



#### **Tigere Real Estate Investment Trust**

(Incorporated as a Trust in Zimbabwe and registered with Trust Deed number MA1675/2022)

SHORT-FORM FINANCIAL ANNOUNCEMENT For the Half Year ended 30 June 2023

### **Short-Form Financial Announcement**

## Issued in terms of Practice Note 13 of the Zimbabwe Stock Exchange

This short-form financial announcement is the responsibility of the Trustee and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by investors and/or unit holders should be based on consideration of the full announcement.

A copy of the full announcement is available upon request, and for inspection at the Company's registered office. The full announcement is also available on the Zimbabwe Stock Exchange website: <a href="https://www.zse.co.zw">www.zse.co.zw</a> and the company website: <a href="https://www.tigerepropertyfund.com">www.tigerepropertyfund.com</a>.

# Financial Highlights for the Half Year ended 30 June 2023

Net Property Income

Distributable Income Net Asset Value Earnings Per Unit

\$861 949

Rental Revenue

\$567 392

\$22 527 639

0.079c

790 523

# Statement of Comprehensive Income for the half year ended 30 June 2023

Utilities Income Utilities Expense	157 373 (85 947)
Net Property Income	861 949
Other Income	687
Total Income	862 636
Total Operating Expenses	(244 448)
Earnings before exchange movements	618 188
Exchange movements	(50 796)
Total Comprehensive Income	567 302

	<u> </u>
Total Comprehensive Income	567 392
Weighted average number of units	719 323 000
Basic and diluted earnings per unit - USD cents	0.079

# Dividend

The REIT declared a Q2 interim dividend of USD 255 202 consisting of USD 218 087 (being 0.03 United States cents Per unit) as well as an additional ZWL167 651 585. (being 23.30 Zimbabwe cents per unit) in respect of the quarter ended 30 June 2023.

### **Auditor's Statement**

The short form financial announcement is extracted from the abridged financial statements for the half year ended 30 June 2023. The auditor's review conclusion on the abridged financial statements indicated that nothing has come to their attention that causes them to believe that these abridged financial statements do not present fairly, in all material respects, the financial position of Tigere Real Investment Trust as at 30 June 2023 and its financial performance and cashflows for the period and that the abridged financial statements were prepared in accordance with International Accounting Standard 34 and the requirements of the Zimbabwe Stock Exchange.

On behalf of the Asset Manager

01 August 2023





# **Tigere Real Estate Investment Trust**

(Incorporated as a Trust in Zimbabwe and registered with Trust Deed number MA1675/2022)

# REVIEWED ABRIDGED FINANCIAL STATEMENTS

# For the Half Year Ended 30 June 2023

US\$

#### **Trustee's Statement**

The Asset Manager has managed the scheme in accordance with the Collective Investments Act (Chapter 24:19), the Collective Investment Schemes (Internal Schemes) Rules, 1998 and the Tigere Real Estate Investment Trust Deed. The financial statements for the half year ending 30 June 2023 were authorized for issue on 01 August 2023.

On behalf of the Trustee

Robert Mutakwa

01 August 2023

#### **Asset Manager's Report**

### **Operating Environment**

The economy experienced considerable inflationary pressures during the first 6 months of 2023. Inflation in H1 2023 was a result of the continued decline of the Zimbabwe dollar (ZWL) against the United States dollar (USD). However, the economic measures implemented by economic authorities over Q2 2023, have managed to stabilise forex rates through liquidity management. Commodity and agricultural prices remain relatively high which has provided a strong source of USD into the economy. A general slowdown towards the end of Q2 has been attributed to upcoming elections and monetary policy tightening.

#### **Property Market**

The property market continues to see transactional growth with sale of existing stock and numerous developments taking place across the country. Steps to improve the regulatory environment for the property market are being taken by Industry and Government, which will make it easier for all investors to participate. Increased demand for properties due to a growing population as well as out-dated stock has also provided significant growth opportunities. Tenant demand within most sub-sectors remains strong due to shortage of quality stock.

#### Portfolio Report and Prospects

Highland Park and Chinamano Corner have experienced increased customer traffic during the period under review. New tenants. among them restaurants have opened for trade underpinning the strong performance of the two assets. The surrounding areas continue to benefit from having high quality retail shopping experiences. Occupancy reached 100% during the period under review due to an upsurge in demand for space at our assets. There is also a strong waiting list of potential tenants.

Significant construction progress is being made on Highland Park Phase 2 and the project is expected to be completed in Q4 2023. The Tigere REIT holds a pre-emptive right to acquire Phase 2 on completion.

#### Reviewed Performance Highlights

The reviewed performance highlights for the 6 months ended 30 June 2023 are as presented below:

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Rental Revenue	790 523
Total Comprehensive Income	567 392
Net Asset Value	22 527 639
Key Ratios	
Occupancy level	100%

#### **Dividend Announcement**

The REIT declared a Q2 interim dividend of USD 255 202 consisting of USD 218 087 (being 0.03 United States cents Per unit) as well as an additional ZWL167 651 585 (being 23.30 Zimbabwe cents per unit) in respect of the quarter ended 30 June 2023

On behalf of the Asset Manager



01 August 2023

Rent per m<sup>2</sup>

# Statement of Financial Position as at 30 June 2023

	Notes	30 Jun 23	31 Dec 22
Reviewed		us\$	US\$
Non-Current Assets		22 188 800	22 104 944
Investment Property	5	22 100 000	22 100 000
Work in Progress		83 385	-
Property, Plant and Equipment	6	5 415	4 944
Current Assets		1 286 986	1 300 936
Value Added Tax asset	7	748 525	748 653
Trade and Other Receivables	7	144 172	86 880
Cash and Cash Equivalents	8	394 289	465 403
Total Assets		23 475 786	23 405 880
Equities and Liabilities			
Unit Holders' Equity			
Unit Holders' Equity		22 100 000	22 100 000
Distributable Reserve		-	193 769
Retained Earnings		427 639	130 040
Total Equity		22 527 639	22 423 809
Liabilities		948 147	982 071
Current Liabilities			
Trade and Other Payables	9	185 764	219 688
Non-Current Liabilities			
Value Added Tax Loan	10	762 383	762 383
Total Equity and Liabilities		23 475 786	23 405 880

Statement of Comprehensive Income	for the half year ended 30 June 2023	
		US\$
Rental Revenue	3	790 523
Utilities Income		157 373
Utilities Expense		(85 947)
Net Property Income		861 949
Other Income		687
Total Income		862 636
Total Operating Expenses	4	(244 448)
Earnings before exchange movements		618 188
Exchange movements		(50 796)
Total Comprehensive Income		567 392
Weighted average number of units		719 323 000
Basic and diluted earnings per unit - U	SD cents	0.079

# Statement of Changes in Equity

Statement of Changes in Equity				
	Reviewed US\$	Reviewed US\$	Reviewed US\$	Reviewed US\$
	Stated capital	Distributable Reserve	Retained Earnings	Total
Opening Balance 01 November 2022	22 100 000	193 769	-	22 293 769
Two Months profit	-	-	130 040	130 040
Closing Balance as at 01 Dec 2022	22 100 000	193 769	130 040	22 423 809
Opening Balance as at 01 Jan 2023	22 100 000	193 769	130 040	22 423 809
Half Year profit	-	-	567 392	567 392
Dividend Declared	-	(193 769)	(269 793)	(463 562)
Closing Balance as at 30 June 2023	22 100 000	-	427 639	22 527 639

# Statement of Cashflow for the Half Year Ended 30 June 2023

Cash flows from operating activities

	039
Earnings after exchange rate movements	567 392
Adjustment for non-cash items	
Depreciation	29
Profit after adjusting for non-cash items	567 421
Changes in working capital	
Trade and other payables	(33 923)
Trade and other receivables	(57 165)
Cash generated from operations	476 333
Cash flows from investing activities	
Purchase of property plant and equipment	(500)
Work in progress-Highland Park phase one additional works	(83 385)
Net cash used in investing activities	(83 885)
Cash flows from financing activities	
Dividend paid	(463 562)
Net cash used in financing activities	(463 562)
Net decrease in cash and cash equivalents	(71 114)
Cash and cash equivalents at the beginning of the period	465 403
Cash and cash equivalents at the end of the period	394 289

#### **Notes to the Financial Statements**

1. Corporate Information

Tigere Real Estate Investment Trust was incorporated in Zimbabwe in 2022 and was listed on the Zimbabwe Stock Exchange on 30 November 2022. Tigere's registered office is number 3 Natal Road, Belgravia, Harare.

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\$17.64

#### 2.1 Basis of preparation and accounting principles

The Trust's abridged interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim financial reporting". The accounting policies used in the current period are consistent with those applied in the previous period unless otherwise stated. These abridged interim financial statements have been prepared on the assumption that the Trust will continue to operate on a going concern basis.

## 2.2 Statement of compliance

These abridged interim financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRSIC") interpretations applicable and in a manner required by The Companies and Other Business Entities Act (Chapter 24:31) and of the Zimbabwe Stock Exchange Listing Regulations.

#### 2.3 Reporting currency

The financial statements of the Trust are presented in United States Dollars (USD), which was the Trust's functional currency as at the reporting date. The exchange rates used to translate foreign currency balances were obtained from the Reserve Bank of Zimbabwe Interbank Market. The financial statements have been prepared under the assumption that the Trust operates on a going concern basis. All information presented has been rounded off to the nearest dollar.

## 2.4 Auditor's statement

The abridged interim financial statements have been reviewed by PKF Chartered Accountants Zimbabwe, signed by Sydney Bvurere PAAB number 0209, who indicate that nothing has come to their attention that causes them to believe that these abridged financial statements do not present fairly, in all material respects, the financial position of Tigere Real Estate Investment Trust, as at 30 June 2023 and its financial performance and cashflows for the period and that they were prepared in accordance with IAS 34 and the requirements of the Zimbabwe Stock Exchange Listing.

The auditor's review conclusion is available for inspection at the Trust's registered office.

3. Rental Revenue		Reviewed US\$
Retail rent		598 370
Turnover rent		192 153
		790 523
4. Operating Expenses		
Property management expenses		55 168
Administration fees		189 280
		244 448
5. Investment Property	<u>Retail</u>	<u>Total</u>
Fair value as at 31 December 2022	22 100 000	22 100 000
Other movements	-	-
Fair value as at 30 June 2023	22 100 000	22 100 000

- During the period, there were no transfers to and from investment properties
- There is an unmortgaged security held amounting to USD 762 383 over investment property for a Value Added Tax loan. Refer to Note 10.

			Reviewed US\$
Property, Plant and Equipment	Other Equipment	<u>Computer Equipment</u>	<u>Total</u>
Balance as at 31 December 2022	4 422	546	4 968
Additions	500	-	500
Balance at 30 June 2023	4 922	546	5 468
Accumulated depreciation			
Balance as at 31 December 2022	-	(24)	(24)
Depreciation for the period	(21)	(8)	(29)
Balance at 30 June 2023	(21)	(32)	(53)
Carrying amount at period end	4 901	514	5 415

7. Trade and Other Receivables	30-Jun-23	31-Dec-22
Trade receivables	130 405	75 810
Prepayments	13 767	11 070
Value Added Tax asset	748 525	748 653
	892 697	835 533
8. Cash and Cash Equivalents		
USD balances	390 817	339 238
ZWL balances	3 472	126 165
	394 289	465 403

# 9. Current Liabilities

Trade and other pavables 185 764 219 688

# 10. Long Term Liabilities

Value Added Tax Loan

The loan bears an interest rate of 0% for the first three years and thereafter 12.5%. The loan has a repayment date of 30

762 383

September 2027. It is secured by the underlying rights and ownership in investment property mentioned under Note 5. The loan relates to funds procured to settle the Value Added Tax asset on Highland Park and Chinamano Corner.

The Trustee has assessed the ability of the Trust to continue operating as a going concern and believes that the preparation of these financial statements as a going concern is still appropriate.

# 12. Subsequent Events

There are no subsequent events. 13. Contingencies

There were no contingent assets or liabilities for the period ending 30 June 2023.



# Independent Auditors Report on Review of Interim Financial Information to the Trustee of Tigere Real Estate Trust for the six months period ended 30 June 2023

#### Introduction

We have reviewed the accompanying abridged interim statement of financial position of Tigere Real Estate Trust (the Trust) as at 30 June 2023, the abridged interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months period then ended, and notes to the abridged interim financial results including a summary of significant accounting policies and other explanatory information as set out thereon.

#### Trustee's responsibility for the abridged interim financial results

The Trustee is responsible for the preparation and fair presentation of these abridged interim financial results in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting and in the manner required by the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019.

#### Auditor's responsibility for the abridged interim financial results

Our responsibility is to express a conclusion on these abridged interim financial results based on our review. We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial results consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting and in the manner required by the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019.

#### **Other Information**

The Trustee is responsible for the other information. The other information comprises the Trustee and Managers letters to Unit Holders.

Tel +263 242 707817 |Fax + 263 242 707817 8th Floor, Takura House | 67 Kwame Nkrumah Avenue | Harare PO Box CY 629 | Causeway | Harare | Zimbabwe Our conclusion on the abridged interim results does not cover the other information and we do not express a conclusion or any form of assurance conclusion thereon.

In connection with our review of the abridged interim financial results, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the abridged interim financial results or our knowledge obtained in the review, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**PKF Chartered Accountants (Zimbabwe)** 

Registered Public Auditor (Zimbabwe) Harare

Per: Sydney Bvurere

Registered Public Auditor (Zimbabwe) PAAB Practicing number 0209

1 August 2023