptional circumstances exist). Awards granted in excess of the individual limits will be void as to the excess.
Post employment holding	If a Participant ceases to hold Employment after the normal vesting date for a specified reason (per scheme rule), their award will still vest or remain vested. For options, the right to exercise them will expire either two years after the participant stops working or at the end of the exercise period, whichever comes first. If the options aren't exercised, they will expire at the end of the exercise period.

Performance condition weightings

	Performance awards
Company financial performance	75%
Company non-financial performance	25%

Discretion

The Remco has the discretion to review and moderate any LTI awards to avoid unexpected outcomes.

Awards under the LTI Scheme are not guaranteed and management reserves the right to amend the design of the scheme from time to time, within the rules and (where required) subject to the approval of the Company's shareholders in general meeting.

The Remuneration committee may decide to cancel the future operation of the LTI and not grant and further awards if:

- fails to meet the objectives for which it was established; or
- produces outcomes which are not in the best interests of the Group.

Malus and Clawbacks

Malus and clawback provisions apply to all awards granted under the LTIP for all participants. The Remco has full and final authority to make all decisions and determinations under the malus and clawback policy.

Malus

On or before the vesting date of an award, the Remco may, at its absolute discretion, decide to reduce the number of shares held under an Award (malus) and/or seek to recover from a Participant Shares and/or cash that has already Vested, been paid and/or been acquired on the exercise of an Option.

Clawback

The Remco may determine at any time to reduce the number of shares subject to an Award (including, if appropriate, reducing to NIL) to give effect to a clawback provision contained in any annual incentive or bonus plan operated by the Grit Group or employee share plan established by Grit (other than the LTIP) from time to time.

Summarised trigger events for malus and clawback

- Discovery of a material misstatement in the financial results released to the public and/or in the audited AFS
- The discovery, that in assessing the extent to which a Performance Condition was satisfied, such assessment was based on an error, or on inaccurate or misleading information or assumptions
- Actions or conduct of the participant, that in the sole opinion of the Board, amounts to grounds for summary dismissal for fraud, gross misconduct or conduct having a materially detrimental impact on the reputation of Grit
- Corporate failure

Individual Plan Limits

No LTI award will be granted to an eligible person if this will cause the aggregate market value (at grant) of all shares to be issued or transferred to that person pursuant to any award granted under the Scheme in that financial year to exceed 150 per cent (200 per cent in exceptional circumstances) of their annual base salary or (in the case of a consultant under Part 2) annualised fee.

LTI awards may be satisfied using newly issued shares, treasury shares or shares purchased in the market.

The total aggregate number of shares that may be issued (or committed to be issued) pursuant to awards made under the Scheme on any day must not exceed 10 per cent of the ordinary share capital of the Company in issue immediately before that day, when added to the total number of shares issued or issuable pursuant to options and awards granted in the previous 10 years under the Scheme and under any other share plan (including any other plans that permit awards to be granted to consultants and non-employees) operated by the Company.

A similar 5 per cent in 10 years limit applies to awards granted under any discretionary share plan (which includes the Scheme).

Executive Director contracts

The Executive Directors do not have fixed term contracts with the Company. Their notice period is 24 months to ensure a succession in the event of termination and mitigate the risk of sudden loss of intellectual property.

There is no provision in the contracts for loss of office payments, other than those required by employment law.

Remuneration of the Chief Executive Officer

Bronwyn Knight	2018/19	2019/20	2020/21	2021/22	2022/23
Single Total figure of remuneration (US$'000)	569	845	514	991	1,186*
Annual incentive awards against maximum opportunity (%)	24%	85%	10%	84%	65%
Long term incentive awards vesting rate against maximum opportunity (%)	–	–	No award	150%	53%

* Excludes long-term incentives

Relative importance of spend on pay

	2021/22 US$'000	2022/23 US$'000	% Change
Staff costs	6,151	6,619	7.6%
Distributions to shareholders	10,535*	20,175**	

* Interim dividend for FY2022

** Final dividend for FY2022 as well as interim dividend for FY2023

Staff costs includes salaries, annual incentives, social security costs.

Non-executive Directors' fees

Fees paid to the Chair and Non-Executive Directors are aimed at attracting individuals with the appropriate degree of expertise and experience. Payments to Non-Executive directors are made on a quarterly basis.

The Non-executive Directors are not entitled to any remuneration in the form of share options or bonuses associated with the Company performance.

Non-Executive directors are subject to re-election at each AGM.

Implementation of the remuneration policy

Base salaries

At the June 2023 Remuneration Committee meeting the following decisions were taken:

- There would be no annual increase for the salaries of Executive Directors and employees who earn their salaries in US$;
- An annual increase in salaries was approved for the wider workforce that was aligned with local CPI's according to which jurisdiction they work in and are paid in. Weighted average increase based on the total headcount of 5.1%.

	2024 salary US$	2023 salary US$	% increase
Executive directors			
Bronwyn Knight	537,600	537,600	0.0
Leon Van de Moortele	389,208	389,208	0.0

Non-executive Directors' fees

No annual increase was approved for the year ending 30 June 2024. The table below sets out the fee structure for the year ending 30 June 2024 with comparatives for the year ending 30 June 2023 and 30 June 2022.

	2024 salary US$	2023 salary US$	% increase
Board Chairman fee	102,800	102,800	0.0
Non Executive Director fees			
Senior Independent director	77,100	77,100	0.0
Non-Executive director	51,400	51,400	0.0
Audit Chairman	25,700	25,700	0.0
Committee Chair *	9,100	9,100	0.0
Committee membership fee*	4,500	4,500	0.0

* Applies to the following committees: Remuneration, Nomination, Investment, Risk and Responsible Business. Committee Chair does not receive membership fee.

Single Total figure of remuneration (Audited)

The following tables detail all elements of remuneration receivable by the Executive directors in respect of the year ended 30 June 2023 and show the comparative figures for the year ended 30 June 2022.

2023	Basic Salary US$'000	Taxable Benefits US$'000	Annual Bonus US$'000	Long-term incentives* US$'000	Pension US$'000	Total US$'000	Total fixed remuneration US$'000	Total variable remuneration US$'000
B Knight	538	110	539	430	Nil	1,616	648	969
L van de Moortele	389	26	337	311	Nil	1,063	415	648
2022								
B Knight	498	123	370	750**	Nil	1,741	621	1,120
L van de Moortele	389	58	250	500**	Nil	11,96	447	750

* This is the face value of the LTI awards to vest in future years that will vest in future years, linked to performance conditions.

** This has been restated to show shares awarded, previously it was disclosing shares vested.

Notes to the Single Total Figure of remuneration table

Base Salary

Bronwyn Knight – Effective 1 July 2023, an inflationary increase of 7.9% as per the CPI rate approved by RemCo for USD earners. Overall, comparative total remuneration has decreased by 7.2% from the prior year ended 30 June 2022.

Leon van de Moortele – No inflationary increase applied due to the application of tax exemption in line with the appointment as Asset Manager for Grit Services Limited. An Asset Manager is tax exempted as per the Asset Manager Licence regulated by Financial Services Commission of Mauritius.

Overall, comparative total remuneration has decreased by 11.1% from the prior year ended 30 June 2022.

Taxable Benefits

Executive directors are entitled to a car allowance, school fee allowance, medical aid benefits and subsistence and travel allowance ("S & T"). The below table sets out further details of the taxable benefits

	S&T US$'000	Car Benefit (Taxable) US$'000	All medical/ Life insurance US$'000	School Benefit US$'000	Total Benefits US$'000
B Knight	16	22	18	54	110
L van de Moortele	3	1	13	9	26

Short-Term Incentive (Annual Bonus)

The Annual Bonus is made up of an outstanding performance bonus and a Short-Term incentive bonus.

Determination of the Short-term incentive bonus:

Individual STI Award = Total Guaranteed package ("TGP") X STI on-target % X (Corporate Performance Factor x weighting)+ (Individual Performance factor x weighting)

Bronwyn Knight

CPF: Targeted salary 80% X 35% X 70% = (537,600 x 80%) = 430,080 X (35% x 70%) = 103,865

IPF: Targeted salary 80% X 120% X 30% = (537,600 x 80%) = 430,080 X (120% x 30%) = 154,830

CPF US$103,864 + **IPF** US$154,829 = **US$258,693**

Leon van de Moortele

CPF: Targeted salary 80% X 35% X 70% = (388,908 x 80%) = 311,126 X (35% x 70%) = 75,137

IPF: Targeted salary 80% X 120% X 30% = (388,908 x 80%) = 311,126 X (120% x 30%) = 112,007

CPF US$75,137 + **IPF** US$112,007 = **US$187,143**

Corporate Performance outcome

Financial Based Metrics	Target	Weightage	Achievement	Achieved Weightage	% CPF achieved
Total (accounting) return - measured by EPRA NAV movements between period plus dividend yield (calculated on opening NAV)	13%	60%	Not achieved	0.00%	0.0%
Total property return - i.e. "portfolio performance"	3%	10%	3.66%	100%	10.0%
Growth in EPRA earnings per share	2%	5%	Not achieved	0%	0.0%
Resulting %		75%			10.0%

Non Financial - Strategic target metrics	Target	Weightage	Achievement	Achieved Weightage	% CPF achieved
EPRA Occupancy Rate	95%	5%	95.3%	100%	5%
Staff Satisfaction Score	75%	5%	74.0%	90%	5%
ESG KPI's per Grit sustainability policy					
i. Reduction of Carbon Footprint by 2025	25%	2.5%	25.0%	100%	3%
ii. Improvement of Building efficiency by 2025	25%	2.5%	25.0%	100%	3%
iii. Women in Leadership positions (gender diversity)	40%	5%	42.0%	100%	5%
iv. Local Employee representation	65%	5%	71.0%	100%	5%
Resulting %		25%			25%
					35%

Individual performance

	Moderated performance appraisal rating	Individual performance factor awarded
B Knight	5	120%
L van de Moortele	5	120%

The executive directors were awarded a 5 rating for Outstanding performance following their performance appraisals performed in July 2022.

Outstanding Performance Bonus

Bronwyn Knight

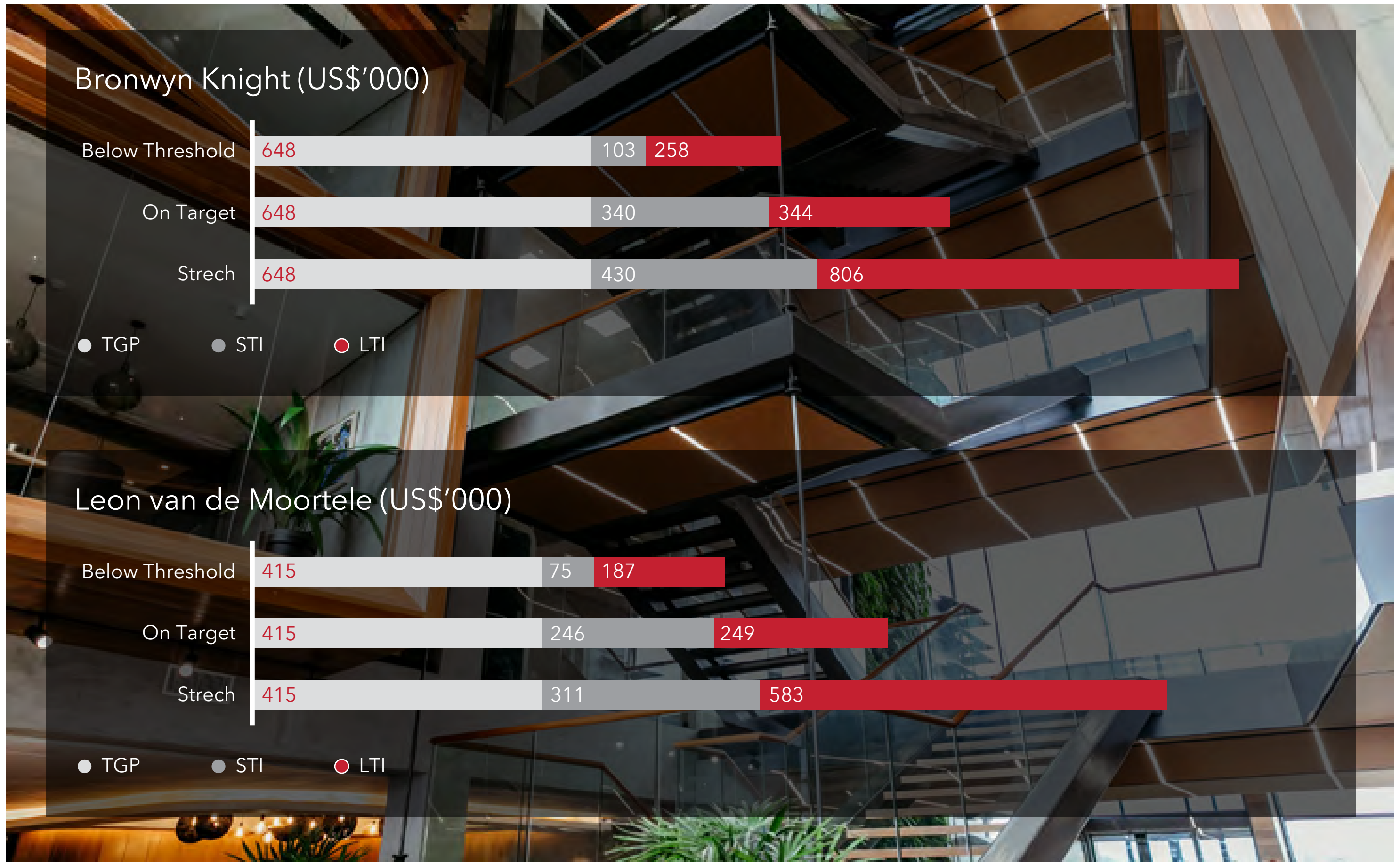
US$280k – Outstanding Performance bonus granted by RemCo for exceptional completion of key projects.

Leon van de Moortele

US$150k – Outstanding Performance bonus granted by RemCo for exceptional completion of key projects. This amount is payable when these key projects are achieved.

Other Director Fees

Bronwyn Knight received Non-executive Directors fees from an associate Letlole La Rona Limited amounting to US$25,476 in the current year (2022: US$43,305).



LTI Awards (Audited)

On 29 November 2022, the Committee made an award to the Executive Directors as follows:

Executive director	Number of shares awarded	Face value of award US$
Bronwyn Knight	1,194,667	430,080
Leon van de Moortele	864,240	311,126

Awards were granted as nil-cost options and equivalent to 80% of base salary. The share price used to determine the level of award was the closing price on the day preceding the grant date of US$0.36 cps. The performance period will run over three financial years ending on 30 June 2025, and dependent upon achievement of the performance conditions, the awards will vest on 29 November 2025 and will be subject to a two-year holding period.

Holding Periods

In accordance with the rules, vested awards are subject to a two year holding period.

Grant	Grant date	Performance period	Vesting date	Holding period	Holding period ceases
2022	17/12/2021	1/7/2021 to 30/6/2024	17/12/2024	Two years	17/12/2026
2023	29/11/2022	1/7/2022 to 30/6/2025	29/11/2025	Two years	29/11/2027

The vesting of the awards is measured against the below performance conditions with 75% based on financial metrics and 25% on non-financial metrics.

Financial Based Metrics	Target	Weightage
Total (accounting) return - measured by EPRA NAV movements between period plus dividend yield (calculated on opening NAV)	13%	60%
Total property return - i.e. "portfolio performance"	3%	10%
Growth in EPRA earnings per share	2%	5%
Resulting %		75%

Non Financial - Strategic target metrics	Target	Weightage
EPRA Occupancy Rate	95%	5%
Staff Satisfaction Score	75%	5%
ESG KPI's per Grit sustainability policy		
i. Reduction of Carbon Footprint by 2025	25%	2.5%
ii. Improvement of Building efficiency by 2025	25%	2.5%
iii. Women in Leadership positions (gender diversity)	40%	5%
iv. Local Employee representation	65%	5%
Resulting %		25%

To the extent that the awards vest, the Committee has the discretion to allow the Executive Directors to receive the benefit of any dividends paid over the vesting period.

Details of the share awards made to the Directors from the Legacy LTIP

Executive Director	Date of award	Performance linked	Date of vesting	Holding period	Subscription price US$ cps	No. of shares
Bronwyn Knight	01/05/2020	NO	30/04/2025	NO as 5 year vesting period	0.89	1,281,906
Leon van de Moortele	01/05/2020	NO	30/04/2025	NO as 5 year vesting period	0.89	924,897

Details of the share awards made to the Directors from the LTIP

Executive Director	Date of award	Performance linked	Date of vesting	Holding period	Subscription price US$ cps	No. of shares
Bronwyn Knight	17/12/2021	YES	17/12/2024	Two Years	0.52	1,442,308
Bronwyn Knight	29/11/2022	YES	29/11/2025	Two Years	0.36	1,194,667
Leon van de Moortele	17/12/2021	YES	17/12/2024	Two Years	0.52	961,538
Leon van de Moortele	29/11/2022	YES	29/11/2025	Two Years	0.36	864,240

Summary details of the outstanding awards held by the Executive directors in the LTIP and the Legacy LTIP are set out in the table below:

Responsibility	Vesting date	Subscription price US$ cps	30 June 2023 No. of options '000	30 June 2022 No. of options '000
Bronwyn Knight				
Opening Balance of share options			2,723	1,815
2017 award (5 year vesting)	30-Jun-22			534
2020 award (5 year vesting)	30-Apr-25	0.89	1,281	1,281
2021 award	17-Dec-24	0.52	1,442	
Awards granted during the year (New award)	29-Nov-25	0.36	1,195	1442
Options exercised during the year				
Options vested during the year		1.40	0	(534)
Closing balance of share options			3,978	2,723
2020 award	30-Apr-25	0.89	1,281	1,281
2021 award	17-Dec-24	0.52	1,442	1,442
2022 award	29-Nov-25	0.36	1,195	
Leon van de Moortele				
Opening Balance of share options			1,887	1,198
2017 award (5 year vesting)	30-Jun-22	1.40		273
2020 award (5 year vesting)	30-Apr-25	0.89	925	925
2021 award	17-Dec-24	0.52	962	
Awards granted during the year (New award)		0.36	864	962
Options exercised during the year				
Options vested during the year		1.40		(273)
Closing balance of share options			2,751	1,887
2020 award	30-Apr-25	0.89	925	925
2021 award	17-Dec-24	0.52	962	962
2022 award	29-Nov-25	0.36	864	

Executive Directors and Non-Executive directors interest in shares

Director	Direct beneficial holding	Indirect beneficial holding		Total number of shares held as at 30 June 2023
		Shares held indirectly	Shares awarded but not yet vested	
Bronwyn Knight	606,923	9,410,273	3,917,881	13,935,077
Leon van de Moortele		2,090,452	2,750,675	4,841,127
Samuel Jonah	–	5,567,564		5,567,564
Peter Todd	–	8,437		8,437
Jonathan Crichton	200,000	–		200,000
David Love	97,479	–		97,479
Total	**904,402**	**17,076,726**	**6,668,556**	**24,649,684**

Total shareholders return

The graph below shows Grit's total shareholder return since FY2018 to June FY2023, which assumes that US$100 was invested in FY2018. The company chose TSE EPRA Nareit UK REITs GBP (US$) sector as an appropriate comparator.

Payments to past directors & payments for loss of office

No payments have been made to past directors or payments to directors for loss of office during the year ended 30 June 2023.

Non-Executive Directors' fees (Audited)

The table below shows the fees paid to our Non-executive Directors for the years ended 30 June 2023 and 30 June 2022:

Non-Executive directors	Year ended 30 June 2023 US$'000	Year ended 30 June 2022 US$'000
Fees were paid to the following directors:		
Peter Todd	**126**	116
Catherine McIlraith	**100**	92
Nomzamo Radebe	**70**	60
David Love	**101**	92
Samuel Esson Jonah	**65**	60
Johnny Crichton	**65**	60
Cross Kgosidile	**54**	56
Lynette Finlay	**14**	
Total non-executive directors' fees	**594**	537

Shareholder engagement and voting outcomes

Grit is committed to ongoing and transparent engagements with shareholders that strengthen governance and enable us to create sustained value for all our shareholders.

Voting results for the previous three years are summarised below:

AGM		For %	Against %	Votes Total	Votes For	Votes Against	Votes withheld
30 November 2022	Implementation Report	70.22	29.78	403,147,314	283,090,044	120,057,270	
29 November 2021	Implementation Report	67.24	32.76	258,337,836	173,706,361	84,631,475	33,124
17 June 2021	Remuneration Policy	61.91	37.78	234,940,350	145,451,571	89,488,779	728,718

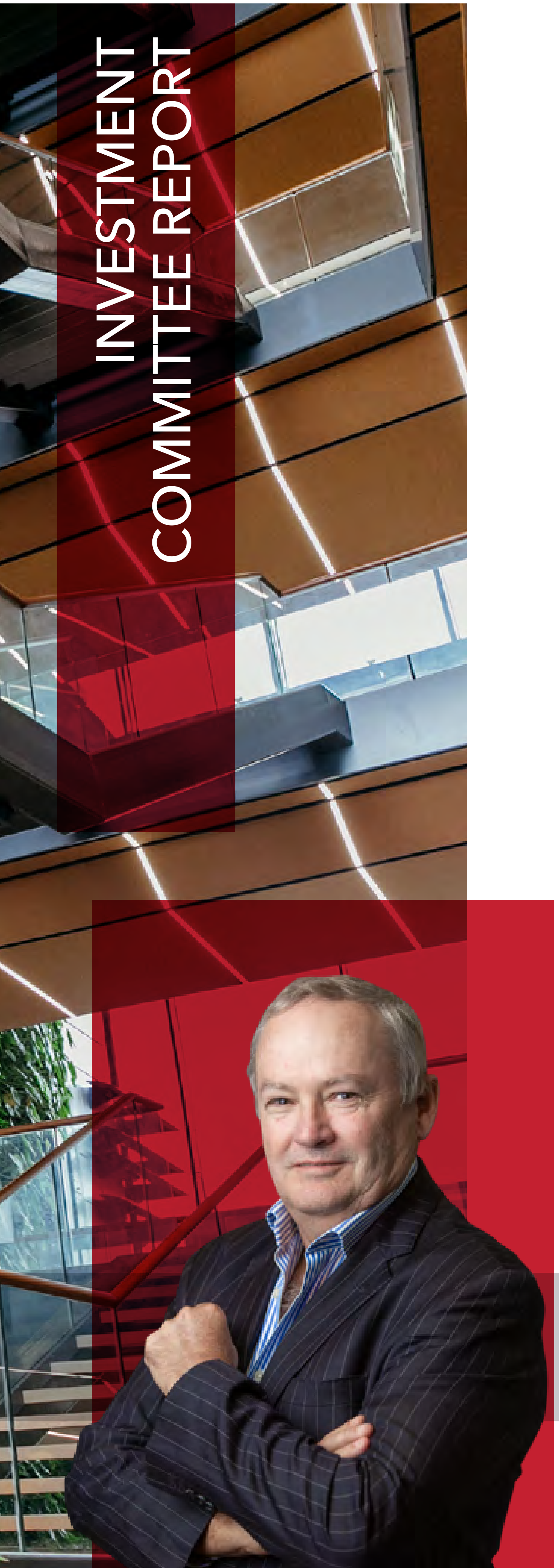
At the AGM held on 30 November 2022, the ordinary resolution relating to the non-binding advisory vote on the Implementation of the Remuneration policy was supported by the majority of the shareholders, however it was voted against by 29.78% of the votes exercised by the Company's shareholders present in person or represented by proxy at the AGM. The executives of Grit are committed to achieving a greater understanding of the underlying reasons why some shareholders are unable to support such resolution and accordingly, invited all dissenting shareholders to a consultation on 5 December 2022 to further understand their positions and perspective on the resolution.

The outcome of the consultation from dissenting shareholders was that they require further disclosures about the performance conditions, targets sets and what was achieved to award the variable element of executive director remuneration. Following on from this, the Remco, have considered the recommendations and greatly improved on the relevant disclosure in the Remuneration report and the implementation of the remuneration policy.

The Remuneration Policy was last put to shareholders vote in June 2021 when the new LTIP was approved by shareholders. The Remuneration policy may be subject to shareholders approval at the 2024 AGM.

The executives are intending to meet with key institutional shareholders ahead of the 2023 AGM, in one-on-one meetings with each of their representatives, to discuss the remuneration policy and its implementation.

INVESTMENT COMMITTEE REPORT



2023/24 Focus Areas

- Continued strategic focus on the potential disposal of assets within the portfolio which are nearing full maturity and the top of their valuation cycle, in line with the Company's disposal strategy;
- Continuous monitoring and assessment of ESG related initiatives associated with investment pipeline in order to ensure on-going impact-enhancing transactions and meeting the Company's ESG and Sustainability targets;
- Pursue growth through investment pipeline in strategic asset classes (health services, light industrial, diplomatic housing) and geographies.

Committee Composition

As at 30 June 2023, the Investment Committee (the "IC" or "Committee") comprised of four Non-executive Directors, three of whom are independent, as per table and notes set out under "Meetings of the Committee" and whose biographies are set out in the Board and Committees section of this IAR (pages 98 to 99).

Meetings of the Committee

During the year under review, the IC met five (5) times in October 2022, November 2022, December 2022, February 2023 and June 2023. While travel restrictions have been lifted in most jurisdictions, the Committee meetings continued to be held by tele/videoconference.

To ensure clear comprehension of all transactions to be approved and alignment of the papers that would be tabled to the IC, the Head of Investment liaises closely with the Chair of the IC prior to meetings. The Chair also reports all matters to the Board.

Members of the Committee	Independent	No. of meetings	Attendance
Peter Todd – Chair	No	5/5	100%
David Love	Yes	4/5	80%
Sir Samuel Jonah	Yes	4/5	80%
Nomzamo Radebe**	No	3/5	60%
Bronwyn Knight*	No	5/5	100%
Lynette Finlay**	Yes	1/1	100%

* *Bronwyn Knight is an Executive Director.*

** *Mrs Nomzamo Radebe resigned as a director of the Company on 05 February 2023*

** *Mrs. Lynette Finlay was appointed a member of the Committee on 24 March 2023.*

Peter Todd

Chairman of the Investment Committee

Roles and Responsibilities

The IC has been mandated with the responsibility to make recommendations to the Board on decisions affecting the Company's investment portfolio and its investment growth opportunities. For this purpose, the IC is responsible to ensure that the Company acts in line with its investment strategy, in accordance with the Investment Committee charter, a copy of which is available at https://grit.group/wp-content/uploads/2023/05/investment-committee-charter.pdf. The Committee Charter is reviewed annually by the IC and the Board.

The Committee's levels of approval are signed off by the Board and documented on the Group's Delegation of Authorities matrix, which is reviewed at least annually.

In executing their role, the Committee ensures the Investment Charter as well as the Investment Process flow are implemented for all transactions. Our Investment Charter contains the investment guidelines, investment gates/margins of safety with definitions, strategic countries, as well as locality focus and property sector focus.

Key Activities during the year under Review

During the year under review, the key activities of the Investment Committee were as per the format of the IC meetings, which is usually to address, inter alia, the following main points:

a. Receiving quarterly investment updates from the Chief Investment Officer and Investments Director, on pipeline transactions and investment workstreams and providing relevant approvals, including required risk budgets;
b. Evaluating and approving financial derivative instruments such as interest rate hedge;
c. Follow up and receive accurate and timeous feedback on current pipeline transactions that have been tabled to the IC and engaging into debates regarding these ongoing deals; and
d. Engaged independent third-party valuers on bi-annual valuation exercises and challenged the valuation parameters utilized in the process.

Committee Performance Evaluation

The 2023 evaluation of the Board, its committees and individual Directors was internally facilitated by the Group Compliance Manager, in accordance with Grit's yearly evaluation process.

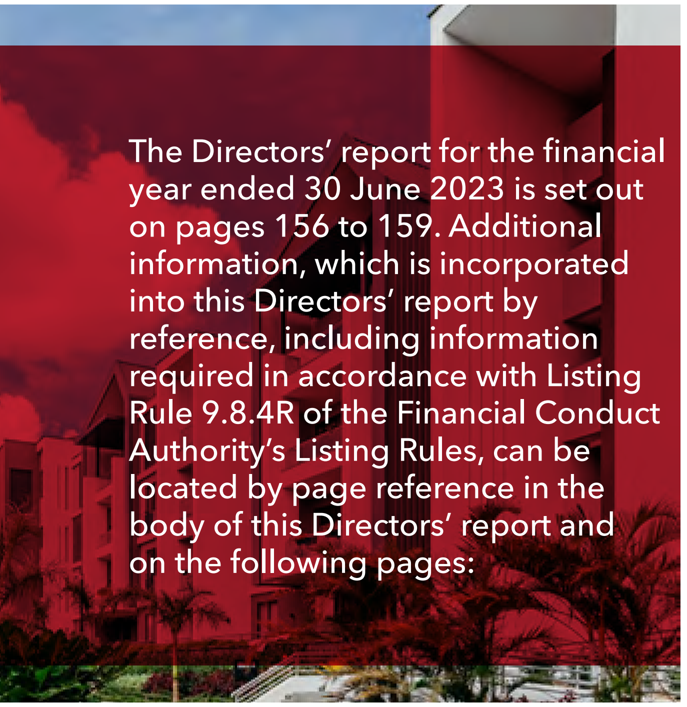
There has been confirmation by the members that the Committee continues to operate effectively, with no significant matters raised.

Please also refer to the Corporate Governance Statement report under "ANNUAL BOARD EVALUATION".

Investment Strategy and Investment Activity

Refer to pages 16 to 17 and pages 33 to 35 of this report for details on transactions concluded in 2022/2023 as well as the Investment Strategy and Investment Activity of the Company.

DIRECTORS' REPORT



The Directors' report for the financial year ended 30 June 2023 is set out on pages 156 to 159. Additional information, which is incorporated into this Directors' report by reference, including information required in accordance with Listing Rule 9.8.4R of the Financial Conduct Authority's Listing Rules, can be located by page reference in the body of this Directors' report and on the following pages:

The Directors present their IAR and audited financial statements for the year ended 30 June 2023. The Board assumes responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements.

This IAR contains forward-looking statements, which involve unknown risks, uncertainties and other factors, which may cause the actual results, financial conditions, operations and performance or achievement of the Company, or industry results, to be materially different from future results, financial condition, performance or achievements expressed or implied by such forward-looking statements.

These forward-looking statements are based on Management's or Directors' judgments and future expectations/ assumptions. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, global and local market and economic conditions, industry factors, as well as regulatory factors.

GRIT is not under any obligation to (and expressly disclaim any such obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise. We therefore advise readers to be careful in interpreting any forward-looking statements in this Report.

Strategic Report

For the review of the business and its likely future developments, see the Strategic report on pages 06 to 59 of this IAR.

Corporate Governance Arrangements

During the year ended 30 June 2023, we have applied the principles of good governance contained in the UK Corporate Governance Code 2018 (the "UK Code") and taken steps to comply with the UK Code. Our Compliance Statement for FY ended 30 June 2023 is on page 97. Further details on how we have applied the UK Code can be found in the Governance section on pages 96 to 163. The UK Code can be found in the Corporate Governance section of the Financial Reporting Council's website: www.frc.org.uk.

Company Status and Branch

Grit is listed on the London Stock Exchange main market with a premium listing and holds its secondary listing on the Official Market of the SEM, where it remains a constituent of the SEM10 Index.

In February 2021, Grit migrated its corporate domicile to Guernsey from Mauritius. In July 2021, the Company was granted a certificate of local registration as a foreign company in Mauritius, with company number C180791 GBC.

Results and Dividends

The financial statements set out the results of the Group for the financial year ended 30 June 2023 and are shown on pages 172 to 272.

Refer to "dividends" on page 13 under the Chairman's Statement.

Key Stakeholders

The long-term success of the Group is dependent on its relationships with its key stakeholders. On pages 109 to 113, we outline the ways we have engaged with the key stakeholders, their expectations of us, the outcomes from 2023 and our focus areas for 2024.

Substantial Shareholders

Set out below are the percentage interests in ordinary share capital of the Company, disclosable under the Disclosure Guidance and Transparency Rules, that were notified to the Company as at 30 June 2023 and 27 October 2023. The information below was correct at the date of notification. It should be noted that these holdings may have changed since the Company was notified. However, notification of any change is not required until the next notifiable threshold is crossed.

	30 June 2023		30 September 2023	
Shareholder	Number of shares held	%	Number of shares held	%
Botswana Development Corporation	26,377,971	5.33%	26,377,971	5.33%
Eskom Pension and Provident Fund	32,507,561	6.57%	32,507,561	6.57%
M&G Investment Management Ltd (UK)	70,758,001	14.29%	72,515,493	14.65%
Government Employees Pension Fund	84,599,515	17.09%	103,154,342	20.84%

Employees

The Board recognises the importance of attracting, developing and retaining the right people. In accordance with best practice, we have employment policies in place which provide equal opportunities for all employees.

Directors

The details of the Directors of the Company, who were in office during the year under review and up to the date of the signing of the financial statements, are set out on pages 172 to 272.

At the AGM held on 30 November 2022, Bright Laake did not put himself forward for re-appointment.

On 5 February 2023, Nomzamo Radebe resigned from the board.

On 24 March 2023, Lynette Finlay was appointed to the board.

The Executive Directors have service contracts with the Company. Copies of these service contracts are available to shareholders for inspection at the Company's registered office and at the Annual General Meeting (AGM).

Details of the Directors' remuneration and service contracts are set out on pages 138 to 153.

Appointment and replacement of Directors

Directors may be appointed by ordinary resolution of the shareholders, or by the Board. Appointment of a Director from outside the Group is on the recommendation of the Nominations Committee, whilst internal promotion is a matter decided by the Board unless it is considered appropriate for a recommendation to be requested from the Nominations Committee.

At every AGM of the Company, any of the Directors who have been appointed by the Board since the last AGM seek re-election by the members.

Directors' Indemnity

Directors' and officers' liability insurance is maintained by the Company. The policy provides for the risks arising out of the acts or omissions of the Directors and Officers of the Grit Group. The cover does not provide insurance against fraudulent, malicious or willful acts of omissions.

Powers of the Directors

Subject to the Company's Articles of Association, the Companies (Guernsey) Law, 2008 and any directions given by special resolution, the business of the Company is managed by the Board, who may exercise all the powers of the Company, whether relating to the management of the business of the Company or not. In particular, the Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge any of its undertakings, property, assets (present and future) and uncalled capital and to issue debentures and other securities and to give security for any debt, liability or obligation of the Company or of any third party.

Directors' Training and Development

Details of the training that has been provided to the Executive and Non-Executive Directors during the year can be found on page 118.

Directors Interests in Grit Shares

The interest of the Directors in the shares of the Company at 30 June 2023 was as follows:

Director	Direct beneficial holding	Indirect beneficial holding		Total number of shares held as at 30 June 2023	Direct beneficial holding	Indirect beneficial holding		Total number of shares held as at 30 June 2022
		Shares held indirectly	Shares awarded but not yet vested			Shares held indirectly	Shares awarded but not yet vested	
Bronwyn Knight	606,923	9,410,273[1]	3,917,881	13,935,077	606,923	8,534,911	3,598,576	12,740,410
Leon van de Moortele		2,090,452[1]	2,750,675	4,841,127		1,600,992	2,375,894	3,976,886
Nomzamo Radebe[2]					–	3,875,000		3,875,000
Samuel Jonah	–	5,567,564		5,567,564	–	5,567,564		5,567,564
Peter Todd	–	8,437		8,437	–	8,437		8,437
Bright Laaka[3]					–	5,812,500		5,812,500
Jonathan Crichton	200,000	–		200,000	200,000	–		200,000
David Love[4]	97,479	–		97,479	97,479	–		97,479
Total	**904,402**	**17,076,726**	**6,668,556**	**24,649,684**	**904,402**	**25,399,404**	**5,974,470**	**32,278,276**

1. *Includes vested share options from awards made via the Grit LTIP plan, but not yet exercised as at 30 June 2023*
2. *Nomzamo Radebe resigned on 5 February 2023*
3. *Bright Laaka was not re-appointed at the AGM held on 30 November 2022*
4. *As at 2 December 2021, David Love held 97,479 ordinary shares of the Company*

There have been no changes to the number of shares held by the Directors, both directly and indirectly, from the financial year-end date to the date of approval of these annual financial statements.

Share Capital

The company's authorized and issue share capital consists of 7,500,000,000 (2022:7,500,000,000) and 495,092,339 (2022:495,092,339) ordinary shares of no par value, respectively.

As per the Articles of Association and the Companies (Guernsey) Law, 2008, the Shareholders have several rights.

Amendment of Articles of Association

Unless expressly specified to the contrary in the Company's Articles of Association (the Articles), the Articles may be amended by a special resolution of the Company's shareholders.

Related Party Transactions

The Company has a Related Party Transactions Policy in place and all the related party transactions have been conducted in accordance with such policy. A copy of the related party transactions register is maintained at the office of the Company and reviewed by the Board.

A copy of the policy is found at https://grit.group/wp-content/uploads/2023/09/2023_RELATED-PARTY-TRANSACTION-POLICY.pdf in which the definition of "related party transactions" is provided as per the applicable listing rules and laws.

Refer to note 36b on pages 247 to 249 in the Annual Financial Statements.

Post Balance Sheet Events

Details of post-balance sheet events are given in note 41 on page 259 of the financial statements.

Political Donations

No political donations have been made by the Company or its subsidiaries during the financial year (2022: NIL).

Auditors

The re-appointment of PwC UK will be proposed at the next AGM.

The Directors who held office at the date of approval of this Directors' report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of such information.

Going Concern

Under provision 30 of the UK Code, the Board is required to report whether the business is a going concern. As such they have modelled a 'base case' and a 'severe but plausible downside' of the Company's and Group's expected liquidity and covenant position for a going concern period of at least twelve months from the date of signing the IAR. The base case reflects the director's best expectations of the position going forward. It was modeled on board approved forecasts over the relevant period. The base case scenario includes the Group's and Company's financial projections, while the severe but plausible scenario adjusted to the base case scenario for further significant movements if foreign exchange, interest rates, vacancy and valuation declines as listed above. Refer to the Chief Financial Officer's Statement (page 46) for details on the underlining assumptions of both base case and severe but plausible downside scenarios, as well as the outcome of each scenario.

AGM

The 2023 AGM of GRIT will be held at Grit's offices at Unity Building, The Precinct, Grand Baie, Mauritius on 6 December 2023.

The Notice of Meeting together with explanatory notes will be circulated to the shareholders.

In the event we receive 20% or more votes against a recommended resolution at a general meeting, we will announce the actions we intend to take to engage with our shareholders to understand the result in accordance with the UK Code. We would follow this announcement with a further update within six months of the meeting, with an overview of our shareholders' views on the resolutions and the remedial actions we have taken.

The Strategic report and Directors' report have been approved by the Board of Directors and signed on its behalf by:

Bronwyn Knight
Chief Executive Officer
31 October 2023

Leon van de Moortele
Chief Financial Officer
31 October 2023

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable Guernsey law and International Financial Reporting Standards.

The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are responsible for:

- selecting suitable accounting policies and then applying them consistently;
- stating whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for ensuring that the financial statements comply with The Companies (Guernsey) Law, 2008 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company.

Directors' Confirmations

The Directors consider that the IAR and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 98 to 99 confirm that, to the best of their knowledge:

- the Group and Company financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies (Guernsey) Law 2008, give a true and fair view of the assets, liabilities, financial position and loss of the Group and profit of the Company; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

Integrated Reporting Principles

This report has been developed and prepared following the guidelines of the Integrated Reporting <IR> framework for the benefit of all our stakeholders with the aim of providing a more comprehensive reporting on our strategy, business model, operating context, sectors' performance, risk management and governance.

Framework, Assurance and Compliance Reporting

The information included in this Integrated Report has been provided in accordance with and is in compliance with the:

- International Standards ("IFRS");
- UK Corporate Governance Code 2018 ("the UK Code");
- FCA Disclosure Guidance and Transparency Rules;
- Mauritian Securities Act 2005;
- The Companies (Guernsey) Law, 2008;
- UK Listing Rules;
- SEM Listing Rules;
- Integrated Reporting Framework (the "Framework"); and
- National Code of Corporate Governance for Mauritius (2016).

Targeted Audience

This report has been prepared primarily for the stakeholders of Grit, including but not limited to shareholders, the Government, regulatory bodies, prospective investors amongst others, and any other stakeholder who has an interest in the performance of the Group.

DTR Statement

Together, the Strategic Report and other sections of the Corporate Governance section incorporated by reference, when taken as a whole, form the Management Report as required under Rule 4.1.5R of the UKLA Disclosure and Transparency Rules (DTR).

The financial statements on pages 172 to 272 were approved by the Board of Directors and signed on its behalf by:

On behalf of the Board

Bronwyn Knight
Chief Executive Officer
31 October 2023

Leon van de Moortele
Chief Financial Officer
31 October 2023

STATEMENT OF COMPLIANCE

We, the Directors of Grit Real Estate Income Group Limited, confirm to the best of our knowledge that the Company has fully complied with all of its obligations and requirements under the:

- UK Corporate Governance Code 2018, except as otherwise provided at page 97 (the "UK Code"); and the
- National Code of Corporate Governance for Mauritius 2016 ("MRU Code")

for the year ended 30 June 2023.

Bronwyn Knight
Chief Executive Officer
31 October 2023

Leon van de Moortele
Chief Financial Officer
31 October 2023

CERTIFICATE FROM THE COMPANY SECRETARY

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act, 2001 in terms of Section 166(d) for the year ended 30 June 2023.

Intercontinental Fund Services Limited
Company Secretary
31 October 2023

CERTIFICATE FROM CORPORATE SERVICE PROVIDER

We, as a Guernsey corporate service provider and registered agent of Grit Real Estate Income Group Limited (the Company) certify that, to the best of our knowledge and belief and on the assumption that we have been provided with complete and accurate factual information by the Company, the Company has filed with the Guernsey Registry all such returns as are required of the Company under the Companies (Guernsey) Law 2008 for the year ended 30 June 2023.

Mourant Governance Services (Guernsey) Limited
Corporate Service Provider
31 October 2023

ANNUAL FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRIT REAL ESTATE INCOME GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Grit Real Estate Income Group Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2023 and of the Group's and Company's loss and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements, included within the Integrated Annual Report (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 30 June 2023; the Consolidated and Company income statements, the Consolidated and Company statements of comprehensive income, the Consolidated statement of changes in equity, the Company statement of changes in equity and the Consolidated and Company statements of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the Financial Reporting Council's ("FRC") Ethical Standard, as applicable to listed public interest entities in accordance with the requirements of the Crown Dependencies' Audit Rules and Guidance for market-traded companies, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the Group, the accounting processes and controls, and the industry in which the Group operates.
- As in all of our audits we also addressed the risk of management override of controls and risk of fraud in revenue recognition. Although we have not determined these to be key audit matters, we have not rebutted these risks and they are therefore, deemed to be significant risk areas.

Key audit matters

- Valuation of investment properties (Group)
- Going concern (Group and Company)
- Accounting for acquisitions and disposals during the year (Group)
- Valuation of Investment in subsidiaries and recoverability of receivable balances (Company)

Materiality

- Overall Group materiality: US$9.1 million based on approximately 1% of total assets.
- Overall Company materiality: US$3.4m million based on approximately 1% of total assets.
- Performance materiality: US$4.5 million (Group) and US$1.7 million (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Recoverability and valuation of receivable balances, which was a key audit matter last year, is no longer included because of the reduction in the value from prior years due to an increase in collections. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties (Group) *Valuation of investment properties (Group) either held directly or through joint ventures and associates. Directly held: US$628.8 million (2022: US$604.5 million), through Associates and Joint Ventures US$126.1 million (2022: US$203.8 million).* *See Note 3 Investment properties and Note 1 Summary of significant accounting policies.* The Group holds a significant number of investment properties which are fair valued each year under IAS 40 with the change in fair value being reflected in the income statement. The valuation of these properties is carried out for management by third party valuers Knight Frank, REC and Aestima (the "valuers"). The valuers were engaged by the Directors and performed their work in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Professional Standards and the requirements of International Accounting Standard 40 'Investment Property'. The valuation of investment properties represents a significant estimation uncertainty. In determining the valuation of a property, the valuers take into account property-specific information such as the current tenancy agreements and rental income. They apply assumptions for yields and estimated market rent, which are influenced by prevailing market yields and comparable market transactions, to arrive at the final valuation. The valuation of the Group's property portfolio was identified as a key audit matter given the valuation is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental streams for that particular property. The significance of the estimates and judgements involved, coupled with the fact that only a small percentage difference in individual property valuations, when aggregated, could result in a material misstatement, warranted specific audit focus in this area.	Our audit procedures included, but were not limited to: • Considered the adequacy of the disclosures made in Note 3 (Investment Properties); • Assessed the valuers' qualifications and expertise and read their terms of engagement with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work. We also considered fees and other contractual arrangements that might exist between the Group and the valuers. We found no evidence to suggest that the objectivity of the valuers was compromised; • Read the valuation reports for all the properties and confirmed that the valuation approach for each was in accordance with RICS standards and IAS 40; • Assessed the appropriateness of the key assumptions used across the portfolio, corroborating yields, Estimated Rental Values and other key assumptions to comparable information where available; • In instances whereby comparable information has not been readily available we have sought to understand the valuers' rationale and experience in the local market and have recomputed their valuations based on discounted cash flow models factoring in the sensitivity to the overall valuation based on their assumptions; • Our internal valuation experts have then recomputed the valuation for each investment property based on the method employed by the external valuer to ascertain the reasonableness of the underlying valuation and performed separate sensitivity analysis where appropriate; • Other detailed inputs to the model such as current rents, expenses, existence of original title deeds have been agreed back to supporting documentation; • We, along with our internal valuation experts, held discussions with management and held separate calls with each of the respective valuers to discuss and challenge their approach, any implications of climate change, the key assumptions and their rationale behind the more significant valuation movements during the year. Where necessary we had follow up calls with management and their external valuers to confirm/clarify information and assumptions; • The valuation commentaries provided by the external valuers and supporting evidence, enabled us to consider the property specific factors that may have had an impact on value, including recent comparable transactions where appropriate; • Considered the disclosure in the accounts including critical accounting estimates; and • Discussed with the Audit Committee the procedures that we carried out and our findings. **Overall findings** Based on the evidence obtained, we concluded that while some of the assumptions on specific properties used were outside the more optimistic end of what we considered a reasonable range (and hence led to judgemental proposed differences deemed not material by the Audit Committee and which we concur with), the overall assumptions used in the valuations by the external valuers were supportable in light of the evidence obtained and materially appropriate.

Key audit matter	How our audit addressed the key audit matter
Going concern (Group and Company) *See Directors Report (page 159), Audit Committee Report (page 128) and Basis of preparation and measurement (Note 1.1).* The Group has significant interest bearing borrowings, the majority of which have a variable interest rate. As a result of significant increases in interest rates during the year, affecting both the Group and Company's liquidity and various interest cover ratios, we considered going concern to be a significant risk area warranting additional audit focus as part of our audit procedures. The directors modelled a 'base case' and a 'severe but plausible downside' of the Group's and Company's expected liquidity and covenant position for a going concern assessment period through to 31 March 2025. The Directors considered the existing structure of the Group, where Gateway Real Estate Africa Limited ("GREA") is accounted for as a joint venture, and also a scenario where GREA is controlled and therefore consolidated which is the stated future intention of the Group. The base case model is generated from the Board approved forecasts which take into account expected rental receipts, dividend inflows from associates, and committed facilities alongside other assumptions including inflation and foreign exchange rates. The severe but plausible downside scenario introduces more pessimistic assumptions on some of the key inputs. The base case and severe but plausible downside scenario include a US$48.5m capital injection in GREA which has been approved by the Board of GREA and by the investment committee of the third party investor. As the cash has not yet been received, the Directors have applied judgement in including this cash receipt in the forecasts as available liquidity for the Group and, having assessed all available information have obtained sufficient comfort that the cash will be received. Due to the sensitivity applied to forecast interest rates in the severe but plausible downside scenario, a number of condonements for financial covenants relating to the Group and Company's interest bearing borrowings were obtained for the going concern period. After taking into account the results of the analysis and the various mitigating actions available to the Company and the Group under both the "base case" and "severe but plausible downside" scenario, the Board concluded that it is appropriate to prepare the financial statements on a going concern basis and that no material uncertainty exists in the current year financial statements.	Further details of our audit procedures performed in respect of going concern and our conclusions on going concern are set out in the "Conclusions relating to going concern" section of our report below.

Key audit matter	How our audit addressed the key audit matter
Accounting for acquisitions and disposals during the year (Group) *See Note 7 Investments in associates and joint ventures, Note 8 Investments in subsidiaries and Note 1 Summary of significant accounting policies.* During the year the Group has entered into the following transactions: • An additional shareholding of 25.19% has been acquired in Gateway Real Estate Africa Ltd ("GREA") by the Group which brings the total shareholding in GREA to 51.48%. • The Group has acquired an additional equity interest of 1% bringing the total shareholding of the Group in African Development Managers Ltd ("ADPM") to 78.95%. • The Group has acquired an additional 50% equity interest in Buffalo Mall Naivasha Limited during the year which has now stepped up from an associate to a subsidiary. • The Group has disposed of 30% of its equity interest in Orbit Africa Limited ("OAL") to Letlole La Rona Limited ("LLR"). As part of the disposal, LLR has contributed a shareholder loan of US$7.23 million in proportion to its equity stake in OAL. • Grit Services Limited disposed of its entire equity interest of 25.10% in LLR on the Botswana Stock Exchange in tranches. • The Group has disposed of its wholly owned subsidiary Leisure Property Northern (Mauritius) Limited ("LPNML"), which held 27.01% of Beachcomber Hospitality Investments Ltd ("BHI") at the time of disposal.	Our audit procedures on the acquisitions and disposals included: • Obtained, read and understood the agreements entered into between Grit and the relevant parties involved; • Assessed the timing of the transaction and ensured being recorded in the correct accounting period; • Assessed the impact of the acquisition or disposal on the Group's control over the relevant entity under IFRS 10; • Assessed whether the acquisition should be accounted for as a business combination or an asset acquisition in line with IFRS 3; • Inspected a copy of the bank statement and traced payments made or received; • Recomputed the shares issued to counter parties as part of the consideration; • Audited the overall calculation for the transaction including the journal entries posted; • Evaluated the treatment of transaction costs; • Where necessary, consulted with technical specialists internally; • Assessed management's experts work where relevant; and • Obtained sufficient evidence and performed additional audit procedures for transaction specific elements where required. **Overall findings** Following our challenge, there were a number of adjustments made by management and misstatements deemed to be immaterial which were not adjusted for. Based on the procedures performed and these adjustments being made we are satisfied with the accounting over the acquisitions and disposals.
Valuation of Investments in subsidiaries and recoverability of receivable balances (Company) *Note 8 Investments in subsidiaries and Note 1 Summary of significant accounting policies.* The Company has investments in and loans to subsidiaries of US$71.1 million (2022: US$69.4 million) as at 30 June 2023. This is following the recognition of a US$114.2 million (2022: US$30.6 million) provision for impairment on investments in subsidiaries, and expected credit loss impairment of US$22.8 million (2022: US$25.9 million) recognised on loans to subsidiaries in the year. Due to the material value of the balances and the inherently subjective nature of some of the assumptions underpinning the valuations we determined that this was an area of significant risk for the Company audit and an area of audit focus.	Our audit procedures on the valuation of investments in subsidiaries and recoverability of receivable balances included: • Assessing the accounting policies for investments and loans in subsidiaries to ensure they were compliant with IAS 36 and IFRS 9. • Verifying the methodology used by the directors in arriving at the carrying value of each subsidiary and the expected credit loss provision for intercompany receivables, ensuring this was compliant with the respective accounting standards. • Obtaining the impairment of investments and provision of receivables calculations to ensure the mathematical accuracy of calculation and that assumptions within the calculations were consistent with our understanding of the Company and its subsidiaries as a whole. • Identifying the key estimates within the requirement for impairment of both the investments and loans due from subsidiaries to the underlying valuation of investment property held by the subsidiaries at fair value (for details of our procedures over investment property valuations please refer to the related Group key audit matter above). **Overall findings** Based on the procedures performed the valuation of investments in subsidiaries and recoverability of receivable balances due to the Company, following the impairment charges booked, are reasonable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operatee.

The Group's properties are spread across a number of statutory entities with the Group financial statements being a consolidation of these entities, the Group and the Company's associates and joint ventures. The Group has one financially significant component, being Freedom Property Fund SARL, which is subject to a full scope audit by our component team in Morocco. Full scope audits were also performed on 11 other components of the Group due to their size by our component teams in Mauritius, Mozambique and Zambia.

The above, together with procedures performed by the Group audit team, gave us coverage of 100% (2022: 95%) for investment properties, 93% (2022: 98%) for consolidated revenue, 92% (2022: 91%) for consolidated profit before tax on an absolute basis and 87% (2022: 97%) for total assets for the Group. All in scope investment properties were audited by the Group audit team.

The Group team's involvement comprised of conference calls with all component teams as well as in person meetings with component teams in Morocco and Mauritius; review of component auditor work papers; and other forms of communication as considered necessary. Senior members of the Group audit team performed site visits to the properties in Mauritius, Morocco and Kenya. The Group engagement team directly performed the audit of the consolidation. This, together with additional procedures performed at the Group level, gave us the evidence we needed for our opinion on the Group financial statements as a whole.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's and Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. We have also considered the impact on the valuations of investment property and within the future cash flows in the going concern assessment as described in the Key Audit Matters above. Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - company
Overall materiality	US$9.1 million	US$3.4m million
How we determined it	Approximately 1% of total assets.	Approximately 1% of total assets.
Rationale for benchmark applied	The key driver of the business and determinant of the Group's total asset value is property investment valuation. On this basis, we set an overall Group materiality level based on total assets. In addition, a number of key performance indicators of the Group are driven by income statement items and we therefore also applied a lower specific materiality for testing property and other income, administrative expenses, and working capital balances and associated provisions.	The key driver of the business and determinant of the Company's value is investments in subsidiaries. As a result we have used an asset based benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between US$0.02 million and US$4.2 million.

In addition, we set a specific materiality level of US$0.9 million for other working capital and income statement items. This equates to approximately 5% of the Group's adjusted loss before tax of US$18.0 million (being the Group loss before tax adjusted for the fair value adjustments disclosed on the Group Income Statement).

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 50% of overall materiality, amounting to US$4.5 million for the Group financial statements and US$1.7 million for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the lower end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above US$ 0.45 million for items audited using overall materiality, and US$ 0.045 million for items audited using specific materiality (Group audit) and US$ 0.2 million (Company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and understanding the directors' going concern assessment under both a base case and severe but plausible downside scenario;
- Testing key inputs and assumptions to the model used by management by agreeing back to a sample of supporting documentation such as rent rolls for the properties and expense expectations;
- Challenging and evaluating the assumptions made within the base case and the severe but plausible downside scenario, sensitising assumptions including profits expected and reductions to cash flows, and other key assumptions including currency rates, interest rates and inflation rates ensuring these were sufficiently severe;
- Evaluating management's covenant calculations, covering the relevant covenant assessments required in the period from 30 June 2023 to 31 March 2025, confirming that the covenant thresholds and definitions were consistent with the financing agreements;
- Where necessary, confirmed that the covenant condonement requested are sufficient to condone any breaches under the severe but plausible downside scenario;
- Inspecting lending limits and availability of finance, ensuring that the accounting for these arrangements is appropriate;
- Challenging and evaluating key transactions assumed by management and obtaining independent confirmation from external parties to assist in our challenge of management;
- In particular, challenging the inclusion of a capital injection in GREA, which is accessed by the Group through the shared Treasury policy, in the severe but plausible downside scenario where the cash has not yet been received. In assessing the inclusion we spoke directly with the third party investor and consulted internally with other experienced individuals to assess the Directors conclusion that the capital injection was approved without conditions;
- Considering scenarios based on the Group's current structure and potential future structure with the consolidation of GREA and African Property Development Managers ("APDM");
- Confirming that interest rate hedging instruments were contractually entered into and appropriately reflected within the base case and severe but plausible downside scenario;
- Testing the integrity of management's model through recalculation;
- Considering recent history of management's forecasting accuracy and also the recent experience of trading during pre and post the Covid-19 pandemic to determine whether both the base case and the 'severe but plausible' downside scenario are appropriate in particular in terms of rental receipts and property valuations; and
- Evaluating the disclosures presented in the Annual Report in relation to going concern, specifically in relation to key judgements including in particular the inclusion of a capital injection in GREA in the severe but plausible downside scenario, and assessing their consistency with the financial statements and the evidence we obtained in our audit.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

- Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.
- Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies (Guernsey) Law, 2008; Listing rules in London and Mauritius; and applicable corporation and VAT tax legislation in the various jurisdictions in which the Group operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to accounting estimates and judgemental areas of the financial statements such as the valuation of investment and development properties (see related key audit matter above). The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:
- Discussions with management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities;
- Reviewing the litigation register in so far as it related to non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes, including those of the Risk Committee and the Audit Committee;
- Review of corporation tax with the involvement of our tax specialists in the audit;
- Review of VAT tax compliance;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Challenging assumptions and judgements made by management in their significant areas of estimation; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies (Guernsey) Law, 2008 exception reporting

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the Company; or
- the Company financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Other voluntary reporting

Directors' remuneration

As a result of the directors voluntarily complying with the disclosure requirements for quoted companies in respect of directors' remuneration in accordance with the UK Companies Act 2006, we have agreed to report to you if in our opinion, the part of the Directors' Remuneration Report to be audited has not been properly prepared in accordance with the UK Companies Act 2006. We have nothing to report in respect of this responsibility.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Diane Walmsley
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Recognised Auditor
London
31st October 2023

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

	Notes	GROUP 30 June 2023 US$'000	GROUP 30 June 2022 US$'000	COMPANY 30 June 2023 US$'000	COMPANY 30 June 2022 US$'000
Assets					
Non-current assets					
Investment properties	3	628,777	604,474	-	-
Deposits paid on investment properties	3	5,926	8,309	-	2,500
Property, plant and equipment	5	4,490	2,087	-	1,678
Intangible assets	6	433	670	4	5
Other investments		-	1	-	-
Investment in associates and joint ventures	7	197,094	206,997	152,586	70,113
Investment in subsidiary	8	-	-	71,141	69,373
Related party loans receivable	9	92	515	77,552	265,224
Other loans receivable	10	21,005	-	-	-
Derivative financial instruments	20	91	-	-	-
Trade and other receivables	12	3,448	4,615	-	-
Deferred tax asset	11	12,578	12,544	-	-
Total non-current assets		873,934	840,212	301,283	408,893
Current assets					
Trade and other receivables	12	18,578	29,055	1,833	8,564
Current tax receivable		3,389	1,881	70	-
Related party loans receivable	9	751	298	38,249	38,250
Other loans receivable	10	-	37,908	-	-
Derivative financial instruments	20	1,828	1,862	-	-
Cash and cash equivalents	13	9,207	26,002	17	629
Total current assets		33,753	97,006	40,169	47,443
Total assets		907,687	937,218	341,452	456,336
Equity and liabilities					
Total equity attributable to ordinary shareholders					
Ordinary share capital	14a.	535,694	535,694	535,694	535,694
Treasury shares reserve	14b.	(16,306)	(16,212)	(94)	-
Foreign currency translation reserve		(389)	(5,191)	952	-
Accumulated losses		(218,349)	(177,990)	(228,259)	(126,975)
Equity attributable to owners of the Company		300,650	336,301	308,293	408,719
Preference share capital	14c.	31,596	29,558	-	-
Perpetual preference notes	14d.	26,827	25,741	-	-
Non-controlling interests		(25,456)	(22,224)	-	-
Total equity		333,617	369,376	308,293	408,719
Liabilities					
Non-current liabilities					
Redeemable preference shares	15	12,849	12,840	-	-
Proportional shareholder loans	16	35,733	26,716	-	-
Interest-bearing borrowings	17	318,453	242,091	6,596	26,861
Lease liabilities	18	3,335	545	-	400
Derivative financial instruments	20	1,425	-	-	-
Related party loans payable	9	7,195	1,205	-	-
Deferred tax liability	11	51,933	49,592	-	-
Total non-current liabilities		430,923	332,989	6,596	27,261
Current liabilities					
Interest-bearing borrowings	17	78,282	182,975	10,885	2,346
Lease liabilities	18	1,265	864	-	166
Trade and other payables	19	46,366	31,411	2,320	3,272
Current tax payable		717	763	-	61
Derivative financial instruments	20	1,284	-	-	-
Related party loans payable	9	-	1	-	-
Other financial liabilities	21	13,358	16,983	13,358	14,511
Bank overdrafts	13	1,875	1,856	-	-
Total current liabilities		143,147	234,853	26,563	20,356
Total liabilities		574,070	567,842	33,159	47,617
Total equity and liabilities		907,687	937,218	341,452	456,336

These financial statements on pages 172 to 272 were approved by the Board of Directors on 31st October 2023 and signed on its behalf by:

Bronwyn Knight

Leon van de Moortele

The notes on pages 178 to 272 form an integral part of the financial statements.

CONSOLIDATED AND COMPANY INCOME STATEMENTS

For the year ended 30 June 2023

	Notes	GROUP 30 June 2023 US$'000	GROUP Restated [1] 30 June 2022 US$'000	COMPANY 30 June 2023 US$'000	COMPANY 30 June 2022 US$'000
Gross property income	22	56,249	51,937	-	-
Property operating expenses		(9,624)	(8,656)	-	-
Net property income		46,625	43,281	-	-
Other income	23	286	80	69	840
Administrative expenses		(22,578)	(16,944)	(10,360)	(6,722)
Net (impairment)/reversal on financial assets	25	(3,868)	(5,301)	25,517	23,806
Profit / (loss) from operations	23	20,465	21,116	15,226	17,924
Fair value adjustment on investment properties		(4,108)	20,080	-	-
Contractual receipts from vendors of investment properties		-	(297)	-	-
Total fair value adjustment on investment properties	3	(4,108)	19,783	-	-
Fair value adjustment on other financial liability	21	3,625	(11,315)	1,153	(9,080)
Fair value adjustment on other financial asset		264	(371)	-	-
Fair value adjustment on derivative financial instruments	20	(3,085)	4,501	-	-
Fair value adjustment on investment in subsidiary	8	-	-	(114,232)	(30,627)
Share-based payment expense		(354)	(1,238)	(354)	(138)
Share of profits from associates and joint ventures	7	14,300	20,611	9,168	2,438
Loss on disposal of investment in subsidiary	31b & 31c	(3,240)	(2,051)	-	-
Loss on disposal of interest in associate	7c	(3,543)	(573)	-	-
Impairment of loans and other receivables	24	-	(3,101)	-	(600)
Loss on derecognition of loans and other receivables	9	(3,735)	-	(3,910)	-
Foreign currency (losses) / gains		(2,241)	(5,412)	(266)	432
Loss on extinguishment of borrowings		(1,166)	-	(55)	-
Loss on disposal of property, plant and equipment	5a	(888)	-	(888)	-
Other transaction costs	7a	(2,156)	-	(2,156)	-
Profit / (Loss) before interest and taxation		14,138	41,950	(96,314)	(19,651)
Interest income	26	4,096	1,935	11,850	9,932
Finance costs	27	(39,582)	(26,151)	(3,353)	(2,134)
(Loss)/ Profit for the year before taxation		(21,348)	17,734	(87,817)	(11,853)
Taxation	28	(4,225)	(6,621)	(13)	(203)
(Loss)/ Profit for the year after taxation		(25,573)	11,113	(87,830)	(12,056)
(Loss)/ Profit attributable to:					
Equity shareholders		(23,631)	10,443	(87,830)	(12,056)
Non-controlling interests		(1,942)	670	-	-
		(25,573)	11,113	(87,830)	(12,056)
Basic (losses) / earnings per ordinary share (cents)	29	(4.90)	2.62	-	-
Diluted (losses) / earnings per ordinary share (cents)	29	(4.90)	2.62	-	-

[1] *Prior year comparatives have been restated to reflect a change in accounting policy following clarification by the IFRS Interpretation Committee ("IFRIC") in October 2022 of how lessor should account for the forgiveness of lease payments. Details of the restatement and impact on prior year comparatives are set out in note 2.3 'Changes in accounting policies'.*

The notes on pages 178 to 272 form an integral part of the financial statements.

CONSOLIDATED AND COMPANY STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Notes	GROUP		COMPANY	
		30 June 2023 US$'000	Restated [1] 30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
(Loss)/ Profit for the year		(25,573)	11,113	(87,830)	(12,056)
Retirement benefit obligation		86	154	-	-
Exchange differences on translation of foreign operations[2]		1,790	(5,445)	-	(53)
Share of other comprehensive (expense)/ income of associates and joint ventures[2]	7	(43)	(4,173)	952	-
Other comprehensive income / (expense) that may be reclassified to profit or loss		1,833	(9,464)	952	(53)
Total comprehensive (expense)/ income relating to the year		(23,740)	1,649	(86,878)	(12,109)
Attributable to:					
Equity shareholders		(22,109)	2,587	(86,878)	(12,109)
Non-controlling interests		(1,631)	(938)	-	-
		(23,740)	1,649	(86,878)	(12,109)

1 *Prior year comparatives have been restated to reflect a change in accounting policy following clarification by the IFRS Interpretation Committee ("IFRIC") in October 2022 of how lessor should account for the forgiveness of lease payments. Details of the restatement and impact on prior year comparatives are set out in note 2.3 'Changes in accounting policies'.*

2 *In the current year, the Group has restated its comparative figures in its statement of comprehensive income in order to split the exchange differences on translation of foreign operations between exchange differences arising from the operations of its subsidiaries and its shares of other comprehensive (expense)/income from associates and joint ventures.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

GROUP	Notes	Ordinary share capital US$'000	Treasury shares reserve US$'000	Foreign currency translation reserve US$'000	Antecedent dividend reserve US$'000	Accumulated losses US$'000	Preference share capital US$'000	Perpetual preference note US$'000	Non-controlling interest US$'000	Total equity US$'000
Balance as at 1 July 2021		463,842	(18,406)	1,495	–	(176,073)	25,481	–	(17,935)	278,404
Profit for the year		–	–	–	–	10,443	–	–	670	11,113
Other comprehensive (expense)/income for the year		–	–	(8,010)	–	154	–	–	(1,608)	(9,464)
Total comprehensive (expense)/ income		–	–	(8,010)	–	10,597	–	–	(938)	1,649
Share based payments		–	–	–	–	138	–	–	–	138
Antecedent dividend reserve		(3,659)	–	–	3,659	–	–	–	–	–
Ordinary dividends declared	33	–	–	–	(3,659)	(7,903)	–	–	–	(11,562)
Treasury shares	14b	–	(2,906)	–	–	–	–	–	–	(2,906)
Disposal of treasury shares	14b	–	5,100	–	–	–	–	–	(3,600)	1,500
Ordinary shares issued	14a	83,454	–	–	–	–	–	–	–	83,454
Perpetual preference notes issued	14d	–	–	–	–	–	–	26,775	–	26,775
Preferred dividend accrued on perpetual notes	14d	–	–	–	–	(1,837)	–	572	–	(1,265)

The notes on pages 178 to 272 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 30 June 2023

GROUP	Notes	Ordinary share capital US$'000	Treasury shares reserve US$'000	Foreign currency translation reserve US$'000	Antecedent dividend reserve US$'000	Accumulated losses US$'000	Preference share capital US$'000	Perpetual preference note US$'000	Non-controlling interest US$'000	Total equity US$'000
Share issue expenses relating to issue of perpetual notes	14d	–	–	–	–	–	–	(1,606)	–	(1,606)
Preferred dividend accrued on preference shares	14c	–	–	–	–	(4,077)	4,077	–	–	–
Share issue expenses	14a	(7,943)	–	–	–	–	–	–	–	(7,943)
Non-controlling interests on acquisition of subsidiary other than business combination		–	–	–	–	–	–	–	1,414	1,414
Reclassification of foreign currency translation reserve on sale of subsidiary		–	–	906	–	–	–	–	–	906
Reclassification of foreign currency translation reserve on part sale of interests in associate		–	–	418	–	–	–	–	–	418
Dividends distributable to non-controlling shareholders		–	–	–	–	1,165	–	–	(1,165)	–
Balance as at 30 June 2022		535,694	(16,212)	(5,191)	–	(177,990)	29,558	25,741	(22,224)	369,376
Balance as at 1 July 2022		535,694	(16,212)	(5,191)	-	(177,990)	29,558	25,741	(22,224)	369,376
Loss for the year		-	-	-	-	(23,631)	-	-	(1,942)	(25,573)
Other comprehensive income for the year		-	-	1,436	-	86	-	-	311	1,833
Total comprehensive income/(expense)		-	-	1,436	-	(23,545)	-	-	(1,631)	(23,740)
Share based payments		-	-	-	-	354	-	-	-	354
Share of other changes in equity of joint venture	7	-	-	-	-	7,474	-	-	-	7,474
Ordinary dividends declared	33	-	-	-	-	(19,188)	-	-	-	(19,188)
Treasury shares	14b.	-	(94)	-	-	-	-	-	-	(94)
Preferred dividend accrued on perpetual notes	14d.	-	-	-	-	(3,529)	-	1,086	-	(2,443)
Preferred dividend accrued on preference shares	14c.	-	-	-	-	(2,038)	2,038	-	-	-
Transaction with non-controlling interests without change in control	30a & 31a	-	-	-	-	(796)	-	-	796	-
Reclassification of foreign currency translation reserve on sale of interest in subsidiary	31b	-	-	75	-	-	-	-	-	75

GROUP	Notes	Ordinary share capital US$'000	Treasury shares reserve US$'000	Foreign currency translation reserve US$'000	Antecedent dividend reserve US$'000	Accumulated losses US$'000	Preference share capital US$'000	Perpetual preference note US$'000	Non-controlling interest US$'000	Total equity US$'000
Acquisition of subsidiary with own equity shares	30b	-	-	-	-	(604)	-	-	-	(604)
Acquisition of additional interest in joint venture with own equity shares	7a	-	-	-	-	(884)	-	-	-	(884)
Reclassification of foreign currency translation reserve on sale of associates	7c	-	-	3,291	-	-	-	-	-	3,291
Dividends distributable to non-controlling shareholders		-	-	-	-	2,397	-	-	(2,397)	-
Balance as at 30 June 2023		535,694	(16,306)	(389)	-	(218,349)	31,596	26,827	(25,456)	333,617

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

COMPANY	Notes	Ordinary share capital US$'000	Treasury shares reserve US$'000	Foreign currency translation reserve US$'000	Antecedent dividend reserve US$'000	Retained earnings / (Accumulated losses) US$'000	Total equity US$'000
Balance as at 1 July 2021		463,842	-	53	-	(106,776)	357,119
Loss for the year		-	-	-	-	(12,056)	(12,056)
Other comprehensive expense		-	-	(53)	-	-	(53)
Total comprehensive expense		-	-	(53)	-	(12,056)	(12,109)
Share based payments		-	-	-	-	138	138
Ordinary dividends declared	33	-	-	-	(3,659)	(8,281)	(11,940)
Antecedent dividend reserve	14a.	(3,659)	-	-	3,659	-	-
Ordinary shares issued	14a.	83,454	-	-	-	-	83,454
Share issue expenses	14a.	(7,943)	-	-	-	-	(7,943)
Balance as at 30 June 2022		535,694	-	-	-	(126,975)	408,719
Balance as at 1 July 2022		535,694	-	-	-	(126,975)	408,719
Loss for the year		-	-	-	-	(87,830)	(87,830)
Other comprehensive income		-	-	952	-	-	952
Total comprehensive income		-	-	952	-	(87,830)	(86,878)
Share based payments						354	354
Share of other changes in equity of associate		-	-	-	-	7,474	7,474
Treasury shares	14b.	-	(94)	-	-	-	(94)
Ordinary dividends declared	33	-	-	-	-	(19,794)	(19,794)
Acquisition of indirect subsidiary with own equity shares	30b	-	-	-	-	(604)	(604)
Acquisition of additional interest in joint venture with own equity shares	7a	-	-	-	-	(884)	(884)
Balance as at 30 June 2023		535,694	(94)	952	-	(228,259)	308,293

The notes on pages 178 to 272 form an integral part of the financial statements.

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

For the year ended 30 June 2023

		GROUP		COMPANY	
	Notes	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Net cash generated from / (utilised in) operating activities	32a.	32,551	11,293	(14,799)	1,757
Acquisition of, and additions to investment properties	3	(7,582)	(38,996)	-	-
Deposits paid on investment properties	3	-	(2,500)	-	(2,500)
Additions to property, plant and equipment	5	(267)	(117)	-	1
Additions to intangible assets	6	(28)	-	(10)	(12)
Additions of interests joint ventures	7a & 7b	(56,408)	(39,613)	(56,408)	(39,613)
Proceeds from disposal of interest in subsidiary	31b.	28,880	-	-	-
Proceeds from disposal of interest in associates and joint ventures	7c.	16,853	3,347	-	-
Acquisition of subsidiary, net of cash acquired	30b	127	1,121	-	-
Dividends and interest received from associates and joint ventures	7	22,426	3,985	-	-
Proportional shareholder loans repayments from associates and joint ventures	7	2,684	10,031	-	-
Interest received		1,728	668	-	-
Proceeds from disposal of property, plant and equipment	5a	200	49	200	-
Related party loans receivable repaid		427	-	120,422	10,970
Related party loans receivable granted		-	(765)	(13,514)	-
Settlement of other financial liabilities		-	(639)	-	-
Other loans repayment received		-	-	-	-
Deposits received	19	13,776	6,500	-	-
Related party loans payables paid		(2,000)	-	-	-
Related party loans payables received		-	467	-	-
Other loans receivable repaid by partners		6,092	-	-	-
Net cash generated from / (utilised in) investing activities		26,908	(56,462)	50,690	(31,154)
Proceeds from the issue of ordinary shares	14a	-	54,488	-	54,488
Proceeds from the issue of prepetual preference note	14d & 17	-	31,500	-	-
Prepetual preference note issue expenses	14d	-	(1,606)	-	-
Perpetual note dividend paid	14d	(2,443)	(1,265)	-	-
Share issue expenses	14a.	-	(7,943)	-	(7,943)
Ordinary dividends paid	33	(20,175)	(10,535)	(20,443)	(10,913)
Proceeds from interest bearing borrowings	17	324,459	53,788	6,624	-
Settlement of interest bearing borrowings	17	(340,127)	(27,716)	(18,804)	(3,732)
Finance costs		(39,662)	(26,497)	(3,257)	(1,588)
Proportional shareholder loans repaid[1]	16	(4,750)	(1,967)	-	-
Proceeds from proportional shareholder loans[1]	16	9,589	5,576	-	-
Buy back of own shares	14b	(94)	-	(94)	-
Payment of premium on derivative instrument	20	(433)	-	-	-
Payments of leases		(1,415)	(429)	(595)	(289)
Net cash (utilised in) / generated from financing activities		(75,051)	67,394	(36,569)	30,023
Net movement in cash and cash equivalents		(15,592)	22,225	(678)	626
Cash at the beginning of the year		24,146	2,314	629	3
Effect of foreign exchange rates		(1,222)	(393)	66	-
Total cash and cash equivalents (including overdrafts) at the end of the year	13	7,332	24,146	17	629

1. *The Group has reclassified cash flows arising on cash movement on proportional shareholder loans previously categorized as investing activities to financing activities. The reclassification does not affect the Group's total cash and cash equivalents or its overall financial position. Proportional shareholder loans (Note 16) inherently by virtue of how the Group structures its acquisition form part of the Group's capital structure. To align the presentation of proportional shareholder loans which are financial liabilities on the face of the statement of financial position, the Group believes that the classification of the cash movements in the cash flow statements under financing activities is more representative.*

The notes on pages 178 to 272 form an integral part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

General information

Grit Real Estate Income Group Limited (the "Company"; the "Parent") and its subsidiaries (together the "Grit Group" or "the Group") is a real estate company focused on real estate investment assets in pre-selected African countries (excluding South Africa). The Company was a public company incorporated and domiciled in Mauritius and successfully migrated its corporate domicile to Guernsey from Mauritius on 4 February 2021 where it still remains a public company. The address of its registered office is Unity building, The Precinct, Grand Baie, Mauritius. The Company currently holds its primary listing on the Main Market of the London Stock Exchange (LSE) while its listing on the Official Market of the Stock Exchange of Mauritius Ltd (SEM) is termed as a secondary listing. Grit Real Estate Income Group Limited is the ultimate holding company of the group.

1. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these separate and consolidated financial statements.

The principal accounting policies applied in the preparation of these separate and consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

1.1 Basis of preparation and measurement

The financial statements include the consolidated financial statements of the parent company and its subsidiaries ("**the Group**").

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), interpretations issued by the IFRS Interpretations Committee (IFRIC); the Financial Pronouncements as issued by Financial Reporting Standards Council, the LSE and SEM Listings Requirements; and, the requirements of the Companies (Guernsey) Law, 2008. The financial statements have been prepared on the going-concern basis and were approved for issue by the board of directors on 31st October 2023.

The financial statements have been prepared under the historical cost basis, except for investment properties and certain financial instruments that are measured at fair value through profit or loss.

Going Concern

The Directors' assessment of the Group's and Company's ability to continue as a going concern is required when approving the financial statements. As such the Directors have modelled a 'base case' and a 'severe but plausible downside' of the Group's and Company's expected liquidity and covenant position for a going concern assessment period through to March 2025, a period of at least 12 months following the approval of these accounts. The Directors considered the existing structure of the group, where GREA is accounted for as a joint venture, and also the forecasts under a scenario where GREA is controlled and therefore consolidated which is the stated intention of the group.

The process involved a thorough review of the Group's risk register, an analysis of the trading performance both pre and post year-end, extensive discussions with the independent property valuers, a review of the operational indicators within the Group and economic data available in the countries in which the Group operates. All of this has been done in the context of the continued global market instability, previous experience of the African real estate sector and best estimates of expectations in the future.

Base Case model

The base case reflects the Directors' best expectations of the position going forward. It was modelled on board approved forecasts over the relevant period with amendments to reflect current changes in the business. The base case scenario includes the Group's and Company's financial projections and the following key assumptions:

1. Management has modelled the proceeds of both the IFC funding instrument (US$30 million) as well as the recapitalisation of GREA (with a cash injection of US$48.5 million) to be closed from November 2023;
    a. The initial deployment of the IFC instrument shall be utilised to acquire a sale and lease back asset with a value of at least US$15 million (which is a requirement of the IFC instrument) with the remaining balance being undrawn.
    b. The US$48.5 million recapitalisation of GREA is to fund new development projects and to unlock the fee income strategies of the Group as contemplated under "Grit 2.0". The proceeds of the GREA recapitalisation shall initially be applied to reduce debt in the short term, through the shared Treasury policy, before being deployed towards the Group's pipeline in due course. The applicable development fee income surrounding the deployment of the cash has been included in the model. As the cash is targeted to be received in December 2023, the Directors have applied significant judgement on the inclusion of the US$48.5 million capital injection in GREA. The judgement that the cash will be received from the capital injection has been made on the basis that this has been approved by the Board of GREA and by the investment committee of the third-party investor. For these reasons the Directors have concluded that they have obtained sufficient evidence that the cash will be received in due course. The Group is not compelled to inject cash of its own as part of the recapitalisation of GREA.;
2. Modelling the Company's contractual lease income, which at 30 June 2023 had a weighted average lease expiry of 4.4 years and applying the applicable contractual lease escalations (which averaged 3.0% in the current period);
3. Expected take up of vacancies from ordinary letting activities, updated for any leases concluded post year end;
4. Debt is refinanced in the ordinary course of business, based on the Group's historical ability to refinance debt as required;
5. Hedging contracts with a nominal value of US$200 million, which are more fully described in the CFO statement and have been concluded post year end, are included in the model;
6. Base interest rates increase to 5.38% (in the case of US Dollar SOFR base rates) and 3.92% (in the case of Euro base rates) before retracing to 3.91% and 1.85% respectively by March 2025;
7. Depreciation of the various African currencies versus the US Dollar, most notably the Zambian Kwacha depreciating by 19.4% and the New Mozambique Metical depreciating by 21.3% over the period, with the Euro appreciating by 4.2% over the period;
8. Property valuations that assume constant discount and exit capitalisation rates to those applied by the independent valuers for the year ended 30 June 2023, while applying the cashflows and currency impacts mentioned above;
9. Drive in Trading guarantee settlement paid in March 2024 of US$17.5 million;
10. Further progress towards, and extension of, the Company's stated asset disposal strategy whose proceeds are deployed to reduce debt facilities and to fund future pipeline opportunities; and
11. Administrative expense reductions of c.$4.6 million during FY24 and FY25.

Severe but plausible downside model

The severe but plausible downside scenario is initially applied to Grit on a standalone basis and then includes additional overlays of consolidated GREA scenarios to reflect the intention of the Directors to obtain control over GREA. A summary of the key assumption overlays to the Base Case made in the severe but plausible scenario are as follows:

1. As the IFC agreement has not yet been signed by the financial statement date, the initial utilisation of the funds has therefore not been assumed. The funds from the GREA recapitalisation have been assumed to be held in debt facilities as the projects to which they will be allocated have not yet reached sufficient finality (most specifically binding pre-let agreements and specific project debt funding) reducing the Group's interest costs and improving liquidity. Any fee income related to these projects have also not been modelled. As the cash is targeted to be received in December 2023, the Directors have applied significant judgement on the inclusion of the US$48.5 million capital injection in GREA. The judgement that the cash will be received from the capital injection has been made on the basis that this has been approved by the Board of GREA and by the investment committee of the third-party investor. For these reasons, the Directors have concluded that they have obtained sufficient evidence that the cash will be received in due course;
2. Base interest rates are assumed to continue to increase to levels higher than those assumed in the base case, with base rates staying higher for longer and at levels increasing to c1.25% higher than the base case scenario and then maintaining this average over the measurement period. The resultant assumed rates are:
    - SOFR base rates increase to a maximum of 6.31% up to June 24 before rate retracting 5.16% in March 2025;
    - 3 month Euribor rates increase to 5.05% before retracting to 4.55% in June 2024 and 3.48% in March 2025;
3. All debt facilities that mature during the period to December 2024 are assumed to be repaid on the current maturity date; while those beyond this date, specifically the US$306 million sustainability linked syndicated loan facility maturing in 2027, the SBM Euro 22.3 million and Nedbank US$8 million facilities maturing in April 2025, are assumed to be refinanced in the ordinary course;
4. Further depreciation of currencies versus the US Dollar, most notably the Euro depreciating by 4.0% over the period and movements in various African currencies of up to 22.8%;
5. Only contractual preference share coupons are paid;
6. The ongoing refurbishment of the Club Med Cap Skirring Resort in Senegal is reduced to the contractually obligated spend; and
7. Administrative expense reductions of c.$4.6m during FY24 and FY25.

Given the Group's stated intention to consolidate GREA, further overlays in the severe but plausible downside scenario are applied to GREA and include:

1. Interest rate and currency sensitivities, as above, are applied to GREA debt, and debt facilities that mature during the period are assumed to be repaid on the current maturity date;
2. Delays and cancellations to targeted asset disposals are modelled;
3. Potential delays of current development projects underway have been factored in by up to 6 months; and
4. Future projects are ceased, with no additional fee income generation from these projects or related asset management services.

Where potential risks to covenants have been identified, the Group has received specific condonements from its financiers should the scenario modelled come to pass. This includes Interest Cover Ratio covenant condonements and Loan to Value covenant condonements during the going concern period for risks identified at the December 2024 measurement period.

Under both the base case and the severe but plausible scenario, along with certain remedies within management's control, which include actions like cuts in dividends, the Company is able to meet its liquidity and covenant positions through to March 2025. The Board has therefore concluded that it is appropriate to prepare the financial statements on the going concern basis and have concluded that there is no material uncertainty in forming that view, noting the significant judgement made in connection with the GREA capital raise.

1. Summary of significant accounting policies (continued)

1.2 Functional and presentation currency

The consolidated financial statements are prepared and presented in USD ($) which is also the presentation and functional currency of the company. Amounts are rounded to the nearest thousand, unless otherwise stated. Some of the underlying subsidiaries and associates have functional currencies other than the USD ($). The functional currency of those entities reflect the primary economic environment in which they operate.

1.3 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is a person or group that is responsible for allocating resources and assessing performance of the operating segments. The Group has determined the board as its chief operating decision-maker as it is the board that makes the Group's strategic decisions. Each operating entity has its own Segmental and Geographical allocation and it is not allocated to more than one sector. Depreciation and amortisation is not shown separately due to the immaterial nature thereof. (Refer to note 42).

1.4 Significant accounting judgements, estimates and assumptions

The preparation of financials statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the entity and that are believed to be be reasonable under the circumstances.

Significant Judgements

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

Historical significant judgements which continue to affect the financial statements

Unconsolidated structured entity

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

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

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

As the Group does not have both, power to direct the activities of DiT and an exposure to variable returns, the Group has exercised judgement on not to consolidate DiT but disclose it as an unconsolidated structured entity due to DiT being a related party. Refer to Note 36d. for disclosure of the transaction.

Freedom Asset Management (FAM) as a subsidiary

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

Grit Executive Share Trust (GEST) as a subsidiary

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

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

The Grit Executive Share Trust II has been incorporated during the prior financial year to act as trust for the new long term incentive plan of the Group. The trust will hold Grit shares inorder to service the new scheme when the shares will vest to the employees in the future. The corporate set-up of GEST II is similar to GEST and the Group has considered the latter to be a subsidiary due to the implied control that the Group has over it.

Africa Property Development Managers Ltd (APDM) as a joint venture

The Group had previously acquired an equity interest of 77.95% in APDM. Further during the current financial year, the Group has acquired an additional equity interest of 1% bringing the total shareholding of the Group in APDM to 78.95%. The Group has concluded that even though it holds a majority shareholding in APDM, it does not have control of the latter because it is currently not satisfying the power criteria of control. The design of APDM is such that decisions about the relevant activities need to be approved by the investment committee of the company. For a decision to be approved, seventy five percent of the members present need to vote in favor of the decision. Currently the Group has the right to appoint four members to the investment committee. The Public Investment Corporation SOC ('PIC') who holds 21.05% of APDM has the right to appoint two members. Given the seventy five percent threshold requirement to pass any resolution, the Group and PIC will have to unanimously agree to any decision before those are formally enacted by management. Therefore neither the Group nor the PIC on their own control APDM. Because of the unanimous consent required by both the significant shareholders of APDM, the Group has classified the investment in APDM as an investment in joint venture.

New significant judgements made during the current year

Gateway Real Estate Africa Ltd (GREA) as joint venture

The Group has continued its announced plan to acquire a majority stake in GREA during this financial year. An additional shareholding of 25.19% has been acquired in GREA by the Group which brings the total shareholding in GREA to 51.48%. Even with a majority shareholding, the Group, has concluded that it does not control GREA.

The increase in shareholding has entitled the Group the right to appoint two additional directors on the GREA board of directors ("Board") in addition to the one director that the Group was already entitled to appoint. The design of GREA is such that its relevant activities are largely directed by its Board. Under the current shareholder agreement, for a decision to be approved, seventy five percent of the directors present need to vote in favour of the decision presented to the board. With the Group being entitled to appoint three out the seven directors of the board, the Group will need the support of the PIC, who is entitled to appoint two directors for the decision to be approved. Therefore, even with a majority shareholding of 51.48%, the Group has not considered GREA to be a subsidiary as the PIC currently is holding protective rights by virtue of the 75% board threshold. Because of the unanimous consent required by both the Group and PIC, the investment in GREA has been classified as an investment in joint venture by the Group. Previously the Group had classified the investment in GREA as an investment in associate. However with the exit of Gateway Africa Real Estate Limited ("GWP") and Prudential Impact Investments Private Equity LLC ("Prudential") being finalized, the only remaining shareholders in the structure are Grit and the PIC and both have joint control as explained above.

Significant Estimates

The principal areas where significant estimates have been made are:

Fair value of investment properties

The fair value of investment properties is determined using a combination of the discounted cash flows method and the income capitalisation valuation method using assumptions that are based on market conditions existing at the relevant reporting date. For further details of the valuation method, judgements and assumptions made, refer to note 3.

Fair value of investment in subsidiary- Company only

The Company accounts for its investment in subsidiary at fair value through profit or loss. The Company has only one direct subsidiary, Grit Services Limited which is included in its separate financial statements as investment in subsidiary. The Company uses a valuation methodology which is based on the net asset value of Grit Services Limited. A separate valuation is peformed at Grit Services Limited level to ensure that the fair value of the underlying investment properties held by its subsidiaries appropriately flow into its own net asset value. The estimates and assumptions that the Company considered to be significant and that could have a material impact on the carrying amount if its investment in subsidiary is the actual valuation of the underlying investment properties. The Company engages independent valuers in their capacity as expert to value the investment properties. Refer to note 3 for sensitivity performed on investment properties.

Taxation

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

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

1. Summary of significant accounting policies (continued)

1.5 Consolidation

Basis of consolidation

The financial statements incorporate the financial information of the Company and all entities which are controlled by the Group.

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date control ceases.

Inter-company transactions, balances and unrealised gains or losses on trasactions between Group companies are eliminated, except where there are indications of impairment.

De-facto control exists in situations where the Group has the practical ability to direct the relevant activities of an investee without holding the majority of the voting rights. In determining whether de-facto control exists the Group considers all relevant facts and circumstances, including the size of the Group's voting rights relative to both the size and dispersion of other parties who hold voting rights.

- Substantive potential voting rights held by an entity in the Group and by other parties
- Other contractual arrangements entered into between the Group and the investee

The results of subsidiaries are included in the financial statements from the effective date of their acquisition to the effective date of their disposal.

The Consolidated financial statements of the group are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for a non-controlling interest.

Changes in ownership interests in subsidiaries without change in control

The Group treats transactions with non-controlling interests that do not result in a loss of control (both acquisition and disposal) as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised directly into equity attributable to Grit's owners. The Group has selected an accounting policy choice to record any excess of the consideration paid/ received over the carrying value of net assets acquired/disposed into retained earnings. Refer to note 30a and 31a for transactions that were recorded as transaction with non-controlling interests during this financial year.

Disposal of subsidiaries

When the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition- related costs incurred in the acquisiton of a business are expensed as incurred.

The Group also assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date carrying value of the Group previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

The consideration transferred for the acquisition of a subsidiary that meets the definition of a business is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values as at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assess whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then a gain is recognised in profit or loss.

Accounting for asset acquisitions

For acquisition of a subsidiary not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values as at the date of acquisition. Such transactions or events do not give rise to goodwill nor gain on bargain purchase.

Accounting for changes in ownership in associate where control is subsequently obtained

When the Group obtains control of an associate which was previously being equity accounted by the latter acquiring an additional equity stake and further the acquisition does not qualify as the acquisition of a business but rather an asset acquisition, the Group will determine the cost of the group of assets being acquired which is the sum of all the consideration given ie) consideration paid for additional interest plus previously held and any non-controlling interests together with transaction costs. As an accounting policy choice, the Group has elected to measure previously held equity interests in the associate at the previously equity accounted carrying amount ('Accumulated cost approach'). Further as an accounting policy choice, the Group has elected to measure non-controlling interests acquired at the proportionate share of the fair values of the acquiree identifiable net assets.

Company annual financial statements

In the Company's separate financial statements, investment in subsidiaries are carried at fair value with changes recognised in profit or loss..

Transaction costs that are directly attributable to acquisition of the subsidiary are expensed in profit or loss. Fair values are determined by reference to the underlying fair value of the subsidiaries' net assets.

1.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently carried at cost less any accumulated amortisation and any impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of an intangible assets are assessed as either finite or infinite.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided on such intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The residual value, useful life and amortisation method of each intangible asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The amortisation charge for each year is recognised in profit and loss.

A summary of the useful life and amortization method for each class of intangible asset is included below:

Item	Average useful life	Amortization method
Computer software	4 years	Straight-line basis over the useful life

1. Summary of significant accounting policies (continued)

1.7 Investment properties

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the Group, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Investment properties are those which are held either to earn rental income or for capital appreciation or for both. Investment properties are subsequently carried at fair value. External, independent valuation companies, with professionally qualified valuers and recent experience in the locations and categories of properties being valued, value the Group's investment property portfolios on at least a biannual basis. If an investment property is not externally valued at a reporting date then a directors' valuation is undertaken. The fair values are based on market values, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The valuations are prepared by considering comparable market transactions for sales and letting and having regard for the current leases in place. In the case of lettings this includes considering the aggregate of the net annual market rents receivable from the properties and where relevant, associated costs. A yield which reflects the risks inherent in the net cash flows is applied to the net annual rentals to arrive at the property valuation.

Any gain or loss arising from a change in fair value of an investment property is recognised in profit or loss.

Under IAS 40 "Investment Property", property that is under construction or development for future use as investment property is within the scope of IAS 40. As the fair value model is applied, such property is measured at fair value. However, where the fair value of investment property under redevelopment is not reliably measurable, the property would be measured at cost until the fair value of the investment property under redevelopment is complete.

1.8 Investment in associates and joint ventures

An associate is an entity over which the Group and the Company has significant influence. Investments in associates are accounted for under the equity method both in the Group consolidated financial statements and seperate financial statements of the Company.

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. Interests in joint ventures are accounted for using the equity method of accounting as permitted by IFRS 11 Joint Arrangements, and following the procedures for this method set out in IAS 28 Investments in Associates and Joint Ventures.

The Group's investments in associates and joint ventures include any goodwill (net of any accumulated impairment loss) identified on acquisition. They are initially recognised at cost. This is subsequently adjusted for post-acquisition changes in the Group's share of the net assets of each associate and joint venture, less any impairment in the value of individual investments.

Any excess of the cost of acquisition over the Group's share of the net fair value of the associate's or joint venture's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's or joint venture's profit or loss.

In circumstances where the Group's share of losses exceeds its interest in an associate or joint venture, the Group discontinues recognising further losses, unless it has incurred a legal or constructive obligation or made payments on behalf of the associate or joint venture.

The results of associated or joint ventured companies acquired or disposed of during a year are included in the statement of comprehensive income from the date of their acquisition up to the date of their disposal.

Unrealised profits are eliminated to the extent of the Group's interests in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Where necessary, appropriate adjustments are made to the financial statements of associates and joint ventures to bring their accounting policies in line with those adopted by the Group.

When the Group acquires additional equity interests in an associate and post acquisition, the Group continues to have significant influence, the cost of acquiring the additional equity stake including any directly attributable costs, is added to the equity accounted carrying value of the associate. Previously held interests is not remeasured as there has not been change in status of the investment.

An associate or joint venture of the Group might have a change in its net assets that does not affect its profit or loss or other comprehensive income for example an equity-settled share-based payment transactions. Although the description of the equity method in IAS 28 requires that the Group's share of the profit or loss of the associate or joint venture is recognised in the Group's profit or loss, and the Group's share of changes in items of other comprehensive income of the associate or joint venture is recognised in the other comprehensive income of the Group, no explicit reference is made to other items that the associate or joint venture might have in its statement of changes in equity. When the Group's associate or joint venture has recorded an equity settled share based payment in its financial statements, the share based payment expense is included within the profit or loss of the associate or joint venture and will be reflected in the share of the associate's or joint venture's profit or loss recognised in the Group's profit or loss. With regards to the corresponding amount recorded in the equity of the associate or joint venture, the Group has reflected its share of the credit to the associate and joint venture equity as a 'share of other changes in equity of the associate or joint venture' in the Group statement of changes in equity.

1.9 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost and subsequently at cost less accumulated depreciation and any impairment losses.

Item of property, plant and equipment are depreciated on a straight-line basis over their expected useful lives to their estimated residual values.

Item	Average useful life
Furniture and fittings	6 years
Computer equipment	3 years
Office equipment	8 years
Office buildings	20 years
Plant and machinery	4 years
Motor vehicles	5 years
Right of use of land	15 years
Right of use of motor vehicles	5 years
Right of use of office	6 years

In note 5, Furniture and fittings, Computer equipment, Office equipment, Plant and Machinery and Motor vehicles have been presented under Other property, plant and equipment.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The depreciation charge for each year is recognised in profit and loss.

The average useful life of the right of use assets is the shorter of the lease term and the useful economic life.

The carrying amount of an item of property, plant and equipment is derecognised on disposal; or when no future economic benefits are expected from its use or disposal.

The gain or loss arising from de-recognition of an item of property, plant and equipment is included in profit and loss when the item is derecognised. The gain or loss arising from de-recognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Where the carrying amount of an asset is greater than its recoverable amount, it is immediately impaired to its recoverable amount.

1.10 Financial instruments - recognition, classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Recognition, measurement and derecognition

Non-derivative financial instruments comprise investment in equity securities, trade and other receivables, cash and cash equivalents, loans and other borrowings and trade and other payables.

All non-derivative financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

1. Summary of significant accounting policies (continued)

1.10 Financial instruments - recognition, classification and measurement (continued)

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the relevant contractual arrangement.

Subsequent measurement

Subsequent to initial recognition, non-derivative financial assets are measured as stated below.

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the relevant year.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the Group's right to receive payment is established.

Related party loans receivables, other loans receivable, trade and other receivables and cash and cash equivalents are measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Investments at fair value through profit or loss

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses".

Trade and other receivables

Trade and other receivables including related party loans and other loan receivables that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired.

Unbilled income based on contractual amounts due within the year which have not been invoiced are included within trade and other receivables as income accrued.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash deposited with financial institutions and other short-term liquid investments that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated and company statement of cash flows, cash and cash equivalents consist of cash and short term liquid investments as defined above net of outstanding bank overdrafts as they are considered an integral part of the Group and company cash management.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost. Any amounts received from tenants that relate to periods after the financial year end are recognised as deferred income and included under trade and other payables.

Bank overdraft and borrowings

Bank overdraft and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Bank borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting year.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Preference share capital classied as financial liability

Preference shares, which are redeemable through a put option, are classified as liabilities. Dividends on these preference shares are recognised in profit or loss as finance costs.

Proportional shareholder loan

The Group typically aims to acquire a controlling equity stake in the entities that it acquires. These acquisitions are often facilitated by involving external co-investors. The Group's primary objective is to retain control over the acquired entities, leading to their consolidation in the Group consolidated financial statements while the co-investors will hold a minority interests in these acquired entities. The acquisition will normally be structured so that the shareholders will need to contribute funds in the form of shareholder loans in proportion to their existing shareholdings.

From a consolidation perspective, any shareholder loans provided by co-investors who are not part of the Group will be recognized as financial liabilities on the consolidated balance sheet of the Group. The proportional shareholder loan will initially be recognised at fair value and subsequently at amortized costs.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (including unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent comparable arm's length transactions, reference to valuations of other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due with higher rates allocated to receivable balances that are long-outstanding. The provision matrix is initially based on the Group's observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The asset management team also monitors the payment profile and any qualitative indicators that might indicate a deterioration in the ability of the tenant to repay on time. If it becomes apparent that a tenant is in financial difficulty and will not be able to settle an amount due, a specific provision will be made on the balance at risk to mitigate the overall credit risk on that particular tenant.

1.11 Income tax

Current tax assets and liabilities

Current tax for current and prior years are, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior years exceeds the amount due for those years, the excess is recognised as an asset.

Current tax liabilities / (assets) are measured at the amount expected to be paid to / (recovered from) the tax authorities, using the tax rates laws that have been enacted or substantively enacted by the end of the relevant reporting year. Current tax payable also includes any tax liability arising from the declaration of dividends and payment of withholding taxes.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that it arises:

- from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- from temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- from temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised for:

- all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when 1) it arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) and 2) when temporary differences relate to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- the carry forward of unused tax losses to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the relevant reporting year. For investment properties that are measured at fair value the presumption that the carrying amount of the investment properties will be recovered through sale has not been rebutted.

1. Summary of significant accounting policies (continued)

1.11 Income tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the eventual current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, where they intend to settle the eventual current tax liabilities and assets on a net basis or their assets and liabilities will be realised simultaneously.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the relevant year, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different year, in other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different year, to other comprehensive income.

1.12 Share capital

Ordinary share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new ordinary shares are shown as a deduction in equity, net of tax, from the proceeds of issue.

Treasury shares

The consideration paid for the purchase of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve (the 'Treasury shares reserve'). Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares would be credited to retained earnings.

1.13 Perpetual instrument issued classified as equity

When a perpetual financing instrument is issued, the classification of the instrument as a liability or equity will depend on the terms of the contract. The instrument will be classified as a liability if the definition of a liability is met. If the definition of a liability is not met, the instrument will be classified as equity.

If an instrument contains both a liability and equity component based on the terms of the contract, the fair value of the liability component is determined first. This amount is classified as a financial liability measured at amortized costs (net of transaction costs) until it is extinguished. The remainder of the proceeds from issuance is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax.

Transaction costs are apportioned between the liability and equity components based on the allocation of proceeds to the liability and equity components when the instrument is initially recognised.

1.14 Gross Property Income

The Group's key sources of income include:

- Rental income
- Revenue from contracts with customers which include services to tenants (including management charges) and other expenses recoverable from tenants.

The accounting for each of these elements is dicsussed below:

1.14.1 Rental income

The Group earns revenue from acting as lessor in operating leases which do not transfer substantially all of the risk and rewards incidental to ownership of an investment property.

Contractual rental income and parking rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature except for contigent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as expense over the lease term on the same basis as lease income.

The Group also provides incentives to its tenants inorder to incentivize them to either get into new leases or extend their existing leases. Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases are recognised in the statement of profit or loss when the right to receive them arises. Contingent rents being those lease payments that are not fixed at the inception of the lease, including for example turnover rents are recognised in the period in which they are earned.

Lease modifications are defined as a change in the scope of a lease, or the consideration of a lease, that was not part of the original terms and conditions of the lease. Modifications to operating leases the Group holds as a lessor are accounted for from the effective date of the modification. Modifications take into account any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. The revised remaining consideration under the modified lease is then recognised in rental income on a straight-line basis over the remaining lease term.

1.14.2 Revenue from services to tenants

The Group applies the requirement of IFRS 15 in recognising its service charge income (recoverable property expenses) and management fee.

For investment property held primarily to earn rental income, the Group enters as a lessor into lease agreements that fall within the scope of IFRS 16. The agreements include certain services offered to tenants as well as support services. The consideration charged to tenants for these services includes fix fee charged. Recoverable property expenses relate to expenditures that are directly recoverable from tenants. The recoverable property expenses are recognised as revenue in the period to which it relates as required by IFRS 15 Revenue from Contract with Customers.

The Group also acts as asset and property manager for some of its associates and receive management fees in relation to these services. Revenue from those fees is recognised over time as the recepient of those services receive and consume benefits as the Group performs its management obligations. The method to be used to calculate the transaction prices are defined in the asset and property management agreement that exist between the Group and the associate's property company.

Other income consists of commissions and fees arising from the management of the Group's properties and is recognised in the Group income statement in accordance with the delivery of service.

Dividend income is recognised, in profit or loss, when the Group's right to receive payment has been established.

1.15 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the year in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Long-term employee benefits - share based payments

Where equity settled share awards are made to executive directors, senior managers or certain other key employees, the fair value of the awards at the date of grant is charged to profit and loss over the full vesting period.

1. Summary of significant accounting policies (continued)

1.16 Translation of foreign currencies

Foreign currency transactions in Group entities

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the relevant reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the relevant year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate ruling at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations inclusion in the consolidation

Items included in each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (their functional currency). The results and financial position of all the Group entities that have a functional currency different from that of the presentation currency of the Company are translated into the presentation currency of the Company as follows:

- assets and liabilities are translated at the exchange rate ruling at the relevant reporting date;
- income and expenses are translated at the average exchange rates for each year; and
- any resulting exchange differences are recognised in other comprehensive income and are accumulated in the foreign currency translation reserve, a separate component of equity, until such time as the relevant foreign entity is disposed of at which time such translation differences are recognised in profit or loss.

1.17 Ordinary dividend distributions and the antecedent dividend reserve

1.17a Ordinary dividend distributions

Ordinary dividends are recognised when they become legally payable. For all dividends this is when declared by the directors.

A dividend distribution to ordinary shareholders is accordingly recognised as a liability in the financial statements in the year in which the dividend is declared.

1.17b Antecedent portion of ordinary dividends

Not distributing the antecedent portion of ordinary dividends would result in existing ordinary shareholders' interests being diluted. This can arise due to the payment of an ordinary dividend based on a greater number of ordinary shares in issue, without having had the benefit of the cash flow from the new issues of ordinary shares (or the risks and rewards of ownership of any investment property purchased with the proceeds of the issue of new shares) in the financial year to which the dividend relates. Such distributions are made out of the antecedent dividend reserve.

2 New standards and interpretations

2.1. Standards, interpretations and amendments to published standards that are issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Group and Company. Based on Group's and Company's current circumstances, the Directors do not anticipate that their adoption in future periods will have a material impact on the financial statements of the Group and Company. The standards, amendments and interpretations were:

- IFRS 17- Insurance contracts;
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;
- Amendments to IAS 12- Deferred taxes related to assets and liabilities arising from a single transaction.
- Amendment to IFRS 16 – Leases on sale and leaseback;
- Amendment to IAS 1 – Non-current liabilities with covenants;
- Amendment to IAS 12 - International tax reform - pillar two model rules;
- Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;

2.2. Standards, interpretations and amendments to published standards that are effective and applicable to the group

The following standards, amendments and interpretations were effective for the first time for the Group's current accounting period and had no material impact on the financial statements.

- Reference to the Conceptual Framework (amendments to IFRS 3);
- IFRS 16 (amended) – Covid-19-related Rent Concessions;
- IAS 37 (amended) – Onerous Contracts – Cost of Fulfilling a Contract;
- Annual Improvements to IFRS Standards 2018-2020;
- IAS 16 (amended) – Property, Plant and Equipment: Proceeds before Intended Use.

The Group has conducted an initial assessment of the impact of the Pillar Two model rules recently released by the Organization for Economic Co-operation and Development (OECD) for the reform of international corporate taxation. These Pillar Two rules are applicable to multinational enterprises with consolidated revenues of at least €750 million in two of the last four years. The Group currently does not meet and is not expected to meet in the near future the revenue threshold. Hence, our initial assessment suggests that the amendment to IAS 12 is not anticipated to have a significant impact. Nevertheless, the Group remains vigilant and is actively monitoring developments in the legislative landscape concerning this matter to ensure that any substantial changes that could potentially affect the Group are promptly identified.

In March 2022, the IFRS Interpretations Committee (IFRIC) finalized a decision regarding the treatment of demand deposits with restrictions on use, including tenant rent deposits. The decision concluded that these deposits, subject to contractual restrictions, meet the definition of 'cash and cash equivalents' under IAS 7 and should, therefore, be included as restricted cash within 'cash and cash equivalents' on the financial statements. Historically, the Group had accounted for deposits received from tenants as cash and cash equivalents in accordance with the recent IFRIC agenda decision. Subsequent to this clarification, the Group conducted a thorough review of its lease agreements with tenants and determined that there are no contractual restrictions on the usage of the deposits received. As a result, the Group has not disclose these deposits as restricted cash. Therefore, all such deposits are presented as 'cash and cash equivalents' in the financial statements.

In October 2022, the International Financial Reporting Interpretations Committee (IFRIC) issued a final agenda decision regarding 'Lessor forgiveness of lease payments (IFRS 9 and IFRS 16),' providing clarification on lessor accounting for concessions, specifically rental forgiveness, granted to tenants. More details have been included in section 2.3 "changes in accounting policies"

There were no further standards, interpretations or amendments that were applied by the Group for the first time for the financial year beginning 1 July 2022.

2 New standards and interpretations (continued)

2.3. Changes in accounting policies

Restatement- IFRIC Agenda Decision - Forgiveness of lease payments

In October 2022, the IFRIC clarified that when rent receivables are overdue and subsequently forgiven, lessors are required to apply the expected credit loss (ECL) and de-recognition principles outlined in IFRS 9. This entails recognizing an income statement charge upon the recognition of the loss allowance and writing off the gross carrying amount of the rent receivable against the loss allowance upon forgiving the rent receivable. Historically, the Group accounted for such rental forgiveness using the lease modification requirements of IFRS 16, recording them as lease incentives assets and spreading them as a reduction of rental income over the lease term of the respective tenant to whom the rent forgiveness was granted.

The agenda decision further clarified that forgiveness of future rent not yet due qualifies as lease modifications under IFRS 16. The impact of this forgiveness should be recognized as a reduction of rental income on a straight-line basis over the lease term, consistent with our Group's existing treatment. In light of the clarification provided by the IFRIC Agenda decision, the Group reviewed its accounting policy concerning rental forgiveness for past due amounts.

As a result of this review, the Group has retrospectively applied the requirements of IFRS 9 to the past due rent receivables that were forgiven. The implementation of this change has resulted to a restatement of the comparative figures for June 30 2022, impacting key income statement line items such as Gross property income, Net property income, Impairment of financial assets, Profit from operations and fair value adjustments on investment properties. However, it is important to note that the total profit for the year remains unchanged.

The application of the IFRIC clarification did not have any impact on the balance sheet of the Group as lease incentives are incorporated within the carrying value of investment properties already. Therefore any movement in lease incentives will result to an equal and opposite movement in investment property (through fair value adjustment) to avoid double counting for an asset (lease incentive asset) which is already embedded in the investment properties valuations.

The following table shows the financial statement line items which have been impacted in the Group Income statement for the prior years.

	30 June 2022 US$'000	Restatement US$'000	Restated 30 June 2022 US$'000
Group Income statement (extract)			
Gross property income	50,766	1,171	51,937
Net property income	42,110	1,171	43,281
Net (impairment)/reversal on financial assets	(4,217)	(1,084)	(5,301)
Profit / (loss) from operations	21,029	87	21,116
Fair value adjustment on investment properties	20,167	(87)	20,080
Total fair value adjustment on investment properties	19,870	(87)	19,783

	30 June 2021 US$'000	Restatement US$'000	Restated 30 June 2021 US$'000
Group Income statement (extract)			
Gross property income	49,217	1,828	51,045
Net property income	40,674	1,828	42,502
Net (impairment)/reversal on financial assets	(7,119)	(3,698)	(10,817)
Profit / (loss) from operations	19,857	(1,870)	17,987
Fair value adjustment on investment properties	(51,441)	1,871	(49,570)
Total fair value adjustment on investment properties	(51,297)	1,871	(49,426)

3. Investment properties

		GROUP		COMPANY	
	Notes	30 June 2023 US$'000	Restated 30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Net carrying value of properties		628,777	604,474	-	-
Movement for the year excluding straight-line rental income accrual, lease incentive and right of use of land					
Investment property at the beginning of the year		588,229	538,981	-	-
Acquisition through subsidiary other than business combination		-	33,050	-	-
Transfer from associate on step up to subsidiary[1]	30b	11,036	19,343	-	-
Disposal of subsidiary		-	(10,975)		
Reduction in property value on asset acquisition	30b	(1,207)	-	-	-
Other capital expenditure and construction		13,683	5,946	-	-
Foreign currency translation differences		4,221	(18,196)		
Revaluation of properties at end of year		(4,108)	19,783	-	-
Contractual receipts from vendors of investment properties (reduction in purchase price)		-	297	-	-
As at 30 June		611,854	588,229	-	-
Reconciliation to consolidated statement of financial position and valuations					
Carrying value of investment properties excluding right of use of land, lease incentive and straight-line income accrual		611,854	588,229	-	-
Right of use of land		6,599	6,666	-	-
Lease incentive		3,311	3,592	-	-
Straight-line rental income accrual	4	7,013	5,987	-	-
Investment properties		628,777	604,474	-	-

1 *Transfer from associate on step up to subsidiary*

The Group has acquired an additional 50% equity interest in Buffalo Mall Naivasha Limited during the year, which has now stepped up from an associate to a subsidiary. Refer to note 30b.

Lease incentive asset included in investment property

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

	GROUP		COMPANY	
	30 June 2023 US$'000	Restated 30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Lease incentive receivables before impairment	3,856	4,532	-	-
Impairment of lease incentive receivables	(545)	(940)	-	-
Net lease incentive included within investment property	3,311	3,592	-	-

3 Investment properties (continued)

Investment property pledged as security

Certain of the Group's investment property has been pledged as security for interest-bearing borrowings (note 17) as follows:

- Mozambican investment properties with a market value of US$299.1 million are mortgaged to the syndication with Standard Bank of South Africa acting as security agent on behalf of the syndication. These assets secure debt facilities amounting to US$140.0 million. (At 30 June 2022, Mozambican investment properties with a market value of US$301.1 million were mortgaged directly to Standard Bank of South Africa to secure debt facilities amounting to US$140.0 million).
- The Zambian investment property with a market value of US$60.0 million is mortgaged to the syndication with Standard Bank of South Africa acting as security agent on behalf of the syndication. This asset, including Zambian investment properties held through joint ventures (note 7), secure debt facilities amounting to US$64.4 million (At 30 June 2022, the Zambian investment properties with a market value of US$56.9 million were mortgaged to Bank of China to secure debt facilities amounting US$34.8 million).
- The Ghanaian investment properties with a market value of US$36.5 million are mortgaged to the syndication with ABSA Bank Ghana Limited acting as security agent for the 5th Avenue property and Nedbank Limited acting as security agent for the Capital Place property on behalf of the syndication. These assets secure debt facilities amounting to US$14.6 million. (At 30 June 2022, the Ghanaian investment properties with a market value amounting to US$35.3 million were mortgaged to Barclays Bank Ghana Limited to secure debt facilities amounting to US$7.9 million and further to Nedbank South Africa to secure debt amounting to US$6.2 million.
- The Senegalese investment property with a market value of US$25.3 million is mortgaged to the syndication with Standard Bank of South Africa acting as security agent on behalf of the syndication. This asset secures debt facilities amounting to US$14.8 million. (At 30 June 2022, the Senegalese investment property with a market value of US$20.7 million was mortgaged to ABC Banking Corporation to secure a debt facility amounting to US$4.6 million)

Other security

- The Moroccan investment property with a market value of US$73.4 million (2002: US$71.5 million) is mortgaged to Investec Bank South Africa to secure debt facilities amounting to US$34.3 million (2022: US$35.6 million).
- The Mauritian investment property with a market value of US$54.7 million (2022: US$48.8 million) is mortgaged to the State Bank of Mauritius to secure debt facilities amounting to US$25.4 million (2022: US$24.8 million).
- The Kenyan investment properties with a market value of US$79.7 million are mortgaged to:
  - Nedbank Limited to secure debt facilities amounting to US$8.6 million,
  - Housing Finance Corporation to secure debt facilities amounting to US$4.4 million,
  - International Finance Corporation to secure debt facilities amounting to US$16.1 million; and
  - NCBA Kenya to secure debt facilities amounting to US$17.5 million.

(At 30 June 2022 the Kenyan investment properties with a market value of US$70.0 million were mortgaged to Bank of China to secure facilities amounting to US$8.6 million and also to the International Finance Corporation to secure debt facilities amounting to US$16.1 million).

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

The Group has elected to measure its investment properties at fair value in accordance with IAS 40 Investment Property. Investment properties are valued at each reporting date with independent valuations performed every year by independent professional reputable valuation experts who have sufficient expertise in the jurisdictions where the properties are located. All valuations that are not performed in the reporting currency of a group (US$) are converted to US$ at the closing rate of the reporting period. All valuations have been undertaken by the Royal Institute of Chartered Surveyors' ("RICS's"), accredited and registered valuers, in accordance with the version of 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 the Group have also been confirmed by the respective valuers to be fair value in terms of IFRS.

In respect of all of the Mozambican investment properties, independent valuations were performed at 30 June 2023 by REC Chartered Surveyors (2022: REC Chartered Surveyors) using the discounted cash flow method (2022: discounted cash flow method).

In respect to all of the Mauritian investment properties, independent valuations were performed at 30 June 2023 by Aestima (2022: Knight Frank Chartered Surveyors) using the discounted cash flow method (2022: discounted cash flow method). Aestima has been used in financial year 2023 to comply with the financiers list of approved valuers.

The remainder of the portfolio including investment properties held by associates were independently valued at 30 June 2023 by Knight Frank Chartered Surveyors (2022: Knight Frank Chartered Surveyors), using the discounted cash flow method with the exception of freehold land, which is valued by comparable method.

Capital commitments

Capital commitments are disclosed under note 35.

					GROUP	
Summary of valuations by reporting date	*Most recent independent valuation date*	Valuer (for the most recent valuation)	*Sector*	*Country*	30 June 2023 US$'000	30 June 2022 US$'000
Commodity House Phase 1	30-Jun-23	REC	Office	Mozambique	**54,094**	52,346
Commodity House Phase 2	30-Jun-23	REC	Office	Mozambique	**19,727**	19,264
Hollard Building	30-Jun-23	REC	Office	Mozambique	**20,847**	21,012
Vodacom Building	30-Jun-23	REC	Office	Mozambique	**53,362**	51,906
Zimpeto Square	30-Jun-23	REC	Retail	Mozambique	**3,303**	3,395
Bollore Warehouse	30-Jun-23	REC	Light industrial	Mozambique	**10,770**	10,410
Anfa Place Mall	30-Jun-23	Knight Frank	Retail	Morocco	**73,357**	71,532
Tamassa Resort	30-Jun-23	Aestima	Hospitality	Mauritius	**54,674**	48,827
VDE Housing Compound	30-Jun-23	REC	Corporate Accommodation	Mozambique	**50,238**	55,180
Imperial Distribution Centre	30-Jun-23	Knight Frank	Light industrial	Kenya	**20,210**	21,620
Mara Viwandani	30-Jun-23	Knight Frank	Light industrial	Kenya	**2,330**	2,792
Buffalo Mall	30-Jun-23	Knight Frank	Retail	Kenya	**11,036**	-
Mall de Tete	30-Jun-23	REC	Retail	Mozambique	**13,675**	13,804
Acacia Estate	30-Jun-23	REC	Corporate Accommodation	Mozambique	**73,120**	73,809
5th Avenue	30-Jun-23	Knight Frank	Office	Ghana	**16,066**	16,010
Capital Place	30-Jun-23	Knight Frank	Office	Ghana	**20,470**	19,320
Mukuba Mall	30-Jun-23	Knight Frank	Retail	Zambia	**60,040**	56,933
Orbit Complex	30-Jun-23	Knight Frank	Light industrial	Kenya	**39,470**	38,926
Tatu Warehouse - Tip1	30-Jun-23	Knight Frank	Light industrial	Kenya	**6,670**	6,666
Club Med Cap Skirring Resort	30-Jun-23	Knight Frank	Hospitality	Senegal	**25,318**	20,722
Total valuation of investment properties directly held by the Group					628,777	604,474
Total carrying value of investment properties per the consolidated statement of financial position					628,777	604,474
Deposits paid on Imperial Distribution Centre Phase 2					**2,376**	2,259
Deposits paid on Capital Place[1]					**3,550**	3,550
Deposit paid on Gateway Real Estate Africa Limited					**-**	2,500
Total deposits paid on investment properties					5,926	8,309
Total carrying value of investment properties including deposits paid					634,703	612,783

[1] An expected credit loss of US$ 2.6 million has been recognised against the deposit balance within trade and other receivable (2022: US$ 2.1 million)

3 Investment properties (continued)

Summary of valuations by reporting date	*Most recent independent valuation date*	Valuer (for the most recent valuation)	*Sector*	*Country*	GROUP 30 June 2023 US$'000	GROUP 30 June 2022 US$'000
Investment properties held within associates and joint ventures (note 7) - Group share						
Buffalo Mall - Buffalo Mall Naivasha Limited (100%)	30-Jun-23	Knight Frank	Retail	Kenya	-	6,116
Kafubu Mall - Kafubu Mall Limited (50%)	30-Jun-23	Knight Frank	Retail	Zambia	12,865	11,965
CADS II Building - CADS Developers Limited (50%)	30-Jun-23	Knight Frank	Office	Ghana	12,300	15,100
Cosmopolitan Shopping Centre - Cosmopolitan Shopping Centre Limited (50%)	30-Jun-23	Knight Frank	Retail	Zambia	27,570	27,199
Canonniers, Mauricia and Victoria Resorts and Spas - Beachcomber Hospitality (0%)	30-Jun-23	-	Hospitality	Mauritius	-	95,055
Letlole La Rona Limited (0%) - 21 Investment properties	30-Jun-23	-	Light industrial	Botswana	-	14,662
Letlole La Rona Limited (0%) - 1 Investment property	30-Jun-23	-	Hospitality	Botswana	-	155
Letlole La Rona Limited (0%) - 2 Investment properties	30-Jun-23	-	Retail	Botswana	-	4,160
Letlole La Rona Limited (0%) - 1 Investment property	30-Jun-23	-	Office	Botswana	-	1,003
Letlole La Rona Limited (0%) - 1 Investment property	30-Jun-23	-	Accommodation	Botswana	-	966
Gateway Real Estate Africa Ltd (51.48%)	30-Jun-23	Knight Frank	Other Investments	Mauritius	73,369	27,389
Total of investment properties acquired through associates and joint ventures					126,104	203,770
Total portfolio					760,807	816,553

	30 June 2023 US$'000	30 June 2022 US$'000
Functional currency of total investment property portfolio		
United States Dollars	592,263	544,714
Euros	79,992	164,604
Moroccan Dirham	73,357	71,532
Botswanan Pula	-	20,946
Kenyan Shilling	2,330	2,792
Zambian Kwacha	12,865	11,965
Total portfolio	760,807	816,553

All of the valuations were performed using the discounted cash flow method. These methodologies are based on estimated rental values with consideration given to the future earnings potential and applying an appropriate capitalisation rate and/or discount rate to the property and country. The capitalisation rates (equivalent yield) applied to the Group's valuations of investment properties at 30 June 2023 ranged between 7.25% and 10.00%. The discount rates applied to the Group valuations that were performed at 30 June 2023 using the discounted cash flow method ranged between 9.25% and 12.00%.

In the current year the valuations includes the right of use of land, lease incentives and certain furniture and fittings.

There have been no material changes to the information used and assumptions applied by the registered valuer.

The fair value adjustments on investment property are included in the income statement.

The directors consider that the deposit payments and capital expenditure, which are carried at cost approximate their fair value at the relevant reporting date.

Fair value definition and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. The three levels are explained in note 40.

All of the Group's investment properties are categorised as level 3 on the fair value hiearchy in all the years presented.

Inter-relationships between key observable inputs and fair value for level 3 valuations.

All other factors remaining constant, an increase in rental income would increase a valuation whilst increases in nominal equivalent yield and discount rate would result in a fall in value and vice versa. However, there are inter-relationships between unobservable inputs as they are determined by market conditions. Corresponding movements in more than one unobservable input may have a complementary effect on a valuation whereas unobservable inputs moving in opposite directions may compensate each other. For example, where market rents and nominal equivalent yields increase simultaneously, the overall impact on a valuation may be minimal.

Restrictions on the realisability of investment property

The only restriction on the realisability of investment property is obtaining bank approval on disposal of bonded properties.

			Discount rate			Reversionary all risk yield (RARY)		
Sector	Fair value at 30 June 2023 US$'000	Valuation technique used	Min %	Max %	Average %	Min %	Max %	Average %
Office	184,566	Discounted cash flow method	9.25%	11.75%	10.50%	7.25%	8.25%	7.75%
Retail	161,411	Discounted cash flow method	10.50%	11.75%	11.13%	8.25%	9.25%	8.75%
Hospitality	79,992	Discounted cash flow method	9.85%	11.00%	10.43%	8.10%	8.25%	8.18%
Corporate accommodation	123,358	Discounted cash flow method	9.50%	12.00%	10.75%	7.50%	10.00%	8.75%
Light industrial	79,450	Discounted cash flow method	10.50%	12.00%	11.25%	8.25%	8.50%	8.38%
Investment Properties (For subsidiaries)	628,777							
Office	39,847	Discounted cash flow method	10.75%	12.00%	11.38%	8.25%	10.00%	9.13%
Retail	51,298	Discounted cash flow method	10.25%	16.00%	13.13%	8.00%	9.25%	8.63%
Corporate accommodation	8,038	Discounted cash flow method	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Data Centre	14,390	Discounted cash flow method	10.00%	10.00%	10.00%	8.95%	8.95%	8.95%
Medical	12,531	Discounted cash flow method	10.75%	10.75%	10.75%	8.25%	8.25%	8.25%
Investment Properties (For joint-ventures)	126,104							

3. Investment properties (continued)

Information about the impact of changes in unobservable inputs (Level 3) on the fair value of the Group's property portfolio including share of associates and joint ventures and funds as at 30 June 2023

		Impact on valuations Change in discount rate		Impact on valuations Change in RARY	
Investment	**Fair value at 30 June 2023 US$'000**	**-50 bps US$'000**	**+50 bps US$'000**	**-50 bps US$'000**	**+50 bps US$'000**
Office	184,566	190,640	178,760	190,740	179,140
Retail	161,411	166,606	156,453	166,197	157,160
Hospitality	79,992	84,106	76,173	82,666	77,733
Corporate accommodation	123,358	127,326	119,556	126,996	120,146
Light industrial	79,450	81,930	77,100	81,660	77,510
Total for subsidiaries	628,777	650,608	608,042	648,259	611,689
Office	39,847	42,299	40,470	42,151	40,663
Retail	51,298	52,940	49,715	52,820	49,942
Corporate accommodation	8,038	7,395	7,395	7,395	7,395
Data Centre	14,390	14,423	14,348	15,199	13,658
Medical	12,531	11,366	10,461	11,083	10,738
Total for associates and joint ventures	126,104	128,423	122,389	128,648	122,396

Information about fair value measurements using unobservable inputs (Level 3) as at 30 June 2022

			Discount rate			Reversionary all risk yield (RARY)		
Sector	**Fair value at 30 June 2022 US$'000**	**Valuation technique**	**Min %**	**Max %**	**Average %**	**Min %**	**Max %**	**Average %**
Office	179,858	**Discounted cash flow method**	9.25%	11.75%	10.38%	7.25%	8.25%	7.88%
Retail	145,664	**Discounted cash flow method**	10.50%	11.25%	11.00%	8.25%	9.00%	8.56%
Hospitality	69,549	**Discounted cash flow method**	9.25%	9.85%	9.55%	7.25%	8.10%	7.68%
Corporate accommodation	128,989	**Discounted cash flow method**	9.50%	11.75%	10.63%	7.50%	9.75%	8.63%
Light industrial	80,414	**Discounted cash flow method**	10.50%	12.25%	11.25%	8.25%	8.50%	8.33%
Investment Properties (For subsidiaries)	604,474							
Office	16,103	**Discounted cash flow method**	11.90%	12.00%	11.95%	8.50%	10.90%	9.70%
Retail	49,440	**Discounted cash flow method**	10.25%	16.00%	12.05%	8.00%	10.00%	8.90%
Hospitality	95,210	**Discounted cash flow method**	9.25%	9.25%	9.25%	7.50%	7.50%	7.50%
Corporate accommodation	966	**Discounted cash flow method**	-	-	-	-	-	-
Light industrial	14,662	**Discounted cash flow method**	11.00%	13.80%	11.50%	9.80%	12.80%	10.50%
Other investments	27,389	**Discounted cash flow method**	10.50%	12.00%	11.10%	7.80%	9.80%	8.90%
Investment Properties (For associates and joint-ventures)	203,770							

Information about the impact of changes in unobservable inputs (Level 3) on the fair value of the Group's property portfolio including share of associates and joint ventures as at 30 June 2022

		Impact on valuations Change in discount rate		Impact on valuations Change in RARY	
Sector	**Fair value at 30 June 2022 US$'000**	**-50 bps US$'000**	**+50 bps US$'000**	**-50 bps US$'000**	**+50 bps US$'000**
Office	179,858	6,382	(6,098)	6,432	(5,658)
Retail	145,664	6,151	(5,849)	5,681	(5,009)
Hospitality	69,549	4,750	(2,480)	3,600	(1,100)
Corporate accommodation	128,989	3,967	(3,803)	3,637	(3,213)
Light industrial	80,414	2,580	(2,470)	2,360	(2,100)
Investment Properties (For subsidiaries)	604,474	23,830	(20,700)	21,710	(17,080)
Office	16,103	27	(23)	17	(13)
Retail	49,440	130	(120)	90	(80)
Hospitality	95,210	3,114	(2,976)	3,174	(2,786)
Corporate accommodation	966	-	-	-	-
Light industrial	14,662	408	(412)	278	(241)
Other investments	27,389	1,233	(1,207)	573	(477)
Investment Properties (For joint-ventures)	203,770	4,912	(4,738)	4,132	(3,597)

4. Straight-line rental income accrual

	GROUP		COMPANY	
	30 June 2023 US$'000	**30 June 2022 US$'000**	**30 June 2023 US$'000**	**30 June 2022 US$'000**
Reconciliation to amounts included in investment properties (note 3)			-	-
Balance at the beginning of the year	5,987	6,622	-	-
Disposal of subsidiary during the year	-	(1,235)	-	-
Foreign currency translation reserve movement through OCI	49	(255)	-	-
Straight lining of rental income	977	855	-	-
As at 30 June	7,013	5,987	-	-

5. Property, plant and equipment

	Notes	GROUP 30 June 2023 US$'000	GROUP 30 June 2022 US$'000	COMPANY 30 June 2023 US$'000	COMPANY 30 June 2022 US$'000
Office buildings		39	1,205	–	1,165
Cost		43	1,585	–	1,542
Accumulated depreciation		(4)	(380)	–	(377)
Right of use of motor vehicles		28	–	–	–
Cost		32	–	–	–
Accumulated depreciation		(4)	–	–	–
Right of use of office		3,965	513	–	512
Cost		4,443	1,216	–	1,177
Accumulated depreciation		(478)	(703)	–	(665)
Other property, plant and equipment		458	369	–	1
Cost		4,038	3,740	36	36
Accumulated depreciation		(3,580)	(3,371)	(36)	(35)
Total carrying value of property, plant and equipment		4,490	2,087	–	1,678
Movement for the year					
Balance at the beginning of the year		2,087	2,448	1,678	1,923
Gross carrying amount		6,541	6,950	2,755	2,756
Accumulated depreciation		(4,454)	(4,502)	(1,077)	(833)
Additions		4,672	151	–	(1)
Right of use of motor vehicles		32	35	–	–
Right of use of office		4,405	–	–	–
Other property, plant and equipment		235	116	–	(1)
Reclassifications		(1)	(34)	–	–
Right of use of motor vehicles		(1)	–	–	–
Other property, plant and equipment		–	(34)	–	–
Foreign currency translation differences		6	(6)	–	–
Other property, plant and equipment		6	(6)	–	–
Disposals		(1,434)	(49)	(1,434)	–
Office buildings		(1,088)	–	(1,088)	–
Right of use of motor vehicles		–	(49)	–	
Right of use of office		(346)	–	(346)	–
Depreciation		(840)	(423)	(244)	(244)
Office buildings		(78)	(81)	(78)	(77)
Right of use of motor vehicles		(2)	(19)	–	–
Right of use of office		(607)	(169)	(164)	(166)
Other property, plant and equipment		(153)	(154)	(2)	(1)
Total carrying value of property, plant and equipment as at 30 June		4,490	2,087	–	1,678
Gross carrying amount		8,556	6,541	36	2,755
Accumulated depreciation		(4,066)	(4,454)	(36)	(1,077)

Motor vehicles with a cost of US$0.1million (30 June 2022: US$0.1 million) are held as security in relation to lease liabilities amounting to US$0.1 million (30 June 2022: US$0.1 million).

The right of use of office comprises of the new office of Grit at the Precinct that is rented and situated at the M2 Junction, Grand Baie, Mauritius. The remaining period of the right of use of office is 5 years.

There is no contractual commitments for the acquisition of property, plant and equipment.

5a Disposal of Property, Plant and Equipment

During this financial year, the Group relocated its corporate headquarters to 'The Precinct,' a new office building currently partially leased by Grit Services Limited ("GSL"), a wholly-owned subsidiary of the Group. Prior to this move, the Company partially owned a portion of its previous office space, while renting the remaining section.

As part of this transition, the Company divested the portion of the office space that it owned to Puma Properties Ltd. Below is a table presenting the purchase consideration received from the sale, the carrying amount of the office space recorded in property, plant, and equipment, and the resulting loss on disposal for both the Company and the Group.

	US$ '000
Proceeds received from disposal[1]	200
Less: Carrying amount of office (recorded as part of leasehold improvement) disposed of	(1,088)
Loss on disposal of Property, plant and equipment	(888)

1. *Cash received amounts to US$0.22million and transaction cost directly attributable to the disposal amounts to US$0.02million.*

6. Intangible assets

	GROUP 30 June 2023 US$'000	GROUP 30 June 2022 US$'000	COMPANY 30 June 2023 US$'000	COMPANY 30 June 2022 US$'000
Computer software	433	670	4	5
Cost	1,217	1,189	62	52
Accumulated amortisation	(784)	(519)	(58)	(47)
Total carrying value of intangible assets	433	670	4	5

Group

	Computer software US$'000	Total US$'000
Cost		
At 01 July 2022	778	778
Addition	411	411
At 30 June 2022	1,189	1,189
Addition	28	28
At 30 June 2023	1,217	1,217
Accumulated Amortisation and impairment		
At 01 July 2022	(298)	(298)
Amortisation	(221)	(221)
At 30 June 2022	(519)	(519)
Amortisation	(265)	(265)
At 30 June 2023	(784)	(784)
Net book value		
At 30 June 2022	670	670
At 30 June 2023	433	433

6 Intangible assets (continued)

Computer software

Computer software consists of capitalised development costs.

Company

	Computer software US$'000	Total US$'000
Cost		
At 01 July 2021	**40**	**40**
Addition	12	12
At 30 June 2022	**52**	**52**
Addition	10	10
At 30 June 2023	**62**	**62**
Amortisation and impairment		
At 01 July 2021	(34)	(34)
Amortisation	(13)	(13)
At 30 June 2022	**(47)**	**(47)**
Amortisation	(11)	(11)
At 30 June 2023	**(58)**	**(58)**
Net book value		
At 30 June 2022	5	5
At 30 June 2023	**4**	**4**

7. Investment in associates and joint ventures

Set out below are the associates and joint ventures of the Group as at 30 June. The country of incorporation is also the principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held.

			GROUP		COMPANY	
Name of joint venture	**Country of incorporation and operation**	**% held**	**30 June 2023 US$'000**	**30 June 2022 US$'000**	**30 June 2023 US$'000**	**30 June 2022 US$'000**
Kafubu Mall Limited [1]	Zambia	50.00	**12,531**	11,761	**-**	–
Cosmopolitan Mall [1]	Zambia	50.00	**27,495**	27,173	**-**	–
CADS Developers Limited [1]	Ghana	50.00	**4,482**	6,974	**-**	–
Africa Property Development Managers Ltd [2]	Mauritius	78.95	**29,073**	14,247	**29,073**	14,247
Gateway Real Estate Africa Ltd [3]	Mauritius	51.48	**123,513**	–	**123,513**	–
Carrying value of joint ventures			**197,094**	60,155	**152,586**	14,247
Name of associate	**Country of incorporation and operation**	**% held**				
Buffalo Mall Naivasha Limited [4]	Kenya	100.00%	**-**	3,753	**-**	–
Letlole La Rona Limited [5]	Botswana	–	**-**	17,353	**-**	–
Gateway Real Estate Africa Ltd [3]	Mauritius	–	**-**	55,866	**-**	55,866
Beachcomber Hospitality Investments Limited [5]	Mauritius	–	**-**	69,870	**-**	–
Carrying value of associates			**-**	146,842	**-**	55,866
Joint ventures			**197,094**	60,155	**152,586**	14,247
Associates			**-**	146,842	**-**	55,866
Total carrying value of associates and joint ventures			**197,094**	206,997	**152,586**	70,113

1 The percentage of ownership interest for 2023 did not change.
2 The Company and the Group interests have increased from 77.95% to 78.95% following additional acquisition made during the year.
3 The Company and the Group interests have increased from 26.29% to 51.48% following acquisition made during the year. Also the status of the investment has changed from an investment in associate to an investment in joint venture.
4 Associate status has changed to a subsidiary. Figures included in the associate note for comparative purpose. The group previously owned 50% of Buffalo Mall Naivasha Limited.
5 The Group has disposed of its entire interest in the associates during the current financial year.

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

Secured investments:

Zambian investment properties held by joint ventures have a market value of US$80.8 million as at 30 June 2023 (30 June 2022: US$78.3 million). The properties in the year ended 30 June 2023 are fully mortgaged to Standard Bank of South Africa to secure debt facilities amounting to US$60.4 million. As at 30 June 2022, the properties were mortgaged to Bank of China to secure debt facilities of US$76.4 million.

Ghanaian investment property held by joint venture has a market value of US$24.6 million as at 30 June 2023 (30 June 2022: US$30.2 million). The property in the investee entity is fully mortgaged to Standard Bank of South Africa to secure debt facilities amounting to US$15.0 million (30 June 2022: US$12.1 million mortgaged to ABSA Bank Ghana Limited).

Investment properties held by Gateway Real Estate Africa Ltd (domiciled in Mauritius) have a market value of US$142.1 million (30 June 2022: US$68.4 million). The properties held by Gateway Real Estate Africa Ltd are secured through floating and fixed charges over these assets to secure debt facilities amounting to US$77.3 million (30 June 2022: US$24.1 million).

At 30 June 2023, the Group had acquired a controlling interest in Buffalo Mall Naivasha Limited ("Buffalo Mall"), which has now stepped up to a subsidiary. At 30 June 2022, investment property held by Buffalo Mall in Kenya had a market value of US$12.2 million and was fully mortgaged to HFCK Bank Limited to secure debt facilities that amounted to US$4.4 million.

During the year the Group fully disposed of its interest in Letlole La Rona Limited (domiciled in Botswana). At 30 June 2022 this associate owned investment properties that had a market value of US$83.4 million, which was mortgaged to Bank of Gaborone Limited and First National Bank of Botswana Limited to secure debt facilities amounting to US$38.8 million.

During the year the Group fully disposed of its interest in Beachcomber Hospitality Investments Limited, located in Mauritius. At 30 June 2022 this associate owned investment properties that had a market value of US$213.9 million and was mortgaged in proportionate amounts to SBM Bank (Mauritius) Limited and the Mauritius Commercial Bank Limited to secure debt facilities amounting to US$53.3 million.

7a. Additional equity interest acquired in Gateway Real Estate Africa Ltd

The Group has continued its announced plan to acquire a majority stake in Gateway Real Estate Africa Ltd ("GREA") during this financial year. In total, the Group has acquired an additional 25.19% in GREA and the shareholding of the Group has increased from 26.29% to 51.48%. The acquisition has been performed in tranches as detailed in the table below.

Following the series of transactions, the Group obtained joint control of GREA and continues to account for GREA using the equity method as described in the judgement section in note 1.4. The increase of the investment in GREA has been split notionally between goodwill and the additional interest in the fair value of the net identifiable assets of the joint venture acquired. The notional goodwill arising on the acquisition of the additional 25.19% in GREA amounted to US$ 11.9 million. The notional goodwill element has been included in the carrying amount of the investment in joint venture. The total notional goodwill element embedded in the carrying amount of the associate as at 30 June 2023 is US$14.2 million which is made up of US$2.3 million goodwill on acquisition of the additional 6.31% in GREA during the financial year 2022 and US$11.9 million arising on the acquisition of the 25.19% in GREA during the financial year 2023.

The table below includes the consideration paid by the Group (Both in own equity shares and cash), fair value of the net identifiable assets acquired and the notional goodwill recorded by the Group).

	Tranche 1 US$'000	Tranche 2 US$'000	Total US$'000
Fair value of consideration paid (in cash)	19,440	38,852	**58,292**
Fair value of own equity shares transferred [2]	–	5,971	**5,971**
Transaction costs	–	368	**368**
Less: The Group's share of the fair value of net identifiable assets acquired	17,683	35,060	**52,743**
Notional goodwill	**1,757**	**10,131**	**11,888**
Additional equity interest acquired in GREA by the Group [1]	**8.72%**	**16.47%**	**25.19%**

1 The 8.72% additional shareholding in GREA has been acquired from Gateway Africa Real Estate Limited ("GWP"). The 16.47% additional shareholding in GREA has been acquired from the following entities:

- 13.62% shareholding has been acquired from GWP.
- 2.85% shareholding has been acquired from Prudential Impact Investments Private Equity LLC ("Prudential").

2 For the GREA shares acquired from Prudential representing a 2.85% shareholding, the Company entered into an agreement with one of its shareholders, Long Island Property Investments ("LIPI") during the year, to facilitate the transfer of 15.7 million Grit shares to Prudential on behalf of the Company. LIPI had previously subscribed to the Company's shares during the December 2021 capital raise but had not fully met the payment obligations outlined within the Promissory Note.

7. Investment in associates and joint ventures (continued)

7a. Additional equity interest acquired in Gateway Real Estate Africa Ltd (continued)

In the prior financial statements, the Group had recognized an amount receivable from LIPI, which was presented as part of the listing receivables within trade and other receivables. The Group enforced its legal rights under the Promissory Note and via a tripartite agreement between the parties (the Company, LIPI and Prudential), LIPI agreed to transfer 15.7 million Grit shares to Prudential when the share price was trading at US$0.38 per share, equivalent to a total value of US$5.97 million.

The actual transfer of the 15.7 million Grit shares to Prudential by LIPI and the acquisition of the 2.85% stake in GREA from Prudential by the Company were contingent upon obtaining approval from the Prime Minister's Office (PMO). As at 30 June 2023, such approval had not been granted. However, it is important to note that all legally binding agreements were fully executed and signed by the Company, LIPI, and Prudential before the end of the financial year. As a result, none of the parties could lawfully retract from the agreed shares transfer as of 30 June 2023 without being in breach of their contractual obligations.

This position is supported by a legal opinion obtained from the Company's legal counsel. Therefore, considering that all the necessary documents to legally execute the transactions were signed before 30 June 2023 and given evidence from previously submitted applications to the PMO for similar transactions which were approved, the Group has determined that it is appropriate to account for the 2.85% increase in shareholding in GREA in the current financial year.

The Group has also determined that the appropriate recording of the transaction would not be as per the legal form of the transaction where LIPI directly transferred Grit shares to Prudential. Therefore, the transaction has been recorded in substance as Grit having effectively re-acquired and transferred its own equity instruments to Prudential for the acquisition of the 2.85% GREA shareholding. The difference between the fair value of the Grit shares transferred and the sum initially recorded in and subsequently removed from the treasury reserve has been accounted for in equity, resulting in a reduction of retained earnings.

The table below summarises the impact of this share transaction on the Group equity.

	'000
Number of Grit shares transferred to acquire an additonal 2.85% in GREA	15,714
Price per share in US$	0.38
Fair value of Grit shares in US$	**5,971**
Less: Grit shares transferred from treasury reserve in US$	6,855
Difference recorded in equity (retained earnings)	**(884)**
Reversal of expected credit loss on the LIPI Promissory Note (recorded in Profit or Loss)	2,700
Net impact of the transaction on Grit equity	**1,816**

During the year, the Group incurred transaction costs amounting to US$2.2 million, which were associated with fund-related commitments that the Group had towards GREA. The transaction costs incurred arose as a consequence of a temporal misalignment between the capital calls issued by GREA and the timing of fund transfers from Grit to GREA.

7b. Additional equity interest acquired in Africa Property Development Managers Ltd

An additional equity interest of 1% has been acquired by the Group in Africa Property Development Managers Ltd ("APDM") in the current financial year. The equity stake of the Group has increased from 77.95% to 78.95%. A cash consideration of US$0.25 million has been paid for the additional 1% equity interest.

	US$'000
Fair value of consideration paid (in cash)	248
Less: The Group's share of the fair value of net identifiable assets acquired	325
Gain on acquisition of additional interest	**(77)**

The excess of the Group's share of the net identifable assets over the cost of additional investment has been included as income in the determination of the Group's share of profit during the year.

7c. Disposal of equity interest in Letlole La Rona Limited

During the year, Grit Services Limited, a wholly-owned subsidiary of the Group, has disposed of its entire equity interests of 25.10% in Letlole La Rona Limited on the Botswana Stock Exchange. The disposal of shares have been completed in tranches. The number of shares disposed of and the trading price at the different disposal dates were as follows:

Number of shares disposed	Trading share price	Percentage dispose
19,000,000	BWP 3.48	6.79%
19,768,068	BWP 3.51	7.06%
12,600,000	BWP 3.16	4.50%
18,911,932	BWP 2.50	6.75%

All of the disposal proceeds have been received in cash as at year end.

	US$'000
Fair value of consideration received in cash	16,853
Less: Carrying amount of investment in associate to be disposed	17,105
Loss on disposal of interest in associate	(252)
Reclassification of cumulated foreign currency translation reserve to profit or loss	(3,291)
Total loss on disposal of investment in associate	**(3,543)**

7d. Additional equity interest acquired in Buffalo Mall Navaisha Limited

At 30 June 2023, the Group has acquired an additional equity interest of 50% in Buffalo Mall Navaisha Limited ('Buffalo Mall') and the Group now considers Buffalo Mall to be a subsidiary of the Group as more fully described in note 30b. Prior to 30 June 2023, Buffalo Mall was treated as an associate and therefore has been equity accounted. On 30 June 2023, the investment status changed from associate to a subsidiary and therefore the Group consolidated Buffalo Mall in its consolidated financial statements.

The tables below provide the summarised financial information of the associates and joint ventures of the Group. The information disclosed reflects the amounts presented in the financial statements or reporting pack of the associates and joint ventures prepared in accordance with IFRS and not the Group share of those amounts. In circumstances where an associate or joint venture has the same reporting date as the Group, the Group will use the IFRS financial statements of the associate or joint venture. However if the associate or joint venture has a different reporting date from the Group, the Group will use the IFRS reporting pack of the associate or joint venture to incorporate their results in the consolidated financial statements. Where necessary, the financial information have been amended to reflect adjustments made by the Group when using the equity method due to differences in accounting policy.

7. Investment in associates and joint ventures (continued)

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

	Letlole La Rona Limited US$'000	Kafubu Mall Limited US$'000	Beachcomber Hospitality Investments Limited US$'000	Africa Property Development Managers Ltd US$'000	Gateway Real Estate Africa Ltd US$'000	CADS Developers Limited US$'000	Cosmopolitan Shopping Centre Limited US$'000	Buffalo Mall Naivasha Limited US$'000	Total US$'000
As at 30 June 2023									
Statement of financial position									
Non-current assets	–	25,729	–	35,149	248,943	24,600	55,139	–	389,560
Current assets	–	105	–	(1,141)	48,638	(204)	204	–	47,602
	–	25,834	–	34,008	297,581	24,396	55,343	–	437,162
Non-current liabilities	–	251	–	1,692	78,606	15,391	–	–	95,940
Current liabilities	–	521	–	519	6,582	41	354	–	8,017
	–	772	–	2,211	85,188	15,432	354	–	103,957
Net asset value	–	25,062	–	31,797	212,393	8,964	54,989	–	333,205
Percentage held by Group	–	50.00%	–	78.95%	51.48%	50.00%	50.00%	–	
Group's share of net asset value	–	12,531	–	25,104	109,340	4,482	27,495	–	178,952
Goodwill	–	–	–	3,969	14,173	–	–	–	18,142
Group's carrying value of investment	–	12,531	–	29,073	123,513	4,482	27,495	–	197,094
For the year to 30 June 2023									
Total comprehensive income									
Revenue	1,588	1,085	3,890	–	1,717	1,321	2,400	281	12,282
Fair value movement in investment properties	150	1,034	(1,496)	–	2,325	(2,704)	309	(623)	(1,005)
Profit/(loss) for the year	1,263	1,832	2,611	14,578	(5,321)	(1,999)	2,178	(842)	14,300
Total comprehensive (expense) / income	(143)	1,528	3,326	14,578	(4,369)	(1,999)	2,178	(842)	14,257
Dividends received from associates and joint ventures	105	–	20,052	–	–	–	–	–	20,157
Reconciliation to carrying value in associates and joint ventures									
Balance at the beginning of the year	17,353	11,761	69,870	14,247	55,866	6,974	27,173	3,753	206,997
(Sold)/acquired during the year	(17,105)	–	(51,298)	248	64,631	–	–	–	(3,524)
Profit / (losses) from associates and joint ventures	1,263	1,832	2,611	14,578	(5,321)	(1,999)	2,178	(842)	14,300
- Revenue	1,588	1,085	3,890	–	1,717	1,321	2,400	281	12,282
- Property operating expenses and construction costs	(161)	(186)	–	–	(271)	(34)	(389)	(129)	(1,170)
- Admin expenses and recoveries	(60)	(19)	(25)	(4,358)	696	(9)	(16)	(4)	(3,795)
- Other income	–	–	–	19,385[1]	–	–	–	–	19,385
- Net impairment charge on financial assets	28	–	–	–	(2,218)	–	–	(18)	(2,208)
- Unrealised foreign exchange gains/(losses)	110	–	(264)	(8)	(1,430)	10	(5)	(53)	(1,640)
- Investment at fair value	–	–	–	–	(738)	–	–	–	(738)
- Impairments	–	–	–	–	(71)	–	–	–	(71)
- Gain on bargain purchase from acquisition of additional equity interest	–	–	–	77	–	–	–	–	77
- Transaction costs	–	–	–	2	1	–	–	–	3
- Loss on extiguishment of loan	–	–	–	–	–	(25)			(25)
- Share based payment expense	–	–	–	–	(7,474)	–	–	–	(7,474)
- Interest income	235	1	–	–	3,020	–	2		3,258
- Finance charges	(429)	(5)	(848)	(71)	(1,276)	(728)	–	(296)	(3,653)
- Fair value movement on investment property	150	1,034	(1,496)	–	2,325	(2,704)	309	(623)	(1,005)
- Fair value adjustment on other financial asset	–	–	1,948	–	–	–	–	–	1,948
- Current tax	(198)	(78)	(263)	(485)	(357)	–	(123)	–	(1,504)
- Deferred tax	–	–	(331)	36	1,141	170	–	–	1,016
- Other movement in profit or loss	–	–	–	–	(386)	–	–	–	(386)
Dividends and interest paid to Group	(105)	–	(21,898)	–	–	(423)	–	–	(22,426)
Other equity movement	–	–	–	–	7,474	–	–	–	7,474
Repayment of proportionate shareholders loan	–	(758)	–	–	–	(70)	(1,856)	–	(2,684)
Consolidation elimination	–	–	–	–	(89)	–	–	–	(89)
Foreign currency translation differences	(1,406)	(304)	715	–	952	–	–	–	(43)
Associate step up to subsidiary	–	–	–	–	–	–	–	(2,911)	(2,911)
Carrying value of associates and joint ventures	–	12,531	–	29,073	123,513	4,482	27,495	–	197,094

1. *Comprised of a management incentive plan income of US$16.6 million, recorded at fair value, representing a 10% free-carry in GREA vested during the year, in addition to US$2.7 million in Asset and Development Management fees.*

7. Investment in associates and joint ventures (continued)

	Letlole La Rona Limited US$'000	Kafubu Mall Limited US$'000	Beachcomber Hospitality Investments Limited US$'000	Capital Place Limited US$'000	Africa Property Development Managers Ltd US$'000	Gateway Real Estate Africa Ltd US$'000	CADS Developers Limited US$'000	Cosmopolitan Shopping Centre Limited US$'000	Buffalo Mall Naivasha Limited US$'000	Total US$'000
As at 30 June 2022										
Statement of financial position										
Non-current assets	98,172	23,931	213,977	–	13,166	213,763	30,200	54,398	12,240	659,847
Current assets	18,463	50	3,842	–	417	31,543	(316)	207	72	54,278
	116,635	23,981	217,819	–	13,583	245,306	29,884	54,605	12,312	714,125
Non-current liabilities	42,574	270	55,031	–	208	32,457	12,155	–	4,683	147,378
Current liabilities	4,925	190	5,504	–	190	9,043	3,781	259	123	24,015
	47,499	460	60,535	–	398	41,500	15,936	259	4,806	171,393
Net asset value	69,136	23,521	157,284	–	13,185	203,806	13,948	54,346	7,506	542,732
Percentage held by Group	25.10%	50.00%	44.42%	70.00%	77.95%	26.29%	50.00%	50.00%	50.00%	
Group's share of net asset value	17,353	11,761	69,870	–	10,278	53,581	6,974	27,173	3,753	200,743
Goodwill	–	–	–	–	3,969	2,285	–	–	–	6,254
Group's carrying value of investment	17,353	11,761	69,870	–	14,247	55,866	6,974	27,173	3,753	206,997
For the year to 30 June 2022										
Total comprehensive income										
Revenue	2,788	994	7,480	1,001	–	346	1,559	2,032	294	16,494
Fair value movement in investment properties	664	(829)	5,057	(496)	–	(40)	(89)	2,222	551	7,040
Profit/(loss) for the year	2,917	1,186	9,234	(318)	(521)	2,959	1,013	3,790	351	20,611
Total comprehensive income / (expense)	358	3,025	5,781	(318)	(521)	2,959	1,013	3,790	351	16,438
Dividends received from associates and joint ventures	1,076	–	–	–	–	–	–	–	–	1,076
Reconciliation to carrying value in associates and joint ventures										
Balance at the beginning of the year	21,672	9,502	72,056	7,471	–	20,706	7,607	25,076	3,402	167,492
(Sold)/acquired during the year	(3,502)	–	–	–	14,768	32,201	–	–	–	43,467
Profit / (losses) from associates and joint ventures	2,917	1,186	9,234	(318)	(521)	2,959	1,013	3,790	351	20,611
- Revenue	2,788	994	7,480	1,001	-	346	1,559	2,032	294	16,494
- Property operating expenses and construction costs	(281)	(171)	–	(195)	-	(274)	(27)	(299)	(184)	(1,431)
- Admin expenses and recoveries	106	(14)	(39)	(127)	(519)	4,507	(9)	(17)	(16)	3,872
- Net impairment charge on financial assets	1	18	–	(62)	-	–	–	–	–	(43)
- Fair value adjustment on other investments	–	–	–	–	-	(407)	–	–	–	(407)
- Unrealised foreign exchange gains/(losses)	10	1,257	(13)	(264)	1	(158)	16	(52)	(24)	773
- Investment at fair value	–	–	–	–	-	–	–	–	–	–
- Impairments	–	–	–	–	-	(980)	–	–	–	(980)
- Transaction costs	–	–	–	–	-	(263)	–	–	–	(263)
- Interest income / (costs)	90	–	–	–	-	413	–	3	–	506
- Finance charges	(547)	(5)	(1,191)	(296)	(3)	(307)	(437)	–	(270)	(3,056)
- Fair value movement on investment property	664	(829)	5,057	(496)	-	(40)	(89)	2,222	551	7,040
- Gain from bargain purchase of associate	–	–	–	–	-	–	–	–	–	–
- Fair value adjustment on other financial asset	–	–	(1,641)	–	-	270	–	–	–	(1,371)
- FPFS elimination	–	–	–	–	-	–	–	–	–	–
- Current tax	86	(64)	(484)	–	-	(223)	–	(99)	–	(784)
- Deferred tax	–	–	65	121	-	75	–	–	–	261
Dividends and interest paid to Group	(1,076)	–	(2,694)	–	–	–	(215)	–	–	(3,985)
Repayment of proportionate shareholders loan	–	(766)	(5,273)	(868)	–	–	(1,431)	(1,693)	–	(10,031)
Dividend adjustment	(99)	–	–	–	–	–	–	–	–	(99)
Foreign currency translation differences	(2,559)	1,839	(3,453)	–	–	–	–	–	–	(4,173)
Associate step up to subsidiary	–	–	–	(6,285)	–	–	–	–	–	(6,285)
Carrying value of associates and joint ventures	17,353	11,761	69,870	–	14,247	55,866	6,974	27,173	3,753	206,997

8. Investment in subsidiaries

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Name of company				
Grit Services Limited	-	-	71,141	69,373
	-	-	71,141	69,373
Movement for the year	-	-	-	-
Balance at the beginning of the year	-	-	69,373	-
Conversion of intercompany loan into additional investment [1]	-	-	116,000	100,000
Fair value through profit and loss	-	-	(114,232)	(30,627)
As at 30 June	-	-	71,141	69,373

1 *Conversion of intercompany loan into additional investment during financial year 2023.*

The Company accounts for its investments in subsidiaries at fair value with changes in fair value recognised in profit or loss. The Company engaged with independent valuation specialists to determine the fair value as at 30 June 2023 of its properties held under the underlying subsidiaries. The subsidiaries is valued using the directors valuation which is based on the net asset value of Grit Services Limited.

The Company has converted its loan receivable from its wholly-owned subsidiary Grit Services Limited, amounting to US$ 116 million into additional investment during the year.

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting rights held by the Group 30 June 2023 US$'000	30 June 2022 US$'000
Abland Diversified Holdings Limited (indirect holding)	Mauritius	100%	100%
BME Kenya Investments Limited (indirect holding)	Mauritius	100%	100%
Bora Africa (indirect holding)	Mauritius	100%	100%
Bora Africa REM (indirect holding)	Mauritius	100%	100%
Capital Place Limited (indirect holding)	Ghana	70%	70%
Casamance Holdings Limited (indirect holding)	Mauritius	100%	100%
CD Properties Limited (indirect holding)	Mauritius	100%	100%
Cognis 1, Limitada (indirect holding)*	Mozambique	58%	58%
Commotor Limitada (indirect holding)*	Mozambique	100%	100%
Delta International Bahrain W.L.L (indirect holding)	Bahrain	60%	60%
Delta Tete Limitada (indirect holding)*	Mozambique	100%	100%
DIF 1 Co Limited (indirect holding)	Mauritius	100%	100%
Freedom Asset Management	Mauritius	0%	0%
Freedom Property Fund SARL (indirect holding)*	Morocco	60%	60%
Gateway Properties Limitada (indirect holding)*	Mozambique	100%	100%
Gerania Limited (indirect holding)	Mauritius	100%	100%
GMS Serviços De Gestão De Imoveis, Limitada (indirect holding)	Mozambique	53%	53%
GR1T Capital Co. Ltd (indirect holding)	Mauritius	100%	100%
GRES Mauritius (indirect holding)	Mauritius	100%	50%
Grit Accra Limited (indirect holding)*	Ghana	100%	100%
Grit Executive Share Trust	Mauritius	0%	0%
Grit Executive Share Trust II	Mauritius	0%	0%
Grit Management SA Proprietary Limited (indirect holding)	South Africa	100%	100%
Grit Services Limited (direct holding)	Mauritius	100%	100%
Grit West Africa Limited (indirect holding)	Ghana	100%	100%
HM&K Properties Limited (indirect holding)	Mauritius	100%	100%
IDC Kenya Investments Limited (indirect holding)	Mauritius	100%	100%
IWH Kenya Investments Limited (indirect holding)	Mauritius	100%	100%
Kitwe Mukuba Investments Limited (indirect holding)	Mauritius	100%	100%
Leisure Property Northern (Mauritius) Limited (indirect holding)	Mauritius	0%	100%
Lusaka Cosmopolitan Investments Limited (indirect holding)	Mauritius	100%	100%
Mall de Tete Limitada (indirect holding)*	Mozambique	100%	100%
Mara Delta (Mauritius) Property Limited (indirect holding)*	Mauritius	100%	100%
Mara Viwandani Limited (indirect holding)*	Kenya	100%	100%
Moz Delta FZ-LLC (indirect holding)	United Arab Emirates	51%	51%
Mukuba Mall Limited (indirect holding)*	Zambia	75%	75%
Ndola Kafubu Investments Limited (indirect holding)	Mauritius	100%	100%
Orbit Africa Logistics (indirect holding)	Mauritius	70%	100%
Paradise Consultancy Services Limited (indirect holding)	Mauritius	0%	100%
Paradise Hospitality Group Limited (indirect holding)	Mauritius	100%	100%
Paxton Investments Limited (indirect holding)	Mauritius	100%	100%
S&C Imobiliaria Limitada (indirect holding)*	Mozambique	100%	100%
SAL Investment Holdings Ltd (indirect holding)	Mauritius	100%	100%
Société Immobilière et de Gestion Hôteliére du Cap Skirring (indirect holding)*	Senegal	100%	100%
Stellar Warehousing and Logistics Limited (indirect holding)*	Kenya	70%	100%
TC Maputo Properties Ltd (indirect holding)	Mauritius	51%	51%
Transformers Holdings Mauritius Limited (indirect holding)	Mauritius	100%	100%
Ubertas Tatu Investments SEZ Limited (indirect holding)*	Kenya	100%	100%
Warehousely Limited (indirect holding)*	Kenya	100%	100%
Zambian Property Holdings Limited (indirect holding)	Mauritius	100%	100%
Zimpeto Imobiliaria Limitada (indirect holding)*	Mozambique	100%	100%

All subsidiaries have coterminous reporting dates with those of the Company with the exception of Société Immobilière et de Gestion Hôteliére du Cap Skirring and Stellar Warehousing and Logistics Limited which has a December year-end.

All the subsidiaries marked with an * are property holding companies. The rest with the exception of GMS Serviços De Gestão De Imoveis, Limitada which is an asset management company are investment holding companies.

9. Related party loans receivable and payable

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Current loans to / (from) related parties				
Copapax Limited	138	138	-	-
Africa Property Development Managers Ltd	95	160	-	-
Non current loans to / (from) related parties				
Venus Africa Properties Proprietary Limited *	-	391	-	391
These loans are unsecured, bear interest at the USD base rate of the South African Reserve Bank + 300 basis points (subject to a maximum rate of 7.50% per annum) calculated and accrued on a six monthly basis and are repayable 5 years after the drawdown date.				
*Lifostax Proprietary Limited **	-	391	-	391
These loans are unsecured, bear interest at the USD base rate of the South African Reserve Bank + 300 basis points (subject to a maximum rate of 7.50% per annum) calculated and accrued on a six monthly basis and are repayable 5 years after the drawdown date.				
Buffalo Mall Naivasha Limited	-	427	-	-
Loan granted for operational funding of Buffalo Mall in Kenya. Loan does not bear interest and is repayable as and when free cash flows from operations are available to service the loan.				
Goodison Two Hundred Thirteen Limited *	(357)	-	-	-
Loan granted for operational funding of GMS Kenya. Loan does not bear interest and is repayable as and when free cash flows from operations are available to service the loan.				
Gateway Real Estate Africa Ltd*	(1,532)	2	-	-
Loan bears interest of 1 month Libor plus 2.50%. This is a current account to be settled within 30 days.				
Gateway Real Estate Africa Ltd - Pre-development Funding 2*	(5,306)	(1,205)		
Project costs for the Bollore warehouse development project. The loan bears interest at 4% per annum and the repayment terms is still to be determined.				
*Bronwyn Knight**	122	122	-	-
*Noble Tree (Darren Veenhuis)**	50	45	-	-
*Gregory Pearson**	86	86	-	-
Loan are for 5 years and bears interest @5.75% per anumn				
Loan to/(from) subsidiaries and consolidated entities				
Grit Services Limited	-	-	110,917	317,676
- Current Portion	-	-	38,000	38,000
- Non-Current Portion *	-	-	72,917	279,676
The loan is unsecured and bears interest at 4% per annum. The loan is repayable 7 years from date of advance or such later date as agreed between the parties.				
The movement in the related party loan receivable from Grit Services Limited is mainly driven by the conversion of US$116 million loan receivable into additional investments in Grit Services Limited during the year (Note 8).				
Freedom Asset Management Limited *	-	-	16,959	16,565
The above loans are unsecured, bear interest at Libor + 6.50% and the borrower had an unconditional right to defer payment for a period of 12 months.				
Grit Executive Share Trust *	-	-	-	3,231
The above loans are unsecured, bears no interest and is repayable on demand by Grit Real Estate Income Group Limited within such timeframe agreed between the borrower and lender.				
Grit Executive Share Trust II *	-	-	2,655	2,766
At the relevant reporting dates the above loans were unsecured, and bears no interest and it is repayable on demand by Grit Real Estate Income Group Limited within such timeframe agreed by the borrower and lender.				
Other accounts with subsidiaries/associates				
Freedom Property Fund SARL	-	-	249	250
CADS Developers	518	-	-	-
Gateway EMT	-	(1)	-	-
Allowance for credit losses IFRS 9 - Impairment on financial assets - Refer to note 25	(166)	(949)	(14,979)	(37,796)
In the current year, the above loans are unsecured, do not bear interest and the borrower has an unconditional right to defer payment for a period of 12 months.				
	(6,352)	(393)	115,801	303,474
Classification of related party loans:				
*Non-current assets **	92	515	77,552	265,224
Current assets	751	298	38,249	38,250
*Non-current liabilities **	(7,195)	(1,205)	-	-
Current liabilities	-	(1)	-	-
	(6,352)	(393)	115,801	303,474

Details of the relationship of the Group with each of the above related parties is disclosed in note 36.

In the current year, the non current portions are marked with an *

In the opinion of the directors, on the basis that the loans interest rates are deemed to be market related risk (taking into account the applicable risk adjusted interest rates), the carrying values of loans to related parties approximate their fair values at each reporting date.

10. Other loans receivable

		GROUP		COMPANY	
	Notes	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Ndola Investments Limited [1]		-	5,130	-	-
Kitwe Copperbelt Limited [1]		-	5,640	-	-
Syngenta Limited [1]		-	19,133	-	-
African Property Investments Limited		21,034	-		
Healthcare assets		-	231	-	-
Drift (Mauritius) Limited [2]		8,637	8,211	-	-
Drift (Mauritius) Limited [3]		2	2,071	-	-
Pangea 2 Limited		6	6	-	-
IFRS 9 - Impairment on financial assets (ECL)	25	(8,674)	(2,514)	-	-
As at 30 June		21,005	37,908	-	-
Classification of other loans:				-	-
Non-current assets		21,005	-	-	-
Current assets		-	37,908	-	-
		21,005	37,908	-	-

10. Other loans receivable (continued)

1. *In April 2017 Bank of China provided the Group with a term loan credit facility of US$77.0 million for 5 years. The Group has now re-financed this borrowing facility through the loan syndication with Standard Bank of South Africa. At inception of the facility, the Group has advanced loans amounting in total up to 50% of the US$77.0 million facility to the other investors in the Zambian investments namely to Ndola Investments Limited ("Ndola"), Kitwe Copperbelt Limited ("Kitwe") and Syngenta Limited ("Syngenta"). Each of these loans at inception had a 5 year term. During the year, the Group has entered in an agreement with African Property Investments Limited ("API") who is the parent company of Ndola, Kitwe and Syngenta. Ndola, Kitwe and Syngenta have ceded and assigned their rights and obligations in respect of the initial facility to API. As from 20 December 2022, the Group has a loan receivable from API of US$21 million. The term of the loan is 4.5 years as from the 20th December 2022. Interest is charged at a fix margin of 5.65% per annum plus a compounded daily SOFR rate.*
2. *Project pre-funding 1 - Maputo Housing Project*
   Loan bears interest at 3 month Libor plus 6.50%, repayable within 24 months or such other time as agreed in writing between the parties.
3. *Project pre-funding 2 - Tete Housing Project*
   Loan bears interest at 3 month Libor plus 6.50%, repayable within 24 months or such other time as agreed in writing between the parties.

In the opinion of the directors, the carrying values of the above loans receivable approximate their fair values at each reporting date.

11. Deferred tax

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Deferred tax asset/(liability)				
Assessed losses	8,006	8,269	-	-
Foreign exchange losses	3,102	3,232	-	-
Loss allowance on financial assets	1,466	1,043		
Other	4	-	-	-
Total deferred tax asset	12,578	12,544	-	-
Straight-line rental income accrual	(1,767)	(1,518)	-	-
Lease incentives	(1,376)	(1,910)	-	-
Capital allowances	(27,567)	(23,424)	-	-
Fair value adjustments to investment property	(21,223)	(22,740)		
Total deferred tax liability	(51,933)	(49,592)	-	-
Deferred tax - net position per the consolidated statement of financial position	(39,355)	(37,048)	-	-
Balance at the beginning of the year	(37,048)	(31,652)	-	-
Assessed losses	(314)	(1,543)	-	-
Foreign exchange movements	(123)	250	-	-
Loss allowance on financial assets	402	(83)	-	-
Lease incentives	561	(178)	-	-
Straight-line rental income accrual	(238)	(228)	-	-
Other	(1)	(86)	-	-
Fair value adjustments to investment properties	(2,519)	(2,999)	-	-
Movement per income statement	(2,232)	(4,867)	-	-
Acquired through acquisition of subsidiary during the year	-	(896)	-	-
Disposal of subsidiary	-	201	-	-
Foreign currency translation differences	(75)	166		-
Total movement for the year	(2,307)	(5,396)	-	-
As at 30 June	(39,355)	(37,048)	-	-

Deferred tax assets have been recognised on deductible temporary differences where management, having reviewed the Group's projections, believe that there will be sufficient taxable income in future to utilise the temporary differences.

In accordance with the Group's accounting policies, deferred tax assets have not been recognised in respect of certain companies within the Group, with unrecognised tax losses (see note 28).

12. Trade and other Receivables

	Notes	GROUP		COMPANY	
		30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Trade receivables		12,733	10,298	-	-
Total allowance for credit losses and provisions	25	(5,682)	(4,782)	-	-
IFRS 9 - Impairment on financial assets (ECL) [1]		(1,496)	(1,965)	-	-
IFRS 9 - Impairment on financial assets (ECL) (Management overlay on specific receivables) [1]		(4,186)	(2,817)	-	-
Trade receivables - net [2]		7,051	5,516	-	-
Accrued Income		2,603	1,934	-	-
Loan interest receivable		-	-	-	-
Deposits paid		77	57	1	1
VAT recoverable		10,293	12,186	666	643
Purchase price adjustment account [3]		961	963	-	-
Deferred expenses and prepayments [4]		3,695	1,781	1,166	720
Listing receivables		-	9,900	-	9,900
IFRS 9 - Impairment on other financial assets (ECL)	25	(3,470)	(6,012)	-	(2,700)
Deferred rental		-	853	-	-
Rental guarantees receivable		52	640	-	-
Dividends receivable		-	506	-	-
Sundry debtors		764	798	-	-
Cash balance held in escrow account		-	4,548	-	-
Other receivables		14,975	28,154	1,833	8,564
Total trade and other receivables		22,026	33,670	1,833	8,564
Classification of trade and other receivables:					
Non-current assets		3,448	4,615	-	-
Current assets		18,578	29,055	1,833	8,564
		22,026	33,670	1,833	8,564

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Ageing of trade receivables				
Current	2,055	2,000	-	-
30 days	1,853	953	-	-
60 days +	563	965	-	-
90 days +	2,580	1,598	-	-
	7,051	5,516	-	-

12. Trade and other Receivables (continued)

1 *We have conducted impairment calculations in accordance with the simplified approach as outlined in the expected credit loss model of IFRS 9. Notably, our analysis of rent collections for past-due arrears has demonstrated a favorable trend throughout the current financial year, resulting in a reduced impact on the income statement charge when determining expected credit losses.*
In the process of estimating expected credit losses, the Group has undertaken a comprehensive assessment, with a particular focus on tenants with elevated risk profiles, especially those in the retail sector and those undergoing administration proceedings. Concerning the forward-looking information, the Group has considered payment receipts for past-due balances up to a period of three months after year-end to assess recoverability. The macroeconomic environment and factors that might affect tenants of the Group based on their geographical regions have also been considered in the ECL model. Moreover, the Group has individually assessed its top 50 tenants, which represent a significant portion of our overall exposure of the Group. The remaining tenant balances have been categorized by sector and geography. These assessments have informed our impairment provisions, which have been disclosed under 'Allowance for credit losses' (Note 25) in the financial statements.

2 *Total tenants deposits held disclosed under Trade and other payable amounts to US$2.5 million (2022: US$2.3 million) Refer to note 19.*

3 *On the acquisition of investment properties held within corporate vehicles, any other assets and liabilities that are acquired or assumed as part of the relevant acquisition transaction from/to vendors, are realised and settled respectively using a purchase price adjustment account.*

4 *Included in deferred expenses and prepayments are advance payments made by the Group for services to be provided in future periods.*

The carrying value of trade and other receivables are considered by the directors to approximate their fair values.

13. Cash and cash equivalents

Cash and cash equivalents consists of the following:

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Cash at bank available on demand	**9,200**	25,996	**17**	629
Petty cash	**7**	6	**–**	–
Current assets	**9,207**	26,002	**17**	629
Bank overdrafts	**(1,875)**	(1,856)	**-**	–
Current liabilities	**(1,875)**	(1,856)	**-**	–
	7,332	24,146	**17**	629
Cash and cash quivalents are held in the following currencies.				
United States Dollars	**1,176**	20,752	**11**	619
Mozambican Meticais	**3,753**	413	**-**	–
Moroccan Dirhams	**173**	1,302	**-**	–
Mauritian Rupees	**21**	156	**-**	4
Bahraini Dinars	**15**	15	**-**	–
South African Rands	**27**	18	**-**	–
Kenyan Shilling	**65**	17	**-**	–
Zambian Kwacha	**176**	76	**-**	–
Emirati Dirhams	**71**	–	**-**	–
Ghanaian Cedi	**274**	1,167	**-**	–
West African Franc	**1,549**	78	**-**	–
Euros	**32**	152	**6**	6
	7,332	24,146	**17**	629

Overdraft facilities

Grit Services Limited holds an overdraft facility of US$2.0 million with Standard Bank (Mauritius) Limited, which is unsecured and carries interest at a rate of 7.58% per annum.

14. Ordinary share capital, share awards and treasury shares reserve

14a. Ordinary share capital

	THE GROUP AND THE COMPANY			
	30 June 2023 Shares in issue Number '000	30 June 2022 Shares in issue Number '000	30 June 2023 US$'000	30 June 2022 US$'000
Authorised				
7 500 000 000 ordinary shares of no par value (2022: 7 500 000 000 ordinary shares of no par value)				
Issued				
Ordinary shares				
495 092 339 ordinary shares of no par value (2022: 495 092 339 ordinary shares of no par value)				
Movement for the year				
Balance at the beginning of the year	**495,093**	331,236	**535,694**	463,842
Shares issued during the year	**-**	146,342	**-**	76,098
Transferred to antecedent dividend reserve*	**-**	–	**-**	(3,659)
Issuance of share capital for the acquisition of Africa Property Development Management Ltd	**-**	17,091	**-**	7,178
Issuance of share capital for acquisition of additional stake in Gateway Real Estate Africa Ltd	**-**	424	**-**	178
Less: Transaction costs arising on share issues	**-**	–	**-**	(7,943)
Balance at end of the year	**495,093**	495,093	**535,694**	535,694

Distributions from capital - antecedent dividend reserve

* *At each annual general meeting of the Company approval is sought to make distributions from capital. Shares issued during the period that comprise of a dividend component within the issue price, such value is transferred to the antecedent dividend reserve to ensure any new share issue does not dilute the dividend per share of existing shareholders. Refer to accounting policy 1.16b for more details on antecedent dividend.*

Authority in respect of unissued shares

The unissued shares are under the control of the directors. This authority remains in force until the next annual general meeting of the Company.

14b. Treasury shares reserve

	GROUP		COMPANY	
	Number of shares issued '000	US$'000	Number of shares issued '000	US$'000
Balance as at 01 July 2021	(12,546)	**(18,406)**	–	–
Disposal of Treasury Shares held by Freedom Asset Management	3,000	**5,100**	–	–
Addition of Treasury Shares (acquired by the Grit Executive Share Trust to meet the obligations in terms of the Long Term Incentive Scheme)	(5,588)	**(2,906)**	–	–
Balance as at 30 June 2022	(15,134)	**(16,212)**	–	–
Balance as at 01 July 2022	(15,134)	**(16,212)**	–	–
Re-acquired treasury shares under the share repurchase and liquidity management programme of the Group	(247)	**(94)**	**(247)**	(94)
Balance as at 30 June 2023	(15,381)	**(16,306)**	**(247)**	(94)

During the year, the Company has implemented a share repurchase and liquidity programme where the Company's broker has been authorised to repurchase Grit ordinary shares which were within certain pre-set parameters on either the London Stock Exchange or the Stock Exchange of Mauritius. This share buyback and liquidity management programme was intended to complement regular dividend distributions as a futher means to returning current year operational earnings to shareholders and to support liquidity in the trading of Grit's shares.

14. Ordinary share capital, share awards and treasury shares reserve (continued)

14b. Treasury shares reserve (continued)

During the year ended 30 June 2022, Freedom Asset Management, a subsidiary of the Group has sold 3,000,000 of Grit shares (Held in treasury reserve in the group consolidated financial statements) that it owed to Pangea Holdings 2 Limited for an agreed consideration of US$1.5million. The 3,000,000 Grit shares was intially recorded in treasury shares at US$5.1 million when the share was trading at US$1.7 per share. On disposal of the 3,000,000 Grit shares, no gain or loss has been recognised as the transaction relates to the disposal of the Group own equity instrument. The difference between the agreed purchase consideration of US$1.5 million and the previously recorded amount in treasury reserve of US$5.1 million that is US$3.6 million has been recognised directly in equity namely in non-controlling interests because as explained in the judgements section of the summary of significant accounting policies, the Group does not have any equity interests in Freedom Asset Management. The latter is a subsidiary for consolidation purposes due to the Group's implied control on the entity but the non-controlling interests on Freedom Asset Management is 100%.

In December 2021, as part of the capital raise, Grit Executive Share Trust II a subsidiary of the Group has acquired 5.6 million Grit Shares at US$0.52 per share that the latter will use to service the new long term incentive plan of the Group. The reacquired shares have been recorded in treasury reserve.

14c. Preference share capital

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Opening balance	29,558	25,481	-	-
Preference shares dividend accrued	2,038	4,077	-	-
As at 30 June	31,596	29,558	-	-

During the financial year 2021, the group issued 25,481,240 class B preference shares each at a par value of US$1 through DIF 1 Co Limited, a wholly owned indirect subsidiary of the group to Gateway Real Estate Africa Limited, an associate of the group. The class B shares does not carry any voting rights. The class B preference shares are entitled to a dividend at a fixed rate of 8% per annum. However, the terms of the instrument are such that the group does not have a contractual obligation to settle the preferred dividend, unless shareholder loan capital, interest or ordinary shares dividends are paid to the holding company of DIF1 Co Limited, that is Grit Services Limited. The preference dividends however if unpaid are cumulative until such a point in time that they are settled. The preference shares are also redeemable at the option of DIF1 Co Limited only. The preference shares have been classified as equity instruments in the group consolidated financial statements as the group does not have a contractual obligation to deliver cash to settle the instruments both in terms of the principal and the preferred dividend portion. As at 30 June 2023, the cumulative preferred dividend accrued on the preference shares amounted to US$6.11million. Neither the principal nor the preferred dividend have been paid as at 30 June 2023.

14d. Perpetual preference notes

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Opening balance	25,741	-	-	-
Issue of perpetual preference note classified as equity	-	26,775	-	-
Preferred dividend accrued	3,529	1,837	-	-
Preferred dividend paid	(2,443)	(1,265)	-	-
Less: Incremental costs of issuing the perpetual preference note	-	(1,606)	-	-
As at 30 June	26,827	25,741	-	-

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

Included below are salient features of the notes

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

On recognition of the perpetual preference note, the Group has classified eighty five percent of the instrument that, is US$26.8 million, as equity as this portion of the instrument the Group at all times will have an unconditional right to avoid delivery of cash to the noteholders. The remaining fifteen percent of the instrument, that is US$4.7 million, has been classified as debt and included as part of interest-bearing borrowings. The debt portion arises because the note contains terms that can give the noteholders the right to ask for repayment of fifteen percent of the outstanding amount of the note on the occurence of some future events that are not wholly within the control of the Group. The directors believe that the probability that those events will happen are remote but for classification purposes, as the Group does not have an unconditional right to avoid delivering cash to the noteholders on fifteen percent of the notes, this portion of the instrument has been classified as a liability.

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

The incremental costs directly attributable to issuing the equity portion of the note has been recorded as a deduction in equity i.e. in the same equity line where the equity portion of the instrument has been recorded so that effectively the equity portion of the instrument is recorded net of transaction costs. There were no transaction costs recorded during the year (30 June 2022: US$1.6 million).

14e. Share awards / options

The Company has two long term incentive plans. Each of the plan has been detailed below in section 14e(i) and 14e(ii) respectively.

14e(i). Legacy long term incentive scheme

During the year to 30 June 2018, the Company introduced an equity-settled share based remuneration scheme for the executive directors, senior managers and key employees ("Eligible Employee(s)") called the Grit Long Term Incentive Scheme ("the GRIT Scheme"). The purpose of the GRIT Scheme is to provide a long-term performance and retention incentive scheme which aligns the interests of participants with the Company's shareholders, by motivating them, through participation, to increase the long-term growth in shareholder returns. In August 2016, the Company's subsidiary, Freedom Asset Management had implemented an equity-settled share based remuneration scheme ('the FAM scheme') in order to provide for the retention of staff within the Group following the internalisation of the asset management function into the Group. During the year ended 30 June 2018, all awards under the FAM scheme were replaced by new awards in the GRIT Scheme.

Eligible Employees are awarded shares and are advanced a notional loan equivalent to the value of the share award at the date of the award. All dividends attributable to the shares are utilised to reduce this notional loan over a five year vesting period. The notional loan bears interest equivalent to the Group's weighted average cost of debt, which is set quarterly in arrears, less attributed dividends accruing on the allocated shares. The effective option price has been determined as the outstanding notional loan balance divided by the number of shares awarded.

On the date of vesting, the Eligible Employee may elect to sell all the shares and receive a cash pay-out after settlement of the loan; sell sufficient shares to settle the loan and take transfer of the residual shares or may elect to keep the shares within the scheme, at which time the Eligible Employee will become personally liable for the outstanding loan balance attached to the shares.

The GRIT Scheme is administered by the Grit Share Trust ('the Trust') for the benefit of management and staff. The Trust is formed under the laws of Mauritius and the administration of the Trust is conducted out of Mauritius.

Movements in the number of share options outstanding and their related weighted average exercise prices at each reporting date during which the GRIT Scheme was in operation were as follows:

	Weighted average exercise price cents	30 June 2023 Shares US$'000	Weighted average exercise price cents	30 June 2022 Shares US$'000
Balance at the beginning of the year	89	3,350	104	5,433
Forfeited	-	-	-	(677)
Vested	-	-	(140)	(1,406)
Balance at the end of the year	89	3,350	89	3,350
Add shares vested not exercised	140	2,127	140	2,276
Total outstanding options	109	5,477	110	5,626

At 30 June 2023, out of the 3.35 million options outstanding, no options were exercisable into the 2023 financial year (following the 30 day notification period). 0.149 million options were cancelled as the participants left the employment of the Grit Group. Post balance sheet date, 2.127 million vested shares were exercised by participants.

At 30 June 2022, out of the 4,756 million options outstanding, 1.406 million options were exercisable into the 2022 financial year (following the 30 day notofication period), no options were however exercised to date. 0.677 million options were cancelled as the participants left the employment of the Grit Group.

14. Ordinary share capital, share awards and treasury shares reserve (continued)

14e. Share awards / options (continued)

14e(i). Legacy long-term incentive scheme (continued)

The expiry period of the options at those dates were as follows:

First vesting period	Weighted average exercise price cents	30 June 2023 Shares '000	Weighted average exercise price cents	30 June 2022 Shares '000
2025	89	3,350	89	3,350
At end of year	89	3,350	89	3,350
Add shares vested not exercised	140	2,127	140	2,276
Total outstanding options	109	5,477	110	5,626

Due to the relative illiquidity of the Company's share price over the last three years, the volatility was measured as the standard deviation of expected share price returns of a similar peer group of listed property companies, and is based on a statistical analysis of daily share prices over that timeframe.

The share based payment charge recorded in respect of the above awards was US$0.03 million for the year to 30 June 2023 (2022: US$0.1 million) and is equity settled.

14e(ii).New long-term incentive plan

The establishment of the Company's new Long Term Incentive Plan ('LTIP') was approved by shareholders at the 17th June 2021 annual general meeting. The new LTIP was introduced to incentivize a group of selected key talents which the Company believes are high performers and significant contributors to the future of the larger Group. Shares awards which represent an entitlement to receive the Company's shares that will granted under the new LTIP will be designed to secure and promote the Group's long-term strategic objectives and will be granted as conditional rights to acquire shares at a predetermined date following grant subject to the satisfaction of stretching and demanding financial and non-financial performance conditions, the grantee's continued service and minimum holding periods post vesting. Participation in the plan is at the board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Eligible employees may elect not to participate in the scheme.

During the current financial year, awards were granted to 49 employees, including executive directors and other key employees, under the newly established Long-Term Incentive Plan (LTIP). No payment was required upon the grant of these awards in accordance with the plan's terms. The terms and conditions of this arrangement were communicated to employees on 12 December 2022. These awards will vest upon satisfaction of service and performance conditions, as detailed in the table below, over a specified vesting period, subject to further approval by the remuneration committee. The vesting date for this batch of awards is set for 25 November 2025.

The terms of the LTIP grant is at the remuneration committee discretion in determining whether the awards will vest on the vesting date, regardless of whether the performance conditions have been met during the vesting period. Due to the discretion vested in the remuneration committee, the Company has valued the charge to be recognized in the income statement using the market price of the underlying shares as of the end of the reporting period. Subsequently, at each reporting date, the Company will re-evaluate the income statement charge based on the market price at that specific reporting date. This ensures that, cumulatively over the period from when employees commenced providing service to the vesting date, the income statement charge recorded equals the number of shares vested multiplied by the market price of the underlying shares at the vesting date.

Service condition: Employees and non-employees are within employment at the date of vesting.

Performance conditions: Employees and non-employees have maintained an acceptable level of performance within the company over the vesting period as determined by the board of the company in their sole discretion and that they have consistently achieved their key performance indicators as detailed in the table below.

Financial Based Metrics	Target	Weightage
Total (accounting) return – measured by EPRA NAV movements between period plus dividend yield (calculated on opening NAV)	12%	60%
Total property return- i.e) portfolio performance	3%	10%
Growth in EPRA earnings per share	2%	5%
Financial based metrics resulting %		75%

Non-Financial Strategic target metrics	Target	Weightage
EPRA Occupancy Rate	95%	5%
Staff Satisfaction Score	75%	5%
ESG KPI's per Grit sustainability policy		
i. Reduction of carbon footprint by 2025	25%	2.50%
ii. Improvement of building efficiency by 2025	25%	2.50%
iii. Women in leadership positions (gender diversity)	40%	5.00%
iv. Local employee representation	65%	5.00%
Non- Financial Strategic target metrics resulting %		25%
Total		100%

The shares issued to employees and non-employees under the new LTIP are administered by the Grit Executive Share Trust II. The Group considers the trust to be a subsidiary and is therefore consolidated into the group consolidated financial statements. The shares that will be used to service the new LTIP have been acquired as part of the capital raise performed by the Company in December 2022. Those shares are currently being held as treasury shares until such time as they are vested.

In measuring the fair value of the awards, expected dividend were not incorporated into the measurement of fair value as employees are entitled to dividends throughout the vesting period. Dividends that will be declared during the vesting period but not paid until vesting would be charged to equity and will be recognized as a liability at the point in time that they are declared. On the award vesting the employees or non-employees will receive at the discretion of the remuneration committe either cash and/or shares at a price equal to the market value of the granted shares at the date of vesting. The Company does not have a past practice of settling shares-based compensation scheme in cash.

Considering the terms and conditions on which the shares were granted, the new LTIP has been accounted as an equity-settled plan.

The expense recognized for the new LTIP and further arising from equity settled share-based payment transactions in respect of employee service received during the year is US$0.33million (2022:US$ 0.01million).

Movement in the year

The table below illustrates the number of movements in shares awarded during last financial year and the current financial year.

	Number of shares
Outstanding at 01 July 2021	-
Awards granted during the year	5,980,769
Outstanding at 30 June 2022	5,980,769
Balance as at 01 July 2022	5,980,769
Awards granted during the year	7,026,379
Awards cancelled for leavers	(547,949)
Outstanding at 30 June 2023	12,459,199

15. Redeemable preference shares

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Opening balance	12,840	12,840	–	–
Foreign exchange loss	9	–	–	–
As at 30 June	12,849	12,840	–	–

During the year ended 30 June 2017 one of the Company's subsidiaries, Mara Delta (Mauritius) Property Limited ("Mara Delta"), issued 1,284 preference shares at US$10,000 per share to the National Pension Fund of Mauritius ("NPF"). The US$ denominated preference shares carry a coupon rate of 6.25% and are redeemable through a put option. The put option can be exercised by the subscriber after 5 years from the subscription date by providing Mara Delta with an 18 months notice of their intention to exercise. As at 30 June 2023, Mara Delta has not receive any notice from NPF and therefore the Group has classified the redeemable preference shares in its entirety as a non-current liability as there is no contractual cash obligation within the next 12 months.

In March 2022, an agreement was signed between NPF and Mara Delta where both parties have agreed to redenominate the 1,284 preference shares from US$ to Mauritian Rupee ("MUR"). The parties had further agreed that the redomination of the preference shares will be carried out in tranches.

During the current financial year, US$ 10.3 million worth of preference shares (equivalent to 1,030 shares) have been redenominated to MUR to an equivalent amount of MUR 473 million.

The US$ denominated portion of the preference shares bear interest at 6.25% per annum and the MUR denominated portion of the preference shares bear interest at 7.50% per annum.

The remaining 254 preference shares with a US$ equivalent of US$2.54 million has been redominated to an equivalent MUR amount of MUR 116 million in July 2023.

The directors consider that the fair value of the preference shares approximates to their book value at 30 June 2023 and 30 June 2022 and that the put option has a negligible fair value at both of these dates.

16. Proportional shareholder loans

		GROUP		COMPANY	
	Noted	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Opening balance		26,716	17,582	–	–
Interest accrued on proportional shareholder loans		1,790	418	–	–
Proportional shareholder loans repaid		(4,750)	(1,967)		
Acquired as part of asset acquisition		88	5,107	–	–
Proportional shareholder loan from LLR	31a.	7,234	–		
Additional proportional shareholder loans received		4,655	5,576	–	–
As at 30 June		35,733	26,716	–	–

During the previous financial years one of the Company's joint ventures', Mukuba Mall Limited, became a subsidiary of the Group through the acquisition of Paxton Investments Limited. In Mukuba Mall Limited there are loans payable to shareholders which are in the same proportion as the shareholder's pecentage holding. There is currently a loan payable to Kitwe Copperbelt Investments Limited (the external 25% shareholder of Mukuba Mall Limited which does not form part of Grit Group). From a Group perspective and for consolidation purposes, this loan payable to a party outside of the Group is not eliminated. The loan is denominated in USD, it is unsecured and interest free and repayable from the free cashflows generated from Mukuba Mall Limited. The amount owing to Kitwe Copperbelt Investments Limited is US$7.0 million. (2022:US$8.2 million).

During the financial year 2021, the Group disposed of an indirect interest of 26.66% in Acacia Estate. As part of the disposal, Gateway Real Estate Africa Limited, the buying shareholder injected funds of US$7.7million into the structure which represents their portion of shareholders' loan. The loan from Gateway Real Estate Africa Limited is denominated in USD, it is unsecured and interest free and has no fixed terms of repayment. The balance of the loan as at 30 June 2023 is US$6.3 million (2022: US$5.5 million).

In financial year 2022, Capital Place Limited became a subsidiary of the Group through the acquisition of an additional 20% equity interest and thereby changed the status of the investment from associate to subsidiary. As at 30 June 2023, Capital Place Limited has a loan payable to its minority shareholders of US$1.9 million, which also represents a liability for the Group as of that date.

Gateway Real Estate Africa Ltd ("GREA") holds an indirect holding of 39.60% in Freedom Property Fund SARL, the beneficial owner of Anfa Mall. Via the funding vehicle DIF 1 Co Ltd, GREA has contributed a shareholder loan of US$11.9 million (2022:US$7.2 million).

During this current financial year, the Group has disposed of 30% of its equity interest in Orbit Africa Logistics ("OAL") to Letlole La Rona Limited ("LLR"). As part of the disposal, LLR has contributed a shareholder loan of US$7.2 million in proportion to its equity stake in OAL. Refer to note 31a for more information on the disposal transaction.

17. Interest-bearing borrowings

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Non-current liabilities	318,453	242,091	6,596	26,861
Current liabilities	78,282	182,975	10,885	2,346
As at 30 June	396,735	425,066	17,481	29,207
Currency of the interest-bearing borrowings (stated gross of unamortised loan issue costs)				
United States Dollars	294,114	319,687	17,430	27,441
Euros	103,132	104,357	-	1,837
Mauritian Rupees	1,025	1,369	-	-
	398,271	425,413	17,430	29,278
Interest accrued	7,725	4,927	330	459
Unamortised loan issue costs	(9,261)	(5,274)	(279)	(530)
As at 30 June	396,735	425,066	17,481	29,207
Movement for the year				
Balance at the beginning of the year	425,066	410,588	29,207	32,849
Proceeds of interest bearing-borrowings	324,459	58,513	6,624	-
Loan reduced through disposal of subsidiary (Note 31b)	(19,404)	(6,624)	-	-
Loan acquired through asset acquisition (Note 30b)	4,369	6,011	-	-
Loan issue costs incurred	(7,355)	(4,386)	(264)	11
Amortisation of loan issue costs	3,368	2,765	515	483
Foreign currency translation differences	3,561	(14,836)	332	(415)
Interest accrued	2,798	751	(129)	11
Debt settled during the year	(340,127)	(27,716)	(18,804)	(3,732)
As at 30 June	396,735	425,066	17,481	29,207

17. Interest-bearing borrowings (continued)

Analysis of facilities and loans in issue

			GROUP		COMPANY	
Lender	Borrower	Initial facility	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Financial institutions						
Standard Bank South Africa	Commotor Limitada	US$140.0m	140,000	140,000	-	-
Standard Bank South Africa	Zambian Property Holdings Limited	US$70.4m	64,400	-	-	-
Standard Bank South Africa	Grit Services Limited	Total RCF - US$35.5m	35,331	-	-	-
Standard Bank South Africa	Capital Place Limited	US$6.2m	6,200	-	-	-
Standard Bank South Africa	Casamance Holdings Limited	€6.5m	7,198	-	-	-
Standard Bank South Africa	Grit Accra Limited	US$8.4m	8,400	-	-	-
Standard Bank South Africa	Casamance Holdings Limited	€7.0m	7,618	-	-	-
Standard Bank South Africa	Zambian Property Holdings Limited	US$16.4m	-	16,405	-	-
Standard Bank South Africa	Grit Services Limited	€26.5m	-	27,091	-	-
Total Standard Bank Group			269,147	183,496	-	-
Bank of China	Zambian Property Holdings Limited	$77.0m	-	76,405	-	-
Total Bank of China			-	76,405	-	-
State Bank of Mauritius	Leisure Property Northern (Mauritius) Limited	€9.0m	-	9,467	-	-
State Bank of Mauritius	Leisure Property Northern (Mauritius) Limited	€3.2m	-	3,366	-	-
State Bank of Mauritius	Mara Delta Properties Mauritius Limited	€22.3m	24,336	23,457	-	-
State Bank of Mauritius	Grit Real Estate Income Group Limited	US$20.0m	10,000	20,000	10,000	20,000
State Bank of Mauritius	Mara Delta Properties Mauritius Limited	MUR 72m	1,025	1,369	-	-
Total State Bank of Mauritius			35,361	57,659	10,000	20,000
Investec South Africa	Freedom Property Fund SARL	€36m	31,570	32,950	-	-
Investec South Africa	Freedom Property Fund SARL	US$8.7m	2,722	2,722	-	-
Investec Mauritius	Grit Real Estate Income Group Limited	US$0.5m	430	457	430	457
Total Investec Group			34,722	36,129	430	457
ABSA Bank Ghana Limited	Grit Accra Limited	US$9.0m	-	7,913	-	-
Total ABSA Group			-	7,913	-	-
Maubank Mauritius	Grit Real Estate Income Group Limited	€3.2m	-	1,837	-	1,837
Maubank Mauritius	Freedom Asset Management	€4.0m	712	1,508	-	-
Total Maubank			712	3,345	-	1,837
ABC Banking Corporation	Grit Services Limited	US$8.5m	-	2,440	-	-
ABC Banking Corporation	Casamance Holdings Limited	€6.4m	-	4,681	-	-
Total ABC Banking Corporation			-	7,121	-	-
Nedbank South Africa	Warehously Limited	US$8.6m	8,635	8,635	-	-
Nedbank South Africa	Grit Real Estate Income Group Limited	US$7m	7,000	6,985	7,000	6,985
Nedbank South Africa	Capital Place Limited	US$6.2m	-	6,200	-	-
Total Nedbank South Africa			15,635	21,820	7,000	6,985
NCBA Bank Kenya	Grit Services Limited	US$6.5m	-	6,542	-	-
NCBA Bank Kenya	Grit Services Limited	US$4.1m	-	4,158	-	-
NCBA Bank Kenya	Grit Services Limited	US$6.5m	6,500	-	-	-
NCBA Bank Kenya	Grit Services Limited	US$11.0m	11,000	-	-	-
Total NCBA Bank Kenya			17,500	10,700	-	-

			GROUP		COMPANY	
Lender	Borrower	Initial facility	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Ethos Mezzanine Partners GP Proprietary Limited	Grit Services Limited	US$2.4m	2,475	2,475	-	-
Blue Peak Holdings S.A.R.L	Grit Services Limited	US$2.2m	2,250	2,250	-	-
Total Private Equity			4,725	4,725	-	-
International Finance Corporation	Stellar Warehousing and Logistics Limited	US$16.1m	16,100	16,100	-	-
Total International Finance Corporation			16,100	16,100	-	-
Housing Finance Corporation	Buffalo Mall Naivasha Limited	US$4.85m	4,369	-	-	-
Total Housing Finance Corporation			4,369	-	-	-
Total loans in issue			398,271	425,413	17,430	29,279
plus: interest accrued			7,725	4,927	330	459
less: unamortised loan issue costs			(9,261)	(5,274)	(279)	(530)
As at 30 June			396,735	425,066	17,481	29,208

17. Interest-bearing borrowings (continued)

Terms of the facilities (analysed by maturity date)

Lender	Group 30 June 2023 US$'000	Base rate	Margin	Initial facility	Interest rate	Maturity date
Financial Institutions						
ACTIVE FACILITIES						
Standard Bank South Africa	**140,000**	Daily SOFR	5.80%	US$140.0 m	10.78%	Jun 2027
Standard Bank South Africa	**31,698**	3 month Euribor	4.50%	Total RCF - US$35.5m	7.27%	Dec 2025
Standard Bank South Africa	**3,633**	Daily SOFR	4.25%		9.40%	Dec 2025
Standard Bank South Africa	**6,200**	Daily SOFR	5.80%	US$6.2m	10.78%	Jun 2027
Standard Bank South Africa	**7,198**	3 month Euribor	5.80%	€29.0 m	8.52%	Jun 2027
Standard Bank South Africa	**8,400**	Daily SOFR	5.80%	US$8.4m	10.78%	Jun 2027
Standard Bank South Africa	**64,400**	Daily SOFR	5.80%	US$74.0 m	10.78%	Jun 2027
Standard Bank South Africa	**7,618**	3 month Euribor	5.50%	€6.9 m	8.68%	Jun 2027
State Bank of Mauritius	**24,336**	3 month Euribor	4.00%	€22.3 m	7.02%	Mar 2025
State Bank of Mauritius	**10,000**	3 month Term SOFR	4.00%	US$20.0 m	9.29%	Mar 2025
State Bank of Mauritius	**1,025**	SBM Prime Lending Rate	0.75%	Mur 72.0 m	7.80%	Nov 2025
Investec South Africa	**31,570**	3 month Euribor	5.08%	€36.3 m	8.50%	Apr 2024
Investec South Africa	**2,722**	Daily SOFR	4.66%	US$8.7 m	10.05%	Apr 2024
Investec Mauritius	**430**	Daily SOFR	4.76%	US$0.5m	9.83%	Sep 2023
Maubank Mauritius	**712**	6 month Euribor	6.00%	€3.50 m	7.64%	Oct 2023
Nedbank South Africa	**8,635**	Daily SOFR	4.55%	US$8.62 m	9.81%	Mar 2025
Nedbank South Africa	**7,000**	Daily SOFR	9.65%	US$7.00 m	14.65%	Dec 2023
NCBA Bank Kenya	**6,500**	3 month SOFR	6.76%	US$6.50 m	11.84%	Jan 2024
NCBA Bank Kenya	**11,000**	3 month SOFR	6.76%	US$11.00 m	11.84%	Jan 2024
Housing Finance Corporation	**4,369**	Fixed rate	11.00%	US$4.85m	11.00%	Sep 2031
Ethos Mezzainine Partners GP Proprietary Limited	**2,475**	Fixed rate	9.00%	US$16.5 m	9.00%	Dec 2028
Blue Peak Holdings S.A.R.L	**2,250**	Fixed rate	9.00%	US$15.0 m	9.00%	Dec 2028
International Finance Corporation	**16,100**	6 month Term SOFR	6.18%	US$16.1 m	11.38%	Dec 2029
Total debt for the year ended 30 June 2023	**398,271**					

(Weighted average cost of debt for the year ended 30 June 2023: 8.43% (2022: 7.13%)

A key part of the Group's capital management aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. Key covenants include Loan-to-Value (LTV) and Interest Cover Ratio (ICR). There have been no breaches of the financial covenants of any interest-bearing loans and borrowings in the current period and prior period.

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

- The Group concluded a sustainability-linked loan and revolving credit facility for up to US$306 million. Standard Bank of South Africa acted as the sole lead arranger and bookrunner for this multi-jurisdictional debt syndication covering GRIT's assets and debt facilities in Mozambique, Zambia, Ghana and Senegal and a corporate level revolving credit facility. This facility refinanced existing debt of US$280 million, whilst increasing the weighted average debt expiry period to beyond 3 years.
- **Facilities that were settled during the year:**
  - The ABC Banking Corporation facility held by Grit Services Limited that amounted to US$2.4 million.
  - The ABC Banking Corporation facility held by Grit Services Limited that amounted to US$4.6 million.
  - The Maubank facility held by Grit Real Estate Income Group Limited that amounted to US$1.8 million.
  - The Maubank facility held by Freedom Asset Management was partially settled by US$0.8 million during the period.
  - The facilities held by Leisure Property Northern (Mauritius) Limited that amounted to US$12.8 million were settled upon the disposal of this subsidiary by the Group as more fully described in note 31b of these financial statements.
  - The NCBA rolling credit facility ("RCF") held by Grit Services Limited that amounted to US$11million.
  - The SBM facility held by Grit Real Estate Income Group was partially settled through a payment of US$10.0 million.
- **Facilities that were entered into during the year:**
  - US$17.5million was drawn on the existing NCBA Bank Kenya RCF by Grit Services Limited.
  - US$7.6million was drawn by Casamance Holdings Limited from the syndication, with the proceeds being disbursed in Euro equivalent.
- **Buffalo Mall step up from associate to subsidiary**
  - At 30 June 2023 Buffalo Mall stepped up from an associate to a subsidiary with the acquisition of the remaining 50% interest by the Group (refer note 7d). With the consolidation of Buffalo Mall, interest bearing borrowings from the Housing Finance Corporation, amounting to US$4.4 million was recognized at balance sheet date.
- **Post year-end**
  - Casamance Holdings Limited drew US$3.2 million on the US$11million facility available post year-end.
  - Grit Real Estate Income Group Limited fully repaid the Investec Mauritius facility held that amounted to US$0.4 million.
  - The Freedom Property Fund US$ facility that amounted to US$2.7 million at 30 June 2023 was rolled up into the existing Euro facility and the maturity date of the combined facility was extended to April 2025.
  - Grit Services Limited drew an additional US$3.984 million from NCBA Bank Kenya.
  - Grit Services Limited drew on the existing NCBA RCF facility amounting to US$8.0 million in October 2023.

18. Lease liabilities

Set out below are the carrying amounts of the lease liabilities and the movements during the year:

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
As at 01 July	**1,409**	955	**566**	813
Accretion of interest	**201**	49	**29**	42
Addition of land held under lease	**4,405**	834	**–**	–
Payments	**(1,415)**	(429)	**(595)**	(289)
As at 30 June	**4,600**	1,409	**–**	566
The maturity analysis of lease liabilities is disclosed below:				
Maturity of lease liabilities:				
Current	**1,265**	864	**–**	166
Non-current can be analysed as follows:				
Payable between 1 and 5 years	**3,335**	458	**–**	382
Payable after 5 years	**–**	87	**–**	18
	4,600	1,409	**–**	566
Minimum lease payments:				
Payable in 1 year	**1,569**	903	**–**	195
Payable between 1 and 5 years	**3,850**	498	**–**	409
Payable after 5 years	**–**	93	**–**	18
	5,419	1,494	**–**	622
Future finance charges on lease liabilities	**(819)**	(85)	**–**	(56)
	4,600	1,409	**–**	566

During the year, the Group has relocated its corporate head office to The Precint which is located in Grand Baie, Mauritius. The Group as a lessee has entered into a lease arragement with GR1T HOUSE LIMITED for a lease period of 5 years. The increase in the lease liability for this financial year is predominantly explained by the initial recognition of the lease liability during this financial year relating to the new head-office.

The leases on motor vehicles have lease terms between 5 and 7 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

There are no restrictions imposed on the Group by these lease arrangements other than in respect of the specific assets being leased.

18. Lease liabilities (continued)

The statement of profit or loss shows the following amounts relating to leases:

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Depreciation expense of right-of-use assets	676	194	164	166
Interest expense on lease liabilities	201	49	29	42
Total amount recognised in profit or loss	**877**	243	**193**	208

Refer to note 3 and 5 for more details on the right of use asset of the Company and the Group.

19. Trade and other payables

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Trade payables	6,476	4,842	1,290	1,189
Accruals	4,757	5,274	640	1,183
Deposits received[1]	20,873	8,864	-	-
Deferred income	8,836	7,622	-	-
Dividends payable	42	1,029	42	691
Withholding tax payable	300	751	4	1
Sundry creditors	4,022	2,502	66	-
Taxation and social security costs	1,060	527	278	208
As at 30 June	**46,366**	31,411	**2,320**	3,272

1 Relates to refundable deposit received for the Acacia disposal project amounting to US$18 million (2022:US$4.5 million). Also the Group received deposit from tenants amounting to US$2.5million (2022:US$2.3million).

20. Derivative financial instruments

	Maturity date	GROUP 30 June 2023 US$'000	GROUP 30 June 2022 US$'000	COMPANY 30 June 2023 US$'000	COMPANY 30 June 2022 US$'000
Interest rate swap - Standard Bank	31-Oct-23	-	-	-	-
Interest rate collars - Standard Bank	31-Oct-23	-	-	-	-
Interest rate collars - Standard Bank	31-Oct-23	-	-		
Interest rate collars - Standard Bank	24-Oct-26	(140)	-		
Cross currency swap	24-Apr-24	(643)	-		
Cross currency swap	24-Jun-24	(641)	-		
Cross currency swap	24-Aug-24	(641)	-		
Cross currency swap	24-Oct-24	(644)	-	-	-
As at 30 June - liability		(2,709)	-	-	-
Interest rate swap - Standard Bank	31-Oct-23	384	405	-	-
Interest rate collars - Standard Bank	31-Oct-23	712	717	-	-
Interest rate collars - Standard Bank	31-Oct-23	732	740	-	-
Interest rate collars - Standard Bank	24-Oct-24	88	-		
Interest rate collars - Standard Bank	24-Oct-25	3	-		
As at 30 June - asset		1,919	1,862	-	-
Net asset/(liability)					
Opening balance		1,862	(2,627)	-	-
Fair value adjustment on other financial liability through profit and loss		(3,085)	4,501		
Foreign currency translation differences		-	(12)	-	-
Repayment[1]		433	-	-	-
As at 30 June		(790)	1,862	-	-

1 An amount of US$0.433 million has been paid which represent the premium that the Group has contractually agreed to pay to Standard Bank South Africa Limited during this financial year for the collars.

The interest rate derivative instruments have been executed with Standard Bank South Africa Limited. At 30 June 2023 the benchmark USD rate for all instruments referenced the Secured Overnight Financing Rate (compounded over a 3-month period). The valuation follows the discounted cash flow model, resulting in a netted present value of payables and receivables per instrument. The valuer sources a forward curve and a discount curve independently based on its cost of funding and market rate expectations. The cross currency swaps are the sole instruments comprising a EUR leg alongside a USD leg, with the former being fixed; and thus also adopts a EUR discount curve as part of the valuation.

The Group does not apply hedge accounting in accordance with IFRS 9. Nevertheless, interest rate swaps, interest rate collars and cross currency swaps are part of economic hedge relationships. Interest rate swaps and interest rate collars are used to fix the interest payments of variable debt instruments. Cross currency swaps have a dual function by nature: (i) swapping the interest payments from floating USD rates to fixed EUR rates and (ii) maintaining a EUR liability to protect group EUR assets against EUR/US$ depreciation.

The split between current and non-current is as follows:

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Current assets	1,828	1,862	-	-
Non-current assets	91	-	-	-
Current liabilities	(1,284)			
Non-current liabilities	(1,425)	-	-	-
As at 30 June	(790)	1,862	-	-

21. Other financial liabilities

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Total other financial liabilities				
CRO obligation liability	13,358	14,511	13,358	14,511
Call option liability	–	2,472	–	–
	13,358	16,983	13,358	14,511
Reconciliation of total other financial liabilities				
Opening balance	16,983	6,307	14,511	5,431
Settlement of other financial liabilities	–	(639)	–	–
Fair value adjustment on other financial liabilities through profit and loss	(3,625)	11,315	(1,153)	9,080
As at 30 June	13,358	16,983	13,358	14,511
The total other financial liabilities consists of:				
Contingent Repurchase Obligation ("CRO")				
Opening balance	14,511	5,431	14,511	5,431
Fair value adjustment on other financial liability through profit and loss	(1,153)	9,080	(1,153)	9,080
As at 30 June	13,358	14,511	13,358	14,511

Refer to note 36d. for the related party disclosure.

In 2017, the Company facilitated a transformation initiative jointly with the PIC on behalf of South Africa's Government Employment Pension Fund (GEPF). The transformation initiative was to jointly provide guarantees in order to allow Drive in Trading Proprietary Limited ("DiT") to raise cost effective debt facilities in order to subscribe for shares in the Company.

On 22 January 2018, shareholders approved a related party transaction between the Public Investment Corporation SOC Limited ("PIC") and the Company whereby the Company guarantees PIC for 50.00% of any losses suffered by the PIC (up to a maximum of US$17.5 million) resulting from PIC's potential liability under its Contingent Repurchase Obligation ("CRO").

The primary security for DiT's financier was the CRO for an amount of US$35.0 million between the PIC and DiT's financier whereby, in the event of default, the PIC would be obliged to purchase the loan from the financier at cost, up to a maximum amount of US$35.0 million. On expiry of DiT's loan on or around 14 August 2020, DiT failed to repay its financier following which the CRO was enforced, on 24 August 2020 PIC purchase DiT's debt and is the current financier on record.

In November 2022, the Company and PIC signed an Addendum to the Guarantee Agreement that enables the Company to take ownership of a proportionate number of Grit shares owned by DiT in exchange for Grit paying US$17.5 million to GEPF under the Guarantee Agreement. The formula to determine the proportionate entitlements to DiT's shares in Grit is defined as 23,250,000 ordinary shares x US$17.5 million/DiT outstanding loan balance at implementation date, capped at 11,625,000 Ordinary Shares ("DiT Security Shares"). This payment by Grit and the subsequent transfer to Grit of the DiT Security Shares will occur once PIC enforces its rights under the amended Guarantee Agreement. Further an addendum has been signed on the 29th September 2023 where the parties have agreed to move the long stop date to 31st March 2024.

Following delivery of the DiT Security Shares to Grit, Grit intends to repurchase the DiT Security Shares for a nominal value of US$0.01 per share, utilising the Company's existing share buyback programme. The repurchased DiT Security Shares will be held in treasury, not cancelled.

A 10% increase in the share price of the Company will result in a decrease in the liability of 3.11% whereas an increase in the share price will increase the liability by the same percentage.

New Mauritius Hotels ('NMH') has an option to acquire all the equity held by Leisure Property Northern Mauritius ('LPNL') in Beachcomber Hospitality Investments ('BHI') for a price based on an agreed formula during a future period of time ('the option').

However during the year, the Group has entered into negotiation with NMH and the Group has disposed of its entire interests in LPNL. Refer to note 31b for more information on the disposal transaction.

The change in the financial liability is recognised through profit and loss.

22. Gross property income

	GROUP		COMPANY	
	30 June 2023 US$'000	Restated 30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Contractual rental income	46,767	40,883	–	–
Retail parking income	1,683	1,630	–	–
Straight-line rental income accrual (note 4)	977	855	–	–
Other rental (expense)/income (Lease incentives)	(104)	1,713	–	–
Gross rental income	49,323	45,081	–	–
Asset Management Fees	1,187	1,615	–	–
Recoverable property expenses	5,739	5,241	–	–
Gross property income	56,249	51,937	–	–

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 year.

Contractual rental income included within deferred revenue in the prior year has been fully recognised as revenue in the current year.

Contractual rental income and retail parking income recognition are governed by lease agreement and are within the scope of IFRS 16.

Straight-line rental income arises as a direct consequence of applying the requirement of IFRS 16, that is, spreading of rental income over the lease term on a straight line basis.

The recoverable property expenses were recognised in the group income statement in accordance with the delivery of services. In line with IFRS 15 *Revenue from Contracts with Customers*, the Group recognised a total US$5.7 million (2022: US$5.2 million) of recoverable property expenses which relates to expenditure that is directly recoverable from tenants, within gross property and other income.

23. Profit / (loss) from operations

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Profit / (loss) from operations for each period is stated after (crediting)/ charging:				
Other income	(286)	(80)	(69)	(840)
- Asset management fees received	–	–	(69)	(840)
- Other income	(286)	(80)	–	–
Amortisation and impairment of intangible assets - included in administrative expenses (note 6)	265	221	11	13
Depreciation of property, plant and equipment (note 5)	840	423	244	244
Employee benefit expense:				
- Executive directors' salaries and bonus	1,803	1,006	–	–
- Executive directors' other benefits	136	181	–	–
- Wages and salaries	7,600	5,274	17	7
Acquisition costs not capitalised	1,268	2,021	585	511
Set-up costs	438	50	18	10
Letting commissions amortised during the year	204	364	–	–
Audit fees	2,135	1,328	594	540
Non-audit services performed by PwC	1	16	–	–
Non-executive directors' fees	594	537	594	537
Asset and property management fees	404	315	–	–

Non-audit services provided by PWC in the current year relates to subscription to PWC online manual of accounting. The prior year non-audit service fee relates to subscription to PWC online manual of accounting and special agreed upon procedures as part of the IFC loan disbursement.

23. Profit / (loss) from operations (continued)

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Directors' emoluments				
Executive directors emoluments				
Bronwyn Knight	1,212	1,020	-	-
Basic salary	538	498	-	-
Share based bonus	-	300		
Performance bonus	539	70	-	-
Other benefits [2]	110	123	-	-
Directors fees received from associates [1]	25	29	-	-
Leon van de Moortele	752	696	-	-
Basic salary	389	389	-	-
Share based bonus	-	200		
Performance bonus[3]	337	50	-	-
Other benefits [2]	26	57	-	-
Total executive directors' emoluments	1,964	1,716	-	-
Total executive directors - emoluments by category				
Basic salary	927	886	-	-
Share based bonus	-	500		
Performance bonus	876	120	-	-
Other benefits [2]	136	181	-	-
Directors fees received from associates [1]	25	29	-	-
Total executive directors' emoluments	1,964	1,716	-	-

1 *In addition to the executive emoluments, Bronwyn Knight received Non-executive directors remuneration from an associate, Letlole La Rona Limited amounting to US$25,000 in the current year. (2022: US$28,867)*

2 *Other Benefits include car allowance, school allowance, insurance and housing allowance.*

3 *The performance bonus has been accrued but not paid as at 30 June 2023*

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Non-executive directors				
Fees were paid to the following directors:				
Peter Todd	126	116	126	116
David Love	101	92	101	92
Sir Samuel Jonah	65	60	65	60
Jonathan Crichton	65	60	65	60
Nomzamo Radebe[1]	70	60	70	60
Cross Kgosidiile	54	56	54	56
Catherine McIlraith	100	93	100	93
Lynette Finlay	14	-	14	-
Total non-executive directors' fees	595	537	595	537
Total directors' emoluments	2,559	2,253	595	537

[1] *Resigned on 05th February 2023.*

Share options- Legacy Long Term Incentive Plan	Vesting Date	Option strike price US$	GROUP 30 June 2023 Number of options '000	GROUP 30 June 2022 Number of options '000	COMPANY 30 June 2023 Number of options '000	COMPANY 30 June 2022 Number of options '000
Bronwyn Knight						
Opening balance of share options			1,281	1,815	-	-
- Initial award	30 June 2019	1.40	-	-	-	-
- 2017 award	30 June 2022	1.40	-	534	-	-
- 2020 award	30 April 2025	0.89	1,281	1,281	-	-
Options exercised during the year		1.40	-	(534)	-	-
Closing balance of share options			1,281	1,281	-	-
- Initial award	30 June 2019	1.40	-	-	-	-
- 2017 award	30 June 2022	1.40	-	-	-	-
- 2020 award	30 April 2025	0.89	1,281	1,281	-	-
Leon van de Moortele						
Opening balance of share options			925	1,198	-	-
- Initial award	30 June 2020	1.40	-	-	-	-
- 2017 award	30 June 2022	1.40	-	273	-	-
- 2020 award	30 April 2025	0.89	925	925	-	-
Options vested during the year		1.40	-	(273)	-	-
Closing balance of share options			925	925	-	-
- Initial award	30 June 2020	1.40	-	-	-	-
- 2017 award	30 June 2022	1.40	-	-	-	-
- 2020 award	30 April 2025	0.89	925	925	-	-

New Long term incentive plan	Vesting Date	Option strike price US$	GROUP 30 June 2023 Number of options '000	GROUP 30 June 2022 Number of options '000	COMPANY 30 June 2023 Number of options '000	COMPANY 30 June 2022 Number of options '000
Bronwyn Knight						
Opening balance of awards			1,442	-	-	-
- 2022 awards	17 December 2024	0.52	1,442	-	-	-
Awards granted during the year			1,195	1,442	-	-
Closing balance of awards			2,637	1,442	-	-
- 2022 awards	17 December 2024	0.52	1,442	1,442	-	-
- 2023 awards	29 November 2025	0.36	1,195	-	-	-
Leon van de Moortele						
Opening balance of awards			962	-	-	-
- 2022 awards	17 December 2024	0.52	962	-	-	-
Awards granted during the year			864	962	-	-
Closing balance of awards			1,826	962	-	-
- 2022 awards	17 December 2024	0.52	962	962	-	-
- 2023 awards	29 November 2025	0.36	864	-	-	-

23. Profit / (loss) from operations (continued)

Key management remuneration	GROUP 30 June 2023 US$'000	GROUP 30 June 2022 US$'000	COMPANY 30 June 2023 US$'000	COMPANY 30 June 2022 US$'000
Key Management [1]	4,130	1,664	-	-
Basic salary	2,615	982	-	-
Share based bonus	-	420	-	-
Performance bonus	1,076	75	-	-
Other benefits [2]	439	187	-	-
Total key management remuneration (2023: 12 employees: 2022: 8 employees)	4,130	1,664	-	-

1 *Key Management for the year were: Moira Van Der Westhuizen, Andries Smit, Krishnen Kistnen, Andre Janari, Greg Pearson, Craig Glutz, Oteng Keabetswe, Darren Veenhuis, Hugo Jordaan, Aurelie Mallac, Shevira Bissessor and Donald Borthwick. Bronwyn Knight and Leon van de Moortele are also key management personnel and their remunerations have been dislcosed in the Directors' emoluments section of this note.*

2 *Other Benefits include car allowance, school allowance, insurance and housing allowance.*

Share options- Legacy Long Term Incentive Plan	Vesting Date	Option strike price US$	GROUP 30 June 2023 Number of options '000	GROUP 30 June 2022 Number of options '000	COMPANY 30 June 2023 Number of options '000	COMPANY 30 June 2022 Number of options '000
Key Management						
Opening balance of share options			660	1,545	-	-
- Initial award	30 June 2021	1.40	-	62	-	-
- 2017 award	30 June 2022	1.40	-	404	-	-
- 2020 award	30 April 2025	0.89	660	1,079	-	-
Movement due to changes in key management personnel			-	(63)	-	-
Options vested but not exercised during the year			-	(500)	-	-
Options cancelled			-	(322)		
Closing balance of share options			660	660	-	-
- Initial award	30 June 2021	1.40	-	-	-	-
- 2017 award	30 June 2022	1.40	-	-	-	-
- 2020 award	30 April 2025	0.89	660	660	-	-

New Long term incentive plan	Vesting Date	Option strike price US$	GROUP 30 June 2023 Number of options '000	GROUP 30 June 2022 Number of options '000	COMPANY 30 June 2023 Number of options '000	COMPANY 30 June 2022 Number of options '000
Key Management						
Opening balance of awards			2,269	2,269	-	-
- 2022 awards	17 December 2024	0.52	2,269	2,269	-	-
Awards during the year	29 November 2025	0.36	3,247	-	-	-
Closing balance of awards			5,516	2,269	-	-
- 2022 awards	17 December 2024	0.52	2,269	2,269	-	-
- 2023 awards	29 November 2025	0.36	3,247	-	-	-

24. Impairment of loans and other receivables

	GROUP 30 June 2023 US$'000	GROUP 30 June 2022 US$'000	COMPANY 30 June 2023 '000	COMPANY 30 June 2022 '000
Total Impairment of loans and other receivables recognised in the statement of profit and loss				
Impairment on loans	-	3,101	-	600
Total loss allowance	-	3,101	-	600

Group Level

In the financial year 2022, Freedom Asset Management, a subsidiary of the Group has sold 3,000,000 of Grit shares (Held in treasury reserve in the group consolidated financial statements) that it owed to Pangea Holdings 2 Limited for an agreed consideration of US$1.5 million. As at 30 June 2022, the directors have assessed the recoverability of the amount receivables from Pangea Holdings 2 Limited and determined that the whole amount is not recoverable. The Group has therefore impaired the US$1.5 million receivable from Pangea Holdings 2 Limited. The Group has also recorded an impairment on the interest receivable from Sirandane Investments Ltd amounting to US$0.6 million.

Further the Group in financial year 2022, an adjustment account was impaired that related to the acquisition of 50% of the Capital Place Limited. The adjustment account was in a net receivable position of US$1.0 million. The whole balance has been impaired during the year.

25. Net (reversal)/ Impairment of financial assets

	Note	GROUP 30 June 2023 US$'000	GROUP Restated 30 June 2022 US$'000	COMPANY 30 June 2023 US$'000	COMPANY 30 June 2022 US$'000
Loss allowances					
Total loss allowance recognised / (reversed) in the income statement					
Loss allowance on trade debtors (Operational)		1,422	1,970	-	-
Loss allowance on lease incentive (Operational)		(389)	940	-	-
Loss allowance on other loans receivable (Non Operational)		6,160	27	-	-
Loss allowance on other financial assets (Non Operational)		(2,542)	2,197	(2,700)	2,100
Loss allowance on related party loans receivable (Non Operational)		(783)	167	(22,817)	(25,906)
Total loss allowance		3,868	5,301	(25,517)	(23,806)
Expected credit loss on trade debtors					
Opening balance at the beginning of the year		4,782	8,616	-	-
Loss allowance provided during the year (ECL)		1,422	1,970	-	-
Write-off		(604)	(5,304)	-	-
Foreign currency translation differences		82	(500)	-	-
Total loss allowance at the end of the year	12	5,682	4,782	-	-
Expected credit loss on lease incentives					
Opening balance at the beginning of the year		940	-	-	-
Loss allowance provided during the year (ECL)		(389)	940	-	-
Foreign currency translation differences		(6)	-		
Total loss allowance at the end of the year	3	545	940	-	-
Expected credit loss on other financial assets					
Opening balance at the beginning of the year		6,012	3,815	2,700	600
Write off		-	-	-	-
Loss allowance provided during the year (ECL)		(2,542)	2,197	(2,700)	2,100
Total loss allowance at the end of the year	12	3,470	6,012	-	2,700
Expected credit loss on related party loans receivable					
Opening balance at the beginning of the year		949	782	37,797	63,703
Write off		-	-	-	-
Loss allowance provided during the year (ECL)		(783)	167	(22,818)	(25,906)
Total loss allowance at the end of the year	9	166	949	14,979	37,797
Expected credit loss on other loans receivable					
Opening balance at the beginning of the year		2,514	2,487	-	-
Write-off		-	-	-	-
Loss allowance provided during the year (ECL)		6,160	27	-	-

	Note	GROUP 30 June 2023 US$'000	GROUP Restated 30 June 2022 US$'000	COMPANY 30 June 2023 US$'000	COMPANY 30 June 2022 US$'000
Total loss allowance at the end of the year	10	8,674	2,514	-	-
Expected credit loss - Total					
Opening balance at the beginning of the year		15,197	15,700	40,497	64,303
Loss allowance provided during the year (Operational)		1,033	2,910	-	-
Loss allowance provided during the year (Non Operational)		2,835	2,391	(25,518)	(23,806)
Write-off		(604)	(5,304)	-	-
Foreign currency translation differences		76	(500)	-	-
Total loss allowance at the end of the year		18,537	15,197	14,979	40,497

All material financial assets remain in Stage 1 of the impairment model. There have been no significant receivables transferred between stages during the year.

The expected credit loss on cash and cash equivalents and accrued income are immaterial.

26. Interest income

	GROUP 30 June 2023 US$'000	GROUP 30 June 2022 US$'000	COMPANY 30 June 2023 US$'000	COMPANY 30 June 2022 US$'000
Bank interest receivable	1	-	-	-
Interest on loans to partners [1]	3,379	1,880	-	-
Interest on loans from related parties	509	8	11,850	9,932
Interest on property deposits paid	117	47	-	-
Interest on tenant rental arrears and penalty interest	90	-	-	-
	4,096	1,935	11,850	9,932

[1] *The interest income on loans to partners arises on the loans referred to in note 10.*

27. Finance costs

	GROUP 30 June 2023 US$'000	GROUP 30 June 2022 US$'000	COMPANY 30 June 2023 US$'000	COMPANY 30 June 2022 US$'000
Interest-bearing borrowings - financial institutions	33,111	22,048	2,809	1,609
Early settlement charges	121	42	-	-
Amortisation of loan issue costs	3,368	2,765	515	483
Preference share dividends	828	814	-	-
Interest on lease liabilities	201	49	29	42
Interest on loans to proportional shareholders	1,790	418	-	-
Interest on bank overdraft	92	43	-	-
Other interest payable	71	(28)	-	-
	39,582	26,151	3,353	2,134

28. Taxation

		GROUP		COMPANY	
	Note	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Major components of the taxation expense					
Current taxation		1,993	1,754	13	203
Deferred taxation	11	2,232	4,867	-	-
		4,225	6,621	13	203
Reconciliation of the taxation expense					
(Loss) / Profit before tax		(21,348)	17,734	(87,817)	(11,853)
Statutory taxation (credit) / expense at 15% (all years)		(3,202)	2,660	(13,173)	(1,778)
Tax effect of adjustments to taxable income:					
Non-taxable income		(497)	(5,311)	-	(222)
Non-deductible expenditure		2,149	1,907	13,035	2,203
Under provision in the previous year		(7,767)	(10,155)	12	-
Withholding tax		-	1,104	-	-
Foreign tax credit		182	-	-	-
Deferred tax asset not provided for		11,436	18,871	139	-
Minimum tax		195	-	-	-
Effect of different tax rates and consolidation adjustments		1,729	(2,455)	-	-
Effective taxation expense at -19.79% (2022: 35.47%)		4,225	6,621	13	203

The Company is subject to income tax at the rate of 15% in Mauritius in accordance with the provisions of the Income Tax Act 1995. The Income Tax (Foreign Tax Credit) Regulations 1996 allow for the setting off of any underlying tax, withholding tax or tax sparing credit by the Company against tax due at the 15% rate on foreign source income. A partial income exemption of 80% has been introduced and shall apply to interest income and foreign dividend income subject to meeting substance conditions. The claim for partial income exemption can only be availed if the actual foreign tax credit has not been claimed.

The taxation rates applicable in the other operating jurisdictions of the Group for all years are as follows:

- Mozambique	32%
- Morocco	31%
- Kenya	30%
- Zambia	35%
- Ghana	25%
- South Africa	28%
- Senegal	30%

Tax losses arising in Mauritian companies are available for set off against their future profits over a maximum period of 5 years in accordance with the provisions of the Mauritian Income Tax Act 1995 as amended. Amounts available as at the end of each financial year were as follows:

		GROUP				COMPANY	
		30 June 2023		30 June 2022		30 June 2023	30 June 2022
Arising in financial year to:	Expiry year	Mauritius US$'000	Outside Mauritius US$'000	Mauritius US$'000	Outside Mauritius US$'000	US$'000	US$'000
30 June 2015	30 June 2020	-	-	-	-	-	-
30 June 2016	30 June 2021	-	-	-	-	-	-
30 June 2017	30 June 2022	-	-	-	-	-	-
30 June 2018	30 June 2023	1,382	2,184	1,382	4,009	-	-
30 June 2019	30 June 2024	1,145	6,610	956	8,050	-	-
30 June 2020	30 June 2025	1,284	9,361	2,666	12,213	-	-
30 June 2021	30 June 2026	10,967	7,750	8,712	7,788	-	-
31 June 2022	30 June 2027	10,932	16,041	13,912	13,872	-	-
31 June 2023	30 June 2028	14,377	8,687	-	-	-	-
Carried forward for more than five years		-	-	-	-	-	-
Carried forward indefinitely		8,363	20,381	8,501	19,981	-	-
		48,450	71,014	36,129	65,913	-	-

The amount of group tax losses for which no deferred tax assets (note 11) have been provided amounts to US$50.2 million (2022: US$24.5 million)

29. Basic and diluted (losses) / earnings per ordinary share

	Earnings / (losses) attributable		Weighted average number of shares		Cents per share	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$ Cents	30 June 2022 US$ Cents
GROUP						
(Losses) / earnings per share - Basic	(23,631)	10,443	482,250	399,063	(4.90)	2.62
(Losses) / earnings per share - Diluted	(23,631)	10,443	482,250	399,339	(4.90)	2.62

Reconciliation of weighted average number of shares in issue (net of unvested treasury shares)

	GROUP	
	30 June 2023 US$'000	30 June 2022 US$'000
Ordinary shares in issue at start of year	495,093	331,236
Unvested treasury shares at start of year	(12,702)	(10,114)
Total shares in issue at start of year	482,391	321,122
Effect of shares issued in the year	-	79,986
Effect of treasury shares acquired in the year	(141)	(2,924)
Effect of treasury shares diposed in the year	-	879
Weighted average number of shares at end of year - basic	482,250	399,063
Dilutive effect of awards issued	-	276
Weighted average number of shares at end of year - diluted	482,250	399,339

30. Acquisition of subsidiaries (Asset Acquisition)

30a. Acquisition of additional equity interests in GMS Mauritius Limited

During the year, the Group has acquired an additional equity interests of 50% in GMS Mauritius Limited. The Group already held 50% equity interests before the acquisition. The purchase consideration for the additional 50% equity interests was US$1,000. Prior to the acquisition, the carrying amount of existing non-controlling interests which has been acquired was US$ 0.49 million. The Group recognised an increase in non-controlling interests of US$0.49 million and a decrease in equity attributable to equity shareholders of US$ 0.49 million.

	US$'000
Carrying amount of non-controlling interests acquired	(496)
Consideration paid for non-controlling interests	(1)
Decrease in equity attributable to equity shareholders	(497)

30b. Acquisition of additional interests in Buffalo Mall Navaisha Limited

On 30th June 2023, the Group through its wholly owned indirect subsidiary Abland Diversified Holdings Limited has acquired an additional 50% equity interest in Buffalo Mall Navaisha Limited ("Buffalo Mall") from two selling shareholders Kenafrique Services Limited ("Kenafrique") and Lloyd Capital Partners East Africa Ltd ("Lloyd"). The full consideration was settled by way of Grit shares, transferred to the selling shareholders of Buffalo on Grit's behalf by a shareholder of Grit. The number of Grit shares transferred as consideration amounted to 4,315,811 shares. The shares of Grit were trading at a price per share of US$ 0.38 at the time of acquisition. The fair value of the consideration shares amounted to US$ 1.64 million.

Before the acquisition, Buffalo Mall was an associate and was being accounted for under the equity method. Following the acquisition however the Group obtained control of Buffalo Mall. On 30 June 2023, the Group has consolidated Buffalo Mall. The acquisition did not constitute the acquisition of a business as the Group, having applied the optional concentration test, concluded that the fair value of the gross assets was concentrated in a single identifiable asset being the investment property. The asset acquisition has resulted to the Group acquiring some incidental assets and liabilities.

30. Acquisition of subsidiaries (Asset Acquisition) (continued)

30b. Acquisition of additional interests in Buffalo Mall Navaisha Limited (continued)

Details of the assets and liabilities acquired as part of the asset acquisition are:

Assets acquired	US$'000
Investment property	11,036
Property, plant and equipment	7
Trade and other receivables	259
Current tax refundable	173
Cash and cash equivalents	127
Total Assets	**11,602**
Liabilities assumed	
Proportional shareholder loans	88
Related party loans payable	1,205
Interest-bearing borrowings	4,369
Trade and other payables	120
Total Liabilities	**5,782**
Identifiable net assets acquired	5,820
Costs of group of assets and liabilities acquired	
Consideration for additional 50% equity interests[1]	1,702
Previously equity accounted carrying amount of investment in associate	2,911
Total consideration	**4,613**
Excess of indentifiable net assets acquired over consideration paid	**1,207**

1 *The consideration also includes directly attributable costs amounting to US$ 0.062 million.*

As the acquisition is an asset acquisition, the Group has used a cost accumulation approach and has reduced the net assets acquired namely the investment property value so that the group of assets and liabilities acquired are recorded at the purchase consideration paid. This has further resulted to an opposite and equal fair value adjustment on the investment property (gain) on the revaluation of the property to the valuation amount obtained by the independent valuer at 30 June 2023.

Analysis of cash flows on acquisition	US$'000
Cash consideration paid to acquire additional % in Buffalo Mall Navaisha Limited	–
Less net cash acquired with the subsidiary	127
Net inflow of cash and cash equivalents on acquisition	**127**

As part of the Buffalo Mall acquisition, the Company has entered into an agreement with one of its shareholder, Long Island Investments ("LIPI") to transfer the 4,315,811 Grit shares on its behalf. The Grit shareholder previously had subscribed to Grit's shares as part of the December 2021 capital raise but had not fully met the payment obligations outlined within the Promissory Note. Inoder to settle the amount, LIPI has agreed to transfer 4,315,811 Grit shares to the Kenafrique and Llyod on behalf of the Company.

Tne Group has concluded that even though LIPI has transferred direcly the Grit shares to Kenafrique and Llyod, in substance Grit has re-acquired and transferred its own equity instruments to aquire the additional 50% in Buffalo Mall. The difference between the fair value of the Grit shares transferred and the amount recorded in and subsequently transferred out of treasury reserve has been recorded in equity (a reduction in retained earnings).

Analysis of cash flows on acquisition	
Number of Grit shares transferred to acquire an additional 50% in Buffalo	4,315,811
Price per share in US$	0.38
Fair value of Grit shares in US$	**1,640,008**
Less: Grit shares re-acquired and transferred from treasury reserve in US$	2,244,222
Difference recorded in equity (Retained earnings) in US$	**(604,214)**

The reduction in the Group equity of US$ 0.6 million is offset by the fair value gain on revaluation of investment of property of US$ 1.2 million through profit or loss which arises as a consequence of the applying the requirement of asset acquisition as explained above.

31. Disposal of subsidiaries

31a. Part disposal of equity interest in Orbit Africa

On the 18th July 2022, Grit disposed of an indirect interest of 30% in its Orbit Africa ("Orbit") asset located in Kenya by disposing of 30% equity interest in Orbit Africa Logistics ("OAL"), the beneficial owner of Orbit to Letlole La Rona Limited ("LLR"). The total acquisition value was US$1,000. In addition, LLR was required to inject a shareholder loan of US$7.2 million which has been presented as part of proportional shareholder loans on the face of the Group statement of financial position.

The consideration received by the Group for the actual share disposal transactions amounted to US$ 1,000. Prior to the disposal of interests, the carrying amount of existing non-controlling interests disposed of was US$0.30 million. The Group recognized an increase in non-controlling interest of US$0.30 million and a decrease in equity attributable to equity shareholders of US$ 0.299 million. The effect on the equity attributable to the owners of Grit for the year ended 30th June 2023 is summarized as follows:

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

31b. Disposal of Leisure Property Northern (Mauritius) Limited

The Group has disposed of its whole equity interest in Leisure Property Northern (Mauritius) Limited ("LPNL"), the legal beneficial owner of Beachcomber Hospitality Investments Ltd ("BHI") and a wholly owned subsidiary of the Group during the year. BHI owns three hotels in Mauritius, which are the Cannoniers, Mauricia and Victoria Hotels. At the beginning of this financial year, Grit via LPNL owns 44.42% of BHI. The following transactions have occured during the year which resulted in the complete disposal of LPNL and BHI during the year.

- In November 2022, BHI declared a dividend amounting to €32.6 million. The dividends declared were scrip dividend whereby the shareholders had the option to elect to receive the dividend in cash or additional shares in BHI in proportion to their current shareholding. The Group elected for a cash payout whereas New Mauritius Hotel ("NMH"), the other shareholder of BHI elected to convert the dividend payout into additional BHI shares. Following the increase in shareholding of NMH in BHI, the Group interests in the associate decreased from 44.42% to 27.01%.
- In May 2023, the Group disposed of its wholly-owed subsidiary LPNL (which held 27.01% of BHI at the time of disposal) for a cash consideration of US$ 28.9 million.

The assets and liabilties of LPNL disposed by the Group, consideration received and the loss on disposal of interest in LPNL have been summarised below.

Assets disposed	US$'000
Investments in associates	51,298
Trade and other receivables	–
Cash and cash equivalents	1
Total assets disposed	**51,299**
Liabilities disposed	
Interest-bearing borrowings	(19,404)
Trade and other payables	(28)
Total liabilitites disposed	**(19,432)**
Net assets disposed	**31,867**
Consideration received	**28,880**
Loss on sale of interest in subsidiary	**(2,987)**
Reclassification of cumulated other comprehensive income movement from foreign currency translation reserve to profit or loss	(75)
Total loss on sale of interest in subsidiary	**(3,062)**

31c. Disposal of BH Property

In financial year 2022, the Group disposed of its whole equity interests in BH Property (ABSA House) Investments Limited ("BHP"). As part of the disposal, an amount of US$4.54 million was sitting in an escrow account. There were specific conditions that needed to be met before the cash held in escrow could be released to the Group from Lavastone Ltd, the purchaser. One of the condition related to securing a tenant for one of the vacant area in ABSA House, which was not met. An amount of US$0.178 million from the Escrow account was retained by Lavastone Ltd. The Group expensed US$0.178 million which was previously recognised within trade and other receivables as this amount was not recoverable.

32. Net cash generated from / (utilised in) operating activities and changes in liabilities arising from financing activities

32a. Net cash generated from / (utilised in) operating activities

	Notes	GROUP		COMPANY	
		30 June 2023 US$'000	Restated 30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
(Loss) / profit for the period before taxation		(21,348)	17,734	(87,817)	(11,853)
Adjusted for:					
Depreciation and amortisation	5 & 6	1,180	677	255	257
Interest income	26	(4,096)	(1,935)	(11,850)	(9,932)
Share of profits from associates and joint ventures	7	(14,300)	(20,611)	(9,168)	(2,438)
Loss on disposal of investment in subsidiary	31b & 31c	3,240	2,051	-	-
Finance costs	27	39,582	26,151	3,353	2,134
IFRS 9 charges/ (credits)	24 & 25	3,868	8,402	(25,517)	(23,206)
Foreign currency losses/(gains)		2,241	(5,412)	266	432
Straight-line rental income accrual	4	(977)	(855)	-	-
Amortisation of lease premium		857	(2,791)	-	-
Share-based payment expense		354	1,238	354	138
Fair value adjustment on investment properties	3	4,108	(20,080)	-	-
Loss on disposal of interest in associate	7b.	3,543	573	-	-
Fair value adjustment on other financial liability	21	(3,625)	11,315	(1,153)	9,080
Fair value adjustment on other financial asset		(264)	371	-	-
Fair value adjustment on derivative financial instruments	20	3,085	(4,501)	-	-
Loss on derecognition of loans and other receivables	9	3,735	-	3,910	-
Loss on extinguishment of borrowings		1,166	-	55	-
Loss on disposal of property, plant and equipment	5a	888	-	888	-
Fair value adjustment on investment in subsidiaries	8	-	-	114,232	30,627
Other transaction costs	7a	2,156	-	2,156	-
		25,393	12,327	(10,036)	(4,761)
Changes to working capital					
Movement in trade and other receivables		7,194	1,827	3,415	5,820
Movement in trade and other payables		3,338	(281)	(8,034)	1,384
Cash generated from / (utilised in) operations		35,925	13,873	(14,655)	2,443
Taxation paid		(3,374)	(2,580)	(144)	(686)
Net cash generated from / (utilised in) operating activities		32,551	11,293	(14,799)	1,757

32b. Changes in liabilities arising from financing activities

This section sets out an analysis of debt and the movements in debt for the year ended 30 June 2022 and 30 June 2023 for the Group and Company.

Group	Interest-bearing borrowings US$'000	Lease liabilities US$'000	Derivative financial instruments US$'000	Total US$'000
As at 01 July 2021	410,588	955	2,627	414,170
Proceeds from borrowings	58,513	-	-	58,513
Loan reduced through disposal of subsidiary	(6,624)	-	-	(6,624)
Loan acquired through asset acquisition	6,011	-	-	6,011
Loan issue costs incurred	(1,621)	-	-	(1,621)
Foreign currency translation difference	(14,836)	-	12	(14,824)
New lease	-	834	-	834
Interests accrued	751	49	-	800
Repayment during the year	(27,716)	(429)	-	(28,145)
Changes in fair value	-	-	(4,501)	(4,501)
As at 30 June 2022	425,066	1,409	(1,862)	424,613

Group	Interest-bearing borrowings US$'000	Lease liabilities US$'000	Derivative financial instruments US$'000	Total US$'000
As at 01 July 2023	425,066	1,409	(1,862)	424,613
Proceeds of interest bearing-borrowings	324,459	-	-	324,459
Loan reduced through disposal of subsidiary (Note 32b)	(19,404)	-	-	(19,404)
Loan acquired through asset acquisition (Note 31b)	4,369	-	-	4,369
Loan issue costs incurred	(7,355)			(7,355)
Amortisation of loan issue costs	3,368	-	-	3,368
Foreign currency translation differences	3,561	-	-	3,561
New lease	-	4,405	-	4,405
Interest accrued	2,798	201	-	2,999
Repayment during the year	(340,127)	(1,415)	(433)	(341,975)
Changes in fair value	-	-	3,085	3,085
As at 30 June 2023	396,735	4,600	790	402,125

Company	Interest-bearing borrowings US$'000	Lease liabilities US$'000	Total US$'000
As at 01 July 2021	32,849	813	33,662
Proceeds from borrowings	-	-	-
Debt structuring fee incurred net of amortization	494	-	494
Foreign currency translation difference	(415)	-	(415)
Interests accrued	11	42	53
Repayment during the year	(3,732)	(289)	(4,021)
As at 30 June 2022	29,207	566	29,773
Proceeds from borrowings	6,624	-	6,624
Debt structuring fee incurred net of amortization	251	-	251
Foreign currency translation difference	332	-	332
Interests accrued	(129)	29	(100)
Repayment during the year	(18,804)	(595)	(19,399)
As at 30 June 2023	17,481	-	17,481

33. Ordinary dividends paid to shareholders

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Dividends paid during the year	(20,175)	(10,535)	(20,443)	(10,913)

Declaration and payment of ordinary dividends

Paid in the year to 30 June 2023:

In respect of the year ended 30 June 2023, an interim dividend of 2.0 cents per share was declared by the board on 24 February 2023. There were 477,577,858 shares in issue at the date of declaration of this interim dividend. This was paid on 02 May 2023.

In respect of the year ended 30 June 2022, a final dividend of 2.0 cents per share was declared by the board on 28 October 2022. There were 477,577,858 shares in issue at the date of declaration of this final dividend. This was paid on 16 December 2022.

Paid in the year to 30 June 2022:

In respect of the year ended 30 June 2022, an interim dividend of 2.5 cents per share was declared by the board on 28 February 2022. There were 477,577,858 shares in issue at the date of declaration of this interim dividend. This was paid on 29 April 2022.

No taxes are required to be withheld during the declaration or payment of dividends.

34. Receivable from tenants under leases

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Operating lease receipts				
Minimum lease receipts under non-cancellable operating leases to be received:				
Receivable in year 1	**44,020**	45,614	**-**	-
Receivable in year 2	**32,631**	39,699	**-**	-
Receivable in year 3	**27,312**	27,423	**-**	-
Receivable in year 4	**25,856**	21,592	**-**	-
Receivable in year 5	**20,579**	20,408	**-**	-
Receivable after 5 years	**108,569**	58,527	**-**	-
	258,967	213,263	**-**	-

The Group has approximately 440 tenants (2022: 598 tenants) in total of which 155 (2022: 341) occupy properties held by associates.

The lease terms are typically for periods of 3 to 12 years, but may extend to 15 years terms, depending upon the nature of the tenancy. Annual escalations on rentals are applied at fixed rates or aligned with applicable CPI.

The standard lease terms include a provision for the recovery of direct costs as well as a proportionate share of service costs for the property.

Typically, the weighted average lease term of new leases concluded during the financial year ending 30 June 2023, were for a period of seven years, and included a rent free period.

35. Commitments

35a. Capital commitments

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Capital expenditure of investment properties				
Within one year	**36,769**	52,343	**-**	-
Within two to five years	**10,305**	25,557	**-**	-
	47,074	77,900	**-**	-

Upcoming capital commitments in the current year include:

- Club Med Senegal redevelopment: EUR 27.1 million up to January 2025;and.
- Drive-in-Trading guarantee settlement: US$17.5 million by March 2024.

35b. Contingent liabilities

The Group did not have any reported contingent liability as at 30 June 2023. The Group also did not have any reported contingent liability as at 30 June 2022.

36. Related party relationships, transactions and balances

Parties are considered related if one party has the ability to exercise control or significant influence over the other party in making financial or operational decisions.

Details of the parties with which members of the Group have had reportable related party transactions and balances over the year covered by the financial statements are set out below, followed by details of the transactions that have taken place and balances with those parties.

Details of an entity that has been accounted for as an unconsolidated structured entity are set out in note 36d.

Related party relationships Company	**Relationship to the Group**
BG Africa Limited	Common directors
Africa Property Development Managers Ltd	Joint venture
Dorado 1 Limited	Common directors, Bronwyn Knight ultimate beneficial owner of 50%
Bowwood and Main No 117 Proprietary Limited	Company controlled by Bronwyn Knight
Copapax Proprietary Limited	Company controlled by Bronwyn Knight
Osiris Advisors Limited	Company controlled by Peter Todd
Osiris Corporate Solutions (Mauritius) Limited	Company controlled by Peter Todd
Mobus Properties Limited	Company controlled by Sir Sam Jonah
Griffon Energy Limited	Company controlled by Sir Sam Jonah
Mallac Hearle Consulting Limited	Enterprise that Bronwyn Knight has beneficial interest
Gateway Real Estate Africa Ltd	Investee, joint venture and common directors
Public Investment Corporation	Major shareholder and common directors (resigned within the last 18 months)
Lifostax Proprietary Limited	Shareholder and common alternate directors
Venus Africa Properties Proprietary Limited	Shareholder and common directors
Drive In Trading Proprietary Limited (note 36d.)	Shareholder transformation partner and common directors
Grit Executive Share Trust	Trust administering the Staff Long Term Incentive scheme
Grit Executive Share Trust II	Trust administering the Staff Long Term Incentive scheme
Noble Tree Capital Partners Ltd	Company controlled by Darren Veenhuis
Beachcomber Hospitality Investments Limited	Associates
Buffalo Mall Naivasha Limited	Subsidiaries
CADS Developers Limited	Associates
Capital Place Limited	Subsidiaries
Cosmopolitan Shopping Centre Limited	Associates
Kafubu Mall Limited	Associates
Letlole La Rona Limited	Associates
Abland Diversified Holdings Limited	Subsidiaries
Ubertas Tatu Investments SEZ Limited	Subsidiaries
Stellar Warehousing and Logistics Limited	Subsidiaries
BME Kenya Investments Limited	Subsidiaries
Casamance Holdings Limited	Subsidiaries
CD Properties Limited	Subsidiaries
Cognis 1 Limitada	Subsidiaries
Commotor Limitada	Subsidiaries
Delta International Bahrain SPC	Subsidiaries
Delta Tete Limitada	Subsidiaries
DIF 1 Co Limited	Subsidiaries
Freedom Asset Management Limited	Subsidiaries (controlled by Grit, 0% ownership)
Freedom Property Fund SARL	Subsidiaries
Gateway Properties Limitada	Subsidiaries
Gerania Limited	Subsidiaries
GRES Mauritius Limited	Subsidiaries
GMS Serviços de Gestao de Imóveis Limitada	Subsidiaries
GR1T Capital Co. Ltd	Subsidiaries
Bora Africa	Subsidiaries
Grit Accra Limited	Subsidiaries
Grit Management SA Proprietary Limited	Subsidiaries
Grit Services Limited	Subsidiaries

36. Related party relationships, transactions and balances (continued)

Related party relationships Company	Relationship to the Group
Grit West Africa Limited	Subsidiaries
HM&K Properties Limited	Subsidiaries
IDC Kenya Investments Limited	Subsidiaries
IWH Kenya Investments Limited	Subsidiaries
Kitwe Mukuba Investments Limited	Subsidiaries
Leisure Property Northern (Mauritius) Limited	Subsidiaries
Lusaka Cosmopolitan Investments Limited	Subsidiaries
Mall de Tete Limitada	Subsidiaries
Mara Delta (Mauritius) Property Limited	Subsidiaries
Mara Viwandani Limited	Subsidiaries
Moz Delta FZ-LLC	Subsidiaries
Mukuba Mall Limited	Subsidiaries
Ndola Kafubu Investments Limited	Subsidiaries
Orbit Africa Logistics	Subsidiaries
Pangea Holdings 2 Limited	Subsidiaries (in prior year)
Pangea Holdings Limited	Subsidiaries
Paradise Consultancy Services Limited	Subsidiaries
Paradise Hospitality Group Limited	Subsidiaries
Paxton Investments Limited	Subsidiaries
S&C Immobiliaria Limitada	Subsidiaries
SAL Investment Holdings Limited	Subsidiaries
Société Immobilière et de Gestion Hôtelière du Cap Skirring	Subsidiaries
TC Maputo Limited	Subsidiaries
Transformers Holdings Mauritius Limited	Subsidiaries
Warehousely Limited	Subsidiaries
Zambian Property Holdings Limited	Subsidiaries
Zimpeto Immobliaria Limitada	Subsidiaries
Gateway EMT Limitada	Subsidiary of an associate
Cuckoos Nest Trust	Common beneficiary, Leon van de Moortele
Pearson Trust	Common beneficiary, Gregory Pearson
Bronwyn Knight	Director
Catherine McIlraith	Director
Cross Kgosidiile	Director
David Love	Director
Jonathan Crichton	Director
Leon van de Moortele	Director
Nomzamo Radebe	Director (resigned during the year)
Peter Todd - Chair	Director
Sir Samuel Jonah	Director
Lynette Finlay	Director (appointed during the year)
Darren Veenhuis	Key Management Personnel
Moira van der Westhuizen	Key Management Personnel
Gregory Pearson	Director of a joint venture, Key management personnel and co-founder of Grit Real Estate Income Group Limited
Andries Smit	Key Management Personnel
Krishnen Kistnen	Key Management Personnel
Andre Janari	Key Management Personnel
Craig Glutz	Key Management Personnel
Oteng Keabetswe	Key Management Personnel (appointed during the year)
Hugo Jordaan	Key Management Personnel (appointed during the year)
Aurelie Mallac	Key Management Personnel (appointed during the year)
Shevira Bissessor	Key Management Personnel (appointed during the year)
Donald Borthwick	Key Management Personnel (appointed during the year)

36a. Related party transactions and balances with shareholders

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Public Investment Corporation				
Subscription of 22,377,622 shares at US$1.43 per share on 31 July 2018	-	-	-	-
Dividends paid on Grit Real Estate Income Group Limited shares	(3,384)	(2,115)	(3,384)	(2,115)
Mobus Property Limited				
Dividends paid on Grit Real Estate Income Group Limited shares	(223)	(139)	(223)	(139)
Property management fees paid	-	-	-	-

36b. Related party transactions and balances with directors, senior management and their associated entities

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Bronwyn Knight				
Reimbursement of expenses	-	-	-	-
Voluntary staff deduction account payable by company	-	-	-	-
Staff current account payable to / (by) Company	-	-	-	-
Rental of office by Grit Management SA Proprietary Limited	-	-	-	-
Staff long term loan account	122	122	-	-
Total direct beneficial shareholding in Grit shares: 606,923 (2022: 606,923)	-	-	-	-
Total indirect beneficial shareholding in Grit shares: 13,328,154[1] (2022: 12,133,487[2])	-	-	-	-
Total shareholding in Grit shares: 13,935,077 (2022: 12,740,410)				
[1] Includes 3,917,881 shares awarded but not yet vested *[2] Includes 3,598,576 shares awarded but not yet vested*	-	-	-	-
Leon van de Moortele				
Reimbursement of expenses	-	-	-	-
Voluntary staff deduction account	-	-	-	-
Staff current account payable to / (by) Company	-	-	-	-
Purchase of company vehicle	-	-	-	-
Total indirect beneficial shareholding in Grit shares: 4,841,127[1] (2022: 3,976,776[2])	-	-	-	-
Total shareholding in Grit shares: 3,976,886 (2022: 3,976,776)				
[1] Includes 2,750,675 shares awarded but not yet vested *[2] Includes 2,375,894 shares awarded but not yet vested*	-	-	-	-
Senior Management (2022: 9 employees, 2021: 6 employees)				
Reimbursement of expenses	-	-	-	-
Voluntary staff deduction account payable to staff	-	-	-	-
Termination benefits	-	-	-	-
Staff current account payable to Company	-	-	-	-
Bowwood and Main No 117 Proprietary Limited				

36. Related party relationships, transactions and balances (continued)

36b. Related party transactions and balances with directors, senior management and their associated entities (continued)

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Dividends paid on Grit Real Estate Income Group Limited shares	(127)	(79)	(127)	(79)
Related party loan receivable (Freedom Asset Management) at the end of the year	–	–	–	–
- Opening balance	–	–	–	–
- Provision for impairment	–	–	–	–
Amount impaired (included in trade and other receivables)	–	–	–	–
The Pearson Trust				
Dividends paid	(3)	(2)	(3)	(2)
All Life Matters Animal Sanctuary				
Sponsorship expense	17	15	17	14
Cuckoos Nest Trust				
Dividends paid	(3)	(2)	(3)	(2)
Copapax Limited				
Current loan receivable	138	138	–	–
Dividends paid	(25)	(15)	(25)	(15)
Nchaupe Laaka[1]				
Total indirect beneficial shareholding in Grit shares: Nil (2022: 5 812 500)				
Total shareholding in Grit shares: Nil (2022: 5 812 500)				
[1] Nchaupe Laaka was not re-appointed as director at the AGM I held on 30th November 2022				
Nomzamo Radebe				
Total indirect beneficial shareholding in Grit shares: Nil (2022: 3 875 000)				
Total shareholding in Grit shares: Nil (2022: 3 875 000)				
[2] Nomzamo Radebe resigned as director on the 5th February 2023.				
Sir Samuel Jonah				
Total indirect beneficial shareholding in Grit shares: 5 567 564 (2022: 5 567 564)				
Total shareholding in Grit shares: 5 567 564 (2022: 5 567 564)				
Peter Todd				
Total indirect beneficial shareholding in Grit shares: 8 437 (2022: 8 437)				
Total shareholding in Grit shares: 8 437 (2022: 8 437)				
Jonathan Crichton				
Total direct beneficial shareholding in Grit shares: 200 000 (2022: 200 000)				
Total shareholding in Grit shares: 200 000 (2022: 200 000)				
David Love				
Total direct beneficial shareholding in Grit shares: 97 479 (2022: 97,479)				
Total shareholding in Grit shares: 97 479 (2022: 97 479)				
Dorado 1 Limited				

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Grit shares issued as part of the acquisition of Africa Property Development Managers Ltd	–	4,165	–	4,165
Grit shares issued as part of the additional stake acquired in Gateway Real Estate Africa Ltd	–	178	–	178
During the financial year 2022, 99,917,788 Grit shares have been issued to Dorado 1 Ltd to acquire their 21.05% stake in Africa Property Development Managers Ltd and a further 423,616 Grit shares have been issued to acquire their 0.10% stake in Gateway Real Estate Africa Ltd. The share price at the time of issue was US$0.52 per share. The owners of Dorado 1 Limited are Bronwyn Knight and Gregory Pearson.	–	–	–	–
Grit Executive Share Trust (previously the Mara Delta Executive Share Trust)				
Dividends paid on Grit Real Estate Income Group Limited shares	–	–	–	(65)
Loan receivable - balance at year end	–	–	2,905	2,701
Opening balance	–	–	2,701	3,301
Loan repayments received	–	–	204	–
Interest income	–	–	–	–
Impairment of loan	–	–	–	(600)
Osiris Corporate Solutions (Mauritius) Limited				
Directors fees (Peter Todd directors fees as disclosed in note 23)	(126)	(116)	(126)	(116)
Amount payable (included in trade and other payables)	–	–	–	–
Griffon Energy Limited				
Deposit held in escrow related to property purchase (Capital Place Limited)				
Balance at the end of the year	3,550	3,550	–	–
Opening balance	3,550	3,550	–	–
Additional deposit during the year	–	–	–	–
Osiris International Trustees Limited				
Trustee administration costs	(29)	(29)	–	–
Freedom Asset Management Limited				
Shares sold during the year	–	1,500	–	–
During the year, Freedom Asset Management Limited a subsidiary of the Group sold 3.0million shares of Grit at a prevailing share price of US$0.5 per share to Pangea Holdings 2 Limited. Brownyn Knight is the current beneficiary of the 3.0million shares sold.	–	–	–	–

36. Related party relationships, transactions and balances (continued)

36c. Related party transactions and balances with subsidiaries, associates and joint ventures

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Africa Property Development Managers Ltd				
Related Party loan receivable			-	-
Balance at the end of the year	95	160	-	-
Opening balance	160	61	-	-
(Payments)/ Advance made)	(65)	99	-	-
Mallac Hearle Consulting Limited				
Consulting fees	-	-	-	-
Gateway Real Estate Africa Ltd				
Subscription of preference shares in DIF1 Co Limited	-	-	-	-
Related party payable (DIF1 Co Limited) at the end of the year	-	-	-	-
- Opening balance	-	-	-	-
- Amounts disbursed on the Anfa Place Mall construction project to contractors	-	-	-	-
- Converted to preference shares	-	-	-	-
- Interest charged (at 9% per year)	-	-	-	-
- Amount disbursed to refund Freedom Property Fund for expenses incurred to date	-	-	-	-
Gateway Real Estate Africa Ltd - Pre-development Funding				
Balance at the end of the year	-	-	-	-
Opening balance	-	-	-	-
Payments made/(advances received)	-	-	-	-
Gateway Real Estate Africa Ltd - Pre-development Funding				
Balance at the end of the year	(5,306)	(1,205)	-	-
Opening balance	(1,205)	(648)	-	-
Payments made/(advances received)	(4,101)	(557)	-	-
Related party loan (payable)/receivable				
Balance at the end of the year	(1,532)	2	-	-
Opening balance	2	(80)	-	-
(Advances received)/payments made)	(1,534)	82	-	-
Freedom Asset Management Limited				
Loan receivable at the end of the year	-	-	16,959	16,565
Opening balance	-	-	16,565	14,557
Loan repayments received	-	-	(1,662)	(475)
Asset management fees from subsidiaries	-	-	1,384	1,384
Interest income	-	-	672	1,099
Grit Services Limited				
Long term and current account receivable - balance at the end of the year	-	-	110,917	317,676
Opening balance	-	-	317,676	420,015
Loan repayments received	-	-	(120,422)	(11,085)
Additional fund granted	-	-	13,514	-
Interest income	-	-	11,100	8,746
Additional investment	-	-	(116,000)	(100,000)
Other cost incurred	-	-	5,049	-

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Freedom Property Fund SARL				
Current account receivable	-	-	249	250
Gateway EMT				
Current account receivable	-	(1)	-	-
Capital Place Limited				
Current account payable	-	-	-	-
Venus Africa Properties Proprietary Limited				
Interest received	(391)	-	(391)	-
Loan interest receivable	-	-	-	-
Interest bearing loan	-	391	-	391
Lifostax Proprietary Limited				
Interest received	(391)	-	(391)	-
Loan interest receivable	-	-	-	-
Interest bearing loan	-	391	-	391

Notes to related party transactions and balances with shareholders, directors, senior management and their associated companies, subsidiaries, associates and joint ventures

All of the transactions referred to above were made in the normal course of business. The Non-executive directors remuneration, executive directors remuneration and the Key management personnel compensation disclosed in note 23.

The terms and conditions of loans receivable and payable are disclosed in note 9. There have been no guarantees provided or received for any related party payables or receivables.

36d. Related parties - unconsolidated structured entity

The directors consider Drive in Trading Proprietary Limited ("DiT") to be an unconsolidated structured entity as a result of arrangements the Group has entered into with that entity.

The arrangements entered into between the parties were as follows:

- As part of the June 2017 rights offer, the Company welcomed DiT as a new shareholder and transformation partner, with the entity subscribing for a fresh issue of 23,250,000 ordinary shares in the Company for a total consideration of US$32.6 million. DiT, which holds the shares on the Stock Exchange of Mauritius register, was the largest underwriter of the rights offer. The transaction was funded as explained below.
- As disclosed in note 9, the Group provided loans totalling US$1.6 million to DiT's two shareholders, Venus Africa Properties Proprietary Limited ("Venus") and Lifostax Proprietary Limited ("Lifostax"). Venus and Lifostax subscribed for equity in DiT using these funds.
- DiT secured a loan facility of US$33.4 million from the Bank of America N.A (UK Branch) ("BoAML") to finance its investment in the Company. The proceeds of the facility plus the shareholders' loan were used to invest in the Company and in part to settle transaction costs. The loan facility is for an initial three year term, with an option to extend for a further two years, with a final repayment date of July 2022. The interest rate is 5.80%. Repayments are to take place in the form of half-yearly payments which equate to 90.00% of all dividends received from the Group in those periods. Repayments are to be applied initially to settle any interest due and then to capital.
- The BoAML facility was granted to DiT after South Africa's Government Employees Pension Fund, represented by its Public Investment Corporation ("PIC"), provided a guarantee to BoAML in the form of a Contingent Repurchase Obligation ("CRO") for up to US$35.0 million. The terms of the CRO obligate PIC to acquire the loan granted to DiT, should DiT default under the BoAML facility.

  Refer to note 21 for more information on the arrangement.

  The result of the above arrangements is that the Group has recognised a current 'other financial liability' within current liabilities equal to the amount based on the probability of DiT defaulting. This liability is to be reassessed and remeasured at each reporting date, with any change in value being recorded in profit or loss as a separate line item in the statement of consolidated comprehensive income. Further an addendum has been signed on the 29th September 2023 where the parties have agreed to move the long stop date to 31st March 2024.

  There has been no changes in the DiT structure during the current financial year. Refer to note 42 for subsequent events.

36. Related party relationships, transactions and balances (continued)

36d. Related parties - unconsolidated structured entity (continued)

In summary, the amounts included separately on the face of the statement of financial position in respect of the above arrangements are as follows:

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Current liabilities				
Other financial liability - CRO obligation	13,358	14,511	13,358	14,511
Maximum exposure to loss	17,500	17,500	17,500	17,500

37. Risk management

Financial risk management

The Group's financial instruments consist mainly of deposits with banks, interest-bearing borrowings, related party loans receivable / payable, other loans receivable, trade and other receivables, trade and other payables and other financial asset and other financial liability. Exposure to market, credit and liquidity risk arises in the normal course of business.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. This risk is managed by holding cash balances and overdraft facilities and by regularly monitoring cash flows. Early refinancing and extension discussions are initiated timeously to avoid any major cash events and to maintain the Group's maturity profile at a healthy level. The directors have taken out Political Risk Insurance ("PRI") to cover the Group in the event of any potential currency inconvertibility or exchange transfer limitations. The liquidity risk of the Group is managed centrally by the treasury department.

The Group utilises undrawn facilities and cash on hand to meet its short-term funding requirements. The intention is that non-current financial liabilities will predominantly be serviced through cash generated from operations and the restructuring of debt upon maturity.

The tables below set out the maturity analysis of the Group's liabilities based on the undiscounted contractual cash flows at each reporting date.

	Weighted average effective interest rate %	Less than one year US$'000	One to two years US$'000	Two to three years US$'000	Three to five years US$'000	More than five years US$'000	Total US$'000
GROUP							
As at 30 June 2023							
Financial liabilities							
Interest-bearing borrowings	8.43%	39,982	97,505	75,657	65,128	291,784	570,056
Redeemable Preference shares	7.50%	964	13,331	–	–	–	14,295
Other financial liability (note 21)	–	13,358	–	–	–	–	13,358
Lease liabilities	7.40%	1,258	829	926	1,587	–	4,600
Trade and other payables[1]	–	15,297	–	–	–	–	15,297
Derivatives financial instruments	–	1,284	1,285	–	140	–	2,709
Related party loans	–	–	7,195	–	–	–	7,195
Bank overdraft	7.58%	1,875	–	–	–	–	1,875
		74,018	120,145	76,583	66,855	291,784	629,385

	Weighted average effective interest rate %	Less than one year US$'000	One to two years US$'000	Two to three years US$'000	Three to five years US$'000	More than five years US$'000	Total US$'000
As at 30 June 2022							
Financial liabilities							
Interest-bearing borrowings	5.78%	194,852	157,157	80,712	11,919	23,522	468,162
Redeemable Preference shares	6.25%	13,442	–	–	–	–	13,442
Other financial liability (note 21)	–	16,983	–	–	–	–	16,983
Lease liabilities	6.00%	1,115	247	250	93	–	1,705
Trade and other payables[1]	–	14,388	–	–	–	–	14,388
Related party loans	–	1	1,205	–	–	–	1,206
Bank overdraft	5.71%	1,856	–	–	–	–	1,856
		242,637	158,609	80,962	12,012	23,522	517,742

	Weighted average effective interest rate %	Less than one year US$'000	One to two years US$'000	Two to three years US$'000	Three to five years US$'000	More than five years US$'000	Total US$'000
COMPANY							
As at 30 June 2023							
Financial liabilities							
Interest-bearing borrowings	5.71%	1,997	8,799	10,624	-	-	21,420
Other financial liability (note 21)	-	13,358	-	-	-	-	13,358
Trade and other payables[1]	-	2,038	-	-	-	-	2,038
Bank overdraft	7.85%	-	-	-	-	-	-
		17,393	8,799	10,624	-	-	36,816
As at 30 June 2022							
Financial liabilities							
Interest-bearing borrowings	5.71%	2,596	10,197	27,926	2,483	–	43,202
Other financial liability (note 21)	–	14,511	-	-	-	–	14,511
Lease liabilities	6.00%	195	202	208	17	–	622
Trade and other payables[1]	–	3,063	–	–	–	–	3,063
Related party loans	–	–	–	–	–	–	–
Bank overdraft	5.21%	–	–	–	–	–	–
		20,365	10,399	28,134	2,500	–	61,398

[1] *Trade and other payables exclude deposits received, deferred income, taxation and social security costs and withholding tax payable.*

Market risk

The Group seeks to manage its exposure to changes in interest rates by fixing interest rates in respect of certain of its borrowings when considered appropriate. The Group is however exposed to market risk through its variable rate cash balances and interest-bearing borrowings. At 30 June 2023, the Group through a variety of instruments, namely fixed rate Swaps and Interest rate Cap's and Collar's has a total of US$100 million of interest rate hedges in place in order to reduce the risk associated with variable interest rate movements.

The Group's weighted average effective rate of interest for the year to 30 June 2023 was 8.4% (2022: 7.1%) based on the interest rates applicable to its long-term borrowings, short-term bridge funding.

An increase of 1.00% in the interest rate on floating rate borrowings (USD) would result in an increase to finance charges of US$3.9 million (2022: US$3.4 million) pre-tax per annum. This is based on calculating the effective interest rate of the Group and adding 1.00% escalation to the effective interest rate.

37. Risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables and cash and cash equivalents. It is considered that there is no significant concentration of credit risk as exposure is spread over a large number of counterparties. The Group is mainly exposed to credit risk from lease contracts in relation to its property portfolio. It is Group policy to assess the credit risk of new tenants before entering into such contracts. The real estate department assesses each new tenant before a new lease is signed. The review includes the latest sets of financial statements, external ratings when available and, in some cases, forecast information and bank or trade references. The covenant strength of each tenant is determined based on this review and, if appropriate, a deposit or a guarantee is obtained.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the respective reporting dates in respect of certain financial instruments was as follows:

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Financial assets				
Cash and cash equivalents	9,207	26,002	17	629
Loans to related parties	843	813	115,801	303,474
Other loans receivable	21,005	37,908	-	-
Trade and other receivables[1]	4,397	6,849	-	(2,700)

[1] *Trade and other receivable excludes deposits paid, prepaid expenses and the purchase price adjustment account.*

Cash and cash equivalents

It is the Group's policy to deposit short-term cash investments with reputable financial institutions.

Trade and other receivables

Credit risk primarily encompasses the potential for a tenant to default or fail to meet their obligations promptly. The Group defines a receivable balance as in default when contractual payments are overdue by 60 days. In certain circumstances, the Group may also classify a receivable balance as in default when internal or external information indicates that the Group is unlikely to receive the full outstanding contractual amounts, even before considering any credit enhancements held by the Group.

Prior to entering into lease agreements, tenants are subjected to evaluation based on predefined Group criteria. The management of credit risk involves requiring tenants to make advance payments for rentals and services. In some instances, tenants are also required to provide advance deposits, which can be utilized to offset arrears if the tenant fails to pay their rents.

Furthermore, the financial position of tenants undergoes continuous monitoring. An impairment analysis is conducted at each reporting date to assess potential credit losses that may arise from tenant arrears.

As of the reporting date, the maximum exposure to credit risk is equivalent to the carrying value of each class of financial asset.Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor.

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor.

Loans to related parties and other loans receivable from partners

The Group has policies in place to ensure that loans are granted to related and other parties with an appropriate credit history so as to limit the amount of exposure to credit risk.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Moroccan Dirham and Mozambican Metical and to a lesser extent the Mauritian Rupee, Zambian Kwacha, South African Rand, Euro and Kenyan Shilling. Foreign exchange risk arises in relation to future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has entered into US Dollar denominated rental contracts with tenants that rent properties held within its Mozambican and Kenyan property portfolios. This is to ensure that the Group is not exposed to a devaluation of rental income generated from these property portfolios. The rental contracts with tenants that rent properties held within the Moroccan property portfolio are denominated in Moroccan Dirhams and the rental contracts with tenants that rent properties within the Zambian property portfolio are denominated in either Zambian Kwachas or US Dollars. The rental income from the hospitality assets in Mauritius is generated in Euros.

The Group's net exposure to foreign exchange risk, including exposure on intra-group lending, at each reporting date was as follows:

Net financial (liabilities)/assets denominated in a currency other than the functional currency and United States Dollars is displayed in the heading with the currency risk below.

30 June 2023	USD US$'000	MAD US$'000	MUR US$'000	EUR US$'000	ZAR US$'000	ZMW US$'000	Total US$'000
United States Dollars	(217,888)	(109,742)	4	3,102	4	-	(324,520)
Euro	(60,523)	(31,584)	-	(38,031)	-	-	(130,138)
Mauritian Rupees	(223)	-	(4)	(11,380)	-	-	(11,607)
Pound Sterling	(399)	-	-	-	-	-	(399)
South African Rands	(224)	-	-	-	74	-	(150)
West African Franc	-	-	-	588	-	-	588
Emirati Dirham	87	-	-	-	-	-	87
Bahrain Dinars	9	-	-	-	-	-	9
Ghanaian Cedi	312	-	-	-	-	-	312
Zambian Kwacha	(108)	-	-	-	-	(1)	(109)
Kenya Shillings	365	-	-	-	-	-	365
Mozambique Meticais	(1,128)	-	-	-	-	-	(1,128)
Moroccan Dirham	(7)	(2,279)	-	-	-	-	(2,286)
Total net exposure	(279,727)	(143,605)	-	(45,721)	78	(1)	(468,976)

A change of 1.00% in the USD exchange to the currencies would result in a:

	Pre tax foreign currency profit / (loss) (increase of 1.00%) 30 June 2023 US$'000	Pre tax foreign currency profit / (loss) (decrease of 1.00%) 30 June 2023 US$'000
Euro	1,288	(1,288)
Mauritian Rupees	115	(115)
Pound Sterling	4	(4)
South African Rands	1	(1)
West African Franc	(6)	6
Ghanaian Cedi	(3)	3
Zambian Kwacha	1	(1)
Kenya Shillings	(4)	4
Mozambique Meticais	11	(11)
Moroccan Dirham	23	(23)

Net financial (liabilities)/assets denominated in a currency other than the functional currency and United States Dollars

30 June 2022	USD US$'000	MAD US$'000	MUR US$'000	EUR US$'000	ZAR US$'000	Total US$'000
United States Dollars	(115,463)	(103,784)	7,156	(24,758)	-	(236,849)
Euro	(10,329)	(33,145)	(6,651)	(61,055)	-	(111,180)
Mauritian Rupees	679	-	(505)	(1,400)	-	(1,226)
Pound Sterling	(654)	-	-	-	-	(654)
South African Rands	(141)	-	-	-	(4)	(145)
West African Franc	-	-	-	(110)	-	(110)
Emirati Dirham	(140)	-	-	-	-	(140)
Australian Dollars	(2)	-	-	-	-	(2)
Bahrain Dinars	15	-	-	-	-	15
Ghanaian Cedi	440	-	-	-	-	440
Zambian Kwacha	(189)	-	-	-	-	(189)
Kenya Shillings	1,323	-	-	-	-	1,323
Mozambique Meticais	3,415	-	-	-	-	3,415
Moroccan Dirham	(6)	3,225	-	-	-	3,219
Total net exposure	(121,052)	(133,704)	-	(87,323)	(4)	(342,083)

The risk exposure for the company was immaterial as the assets and liabilities are mainly denominated in US$.

37. Risk management (continued)

A change of 1.00% in the USD exchange to the currencies would result in a:

	Pre tax foreign currency profit / (loss) (increase of 1.00%) 30 June 2022 US$'000	Pre tax foreign currency profit / (loss) (decrease of 1.00%) 30 June 2022 US$'000
Euro	1,101	(1,101)
Mauritian Rupees	12	(12)
Pound Sterling	6	(6)
South African Rands	1	(1)
West African Franc	1	(1)
Emirati Dirham	-	-
Bahrain Dinars	-	-
Ghanaian Cedi	(4)	4
Zambian Kwacha	2	(2)
Kenya Shillings	(13)	13
Mozambique Meticais	(34)	34
Moroccan Dirham	(32)	32

Net financial (liabilities)/assets denominated in a currency other than the functional currency and United States Dollars

38. Financial assets by category

An analysis of financial assets by category is provided below:

GROUP - 30 June 2023	Amortised cost US$'000	Fair value through profit and loss US$'000	Total carrying amount US$'000	Total fair value amount US$'000
Other investments	-	1	1	1
Loans to related parties - non current	92	-	92	92
Loans to related parties - current	751	-	751	751
Other loans receivable	21,005	-	21,005	21,005
Trade and other receivables[1]	4,397	-	4,397	4,397
Cash and cash equivalents	9,207	-	9,207	9,207
	35,452	1	35,453	35,453

GROUP - 30 June 2022	Amortised cost US$'000	Fair value through profit and loss US$'000	Total carrying amount US$'000	Total fair value amount US$'000
Other investments	-	1	1	1
Loans to related parties - non current	515	-	515	515
Loans to related parties - current	298	-	298	298
Other loans receivable	37,908	-	37,908	37,908
Trade and other receivables[1]	6,849	-	6,849	6,849
Cash and cash equivalents	26,002	-	26,002	26,002
	71,572	1	71,573	71,573

COMPANY - 30 June 2023	Amortised cost US$'000	Fair value through profit and loss US$'000	Total carrying amount US$'000	Total fair value amount US$'000
Loans to related parties - non current	77,552	-	77,552	77,552
Loans to related parties - current	38,249	-	38,249	38,249
Cash and cash equivalents	17	-	17	17
	115,818	-	115,818	115,818

COMPANY - 30 June 2022	Amortised cost US$'000	Fair value through profit and loss US$'000	Total carrying amount US$'000	Total fair value amount US$'000
Loans to related parties - non current	265,224	-	265,224	265,224
Loans to related parties - current	38,250	-	38,250	38,250
Trade and other receivables[1]	(2,700)	-	(2,700)	(2,700)
Cash and cash equivalents	629	-	629	629
	301,403	-	301,403	301,403

[1] *Trade and other receivables exclude deposits paid, prepaid expenses, taxation and the purchase price adjustment account.*

39. Financial liabilities by category

An analysis of financial liabilities of the Group by category is provided below:

GROUP - 30 June 2023	Financial liabilities at amortised cost US$'000	Fair value through profit and loss US$'000	Total carrying amount US$'000	Total fair value US$'000
Interest-bearing borrowings	396,735	-	396,735	396,735
Preference shares	12,849	-	12,849	12,849
Other financial liability (note 21)	-	13,358	13,358	13,358
Lease liabilities	4,600	-	4,600	4,600
Trade and other payables[1]	15,297	-	15,297	15,297
Related party loans payable	7,195	-	7,195	7,195
Derivative financial instruments	-	790	790	790
Bank overdraft	1,875	-	1,875	1,875
	438,551	14,148	452,699	452,699

GROUP - 30 June 2022	Financial liabilities at amortised cost US$'000	Fair value through profit and loss US$'000	Total carrying amount US$'000	Total fair value US$'000
Interest-bearing borrowings	425,066	-	425,066	425,066
Preference shares	12,840	-	12,840	12,840
Other financial liability (note 21)	-	16,983	16,983	16,983
Lease liabilities	1,409	-	1,409	1,409
Trade and other payables [1]	14,388	-	14,388	14,388
Related party loans payable	1,206	-	1,206	1,206
Derivative financial instruments	-	(1,862)	(1,862)	(1,862)
Bank overdraft	1,856	-	1,856	1,856
	456,765	15,121	471,886	471,886

39. Financial liabilities by category (continued)

COMPANY - 30 June 2023	Financial liabilities at amortised cost US$'000	Fair value through profit and loss US$'000	Total carrying amount US$'000	Total fair value US$'000
Interest-bearing borrowings	17,481	–	17,481	17,481
Other financial liability	13,358	–	13,358	13,358
Trade and other payables[1]	2,038	–	2,038	2,038
	32,877	–	32,877	32,877

COMPANY - 30 June 2022	Financial liabilities at amortised cost US$'000	Fair value through profit and loss US$'000	Total carrying amount US$'000	Total fair value US$'000
Interest-bearing borrowings	29,207	–	29,207	29,207
Lease liabilities	166	–	166	166
Other financial liability	14,511	–	14,511	14,511
Trade and other payables[1]	3,063	–	3,063	3,063
	46,947	–	46,947	46,947

[1] Trade and other payables exclude deposits received, deferred income, taxation and social security costs and withholding tax payable.

40. Fair value hierarchy

Fair value measurements are categorised into the different levels on the fair value hierarchy based on the inputs used in the actual valuation. There were no changes in the valuation techniques applied. The hierarchy levels are defined as follows:

Level 1 - fair value is determined from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - fair value is determined through the use of valuation techniques based on observable inputs, either directly or indirectly.

Level 3 - inputs for the valuations of assets or liabilities are not based on observable market data (unobservable inputs).

Fair value hierarchy analysis:

Analysis of certain financial instruments by fair value level hierarchy:

Asset/(Liability)

GROUP - 30 June 2023	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Fair value US$'000
Derivative financial instruments	–	544	–	544
Other investments	–	–	–	–
Other financial liability (note 21)	–	–	(13,358)	(13,358)

GROUP - 30 June 2022	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Fair value US$'000
Derivative financial instruments	–	1,862	–	1,862
Other investments	–	–	1	1
Other financial liability (note 21)	–	–	(16,983)	(16,983)

Asset/(Liability)

COMPANY - 30 June 2023	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Fair value US$'000
Other financial liability (note 21)	–	–	(13,358)	(13,358)
Investment in subsidiaries	–	–	71,141	71,141

Asset/(Liability)

COMPANY - 30 June 2022	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Fair value US$'000
Other financial liability (note 21)	–	–	(14,511)	(14,511)
Investment in subsidiaries	–	–	69,373	69,373

The interest rate derivatives are classified as level 2 with their fair values being calculated using the present values of future cash flows, based on market forecasts of interest rates. The valuation technique used maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Other investments and other financial liability (note 21)

The methodology used to fair value the Group's other financial liability has been documented in note 21. Since the Group uses entity specific adjustment as valuation input, the other financial liability has been classified in level 3 of the fair value hierarchy.

The call option has been classified as level 3 on the fair value hiearchy as the inputs used in the valuation of the call option liability are predominatly unobservable inputs.

During the year, there has not been any transfer between the different levels of the fair value hierarchy.

Fair values have not been disclosed for financial instruments where the carrying amounts are a reasonable approximation of fair value.

41. Subsequent events

- On the 26th of July 2023 the Group announced the conclusion of the final phase in the acquisition of a majority interest in GREA and APDM from Gateway Africa Real Estate Limited and Prudential Impact Investments Private Equity LLC, which resulted in the Group owning a direct interest of 51.48% in GREA and 78.95% in APDM. The transaction became unconditional, and the share transfer was lodged following receipt of the Mauritius Prime Minister's Office consent, which was the final condition precedent. Although the share transfer took place after the end of the financial year, beneficial ownership of the 51.48% was attained on 30 June 2023 and as such the Group treated GREA as a joint venture in preparing its financial statements for the year ended 30 June 2023. The required final amendments to the Shareholders Agreement (which upon signature will result in control over GREA and therefore allow for the full consolidation of GREA and APDM - please refer to The Basis of Presentation 1.2 Critical Judgements and Estimates), are expected imminently. On the 3rd of October 2023 GREA issued shares to APDM in terms of the Managers Incentive Program and from this date the Group, through its shareholding in APDM, holds a combined direct and indirect interest of 54.22%.
- Bora Africa, a specialist industrial real estate vehicle, was established on 24 October 2023 when 5 Grit owned industrial assets namely Imperial, Bollore, Orbit and two industrial land assets were transferred to the newly established entity. Bora is a wholly owned subsidiary of Grit and has therefore resulted in no change to existing beneficial interests. The International Finance Corporation, a division of the World Bank, has approved a US$30 million financing instrument issued by Bora Africa to fund future pipeline and impact led real estate acquisitions.
- On 16 October 2023, interest rate hedges over US$100.0 million notional against LIBOR rates above 1.58% to 1.85%, matured. The Group re-instated a new US$100.0 million notional interest rate hedge from this date, with a new two-year collar and cap instrument providing protection against rates above 4.75% on SOFR rates while allowing savings up to 3.00% as rate retract.

42. Segmental information

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

Geographical location 30 June 2023	Botswana US$'000	Senegal US$'000	Morocco US$'000	Mozambique US$'000	Zambia US$'000	Kenya US$'000	Ghana US$'000	Mauritius US$'000	Total US$'000
Reportable segment profit and loss									
Gross property income	–	1,759	7,380	27,510	5,616	5,331	3,950	4,703	56,249
Property operating expenses	–	–	(4,029)	(4,461)	(721)	(158)	(551)	296	(9,624)
Net property income	–	1,759	3,351	23,049	4,895	5,173	3,399	4,999	46,625
Other income	–	–	110	49	–	–	–	127	286
Administrative expenses	–	(168)	(746)	(4,338)	(33)	(101)	(838)	(16,354)	(22,578)
Net impairment (charge) / credit on financial assets	–	–	(651)	(931)	–	218	(462)	(2,042)	(3,868)
Profit / (loss) from operations	–	1,591	2,064	17,829	4,862	5,290	2,099	(13,270)	20,465
Fair value adjustment on investment properties	–	1,406	(3,130)	(8,391)	3,063	(2,018)	914	4,048	(4,108)
Fair value adjustment on other financial liability	–	–	–	–	–	–	–	3,625	3,625
Fair value adjustment on other financial asset	–	–	–	–	–	264	–	–	264
Fair value adjustment on derivatives financial instruments	–	–	–	–	–	–	–	(3,085)	(3,085)
Share based payment expense	–	–	–	–	–	–	–	(354)	(354)
Share of profits / (losses) from associates and joint ventures	1,263	–	–	–	4,010	(842)	(1,999)	11,868	14,300
Loss on disposal of investment in subsidiary	–	–	–	–	–	–	–	(3,240)	(3,240)
Loss on disposal of interest in associate	–	–	–	–	–	–	–	(3,543)	(3,543)
Loss on derecognition of loans and other receivables	–	–	–	–	–	–	–	(3,735)	(3,735)
Foreign currency gains / (losses)	–	3	(464)	117	18	(989)	(99)	(827)	(2,241)
Loss on extinguishment of borrowings	–	–	–	(813)	–	–	(176)	(177)	(1,166)
Loss on disposal of property, plant and equipment	–	–	–	–	–	–	–	(888)	(888)
Other transaction costs	–	–	–	–	–	–	–	(2,156)	(2,156)
Profit / (loss) before interest and taxation	1,263	3,000	(1,530)	8,742	11,953	1,705	739	(11,734)	14,138
Interest income	–	–	35	(27)	5	77	–	4,006	4,096
Finance costs	–	(70)	(2,580)	(13,945)	–	(2,527)	(1,874)	(18,586)	(39,582)

Geographical location 30 June 2023	Botswana US$'000	Senegal US$'000	Morocco US$'000	Mozambique US$'000	Zambia US$'000	Kenya US$'000	Ghana US$'000	Mauritius US$'000	Total US$'000
Profit / (loss) for the year before taxation	1,263	2,930	(4,075)	(5,230)	11,958	(745)	(1,135)	(26,314)	(21,348)
Taxation	–	–	(285)	(1,816)	(292)	586	(778)	(1,640)	(4,225)
Profit / (loss) for the year after taxation	1,263	2,930	(4,360)	(7,046)	11,666	(159)	(1,913)	(27,954)	(25,573)
Reportable segment assets and liabilities									
Non-current assets									
Investment properties	–	25,318	73,357	299,136	60,040	79,716	36,536	54,674	628,777
Deposits paid on investment properties	–	–	–	–	–	–	–	5,926	5,926
Property, plant and equipment	–	1	2	219	–	7	21	4,240	4,490
Intangible assets	–	–	41	–	–	–	–	392	433
Other investments	–	–	–	–	–	–	–	–	–
Investment in associates and joint ventures	–	–	–	–	40,026	–	4,482	152,586	197,094
Related party loans receivable	–	–	–	–	–	–	–	92	92
Other loans receivable	–	–	–	–	–	–	–	21,005	21,005
Derivative financial instruments	–	–	–	–	–	–	–	91	91
Trade and other receivables	–	–	944	–	–	2,504	–	–	3,448
Deferred tax	–	–	1,470	7,125	–	429	2,132	1,422	12,578
Total non-current assets	–	25,319	75,814	306,480	100,066	82,656	43,171	240,428	873,934
Current assets									
Current tax receivable	–	–	–	–	–	–	–	–	–
Trade and other receivables	–	870	4,207	5,587	(120)	3,647	1,206	3,181	18,578
Current tax receivable	–	–	–	1,020	–	915	1,200	254	3,389
Related party loans receivable	–	–	–	–	–	–	518	233	751
Other loans receivable	–	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	1,828	1,828
Cash and cash equivalents	–	1,549	189	4,387	291	206	288	2,297	9,207
Total assets	–	27,738	80,210	317,474	100,237	87,424	46,383	248,221	907,687
Liabilities									
Total liabilities	–	1,792	52,887	198,397	7,514	36,359	21,960	255,161	574,070
Net assets	–	25,946	27,323	119,077	92,723	51,065	24,423	(6,940)	333,617

Major customers

The top five tenants who contributed the most in terms of rental income during the year were Total Group (10.1%), Vulcan (10.1%), US Embassy (9.3%), Vodacom Group (7.1%), LUX (5.8%) and Orbit (5.0%).

42. Segmental information (continued)

Type of property 30 June 2023	Other investments US$'000	Hospitality US$'000	Retail US$'000	Office US$'000	Light industrial US$'000	Accomm-odation US$'000	Corporate US$'000	Total US$'000
Reportable segment profit and loss								
Gross property income	–	5,275	14,859	16,440	6,205	12,284	1,186	56,249
Property operating expenses	–	–	(5,499)	(1,929)	(220)	(2,271)	295	(9,624)
Net property income	–	5,275	9,360	14,511	5,985	10,013	1,481	46,625
Other income	–	–	110	10	–	24	142	286
Administrative expenses	–	(480)	(1,205)	(2,130)	(249)	(1,273)	(17,241)	(22,578)
Net impairment (charge) / credit on financial assets	–	13	(796)	(714)	51	(366)	(2,056)	(3,868)
Profit / (loss) from operations	–	4,808	7,469	11,677	5,787	8,398	(17,674)	20,465
Fair value adjustment on investment properties	–	5,455	1,012	3,819	(9,284)	(5,110)	–	(4,108)
Fair value adjustment on other investments	–	–	–	–	–	–	–	–
Corporate restructure costs	–	–	–	–	–	–	–	–
Fair value adjustment on other financial liability	–	2,472	–	–	–	–	1,153	3,625
Fair value adjustment on other financial asset	–	–	–	–	264	–	–	264
Fair value adjustment on derivatives financial instruments	–	–	–	–	–	–	(3,085)	(3,085)
Share based payment expense	–	–	–	–	–	–	(354)	(354)
Share of profits / (losses) from associates and joint ventures	9,257	2,611	3,168	(1,999)	1,263	–	–	14,300
Loss on disposal of investment in subsidiary	–	–	–	–	–	–	(3,240)	(3,240)
Loss on disposal of interest in associate	–	–	–	–	–	–	(3,543)	(3,543)
Impairment of loans and other receivables	–	–	93	–	–	–	(93)	–
Loss on derecognition of loans and other receivables	–	–	–	–	–	–	(3,735)	(3,735)
Net impairment (charge) / credit on financial assets	–	–	–	–	–	–	–	–
Foreign currency gains / (losses)	–	1,560	(420)	(51)	(977)	41	(2,394)	(2,241)
Loss on extinguishment of borrowings	–	–	(62)	(665)	–	(261)	(178)	(1,166)
Loss on disposal of property, plant and equipment	–	–	–	–	–	–	(888)	(888)
Other transaction costs	–	–	–	–	–	–	(2,156)	(2,156)
Profit / (loss) before interest and taxation	9,257	16,906	11,260	12,781	(2,947)	3,068	(36,187)	14,138
Interest income	–	–	41	(27)	77	–	4,005	4,096
Finance costs	–	(3,631)	(2,617)	(15,627)	(2,527)	(154)	(15,026)	(39,582)
Profit / (loss) for the year before taxation	9,257	13,275	8,684	(2,873)	(5,397)	2,914	(47,208)	(21,348)
Taxation	–	(174)	(576)	(1,985)	589	(566)	(1,513)	(4,225)
Profit / (loss) for the year after taxation	9,257	13,101	8,108	(4,858)	(4,808)	2,348	(48,721)	(25,573)

Type of property 30 June 2023	Other investments US$'000	Hospitality US$'000	Retail US$'000	Office US$'000	Light industrial US$'000	Accomm-odation US$'000	Corporate US$'000	Total US$'000
Reportable segment assets and liabilities								
Non-current assets								
Investment properties	–	79,992	161,411	184,566	79,450	123,358	–	628,777
Deposits paid on investment properties	–	–	–	–	–	–	5,926	5,926
Property, plant and equipment	–	1	10	11	–	141	4,327	4,490
Intangible assets	–	–	41	–	–	–	392	433
Investment in associates and joint ventures	152,586	–	40,026	4,482	–	–	–	197,094
Related party loans receivable	–	–	–	–	–	–	92	92
Other loans receivable	–	–	–	–	–	–	21,005	21,005
Derivative financial instruments	–	–	–	–	–	–	91	91
Trade and other receivables	–	–	944	–	2,504	–	–	3,448
Deferred tax	–	1,422	4,089	4,318	813	1,934	2	12,578
Total non-current assets	152,586	81,415	206,521	193,377	82,767	125,433	31,835	873,934
Current assets								
Trade and other receivables	–	1,478	4,418	1,535	3,894	4,536	2,717	18,578
Current tax receivable	–	183	471	1,695	878	43	119	3,389
Related party loans receivable	–	–	–	–	–	–	751	751
Other loans receivable	–	–	–	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	1,828	1,828
Cash and cash equivalents	–	1,550	932	3,833	147	272	2,473	9,207
Total assets	152,586	84,626	212,342	200,440	87,686	130,284	39,723	907,687
Liabilities								
Total liabilities	–	45,140	69,478	185,408	32,527	29,617	211,900	574,070
Net assets	152,586	39,486	142,864	15,032	55,159	100,667	(172,177)	333,617

42. Segmental information (continued)

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

To note that the 30 June 2022 reportable segment profit and loss has been restated following the IFRIC Agenda Decision on forgiveness of lease payments. Refer to note 2.3 for changes in accounting policies made during the year.

Geographical location 30 June 2022	Botswana US$'000	Senegal US$'000	Morocco US$'000	Mozambique US$'000	Zambia US$'000	Kenya US$'000	Ghana US$'000	Mauritius US$'000	Total US$'000
Restated Reportable segment profit and loss									
Gross property income	–	1,655	8,047	27,092	4,799	3,170	1,252	5,922	51,937
Property operating expenses	–	–	(3,919)	(3,139)	(691)	(62)	(359)	(486)	(8,656)
Net property income	–	1,655	4,128	23,953	4,108	3,108	893	5,436	43,281
Other income	–	–	90	–	–	–	–	(10)	80
Administrative expenses	–	(102)	(595)	(1,270)	(30)	(94)	(445)	(14,408)	(16,944)
Net impairment (charge) / credit on financial assets	–	(131)	(2,414)	217	(2)	(332)	93	(2,732)	(5,301)
Profit / (loss) from operations	–	1,422	1,209	22,900	4,076	2,682	541	(11,714)	21,116
Fair value adjustment on investment properties	–	1,441	1,131	3,608	10,611	723	(514)	2,783	19,783
Fair value adjustment on other investments	–	–	–	–	–	–	–	–	–
Corporate restructure costs	–	–	–	–	–	–	–	–	–
Fair value adjustment on other financial liability	–	–	–	–	–	–	–	(11,315)	(11,315)
Fair value adjustment on other financial asset	–	–	–	–	–	(874)	–	503	(371)
Fair value adjustment on derivatives financial instruments	–	–	–	–	–	–	–	4,501	4,501
Share based payment expense	–	–	–	–	–	–	–	(1,238)	(1,238)
Share of profits / (losses) from associates and joint ventures	2,917	–	–	–	4,976	351	695	11,672	20,611
Loss on disposal of investment in subsidiary	–	–	–	–	–	–	–	(2,051)	(2,051)
Loss on disposal of interest in associate	–	–	–	–	–	–	–	(573)	(573)
Impairment of loans and other receivables	–	–	4	–	–	–	(618)	(2,487)	(3,101)
Net impairment (charge) / credit on financial assets	–	–	–	–	–	–	–	–	–
Foreign currency gains / (losses)	–	(46)	(1,585)	(68)	(103)	(349)	(251)	(3,010)	(5,412)

Geographical location 30 June 2022	Botswana US$'000	Senegal US$'000	Morocco US$'000	Mozambique US$'000	Zambia US$'000	Kenya US$'000	Ghana US$'000	Mauritius US$'000	Total US$'000
Profit / (loss) before interest and taxation	2,917	2,817	759	26,440	19,560	2,533	(147)	(12,929)	41,950
Interest income	–	–	(35)	(53)	7	17	–	1,999	1,935
Finance costs	–	–	(2,654)	(8,670)	–	(701)	(574)	(13,552)	(26,151)
Profit / (loss) for the year before taxation	2,917	2,817	(1,930)	17,717	19,567	1,849	(721)	(24,482)	17,734
Taxation	–	253	(232)	(2,707)	(235)	(1,976)	–	(1,724)	(6,621)
Profit / (loss) for the year after taxation	2,917	3,070	(2,162)	15,010	19,332	(127)	(721)	(26,206)	11,113
Reportable segment assets and liabilities									
Non-current assets									
Investment properties	–	20,722	71,532	301,126	56,933	70,004	35,330	48,827	604,474
Deposits paid on investment properties	–	–	–	–	–	–	–	8,309	8,309
Property, plant and equipment	–	7	17	270	–	–	18	1,775	2,087
Intangible assets	–	–	–	–	–	–	–	670	670
Other investments	–	–	–	1	–	–	–	–	1
Investment in associates and joint ventures	17,353	–	–	–	38,934	3,753	6,974	139,983	206,997
Related party loans receivable	–	–	–	–	–	–	–	515	515
Other loans receivable	–	–	–	–	–	–	–	–	–
Trade and other receivables	–	–	979	–	–	3,636	–	–	4,615
Deferred tax	–	–	1,389	7,383	–	232	2,094	1,446	12,544
Total non-current assets	17,353	20,729	73,917	308,780	95,867	77,625	44,416	201,525	840,212
Current assets									
Trade and other receivables	–	278	4,346	6,780	(105)	3,180	479	14,097	29,055
Current tax receivable	–	–	–	1,000	–	56	822	3	1,881
Related party loans receivable	–	–	–	–	–	–	–	298	298
Other loans receivable	–	–	–	–	–	–	–	37,908	37,908
Derivative financial instruments	–	–	–	–	–	–	–	1,862	1,862
Cash and cash equivalents	–	78	1,317	1,441	192	1,087	1,147	20,740	26,002
Total assets	17,353	21,085	79,580	318,001	95,954	81,948	46,864	276,433	937,218
Liabilities									
Total liabilities	–	897	59,868	204,771	5,010	31,665	24,923	240,708	567,842
Net assets	17,353	20,188	19,712	113,230	90,944	50,283	21,941	35,725	369,376

Major customers

Rental income stemming from Beachcomber represented approximately 11.1% of the Group's total contractual rental income for the year and Total 9.8%, Vale 9.4%, Vodacom Mozambique 6.3% and Tamassa Resort 5.5% of the Group's total contractual rental income for the year.

42. Segmental information (continued)

To note that the 30 June 2022 reportable segment profit and loss has been restated following the IFRIC Agenda Decision on forgiveness of lease payments. Refer to note 2.3 for changes in accounting policies made during the year.

Type of property 30 June 2022	Other investments US$'000	Hospitality US$'000	Retail US$'000	Office US$'000	Light industrial US$'000	Accomm-odation US$'000	Corporate US$'000	Total US$'000
Reportable segment profit and loss								
Gross property income	–	5,030	14,694	14,012	3,797	12,814	1,590	51,937
Property operating expenses	–	–	(5,238)	(1,690)	(112)	(2,002)	386	(8,656)
Net property income	–	5,030	9,456	12,322	3,685	10,812	1,976	43,281
Other income	(1,174)	–	90	(111)	–	7	1,268	80
Administrative expenses	–	(434)	(749)	(1,144)	(166)	(889)	(13,562)	(16,944)
Net impairment (charge) / credit on financial assets	–	(97)	(2,416)	598	(388)	(230)	(2,768)	(5,301)
Profit / (loss) from operations	(1,174)	4,499	6,381	11,665	3,131	9,700	(13,086)	21,116
Fair value adjustment on investment properties	–	4,210	8,279	7,017	134	440	(297)	19,783
Fair value adjustment on other investments	–	–	–	–	–	–	–	–
Corporate restructure costs	–	–	–	–	–	–	–	–
Fair value adjustment on other financial liability	–	(2,141)	–	–	–	–	(9,174)	(11,315)
Fair value adjustment on other financial asset	–	503	–	–	(874)	–	–	(371)
Fair value adjustment on derivatives financial instruments	–	–	–	–	–	–	4,501	4,501
Share based payment expense	–	–	–	–	–	–	(1,238)	(1,238)
Share of profits / (losses) from associates and joint ventures	2,959	9,234	5,327	695	2,917	–	(521)	20,611
Loss on disposal of investment in subsidiary	–	–	–	–	–	–	(2,051)	(2,051)
Loss on disposal of interest in associate	–	–	–	–	–	–	(573)	(573)
Impairment of loans and other receivables	–	–	4	(618)	–	–	(2,487)	(3,101)
Net impairment (charge) / credit on financial assets	–	–	–	–	–	–	–	–
Foreign currency gains / (losses)	–	(2,964)	(1,690)	(188)	(334)	(102)	(134)	(5,412)
Profit / (loss) before interest and taxation	1,785	13,341	18,301	18,571	4,974	10,038	(25,060)	41,950
Interest income	–	(2,436)	(1,369)	2,999	(661)	(2,464)	5,866	1,935
Finance costs	–	(2,760)	(2,737)	(9,139)	(701)	(348)	(10,466)	(26,151)
Profit / (loss) for the year before taxation	1,785	8,145	14,195	12,431	3,612	7,226	(29,660)	17,734
Taxation	–	(156)	(443)	609	(1,976)	(3,387)	(1,268)	(6,621)
Profit / (loss) for the year after taxation	1,785	7,989	13,752	13,040	1,636	3,839	(30,928)	11,113
Reportable segment assets and liabilities								
Non-current assets								
Investment properties	–	69,549	145,664	179,858	80,414	128,989	–	604,474
Deposits paid on investment properties	–	–	–	–	–	–	8,309	8,309
Property, plant and equipment	–	7	17	23	–	171	1,869	2,087
Intangible assets	–	–	28	–	–	(1)	643	670
Other investments	–	–	–	1	–	–	–	1
Investment in associates and joint ventures	55,866	69,870	42,687	6,974	31,600	–	–	206,997
Related party loans receivable	–	–	–	–	–	–	515	515
Other loans receivable	–	–	–	–	–	–	–	–
Trade and other receivables	–	–	979	–	3,636	–	–	4,615
Deferred tax	–	1,445	3,971	4,059	466	2,593	10	12,544
Total non-current assets	55,866	140,871	193,346	190,915	116,116	131,752	11,346	840,212
Current assets								
Trade and other receivables	–	439	4,242	1,583	3,933	4,802	14,056	29,055
Current tax receivable	–	2	281	1,342	184	42	30	1,881
Related party loans receivable	–	–	–	–	–	–	298	298
Other loans receivable	–	–	–	–	–	–	37,908	37,908
Derivative financial instruments	–	–	–	–	–	–	1,862	1,862
Cash and cash equivalents	–	84	1,617	1,969	1,139	342	20,851	26,002
Total assets	55,866	141,396	199,486	195,809	121,372	136,938	86,351	937,218
Liabilities								
Total liabilities	–	57,397	61,698	197,757	32,186	27,975	190,829	567,842
Net assets	55,866	83,999	137,788	(1,948)	89,186	108,963	(104,478)	369,376

43. Capital management

Overall policy

The Group's overall policy in relation to capital management is to maintain an adequate capital base in order to provide a sound platform from which to provide returns for shareholders and benefits for other stakeholders. The directors seek to ensure there is an optimal structure to reduce the Group's overall cost of capital.

Approach to capital management

The Board's aim is to maintain a strong equity capital base, comprising of all items within 'total equity attributable to ordinary shareholders' in the consolidated statement of financial position. This is in order to maintain investors, creditors and market confidence and to provide a sound platform from which to enable the Group to sustain its plans for the future development of the business. It is the Group's stated intention to deliver long-term sustainable growth in distributions per ordinary share.

The Group is principally funded by bank debt, equity raised in capital markets, and other new equity issues.

While the constitution allows unlimited borrowings, the company may from time to time be restricted by certain lenders or financial institutions.

The Group utilises gearing in high tax rate countries to reduce its overall tax liability.

It is the Group's objective, whenever practical, to maintain its net borrowings (as defined below) at no more than 50.00% of the value of its principal property and related assets (as listed in the table below):

	GROUP		COMPANY	
	30 June 2023 US$'000	30 June 2022 US$'000	30 June 2023 US$'000	30 June 2022 US$'000
Investment properties (including straight-line rental income accrual)	628,777	604,474	-	-
Deposits paid on investment properties	5,926	8,309	-	-
Loans receivable related to property assets	(35)	38,684	-	-
Investment in associates and joint ventures	197,094	206,997	152,586	70,113
Other investments	-	1	-	-
Investment in subsidiaries	-	-	160,152	69,373
Principal property and related assets - total	831,762	858,465	312,738	139,486
50% thereof	415,881	429,233	156,369	69,743
Net borrowings	401,859	432,979	17,151	28,748
Gross borrowings (interest-bearing borrowings and preference shares)	401,859	432,979	17,151	28,748
Unutilised borrowing capacity	14,022	(3,746)	139,218	40,995
Loan to value ratio (based on above calculations) [1]	48.3%	50.4%	5.5%	20.6%

Certain Group and Company comparatives has been represented in the prior year. Refer to note 41.

1 *Although the Group's loan to value ratio target has historically been to maintain a loan to value ratio of 50.00%, the board will increase the Group's gearing pre-capital raises in order to enable it to secure pipeline assets. The use of revolving credit facilities pre-capital raises enables the Group to secure these pipeline assets, with such facilities being settled from the proceeds of subsequent share issues. This mechanism improves the efficient deployment of cash proceeds from capital raises.*

44. EPRA financial metrics (unaudited)

44a. EPRA Earnings

GROUP - 30 June 2023	UNAUDITED 30 June 2023 US$'000	UNAUDITED 30 June 2023 Per Share (Diluted) (Cents Per Share)	UNAUDITED 30 June 2022 US$'000	UNAUDITED 30 June 2022 Per Share (Diluted) (Cents Per Share)
EPRA Earnings	(4,656)	(0.97)	6,332	1.59
Total Company Specific Adjustments	8,092	1.69	6,150	1.54
Adjusted EPRA Earnings	3,436	0.72	12,482	3.13
Total Company specific distribution adjustments	17,149	3.57	7,662	1.95
TOTAL DISTRIBUTABLE EARNINGS (BEFORE PROFITS WITHELD)	20,585	4.29	20,144	5.08
Profits Withheld	(10,989)	(2.29)	(2,300)	(0.58)
TOTAL DISTRIBUTABLE EARNINGS TO GRIT SHAREHOLDERS	9,596	2.00	17,844	4.50
EPRA NRV	349,656	72.80	381,312	79.35
EPRA NTA	335,918	69.94	366,783	76.33
EPRA NDV	300,650	62.60	336,301	69.99

Distribution Shares

	Shares 30 June 2023 US$'000	Shares 30 June 2022 US$'000
Weighted average shares in issue	495,093	411,222
Less: Weighted average treasury shares for the year	(15,381)	(14,722)
Add: Weighed average shares vested shares in Long term incentive scheme	573	1,968
EPRA SHARES	480,285	398,468
Less: Non-entitled shares	-	-
Less : Vested shares in consolidated entities	(573)	(1,968)
DISTRIBUTION SHARES	479,712	396,500

44. EPRA financial metrics (unaudited) (continued)

44a. EPRA Earnings (Continued)

EPRA EARNINGS	NOTES	Unaudited 30 June 2023 US$'000
Basic loss attributable to the owners of the parent		(23,631)
Add Back:		
Fair value adjustment on investment properties		4,108
Fair value adjustment on investment properties under income from associates		1,005
Fair value adjustment on other investments		(1)
Fair value adjustment on other financial assets and liabilities		(5,837)
Fair value adjustment on derivative financial instruments		3,085
Changes in fair value of financial instruments and associated close-out costs		3,735
Loss on sale of subsidiary		3,240
Loss of sale of associates		3,543
Impairment of loan		71
Goodwill written off		677
Deferred tax in relation to the above		1,785
Acquisition costs not capitalised		4,162
Non-controlling interest above		(598)
EPRA EARNINGS		(4,656)
EPRA EARNINGS PER SHARE (DILUTED) (cents per share)		(0.97)
Company specific adjustments		
Unrealised foreign exchange gains or losses (non-cash)	1	3,881
Straight-line leasing and amortisation of lease premiums (non-cash rental)	2	(149)
Amortisation of right of use of land (non-cash)	3	67
Impairment of loan and other receivables	4	4,541
Profit on sale of property, plant, and equipment		888
Non-controlling interest included above	5	(295)
Deferred tax in relation to the above	6	(841)
Total Company specific adjustments		8,092
ADJUSTED EPRA EARNINGS		3,436
ADJUSTED EPRA EARNINGS PER SHARE (DILUTED) (cents per share)		0.72

Company specific adjustments to EPRA Earnings

1. Unrealised foreign exchange gains or losses

   The foreign currency revaluation of assets and liabilities in subsidiaries gives rise to non-cash gains and losses that are non-cash in nature. These adjustments (similar to those adjustments that are recorded to the foreign currency translation reserve) are added back to provide a true reflection of the operating results of the Group.

2. Straight-line leasing (non-cash rental)

   Straight-line leasing adjustment and amortised lease incentives under IFRS relate to non-cash rentals over the period of the lease. This inclusion of such rental does not provide a true reflection of the operational performance of the underlying property and are therefore removed from earnings.

3. Amortisation of intangible asset (right of use of land)

   Where a value is attached to the right of use of land for leasehold properties, the amount is amortised over the period of the leasehold rights. This represents a non-cash item and is adjusted to earnings.

4. Impairment on loans and other receivables

   Provisions for expected credit loss are non-cash items related to potential future credit loss on non- property operational provisions and is therefore added back in order to provide a better reflection of underlying property performance. The add back excludes specific provisions against tenant accounts.

5. Non-Controlling interest

   Any Non-Controlling interest related to the company specific adjustments.

6. Other deferred tax (non-cash)

   Any deferred tax directly related to the company specific adjustments.

45. Company distribution calculation (unaudited)

	NOTES	UNAUDITED 30 June 2023 US$'000
Adjusted EPRA Earnings		3,436
Company specific distribution adjustments:		
VAT credits utilised on rentals	1	3,312
Listing and set up costs under administrative expenses	2	438
Depreciation and amortisation	3	1,364
Share based payments	4	7,828
Dividends (not consolidated out)		(385)
Right of use imputed leases		280
Amortisation of capital funded debt structure fees		4,708
Deferred tax in relation to the above		186
Non-controlling interest non distributable		(582)
Total Company Specific distribution adjustments		17,149
TOTAL DISTRIBUTABLE EARNINGS (BEFORE PROFITS WITHHELD)		20,585
DISTRIBUTABLE INCOME PER SHARE (DILUTED) (cents per share)		4.29
FULL YEAR DIVIDEND PER SHARE (cents)		2.00

Reconciliation to amount payable	US$ cents per share
Total distributable earnings to Grit shareholders before profits withheld (cents)	4.29
Profits withheld (cents)	(2.29)
Interim dividends already paid (cents)	(2.00)
FINAL DIVIDEND PROPOSED (cents)	0.00

Company specific adjustments to EPRA Earnings

1. VAT credits utilised on rentals

   In certain African countries, there is no mechanism to obtain refunds for VAT paid on the purchase price of the property. VAT is recouped through the collection of rentals on a VAT inclusive basis. The cash generation through the utilisation of the VAT credit obtained on the acquisition of the underlying property is thus included in the operational results of the property.

2. Listing and set-up costs under administrative expenses

   Costs associated with the new listing of shares, setup on new companies and structures are capital in nature and is added back for distribution purposes.

3. Depreciation and amortisation

   Non-cash items added back to determine the distributable income.

4. Share based payments

   Non-cash items added back to determine the distributable income.

46. New EPRA financial metrics (unaudited)

NON-IFRS MEASURES

Basis of Preparation

"EPRA has released an update to the EPRA Net Asset Valuation (NAV) metrics. These changes will allow the metrics to remain aligned with both International Financial Reporting Standards (IFRS) developments and the evolution of property companies' businesses.

There are now three new features of the NAV metrics, namely EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV), replacing the EPRA NAV and EPRA NNNAV.

	EPRA NRV UNAUDITED 30 June 2023 US$'000	EPRA NTA UNAUDITED 30 June 2023 US$'000	EPRA NDV UNAUDITED 30 June 2023 US$'000
IFRS Equity attributable to shareholders	300,650	300,650	300,650
i) Hybrid instruments	-	-	-
Preference shares	-	-	-
Diluted NAV	300,650	300,650	300,650
Add			
Revaluation of IP (if IAS 40 cost option is used)	-	-	-
Revaluation of IPUC (if IAS 40 cost option is used)	-	-	-
Revaluation of other non-current investments	-	-	-
Revaluation of tenant leases held as leases	-	-	-
Revaluation of trading properties	-	-	-
Diluted NAV at fair value	300,650	300,650	300,650
Exclude*:			
Deferred tax in relation to fair value gains of Investment properties	48,217	44,311	-
Fair value of financial instruments	789	789	-
Goodwill as a result of deferred tax	-	-	-
Goodwill as per the IFRS balance sheet	-	(9,832)	-
Intangibles as per the IFRS balance sheet	-	-	-
Include*:			
Fair value of fixed interest rate debt	-	-	-
Revaluation of intangibles to fair value	-	-	-
Real estate transfer tax	-	-	-
NAV	349,656	335,918	300,650
Fully diluted number of shares	480,285	480,285	480,285
NAV per share (cents per share)	72.80	69.94	62.60
	Shares '000	Shares '000	Shares '000
Total shares in issue	495,093	495,093	495,093
Less: Treasury shares for the period	(15,381)	(15,381)	(15,381)
Add: Share awards and shares vested shares in long term incentive scheme	573	573	573
EPRA SHARES	480,285	480,285	480,285

EPRA Vacancy rate

	NOTES	UNAUDITED 30 June 2023 US$'000	UNAUDITED 30 June 2022 US$'000
Estimated rental value of vacant space	A	324	236
Estimated rental value of the whole portfolio	B	5,048	5,070
EPRA Vacancy Rate	A/B	6.4%	4.7%

ADDITIONAL INFORMATION

UNAUDITED

ANALYSIS OF ORDINARY SHAREHOLDERS

Beneficial shareholders with holding > 5%

	AS AT 30 JUNE 2023	
Beneficial shareholders with holding > 5%	Number of shares	% of issued capital
Botswana Development Corporation	26,377,971	5.33%
Eskom Pension and Provident Fund	32,507,561	6.57%
M&G Investment Management Ltd (UK)*	70,758,001	14.29%
Government Employees Pension Fund	84,599,515	17.09%

	AS AT 30 SEPTEMBER 2023	
Beneficial shareholders with holding > 5%	Number of shares	% of issued capital
Botswana Development Corporation	26,377,971	5.33%
Eskom Pension and Provident Fund	32,507,561	6.57%
M&G Investment Management Ltd (UK)*	72,515,493	14.65%
Government Employees Pension Fund	103,154,342	20.84%

** Fund Manager for M&G Funds*

Shareholder Base

Shareholder Base as at 30 June 2023	% held
SEM	57
LSE	43

Shareholder Base as at 30 September 2023	% held
SEM	55
LSE	45

SHAREHOLDER DIARY

Important dates to note

Final Results announced
31 October 2023

Availability of Annual Report
31 October 2023

Annual General Meeting
6 December 2023

Interim results announced
28 February 2024

Website and shareholder communication

The Grit website contains a wealth of material for shareholders, including the current share price, press releases and other information. The website can be accessed at: https://grit.group/investor-relations/

Grit encourages its shareholders to receive shareholder communications electronically. This enables shareholders to receive information quickly and securely as well as in a more environmentally friendly and cost-effective manner.

COMPANY INFORMATION AND ADVISORS

Financial Adviser (UK)

Cavendish Capital Markets Limited
One Bartholomew Close
London
EC1A 7BL
United Kingdom
Website: https://www.finncapcavendish.com/

SEM Authorised Representative and Sponsor

Perigeum Capital Limited
Level 3, Alexander House
35 CyberCity Ebène,
72201 Mauritius
Website: https://perigeumcapital.com/

Company Secretary

Intercontinental Fund Services Limited
Level 5, Alexander House
35 CyberCity
Ebène,72201
Mauritius
Website: https://intercontinentaltrust.com/

Corporate Service Provider

Mourant Governance Services (Guernsey) Limited
PO Box 186
Royal Chambers
St Julian's Avenue
St Peter Port
GUERNSEY
GY1 4HP
Website: https://www.mourant.com/expertise/governance.aspx

Registrar and Transfer Agent in Mauritius

Intercontinental Secretarial Services Limited
Level 3, Alexander House
35 CyberCity
Ebène,72201
Mauritius
Website: https://intercontinentaltrust.com/

Legal advisors in Mauritius

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Les Jamalacs Building
Vieux Conseil Street
Port Louis 11328
Mauritius
Website: https://www.dentons.com/en/global-presence/africa/mauritius/port-louis

C & A Law
Suite 1005, Level 1 Alexander House
35 CyberCity
Ebène, 72201
Mauritius
Webiste: https://www.calaw.mu/

Legal advisors in United Kingdom

Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH
United Kingdom
Webiste: https://www.shlegal.com/

Registrar for UK Register

Link Market Services (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue St
Sampson
Guernsey
GY2 4LH
Website: https://www.linkmarketservices.com/

Statutory Independent Auditors in UK

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH
United Kingdom
Website: https://www.pwc.com/

Internal Auditors

KPMG Advisory Services Ltd
31 CyberCity, Ebène
B1 Quatre Bornes
Mauritius
Website: https://home.kpmg/mu/en/home/services/advisory.html

Sponsor Broker
Capital Markets Brokers Ltd
Level1, Alexander House
35 Cybercity, Ebène
72201
Mauritius
Website: http://www.cmb.mu/

LIST OF DEFINITIONS

"Admission and Disclosure Standards"	the Admission and Disclosure Standards published by the London Stock Exchange
"AFS"	the Company and Group Annual Financial Statements
"AGM"or "Annual General Meeting"	the annual general meeting
"APM"	Alternative Performance Measures
"AML"	Anti-Money Laundering
"Audit Committee"	the Audit Committee established by the Board
"BoAML"	Bank of America, N.A.
"Board"	Board of Directors
"bn"	Billion
"BPR"	Best practice recommendations
"Broll"	Broll Valuation & Advisory Services (Pty) Ltd
"c."	circa
"C-Suite"	the C-Suite of Grit comprising of the Executive Director, the Chief Operating Officer, the Head of Treasury, the Head of Investments, the Head of Real Estate, and the Chief Strategy Officer
"Carpux Tax"	Carpus Tax Services Limited, the tax advisor of Grit
"CDS"	Central Depository & Settlement Co. Ltd, established under the Securities (Central Depository, Clearing and Settlement) Act 1996 of Mauritius
"CEO"	the Chief Executive Officer
"CFO"	the Chief Financial Officer
"CFT"	Combating the financing of terrorism
"Chair"	Chairperson of the Board or of a Committee
"Charter"	The Charter of the Board or each of the Committees that regulates the Board and each of the Committees.
"Chartered Accountant"	an international accounting designation granted to accounting professionals in many countries around the world
"CO2e"	Carbon dioxide equivalent
"Committees"	the committees of the Company
"Companies Act 2006"	Companies Act 2006 of UK
"Company" or "Grit"	Grit Real Estate Income Group Limited
"Company Secretary"	Intercontinental Fund Services Limited
"CPI"	Consumer Price Index
"cps"	cents per share
"CSR"	Corporate social responsibility, which is a self-regulating business model that helps a company be socially accountable to its stakeholders
"DJF"	Simulations run on climate change over the period December-January-February
"Dilitrust Exec"	The electronic / online platform used to carry out Board and Committee meetings
"Directors" or "Board"	the Directors of the Company (singly a Director)
"Disclosure Guidance and Transparency Rules"	the disclosure guidance and transparency rules as set out in the FCA Handbook, as amended
"Drive in Trading" or "DiT"	Drive in Trading Proprietary Limited, registration number 2017/059131/07, a private company duly incorporated in accordance with the laws of South Africa
"DMLRO"	Deputy Money Laundering Reporting Officer
"DSR"	Debt Service Ratio
"EDB"	the Economic Development Board
"EcoGrit"	An Internal Committee of Grit that is responsible for Sustainability matters, including Corporate Social Responsibility
"EGM"	the Extraordinary General Meeting
"EOY"	End of Year
"EPRA"	European Public Real Estate Association
"EPRA NAV"	net asset value calculated in accordance with the latest Best Practice Recommendations published by EPRA
"€" or "EUR"	the lawful currency of the Eurozone in the European Union
"ESG"	Means Environmental, Social and Governance
"EURIBOR"	Euro Interbank Offered Rate
"ERV"	Expected Rental Value
"Executive Committee"	Grit's executive management committee, including the C-Suite and the Senior Management Team
"Executive Directors"	Bronwyn Knight and Leon van de Moortele
"Existing Ordinary Shares"	the existing Ordinary Shares in issue as at the date of this document
"External"	a Director, who is not an employee of Grit
"External Auditor"	The External Auditors
"FAM"	Freedom Asset Management
"FATCA"	the US Foreign Account Tax Compliance Act
"FCA"	the UK Financial Conduct Authority
"FRC"	Financial Reporting Council
"DTR"	Disclosure and Transparency Rules
"EPRA NRV"	Net Reinstatement value in accordance with...
"EPRA NIY"	Net Initial Yield in accordance with...
"EPRA topped-up NIY"	Topped up Net Initial Yield in accordance with...
"FSC"	Financial Services Commission of Mauritius

"FSMA"	the UK Financial Services and Markets Act 2000 (as amended)
"GREA"	Gateway Real Estate Africa
"GDP"	Gross Domestic Product
"GEPF"	Government Employees Pension Fund, a fund created under the South African Government Pension Law, 1996 (acting through its authorised representative, the Public Investment Corporation)
"GHG Emissions"	Greenhouse Gas Emissions
"GLA"	Gross lettable area
"GRI"	Global Reporting Initiatives
"Grit" or the "Company" or "GRIT"	Grit Real Estate Income Group Limited
"Grit Group" or "Group"	Grit and its subsidiaries and associates
"Grit Share Incentive Plan"	The Grit Real Estate Income Group Limited Long-Term Incentive Scheme, details of which are set out in Part 19 of this document
"HR"	Human Resources
"Human Capital"	the employees of the Company
"IA"	Internal Auditor OR Internal Audit
"IAR" or "Integrated Report" or "report" or "IAR 2021"	Integrated Annual Report of the Company
"IIA" Standards	International Internal Audit Standards
"IFC"	International Financial Corporation
"IFRS"	International Financial Reporting Standards
"Internal"	A Director who is also an employee of the Company
"Internal Auditor" or "KPMG"	the Internal Auditor of the Company, being KPMG Advisory Services Limited currently
"International Issues"	International issuer, as defined by the SEM listing rules
"Investment Committee"	the Investment Committee established by the Board
"IPCC"	Intergovernmental Panel on Climate Change
"ISCR"	the interest service coverage ratio
"ISIN"	International Security Identification Number
"ISO 45 001"	international standard for occupational health and safety
"Issue Shares"	the Ordinary Shares to be issued or sold pursuant to the Issue
"IT"	Information Technology
"ITG"	Information Technology Governance
"KYC"	know your tenant or know your client
"KFIM"	Knight Frank Investment Management
"KPI"	Key Performance Indicators
"KRA"	Key Results Areas
"kwh"	Kilowatt hour
"LIBOR"	London Interbank Offered Rate
"Listing Rules"	the rules and regulations made by the UKLA under Part VI of FSMA
"LLR"	Letlole La Rona, a listed Botswana industrial property group
"Local Committee"	the Local Committee established by the Board
"LSE"	London Stock Exchange
"LTI"	Long-Term Incentive
"LITP"	Long Term Incentive Plan
"m"	Million
"MAD"	Moroccan Dirham
"Market Abuse Regulation"	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse
"Mauritian Companies Act" 2001	the Mauritian Companies Act, No. 15 of 2001, as amended
"Mauritian Registrar and Transfer Agent"	Intercontinental Secretarial Service Limited
"MLRO"	Money Laundreing Reporting Officer
"Money Laundering Regulations"	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
"MUR"	Mauritian Rupee
"MRU Code"	National Code of Corporate Governance for Mauritius (2016)
"MZN"	Mozambican Metical
"m²"	Square meters
"NAV" or "Net Asset Value"	the value of the assets of the Company less its liabilities determined in accordance with the accounting policies adopted by the Company from time to time
"NAV per Share" or "Net Asset Value per Share"	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
"Nomination Committee"	the Nomination Committee established by the Board
"NIY"	Net Initial Yield
"LTV"	Loan to Value
"Nomination Committee"	International Finance Corporation
"LCY"	Local Currency
"Non-Executive Director" or "NED"	A non-executive director of the Company
"Non-Governmental Organisations" or NGOs	non-governmental non-profit organisation
"Official List"	the Official List of the UK Listing Authority
"Official Market"	the Official Market of the SEM
"Ordinary Shares" or "Shares"	the ordinary shares of no-par value in the capital of the Company
"Permanent Invitee"	Though not a member of that Committee, is able invited to attending the Committee
"pg."	Page number
"Premium Listing"	a premium listing on the Official List under Chapter 6 of the Listing Rules
"PRI"	political risk insurance
"PricewaterhouseCoopers"	PwC Mauritius
"PwC UK" or "PwC"	PricewaterhouseCoopers LLP
"Public Investment	the Public Investment Corporation SOC Limited, a public company created in terms of the
Corporation" or "PIC"	Public Investment Corporation Act, 2004, with registration number 2005/009094/30
"Rand" or "ZAR"	South African Rand, the lawful currency of South Africa
"RCP"	Representative Concentration Path
"REC"	REC Real Estate Consulting, LDA
"Register"	the register of members of the Company
"Regulatory Information Service" or "RIS"	a service authorised by the UKLA to release regulatory announcements to the London Stock Exchange
"REIT"	"Real Estate Investment Trust"
"Remuneration Committee"	the Remuneration Committee established by the Board
"Responsible Business Committee"	the Responsible Business Committee established by the Board, previously known as the Social and Ethics Committee (name of Committee was amended in February 2021)
"ROI"	Return on Investment
"Risk Committee"	the Risk Committee established by the Board
"SADC"	Southern African Development Community
"SBTi"	Science-based targets
"SDG"	Sustainable development goals set by the United Nations
"SEM"	the Stock Exchange of Mauritius Ltd, established under the repealed Stock Exchange Act 1988 and now governed by the Securities Act of Mauritius
"SEM Rules"	the SEM Listing Rules, as amended from time to time
"Senior Executive"	Senior Management Team, C-Suite, consultants and key staff from associates of Grit
"Senior Management Team" or "Senior Management"	the senior management team of Grit
"SENS"	the Stock Exchange News Service of the JSE
"Shareholder"	a holder of Ordinary Shares or, as applicable, a holder of Depositary Interests
"SID"	a senior independent director, who can be replaced from time to time, currently Mr David Love
"SOFR"	Secured Overnight Financing Rate
"Standard Listing"	a standard listing on the Official List under Chapter 14 of the Listing Rules
"Succession Planning"	process of identifying and developing potential future leaders and senior managers
"Sustainability Committee"	the Sustainability Committee of Grit accountable for the sustainability strategy and performance of the business
"£"	Pounds Sterling, the lawful currency of the United Kingdom
"STI"	Short-Term Incentive
"TCFD"	Task Force on Climate-related Financial Disclosures
"TDS"	Tax Deductible at Source
"TPC"	Total Project Cost
"Transfer Secretaries"	Computershare Investor Services Proprietary Limited
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Corporate Governance Code" or "UK Code"	the 2018 UK Corporate Governance Code as published by the UK Financial Reporting Council
"UK FTSE"	the FTSE UK Index Series is designed to represent the performance of UK companies
"UKLA" or "UK Listing Authority"	the United Kingdom Listing Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA, or any successor authority
"US$" or "USD"	United States Dollars
"VAT"	Value Added Tax
"WALE"	weighted average lease expiry
"ZMW" or "Kwacha"	Zambian Kwacha
"We"	Grit Group including all its subsidiaries
"WACD"	Weighted Average cost of Debt
"y-o-y"	Year-on-Year

FORWARD LOOKING STATEMENTS

This Integrated Report contains forward-looking statements, which involve unknown risks, uncertainties and other factors, which may cause the actual results, financial conditions, operations and performance or achievement of the Company, or industry results, to be materially different from future results, financial condition, performance or achievements expressed or implied by such forward-looking statements.

These forward-looking statements are based on the judgement and future expectations/ assumptions of the Executive Committee and the Directors. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, global and local market and economic conditions, industry factors, as well as regulatory factors.

The Company is not under any obligation to (and expressly disclaim any such obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise. We therefore, advise readers to be careful in interpreting any forward-looking statements in this Report.