

# UNAUDITED FINANCIAL STATEMENTS

For the half year ended 30 June 2024



**REAL ESTATE INVESTMENT TRUST** (Incorporated as a Trust in Zimbabwe and registered as a Collective Investment Scheme with SECZ registration number SECZ1011245)

## 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 Revitus Real Estate Investment Trust ("Revitus REIT") Deed. The financial statements for the half year ending 30 June 2024 were authorized for issue on 28 August 2024.



On behalf of the Trustee  
28 August 2024

## Fund Manager's Report

### OPERATING ENVIRONMENT

The second quarter was characterized by a more stable macro-economic environment following introduction of the Zimbabwe Gold (ZWG) currency in April 2024. The ZWG currency was complemented by a contractionary monetary policy adopted by the Reserve Bank of Zimbabwe to stabilize inflation rates and provide an enabling business environment. Liquidity challenges also prevailed during the period as Government expenditure was cautiously monitored to contain inflation risk.

### PROPERTY MARKET

Real estate investments remain a preferred hedge for long-term value preservation and sustainable earnings. The market continues to witness growth in the informal sector with Small to Medium Enterprises (SMEs) contributing to increased demand for affordable working spaces. Positive growth in the property market is anticipated from heightened demand for residential and commercial real estate, supported by increased interests from international investors, expansion of the tourism sector, and Government's initiatives aimed at provision of affordable housing.

### PORTFOLIO PERFORMANCE AND PROSPECTS

The REIT remains focused on the vision to revitalise CBD properties and provide improved sustainable returns to investors. The pilot project for refurbishment of Chester House (Harare) is at an advanced stage with final technical approvals for conversion from office use to licensed residential accommodation scheduled to be secured in Q3 2024. Appointment of a reputable operator for Chester House is set to be concluded in the 2nd half of 2024 as groundwork for renovation works is also being finalized.

Overall occupancy and yield ratios on the properties were suppressed during the first half of the year following evictions of tenants in preparation for commencement of renovation works, as well as termination of non-performing leases. Performance metrics are expected to improve after renovations as reputable tenants will be on-boarded in the short to medium term. The Trust's average collection ratios improved to 79% in Q2 2024, up from 69% achieved in Q1 as credit control measures are continuously reviewed to enhance performance, albeit liquidity challenges experienced in the country.

### UNAUDITED PERFORMANCE HIGHLIGHTS (US\$)

The Revitus REIT outperformed its set half year profit budget by 36% from the existing portfolio of buildings pending revitalisation in pursuit of higher returns. The unaudited performance highlights for the half year ended 30 June 2024 are as presented below:

Financial Highlights	30 June 2024 (USD)
Gross Rental Income	\$432 124
Profit for the period	\$184 619
Net Asset Value	\$21 064 047
Occupancy Ratio	39%

### DIVIDEND ANNOUNCEMENT

In line with the commitment to pay quarterly distributions, the REIT declared a Q2 dividend of USD 48 134 (being 0.0131 United States cents per unit) for the quarter ended 30 June 2024.

### DIVIDEND TIMETABLE

DETAILS	DATES
Announcement Date	03 Sep 2024
Last date to trade cum-dividend	17 Sep 2024
Trade Ex-Dividend date	18 Sep 2024
Record Date	20 Sep 2024
Payment Date	25 Sep 2024



On behalf of the Asset Manager  
Tendai Muzadzi  
28 August 2024

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

Notes	30 Jun 2024 US\$	31 Dec 2023 US\$
<b>Assets</b>		
4	57,759	70,454
	194,615	-
5	6,728,386	6,724,987
6	1,450	-
7	14,569,972	14,137,723
	<b>21,552,182</b>	<b>20,933,164</b>
<b>Liabilities</b>		
8	488,135	8,525
	<b>488,135</b>	<b>8,525</b>
<b>Equity</b>		
	20,924,639	20,924,639
	139,408	-
	<b>21,064,047</b>	<b>20,924,639</b>
	<b>21,552,182</b>	<b>20,933,164</b>

## STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2024

	YTD Jun 2024 US\$
Rental income	432,124
Utility expenses	(149,138)
<b>Net Property Income</b>	<b>282,986</b>
Other income	3,968
<b>Total Income</b>	<b>286,954</b>
Operating Expenses	(102,335)
<b>Total comprehensive income</b>	<b>184,619</b>
Weighted average number of units	368,326,243
Basic and diluted earnings per unit (USD cents)	0.0501

## STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2024

	Share Capital US\$	Retained Earnings US\$	Total US\$
<b>Opening balance 01 January 2024</b>	<b>20,924,639</b>	-	<b>20,924,639</b>
Profit for the period	-	184,619	184,619
Dividend paid	-	(45,211)	(45,211)
<b>Closing balance 30 June 2024</b>	<b>20,924,639</b>	<b>139,408</b>	<b>21,064,047</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

### 1. REIT information

Revitus Property Opportunities Real Estate Investment Trust ("Revitus REIT") is a collective investment scheme constituted in Zimbabwe under a trust deed in 2021 and was registered with the Securities and Exchange Commission of Zimbabwe on 13 August 2021.

### 2. Basis of preparation

#### 2.1 Basis of preparation and accounting principles

The Trust's unaudited interim financial statements for the six months ended 30 June 2024 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 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 unaudited interim financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and in accordance with the Zimbabwe Stock Exchange Listing Regulations.

#### 2.3 Reporting currency

The Revitus REIT financial statements are presented in United States Dollars (USD), which was the Trust's assessed functional currency for the period. All amounts are rounded off to the nearest dollar. Foreign currency balances were translated using exchange rates obtain from the Reserve Bank of Zimbabwe website.

	30 Jun 2024 US\$	31 Dec 2023 US\$
<b>3. Operating expenses</b>		
Property management expenses	27,554	-
Administration costs	74,731	-
Depreciation	50	-
<b>Total operating expenses</b>	<b>102,335</b>	-
<b>4. Cash and cash equivalents</b>		
Local currency balances	1,134	70,454
United States Dollars (USD) balances	56,625	-
	<b>57,759</b>	<b>70,454</b>
<b>5. Equity investments</b>		
Listed Equities - opening balance	6,724,987	6,724,987
Fair value gains	3,399	-
<b>Closing balance</b>	<b>6,728,386</b>	<b>6,724,987</b>
<b>6. Property plant and equipment</b>		
Computer equipment additions - at cost	1,500	-
Accumulated depreciation	(50)	-
<b>Closing balance</b>	<b>1,450</b>	-
<b>7. Investment Property</b>		
Opening balance	14,137,723	13,250,000
Additions	432,249	887,723
<b>Closing balance</b>	<b>14,569,972</b>	<b>14,137,723</b>
<b>8. Trade and other payables</b>		
Trade and Other payables	477,054	8,525
Value Added Tax liability	11,081	-
<b>Total liabilities</b>	<b>488,135</b>	<b>8,525</b>

### 9. Going concern

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 on a going concern basis is still appropriate.