CONDENSED UNAUDITED
CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
for the six months ended 30 June 2022

DIRECTORS' COMMENTARY

NATURE OF THE BUSINESS

Resilient is a retail-focused Real Estate Investment Trust ("REIT") listed on the JSE Limited ("JSE"). Its strategy is to invest in dominant retail centres with a minimum of three anchor tenants and let predominantly to national retailers. A core competency is its strong development skills which support new developments and the reconfiguration of existing shopping centres to adapt to structural changes in the market. Resilient also invests directly and indirectly in offshore property assets.

The Company's focus is on regions with strong economic fundamentals, either with mineral resources or export quality agricultural products. Resilient generally has the dominant offering in its target markets with a strong grocery and convenience offering.

DISTRIBUTABLE EARNINGS AND DIVIDEND DECLARED

The Board has declared a dividend of 234,05 cents per share for the six months ended June 2022. This represents an increase of 3,5% compared to the dividend of 226,11 cents per share for the six months ended June 2021 ("comparable dividend").

Resilient distributed 170 554 201 Lighthouse shares to its shareholders in May 2022. As such, no dividends from these shares were included in distributable earnings for this interim period. Had Resilient retained these shares, the interim dividend would have been 10,2% higher than the comparable dividend.

COMMENTARY ON RESULTS

South Africa

The COVID-19 pandemic no longer has a significant impact on the Group's shopping centres and no further discounts were provided to leisure-focused tenants. New rental agreements (base rental plus a turnover clause) have been agreed with Ster-Kinekor. A similar arrangement has been proposed to NuMetro. Following the release of a number of "blockbuster" films, the performance of the cinemas has been encouraging.

Resilient continues to engage with SASRIA. The only outstanding insurance claim regarding damages and expenses suffered during the riots of July 2021 amounts to approximately R1,3 million. This amount was not accrued for in this interim period.

Resilient's portfolio achieved strong comparable sales growth of +9,9% for the six months ended June 2022 compared to the six months ended June 2021 (+16,6% compared to the six months ended June 2019 pre-COVID performance).

Resilient continues to actively address the structural changes in the retail environment, in particular the downsizing of department stores and increasing the grocery offering. Four additional full-offering grocery stores and a Food Lover's Market are being introduced.

The comparable sales growth per province is set out below.

	Six months ended		
Province	**Jun 2022 vs Jun 2019 %**	**Jun 2022 vs Jun 2021 %**	**SA properties by value %**
North West	5,8	3,8	5,8
Northern Cape	15,8	5,3	6,2
Limpopo	20,4	7,7	29,1
Gauteng	11,0	9,1	24,4
Mpumalanga	8,3	9,6	13,8
KwaZulu-Natal	27,4	17,4	17,1
Eastern Cape	29,6	20,9	3,6
	16,6	**9,9**	

The North West and Northern Cape shopping centres were impacted by redevelopment and retenanting activities. The centres in KwaZulu-Natal experienced an increase in trading as a result of damage to other retail centres in their broader catchment areas. Circus Triangle in the Eastern Cape continues to exceed our expectations and is now the dominant retail offering in Mthatha. Following the completion of the redevelopment of the centre, Resilient has received an approach to acquire this centre from a major property group. Circus Triangle has been reclassified as held for sale at the expected net sales value of R843 million.

Expiring leases with tenants that remained in occupation were renewed on average at +1,6% compared to the expiring rentals. This was largely due to the negative reversions agreed on a number of expiring leisure-related tenants, including restaurants and entertainment centres. Leases concluded with new tenants were on average 7,7% higher than the rentals of the outgoing tenants. In total, rentals for renewals and new leases increased on average by 2,8%.

The South African property portfolio recorded comparable net property income growth of 7,7% for the reporting period (excluding COVID-19 rental discounts granted in the comparable period).

Vacancies

Resilient owns 27 retail centres with a gross lettable area ("GLA") of 1,2 million square metres. Resilient's *pro rata* share of the vacancy in the portfolio was 2,0% at June 2022. This includes space held vacant to accommodate the new grocery stores.

Property developments

There has been strong tenant interest for line shops in The Village in Klerksdorp (a new 9 000m^2 GLA development). The development will be anchored by Checkers, Woolworths food and Clicks and is projected to be completed by September 2023.

The planned extensions to Irene Village Mall, Mahikeng Mall, Tubatse Crossing and Tzaneen Lifestyle Centre to meet tenant demand are progressing well.

France

Sales at the French shopping malls were 11,2% lower compared to the six-month period to June 2019. Trading is being disrupted by the various projects and relettings underway. This includes the new Lidl grocer at Docks Vauban currently being fitted out, the Biltoki food hall at Docks 76 and the redevelopment at Saint Sever to accommodate Primark. Collections continue to improve and are currently at 90,6%.

Primark at Saint Sever is scheduled to be handed over for fit-out in January 2023 and is expected to open during 3Q2023. The decision was made not to proceed with a new clinic on the upper level at Saint Sever and heads of agreement have instead been concluded with Action, a value general merchandise retailer with a strong following in France. The Primark paypoints and exit into the mall are also on the first floor. The first floor will therefore be double-anchored. As a result, major international clothing retailers have expressed interest in opening new stores on this level. A substantial redesign of this level is planned to facilitate the introduction of new tenants. This will result in a repositioning and reduction in the size of the food court.

At Docks 76, the fit-out by the Biltoki food hall is progressing well. The premises was handed over to Biltoki in February 2022 and they will commence trading in 3Q2022.

Lidl at Docks Vauban has taken occupation of their premises and is currently fitting out the store that is scheduled to open by the end of 2022. This will be a strong addition to the centre which did not have a grocery offering on acquisition. Additional new tenants introduced to the mall include Timberland, Jenyfer, KFC and Chaussea.

Rivetoile, which is currently experiencing the least disruption from projects in France, achieved sales just below 2019 levels for 1H2022. Design concepts for the expansion of the centre are currently being negotiated with the local municipality.

Nigeria

Resilient Africa, together with local partners, owns Asaba Mall, Delta Mall and Owerri Mall. Resilient owns 60,94% of Resilient Africa in partnership with Shoprite Holdings Limited ("Shoprite").

The Board previously resolved to dispose of Resilient's operations in Nigeria. The associated assets and liabilities remain presented as held for sale at the reporting date.

Trading at Asaba Mall and Delta Mall has improved significantly and both centres are fully let. Owerri Mall continues to be affected by political uncertainty in the region and does not directly benefit from the oil price increase. The vacancy at this centre was 1,6% at June 2022.

ENERGY PROJECTS

The solar installations at Irene Village Mall and Tubatse Crossing were commissioned on schedule and are performing in line with projections. This has increased Resilient's installed capacity to 19,7MWp.

Eight new installations as well as the additional installations at Galleria Mall, Mams Mall and Tzaneng Mall are under construction and are projected to be commissioned by year-end. The new installation at Boardwalk Inkwazi of 6,8MWp will be the biggest rooftop installation in South Africa. These installations will increase Resilient's installed capacity to 46,1MWp.

LISTED PORTFOLIO

	Jun 2022		Dec 2021	
Counter	Number of shares	Fair value R'000	Number of shares	Fair value R'000
NEPI Rockcastle (NRP)	10 542 668	918 161	15 500 000	1 643 000
Lighthouse Properties (LTE)	502 145 799	3 414 591	672 700 000	6 054 300
		4 332 752		7 697 300

Resilient's policy is to hold sufficient interests in investments to provide it with significant influence over the companies in which it is invested. In line with this policy, Resilient disposed of 4 957 332 NEPI Rockcastle shares for a total consideration of R492,9 million during the reporting period. Subsequent to the reporting date, a further R741,7 million was raised through the disposal of 7 963 148 NEPI Rockcastle shares.

As announced in the December 2021 results, 170 554 201 Lighthouse shares were distributed to Resilient shareholders at a ratio of 0,48 Lighthouse shares for each Resilient share held. This is net of the 18 794 898 Lighthouse shares received by Resilient in respect of treasury shares held. Following the distribution *in specie*, Resilient owns 30,9% of the Lighthouse shares in issue.

Lighthouse has identified additional attractive investment opportunities in France. Resilient would like to utilise the proceeds from the NEPI Rockcastle disposals to increase its exposure to direct offshore retail opportunities. The Board has therefore agreed to acquire an additional 15% interest in Retail Property Investments SAS ("RPI"), the holding company of the French assets. This will provide Resilient with 40% exposure to existing and future opportunities in France from 1 September 2022. The purchase price of approximately EUR32 million is based on the net asset value of RPI with the investment properties being valued at EUR343,3 million based on the June 2022 independent valuations performed by Savills.

FINANCIAL COMMENTARY

Property valuations

Resilient's policy is to subject its full property portfolio to an independent external valuation annually at year-end. The South African property portfolio was therefore valued by Jones Lang LaSalle Proprietary Limited at December 2021. In order to accommodate minority shareholders, Arbour Crossing, Galleria Mall and Tzaneen Lifestyle Centre were valued by Quadrant Properties Proprietary Limited at June 2022. Resilient's share of the positive revaluation of these centres was R98,8 million (+4,4%).

Resilient Africa concluded its year-end at June 2022 and as such the Nigerian properties were valued by CBRE Excellerate. Resilient's share of the positive revaluation of the Nigerian properties amounted to USD2,3 million. Resilient Africa will align its year-end with Resilient with effect from December 2022.

Funding and facilities

The Group's policy is not to borrow against listed securities (R4,3 billion at June 2022). The Group has R2,8 billion of unbonded investment property (excluding land) and unsecured funding of R2,7 billion.

The following facilities are currently in place:

Facility expiry	Amount 'million	Average margin
South Africa		
Dec 2022	R1 551	3-month JIBAR+1,61%
Dec 2023	R1 409	3-month JIBAR+2,01%
Dec 2024	R3 153	3-month JIBAR+1,77%
Dec 2025	R2 285	3-month JIBAR+1,91%
Dec 2026	R2 367	3-month JIBAR+1,89%
	R10 765	**3-month JIBAR+1,83%**
Nigeria*#		
Mar 2024	USD45	90-day US LIBOR+6,25%
France#		
Mar 2027 (including extension option in 2025)	EUR33,22	3-month EURIBOR+3,00%

All facilities represent Resilient's proportionate share.

* *Discontinued operations.*

\# *The funding is secured by the respective investment properties and there is no recourse to Resilient's South African balance sheet.*

Interest rate derivatives

Resilient remains defensively positioned against rising interest rates.

The following interest rate derivatives are in place in mitigation of South African interest rate risk:

Interest rate swap expiry	Amount R'000	Average swap rate %
Dec 2023	500 000	7,78
Dec 2024	1 100 000	4,81
Dec 2025	800 000	4,91
Dec 2026	1 100 000	6,04
Dec 2027	1 000 000	7,07
Dec 2028	2 000 000	6,68
	6 500 000	**6,18**

Interest rate cap expiry	Amount R'000	Average cap rate %
Dec 2023	500 000	7,71
Dec 2024	400 000	8,37
Dec 2026	400 000	7,91
Dec 2027	1 000 000	8,03
Dec 2028	500 000	7,15
	2 800 000	**7,85**

The all-in weighted average cost of funding of Resilient was 7,44% at June 2022 and the average hedge term was 4,1 years.

The following interest rate derivatives are in place in mitigation of foreign interest rate risk:

Interest rate cap expiry	Amount '000	Average cap rate %
Dec 2022	USD11 000	2,42
Dec 2026	USD11 000	1,90
	USD22 000	**2,16**
Mar 2027	**EUR33 216**	**1,00**

Exposure to variable interest rates	South Africa '000	France '000	Nigeria* '000
Interest-bearing borrowings	R9 506 455	R566 866	R447 499
Loans to co-owners	(R121 840)		
Tenant loans advanced	(R2 388)		
Cash and cash equivalents	(R39 254)	(R40 751)	(R25 270)
Capital commitments contracted for	R594 508	R78 949	
Capital commitments approved	R497 306		
	R10 434 787	R605 064	R422 229
Exchange rate		17,07	16,29
Exposure	R10 434 787	EUR35 446	USD25 920
Interest rate derivatives – swaps/caps	R9 300 000	EUR33 216	USD22 000
Percentage hedged	**89,1% (R)**	**93,7% (EUR)**	**84,9% (USD)**

* *Discontinued operations.*

Loan-to-value ("LTV") ratio

	South Africa R'000	France R'000	Nigeria* R'000	Total R'000
Assets				
Investment property	22 230 346	1 441 245	648 821	24 320 412
Straight-lining of rental revenue adjustment	451 615		4 486	456 101
Investment property under development	358 901	23 355		382 256
Investment property held for sale	843 000			843 000
Investments (funded in South Africa)	4 332 752			4 332 752
Staff incentive loans	16 310			16 310
Loans to co-owners	121 840		114 643	236 483
Loans advanced	2 388			2 388
	28 357 152	1 464 600	767 950	30 589 702
Net debt				
Cash and cash equivalents	(39 254)	(40 751)	(25 270)	(105 275)
Fair value of derivative financial instruments	(561 001)	(23 980)		(584 981)
Interest-bearing borrowings	9 506 455	566 866	447 499	10 520 820
	8 906 200	502 135	422 229	9 830 564
LTV ratio	**31,4% (R)**	**34,3% (EUR)****	**55,0% (USD)****	**32,1% (R)**

* *Discontinued operations.*

** *The funding is secured by the respective investment properties and there is no recourse to Resilient's South African balance sheet.*

Income hedging

Foreign income expected for 2H2022 is hedged at R19,65 to the Euro.

Repurchase of shares

Resilient acquired 13 932 682 of its shares through the open market at an average cost of R54,99 per share. These shares were acquired both before and after the distribution of Lighthouse shares. Subsequent to the reporting period, a further 1 671 698 shares were repurchased at an average cost of R53,32 per share.

The Company also acquired 9 000 000 of its shares from its wholly-owned subsidiary, Resilient Properties Proprietary Limited ("Propco"), at a price of R53,60 per share on 30 June 2022.

All the shares repurchased were delisted and reverted to authorised but unissued share capital of the Company.

Summary of financial performance

	Jun 2022	Dec 2021	Jun 2021	Dec 2020
Dividend (cents per share)	**234,05**	226,62	226,11	202,70
Shares in issue for IFRS	**347 037 531**	360 970 213	360 970 213	360 970 213
Shares held in treasury: Resilient Properties	**30 156 041**	39 156 041	39 156 041	39 156 041
Shares in issue	**377 193 572**	400 126 254	400 126 254	400 126 254
Management accounts information				
Net asset value per share	**R58,23***	R64,96	R60,24	R55,63
LTV ratio (%)**	**32,1**	28,8	28,8	33,7
Gross property expense ratio (%)	**35,0**	38,1	37,3	38,6
Percentage of direct and indirect property assets offshore (%)	**21,3**	29,3	25,4	26,3
IFRS accounting				
Net asset value per share	**R54,16**	R56,58	R53,28	R52,49

* *The net asset value per share at June 2022 would have been R3,34 higher if Resilient retained the 170 554 201 Lighthouse shares it distributed to its shareholders in May 2022.*

** *The LTV ratio is calculated by dividing total interest-bearing borrowings adjusted for cash on hand and the fair value of derivative financial instruments by the total of investments in property, listed securities and loans advanced. Refer to page 7.*

SHAREHOLDER ENGAGEMENT

Resilient's property portfolio appeals to investors seeking predictable and sustainable cash flows from real estate exposure without volatility in capital value. Reflecting global trends, it is no longer a given that a JSE-listing enhances access to capital, particularly for a property company such as Resilient. With its advisors, Resilient is evaluating its listing on the JSE and all alternatives, with the objective of maintaining high standards of governance and reporting, but with greater efficiency and focus on investor interests, with a view to reducing volatility for investors. Resilient now intends to engage with its shareholders and to take their views into account in its evaluations.

PROSPECTS

Resilient's properties continue to perform strongly. Substantial progress has been achieved in addressing the structural challenges of department stores. The introduction of additional grocers will further increase the dominance of the Group's properties. These initiatives are yield-dilutionary, however, are partially offset by increased solar capacity which is yield-accretive.

The Board intends to resume providing distribution guidance in 2023.

By order of the Board

Des de Beer
Chief executive officer

Monica Muller
Chief financial officer

Johannesburg
12 August 2022

CONDENSED CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

	Unaudited Jun 2022 R'000	Restated* Dec 2021 R'000	Audited Jun 2021 R'000
ASSETS			
Non-current assets	28 332 664	30 840 238	28 532 573
Investment property	23 006 485	23 464 044	22 481 596
Straight-lining of rental revenue adjustment	468 230	507 892	496 091
Investment property under development	360 608	382 709	402 573
Investment in associates	2 197 244	3 171 680	1 610 022
Investments	918 161	1 643 000	3 199 284
Staff incentive loans	13 867	22 424	18 521
Loans to co-owners	107 330	102 929	103 198
Loans to associate	763 778	1 339 480	–
Other financial assets	496 961	149 252	157 595
Other assets	–	56 828	63 693
Current assets	279 969	316 305	290 151
Staff incentive loans	2 443	198	1 146
Loans to associate	10 692	11 358	–
Trade and other receivables	128 330	167 159	138 499
Other financial assets	74 581	41 618	77 524
Other assets	23 016	19 428	24 997
Cash and cash equivalents	40 907	76 544	47 985
Assets held for sale	2 196 757	1 272 115	1 518 620
Total assets	30 809 390	32 428 658	30 341 344

	Unaudited Jun 2022 R'000	Restated* Dec 2021 R'000	Audited Jun 2021 R'000
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	18 795 919	20 424 448	19 230 815
Stated capital	10 846 544	13 014 794	13 014 794
Treasury shares	(2 193 878)	(2 996 167)	(2 996 167)
Foreign currency translation reserve	610 496	1 083 445	857 456
Share-based payments reserve	16 198	9 406	4 616
Retained earnings	9 516 559	9 312 970	8 350 116
Non-controlling interests	(76 814)	(164 357)	(209 125)
Total equity	18 719 105	20 260 091	19 021 690
Total liabilities	12 090 285	12 168 567	11 319 654
Non-current liabilities	7 612 840	7 186 250	7 884 347
Interest-bearing borrowings	7 394 157	7 046 547	7 711 932
Other financial liabilities	7 025	32 479	45 675
Deferred tax	211 658	107 224	126 740
Current liabilities	3 083 593	3 596 104	2 162 745
Trade and other payables	462 241	526 038	490 304
Other financial liabilities	1 128	1 692	–
Other liabilities	12 574	21 343	19 673
Income tax payable	3 336	18 390	–
Amounts owing to non-controlling shareholders	492 016	519 845	525 122
Interest-bearing borrowings	2 112 298	2 508 796	1 127 646
Liabilities directly associated with assets classified as held for sale	1 393 852	1 386 213	1 272 562
Total equity and liabilities	30 809 390	32 428 658	30 341 344

* *Refer to note 4 for disclosure on the restatements.*

CONDENSED CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

	Unaudited for the six months ended Jun 2022 R'000	Restated* for the six months ended Dec 2021 R'000	Audited for the year ended Jun 2021 R'000
Contractual rental revenue and recoveries	**1 521 425**	1 461 413	2 854 498
Straight-lining of rental revenue adjustment	**(23 895)**	6 042	(115 150)
Revenue from direct property operations	**1 497 530**	1 467 455	2 739 348
Revenue from investments	**39 065**	72 293	125 416
Total revenue	**1 536 595**	1 539 748	2 864 764
Fair value adjustments	**279 280**	934 408	1 464 741
Fair value gain on investment property	**158 042**	881 450	509 100
Adjustment resulting from straight-lining of rental revenue	**23 895**	(6 042)	115 150
Fair value (loss)/gain on investments	**(231 571)**	106 894	627 708
Fair value gain on forward contract: Edcon Limited shares	**–**	–	16 013
Fair value gain/(loss) on currency derivatives	**77 624**	(23 417)	224 649
Fair value gain/(loss) on interest rate derivatives	**251 290**	(24 477)	(27 879)
Property operating expenses	**(527 806)**	(568 984)	(1 071 768)
Administrative expenses	**(68 837)**	(68 999)	(121 250)
Share-based payments – employee incentive scheme	**(6 792)**	(4 790)	(4 616)
Insurance proceeds	**–**	26 616	–
Foreign exchange gain/(loss)	**27 190**	80 237	(3)
Donations received by The Resilient Empowerment Trust	**–**	–	2 754
Profit on distribution of interest in associate to shareholders	**774 928**	–	–
Reversal of impairment of staff incentive loans receivable	**275**	4 072	2 388
Reversal of impairment/(impairment) of loans receivable	**3 474**	(2 589)	10 360
Amortisation of interest rate cap premiums	**–**	(7 025)	(13 934)
Share of profit/(loss) of associates	**137 416**	218 400	(2 201 143)
Profit before net finance costs	**2 155 723**	2 151 094	932 293
Net finance costs	**(247 386)**	(240 838)	(527 915)
Finance income	**20 876**	16 983	12 055
Interest received on loans and cash balances	**5 972**	6 549	12 055
Interest received from associate	**14 904**	10 434	–
Finance costs	**(268 262)**	(257 821)	(539 970)
Interest on borrowings	**(273 951)**	(259 615)	(540 700)
Capitalised interest	**5 689**	1 794	730
Profit before income tax	**1 908 337**	1 910 256	404 378
Income tax	**(111 417)**	1 097	(62 067)
Profit from continuing operations	**1 796 920**	1 911 353	342 311
Profit/(loss) from discontinued operations	**80 693**	60 679	(144 489)
Profit for the period	**1 877 613**	1 972 032	197 822

	Unaudited for the six months ended Jun 2022 R'000	Restated* for the six months ended Dec 2021 R'000	Audited for the year ended Jun 2021 R'000
Other comprehensive (loss)/income net of tax			
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation differences from continuing operations	**(500 493)**	120 795	201 737
Foreign currency translation differences from discontinued operations	**(1 952)**	(15 392)	40 048
	(502 445)	105 403	241 785
Total comprehensive income for the period	**1 375 168**	2 077 435	439 607
Profit/(loss) for the period attributable to:			
Equity holders of the Company	**1 789 136**	1 892 236	213 271
Non-controlling interests	**88 477**	79 796	(15 449)
	1 877 613	1 972 032	197 822
Total comprehensive income for the period attributable to:			
Equity holders of the Company	**1 287 625**	2 005 032	436 229
Non-controlling interests	**87 543**	72 403	3 378
	1 375 168	2 077 435	439 607
Total comprehensive income/(loss) attributable to equity holders of the Company arises from:			
Continuing operations	**1 235 371**	1 965 571	479 327
Discontinued operations	**52 254**	39 461	(43 098)
	1 287 625	2 005 032	436 229
Earnings per share from profit from continuing operations			
Basic earnings per share (cents)	**484,90**	511,06	76,90
Diluted earnings per share (cents)	**483,11**	509,52	76,77

* *Refer to note 4 for disclosure on the restatements.*

CONDENSED CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

Unaudited	Stated capital R'000	Treasury shares R'000	Foreign currency translation reserve R'000	Share-based payments reserve R'000	Retained earnings R'000	Equity attributable to equity holders R'000	Non-controlling interests R'000	Total equity R'000
Balance at Jun 2020	13 014 794	(2 996 167)	706 950	–	9 158 783	19 884 360	(162 270)	19 722 090
Foreign currency translation differences			222 958			222 958	18 827	241 785
Profit/(loss) for the period					213 271	213 271	(15 449)	197 822
Share-based payments – employee incentive scheme				4 616		4 616		4 616
Dividends paid					(1 094 390)	(1 094 390)	(50 233)	(1 144 623)
Transfer to foreign currency translation reserve			(72 452)		72 452	–		–
Balance at Jun 2021	13 014 794	(2 996 167)	857 456	4 616	8 350 116	19 230 815	(209 125)	19 021 690
Foreign currency translation differences			114 535			114 535	(7 393)	107 142
Profit for the period					1 943 338	1 943 338	79 796	2 023 134
Share-based payments – employee incentive scheme				4 790		4 790		4 790
Dividends paid					(816 189)	(816 189)	(27 635)	(843 824)
Transfer to foreign currency translation reserve			113 193		(113 193)	–		–
Balance at Dec 2021 – previously reported	13 014 794	(2 996 167)	1 085 184	9 406	9 364 072	20 477 289	(164 357)	20 312 932
Restatement relating to the acquisition of the French associate			(1 739)		(51 102)	(52 841)		(52 841)
Restated balance at Dec 2021*	13 014 794	(2 996 167)	1 083 445	9 406	9 312 970	20 424 448	(164 357)	20 260 091
Shares acquired by the Company	(681 814)	654 749			(739 094)	(766 159)		(766 159)
Dividend *in specie*	(1 486 436)	147 540				(1 338 896)		(1 338 896)
Foreign currency translation differences			(501 511)			(501 511)	(934)	(502 445)
Profit for the period					1 789 136	1 789 136	88 477	1 877 613
Share-based payments – employee incentive scheme				6 792		6 792		6 792
Dividends paid					(817 891)	(817 891)		(817 891)
Transfer to foreign currency translation reserve			28 562		(28 562)	–		–
Balance at Jun 2022	10 846 544	(2 193 878)	610 496	16 198	9 516 559	18 795 919	(76 814)	18 719 105

* *Refer to note 4 for disclosure on the restatements.*

CONDENSED CONSOLIDATED STATEMENT OF **CASH FLOWS**

	Unaudited for the six months ended Jun 2022 R'000	Audited for the six months ended Dec 2021 R'000	Audited for the year ended Jun 2021 R'000
Operating activities			
Cash generated from operations	958 435	915 903	1 711 764
Interest paid	(279 348)	(237 510)	(583 799)
Dividends received	213 521	72 293	125 416
Dividends paid	(817 891)	(843 824)	(1 144 623)
Income tax paid	(3 357)	(293)	(906)
Cash inflow/(outflow) from operating activities	71 360	(93 431)	107 852
Investing activities			
Development and improvement of investment property	(244 762)	(107 413)	(108 674)
Proceeds on disposal of investment property	–	392 100	–
Increase of interest in associates	–	(1 190 740)	(10 021)
Acquisition of interest in associate	–	(31 723)	–
Loans advanced to associate	–	(1 282 511)	–
Associate loans repaid	470 304	22 343	–
Staff incentive loans repaid	4 779	1 492	924
Co-owner loans advanced	(927)	(2 320)	(5 001)
Tenant loans repaid	585	260	734
Proceeds on disposal of investments	492 866	1 663 178	1 665 353
Interest received	7 780	6 174	10 757
Cash flow on currency derivatives	48 524	45 636	(8 307)
Cash flow on interest rate derivatives	(56 283)	(61 045)	(90 912)
Cash inflow/(outflow) from investing activities	722 873	(544 569)	1 454 853
Financing activities			
Proceeds from borrowings raised	6 152 344	12 056 903	8 968 592
Repayment of borrowings	(6 206 198)	(11 373 489)	(10 491 961)
Repayment of amounts owing to non-controlling shareholders	(27 829)	(5 277)	–
Acquisition of shares by the Company	(766 152)	–	–
Cash (outflow)/inflow from financing activities	(847 835)	678 137	(1 523 369)
(Decrease)/increase in cash and cash equivalents	(53 609)	40 137	39 336
Cash and cash equivalents at the beginning of the period	142 180	102 043	62 707
Cash and cash equivalents at the end of the period	88 571	142 180	102 043
Cash and cash equivalents consist of:			
Current accounts	88 571	142 180	102 043

NOTES

1. PREPARATION AND ACCOUNTING POLICIES

The condensed unaudited consolidated interim financial statements have been prepared in accordance with the JSE Listings Requirements, the Debt Listings Requirements, the requirements of the Companies Act of South Africa and International Financial Reporting Standards ("IFRS"), including the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and also contain, as a minimum, the information required by IAS 34: *Interim Financial Reporting*. This report was compiled under the supervision of Monica Muller CA(SA), the chief financial officer.

The accounting policies applied in the preparation of the condensed unaudited consolidated interim financial statements are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements, with the exception of the adoption of new and revised standards which became effective during the period.

The consolidated financial statements have been restated in terms of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to note 4 for the disclosure on these restatements.

The Group's investment properties are valued internally by the directors at interim reporting periods and externally by independent valuers for year-end reporting. Arbour Crossing, Galleria Mall, Tzaneen Lifestyle Centre and the Nigerian portfolio were subject to an external valuation at the reporting date for reasons provided on page 5. In terms of IAS 40: *Investment Property* and IFRS 7: *Financial Instruments: Disclosures*, investment properties are measured at fair value and are categorised as level 3 investments. The revaluation of investment property requires judgement in the determination of future cash flows from leases and an appropriate capitalisation rate/first year forward yield which varies between 8,0% and 11,5% (Dec 2021: 8,0% and 10,5%, Jun 2021: 8,0% and 10,5%). The weighted average yield of the property portfolio was 8,3% (Dec 2021: 8,3%, Jun 2021: 8,3%) at the reporting date. This disclosure includes investment property disclosed as held for sale. Changes in the capitalisation rate/first year forward yield attributable to changes in market conditions can have a significant impact on property valuations. A 25 basis points increase in the capitalisation rate/first year forward yield will decrease the value of investment property by R751,6 million (Dec 2021: R739,4 million, Jun 2021: R706,0 million). A 25 basis points decrease in the capitalisation rate/first year forward yield will increase the value of investment property by R798,4 million (Dec 2021: R785,2 million, Jun 2021: R749,6 million). A 1% increase in the structural vacancy for a full year will decrease the value of investment property by R165,9 million (Dec 2021: R163,7 million, Jun 2021: R296,6 million). In prior periods, the effect of the COVID-19 pandemic was reflected in higher yields across much of the portfolio as investor sentiment had weakened. It was assumed that a rational landlord would top-up COVID-19 rents where discounts or relief had been granted to the full contractual rent, assuming a sale at the valuation date. The sum of these assumptions has been treated as capital deductions to the full values of the assets ("top-slice"). A total of R89,2 million (Dec 2021: R165,6 million, Jun 2021: R118,3 million) of capital expenditure still to be incurred was deducted from the value of assets in determining their fair value. No COVID-related capital deductions were applied in the valuations (Dec 2021: R8,8 million, Jun 2021: R8,4 million). A 1% increase in the capital expenditure will decrease the value of the investment property by Rnil (Dec 2021: R0,1 million, Jun 2021: R0,1 million) for COVID-related capital deductions and R0,9 million (Dec 2021: R1,7 million, Jun 2021: R2,4 million) for other capital deductions.

In terms of IFRS 9: *Financial Instruments* and IFRS 7, the Group's currency and interest rate derivatives are measured at fair value through profit or loss and are categorised as level 2 instruments. In terms of IFRS 9, investments are measured at fair value being the quoted closing price at the reporting date and are categorised as level 1 investments. There were no transfers between levels 1, 2 and 3 during the period. The valuation methods applied are consistent with those applied in preparing the previous consolidated financial statements.

It is the Group's intention to dispose of its operations in Nigeria, owned through its interests in two subsidiaries, Resilient Africa Proprietary Limited ("Resilient Africa") and Resilient Africa Managers Proprietary Limited ("Resilient Africa Managers"). Resilient and Shoprite have agreed to dispose of their respective interests and continue to actively market the combined interest in the Nigerian operations. The associated assets and liabilities are presented as held for sale at the reporting date in accordance with IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*.

As mentioned in the listed portfolio section, Resilient distributed 189 349 099 Lighthouse shares to its shareholders. The distribution *in specie* represents a return of capital to shareholders and as such was accounted for as a reduction of stated capital. Propco received 18 794 898 Lighthouse shares in respect of treasury shares held which was accounted for as a reduction of the cost of treasury shares. Following the distribution *in specie*, Resilient owns 30,9% of the Lighthouse shares in issue. Resilient continues to exercise significant influence over Lighthouse and as such its interest has been accounted for using the equity method.

The Board approved the disposal of Circus Triangle. The shopping centre has been recognised as a non-current asset held for sale at June 2022 at the fair value of the property, being the agreed net sales price.

The condensed consolidated interim financial statements have not been audited or reviewed by Resilient's auditor.

The directors are not aware of any events subsequent to June 2022, not arising in the normal course of business, which are likely to have a material effect on the financial information contained in this report.

2. SEGMENTAL ANALYSIS

	Unaudited for the six months ended Jun 2022 R'000	Restated for the six months ended Dec 2021 R'000	Audited for the year ended Jun 2021 R'000
Total assets			
Retail: South Africa	**24 852 893**	24 549 094	23 951 164
Retail: France	**967 731**	1 494 575	–
Corporate: South Africa*	**3 635 009**	5 112 874	5 263 660
Discontinued operations**	**1 353 757**	1 272 115	1 126 520
	30 809 390	32 428 658	30 341 344
Total liabilities			
Retail: South Africa	**372 247**	420 127	399 063
Corporate: South Africa	**10 324 186**	10 362 227	9 648 029
Discontinued operations**	**1 393 852**	1 386 213	1 272 562
	12 090 285	12 168 567	11 319 654

	Unaudited for the six months ended Jun 2022 R'000	Restated for the six months ended Dec 2021 R'000	Audited for the year ended Jun 2021 R'000
Total revenue			
Revenue from direct property operations			
Retail: South Africa	**1 497 530**	1 467 455	2 739 348
Discontinued operations**	**84 726**	78 030	140 473
Revenue from investments			
Corporate: South Africa*	**39 065**	72 293	125 416
	1 621 321	1 617 778	3 005 237
Profit/(loss) for the period			
Retail: South Africa	**1 151 661**	1 800 495	2 307 843
Retail: France	**(27 397)**	117 382	–
Corporate: South Africa*	**672 656**	(6 524)	(1 965 532)
Discontinued operations**	**80 693**	60 679	(144 489)
	1 877 613	1 972 032	197 822

* *Listed offshore investments are included in the Corporate: South Africa segment.*

** *Resilient's operations in Nigeria were classified as discontinued operations at the reporting date.*

3. RECONCILIATION OF EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS TO HEADLINE EARNINGS/(LOSS)

Unaudited	Continuing operations R'000	Discontinued operations* R'000	Total R'000
Jun 2022 (for the six months ended)			
Earnings attributable to equity holders	1 735 864	53 272	1 789 136
Adjusted for:	(945 352)	(36 635)	(981 987)
– fair value gain on investment property	(150 279)	(36 635)	(186 914)
– profit on distribution of interest in associate to shareholders	(774 928)		(774 928)
– share of equity-accounted investments' separately identifiable remeasurements	(20 145)		(20 145)
Headline earnings	790 512	16 637	807 149
Headline earnings per share (cents)	220,82	4,65	225,47
Diluted headline earnings per share (cents)	220,01	4,63	224,64

3. RECONCILIATION OF EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS TO HEADLINE EARNINGS/(LOSS) continued

Restated	Continuing operations R'000	Discontinued operations* R'000	Total R'000
Dec 2021 (for the six months ended)			
Earnings attributable to equity holders	1 844 776	47 460	1 892 236
Adjusted for:	(1 061 251)	(1 091)	(1 062 342)
– fair value gain on investment property	(836 899)	(1 091)	(837 990)
– share of equity-accounted investments' separately identifiable remeasurements	(224 352)	–	(224 352)
Headline earnings	783 525	46 369	829 894
Headline earnings per share (cents)	217,06	12,85	229,91
Diluted headline earnings per share (cents)	216,41	12,81	229,22
Jun 2021 (for the year ended)			
Earnings/(loss) attributable to equity holders	277 590	(64 319)	213 271
Adjusted for:	(24 316)	11 237	(13 079)
– fair value (gain)/loss on investment property	(607 916)	11 237	(596 679)
– share of equity-accounted investments' separately identifiable remeasurements	583 600	–	583 600
Headline earnings/(loss)	253 274	(53 082)	200 192
Headline earnings/(loss) per share (cents)	70,16	(14,71)	55,45
Diluted headline earnings/(loss) per share (cents)	70,04	(14,68)	55,36

* *Resilient's operations in Nigeria were classified as discontinued operations at the reporting date.*

	Number of shares for the six months ended Jun 2022	Number of shares for the six months ended Dec 2021	Number of shares for the year ended Jun 2021
Reconciliation of weighted average number of shares in issue during the period			
Weighted average number of shares	**357 984 240**	360 970 213	360 970 213
Adjustment for dilutive potential of share grants in terms of the Conditional Share Plan	**1 323 307**	1 091 630	620 362
Weighted average number of shares for diluted earnings per share	**359 307 547**	362 061 843	361 590 575

4. RESTATEMENT OF FINANCIAL STATEMENTS

In September 2021, Resilient acquired a 25% interest in RPI, a company incorporated in France. The RPI group owns four French shopping centres namely Docks Vauban, Docks 76, Saint Sever and Rivetoile. In the current reporting period, RPI finalised the purchase price for the four French shopping centres it acquired on 30 September 2021 which resulted in an adjustment to the working capital in respect of the assets acquired. The comparative balances at December 2021 are therefore restated for these adjustments.

The restatement impacted the carrying value of the RPI associate. It also impacted the carrying value of the investment in Lighthouse which is accounted for using the equity method as Lighthouse owns a 75% interest in RPI.

The prior period error impacted the following line items:

	Previously reported Dec 2021 R'000	Restated balance Dec 2021 R'000
Investment in associates	3 224 521	3 171 680
Non-current assets	3 224 521	3 171 680
Foreign currency translation reserve	1 085 184	1 083 445
Retained earnings	9 364 072	9 312 970
Total equity attributable to equity holders	10 449 256	10 396 415
Share of profit of associates	269 502	218 400
Profit for the period	269 502	218 400
Earnings per share from continuing operations (cents)	525,22	511,06
Headline earnings per share from continuing operations (cents)	231,22	217,06

5. LEASE EXPIRY PROFILE

South Africa	Rentable area %	Contractual rental revenue %
Vacant	2,0	
Dec 2022	15,5	17,2
Dec 2023	23,5	25,3
Dec 2024	17,4	19,2
Dec 2025	9,7	10,0
Dec 2026	13,4	13,7
> Dec 2026	18,5	14,6

PRO FORMA FINANCIAL INFORMATION

(Management accounts)

BASIS OF PREPARATION

The *pro forma* condensed consolidated statement of financial position, the *pro forma* condensed consolidated statement of comprehensive income, the *pro forma* financial effects and the notes thereto ("*pro forma* financial information") of Resilient have been prepared and are presented below to provide users with the position:

- had The Resilient Empowerment Trust not been consolidated as required by IFRS;
- had the Group's listed investment in Lighthouse that was accounted for using the equity method for IFRS been fair valued;
- had the Group accounted for its share of the assets, liabilities and results of partially-owned subsidiaries (Resilient Africa and the indirect investments in Arbour Crossing, Galleria Mall and Mahikeng Mall) on a proportionately consolidated basis instead of consolidating it; and
- had the Group accounted for its share of the underlying assets, liabilities and results of RPI on a proportionately consolidated basis instead of accounting for its investment using the equity method in terms of IFRS.

The *pro forma* financial information presents a statement of financial position and statement of comprehensive income in the manner in which management considers the business. Ratios calculated by management for the purpose of assessing the performance of the Group are done based on this information.

The *pro forma* financial information also disaggregates the fair value adjustments on derivatives as well as the other financial assets/liabilities into their component parts.

The *pro forma* financial information has been prepared in terms of the JSE Listings Requirements and the SAICA Guide on *Pro Forma* Financial Information.

The preparation of the *pro forma* financial information is the sole responsibility of the directors and has been prepared on the basis stated, for illustrative purposes only, and due to its nature may not fairly present the Group's financial position and results from operations.

This *pro forma* financial information has not been reviewed or reported on by Resilient's auditor.

ADJUSTMENTS TO *PRO FORMA* FINANCIAL INFORMATION

Adjustment 1

In order to enhance disclosure, the fair value gain on currency derivatives, the fair value gain on interest rate derivatives as well as other financial assets/liabilities have been expanded to present the components thereof.

In addition, the amortisation of interest rate cap premiums paid is separately disclosed as an adjustment against the fair value of interest rate derivatives in the statement of comprehensive income. For distribution purposes, interest rate cap premiums are amortised over the term of the respective interest rate caps.

Adjustment 2

Resilient has no entitlement to or share in the assets of The Resilient Empowerment Trust. The *pro forma* financial information presents the assets under management of Resilient and as such the consolidation of The Resilient Empowerment Trust is reversed.

Adjustment 3

The investment in Lighthouse is reflected at its fair value by multiplying the 502 145 799 shares held by the quoted closing price of R6,80 at 30 June 2022. All entries recorded to account for this investment using the equity method are reversed. This reflects the Group's assets and liabilities on a fair value basis.

Adjustment 4

This adjustment proportionately consolidates the indirect investments in partially-owned subsidiaries (the indirect investments in Arbour Crossing, Galleria Mall and Mahikeng Mall) previously consolidated. It uses the management accounts for the six-month period ended June 2022 of Arbour Town and Southern Palace Investments 19 to reverse the non-controlling interests to reflect the Group's interest in the assets, liabilities and results of operations from these investments.

Adjustment 5

Resilient Africa and Resilient Africa Managers have been accounted for as discontinued operations in terms of IFRS 5. Adjustment 5 reverses all amounts related to these entities on the "assets held for sale" and "liabilities directly associated with assets classified as held for sale" lines in the statement of financial position and the "profit from discontinued operations" line in the statement of comprehensive income and proportionately consolidates Resilient Africa and Resilient Africa Managers. It uses the management accounts for the six months ended June 2022 of Resilient Africa and Resilient Africa Managers to reverse the non-controlling interests to reflect the Group's interest in the assets, liabilities and results of operations from these investments.

Adjustment 6

Resilient owns a 25% interest in RPI which owns four retail shopping centres in France. This investment represents an investment in an associate in terms of IAS 28: *Investment in Associates and Joint Ventures* and is consequently accounted for using the equity method. Adjustment 6 reverses the entries recorded to account for the investment in terms of IFRS and proportionately consolidates RPI.

The financial information used in preparing adjustments 2 and 4 to 6 has been extracted from the management accounts of the respective entities. The Board is satisfied with the accuracy of these management accounts.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	IFRS Jun 2022* R'000	Adjustment 1 Component disclosure Jun 2022 R'000	Adjustment 2 Deconsolidation of The Resilient Empowerment Trust Jun 2022 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse Jun 2022 R'000	Adjustment 4 Proportionate consolidation of partially-owned subsidiaries Jun 2022 R'000	Adjustment 5 Discontinued operations Jun 2022 R'000	Adjustment 6 Proportionate consolidation of French investment Jun 2022 R'000	*Pro forma* financial information Jun 2022 R'000
ASSETS								
Non-current assets	28 332 664	–	–	1 410 608	(779 951)	767 950	545 878	30 277 149
Investment property	23 006 485				(776 139)	648 821	1 441 245	24 320 412
Straight-lining of rental revenue adjustment	468 230				(16 615)	4 486		456 101
Investment property under development	360 608				(1 707)		23 355	382 256
Investment in associates	2 197 244			(2 003 983)			(193 261)	–
Investments	918 161			3 414 591				4 332 752
Staff incentive loans	13 867							13 867
Loans to co-owners	107 330				14 510	114 643		236 483
Loans to associate	763 778						(763 778)	–
Other financial assets	496 961	(496 961)						–
Fair value of interest rate derivatives		496 877					23 980	520 857
Loans advanced		84						84
Other assets							14 337	14 337
Current assets	279 969	–	(73)	–	(6 113)	32 688	83 198	389 669
Staff incentive loans	2 443							2 443
Loans to associate	10 692						(10 692)	–
Trade and other receivables	128 330		(70)		(4 463)	7 418	24 727	155 942
Other financial assets	74 581	(74 581)						–
Fair value of interest rate derivatives		51						51
Fair value of currency derivatives		72 226						72 226
Loans advanced		2 304						2 304
Other assets	23 016						28 412	51 428
Cash and cash equivalents	40 907		(3)		(1 650)	25 270	40 751	105 275
Assets held for sale	2 196 757					(1 353 757)		843 000
Total assets	30 809 390	–	(73)	1 410 608	(786 064)	(553 119)	629 076	31 509 818

* *Extracted without modification from Resilient's condensed consolidated statement of financial position for the six months ended June 2022.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

	IFRS Jun 2022* R'000	Adjustment 1 Component disclosure Jun 2022 R'000	Adjustment 2 Deconsolidation of The Resilient Empowerment Trust Jun 2022 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse Jun 2022 R'000	Adjustment 4 Proportionate consolidation of partially-owned subsidiaries Jun 2022 R'000	Adjustment 5 Discontinued operations Jun 2022 R'000	Adjustment 6 Proportionate consolidation of French investment Jun 2022 R'000	*Pro forma* financial information Jun 2022 R'000
EQUITY AND LIABILITIES								
Total equity attributable to equity holders	18 795 919	–	(37)	1 410 608	–	–	–	20 206 490
Stated capital	10 846 544							10 846 544
Treasury shares	(2 193 878)							(2 193 878)
Foreign currency translation reserve	610 496			(306 113)				304 383
Share-based payments reserve	16 198							16 198
Retained earnings	9 516 559		(37)	1 716 721				11 233 243
Non-controlling interests	(76 814)				(286 124)	362 938		–
Total equity	18 719 105	–	(37)	1 410 608	(286 124)	362 938	–	20 206 490
Total liabilities	12 090 285	–	(36)	–	(499 940)	(916 057)	629 076	11 303 328
Non-current liabilities	7 612 840	–	–	–	–	447 499	538 067	8 598 406
Interest-bearing borrowings	7 394 157					447 499	538 067	8 379 723
Other financial liabilities	7 025	(7 025)						–
Fair value of interest rate derivatives		7 025						7 025
Deferred tax	211 658							211 658
Current liabilities	3 083 593	–	(36)	–	(499 940)	30 296	91 009	2 704 922
Trade and other payables	462 241		(36)		(7 330)	19 751	42 717	517 343
Other financial liabilities	1 128	(1 128)						–
Fair value of currency derivatives		1 128						1 128
Other liabilities	12 574				(594)	10 545	19 493	42 018
Income tax payable	3 336							3 336
Amounts owing to non-controlling shareholders	492 016				(492 016)			–
Interest-bearing borrowings	2 112 298						28 799	2 141 097
Liabilities directly associated with assets classified as held for sale	1 393 852					(1 393 852)		–
Total equity and liabilities	30 809 390	–	(73)	1 410 608	(786 064)	(553 119)	629 076	31 509 818
Net asset value per share (R)**	54,16	–	–	4,06	–	–	–	58,23

* *Extracted without modification from Resilient's condensed consolidated statement of financial position for the six months ended June 2022.*

** *This also represents the net tangible asset value per share and is based on 347 037 531 shares in issue at the reporting date.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	IFRS for the six months ended Jun 2022* R'000	Adjustment 1 Component disclosure for the six months ended Jun 2022 R'000	Adjustment 2 Deconsolidation of The Resilient Empowerment Trust for the six months ended Jun 2022 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse for the six months ended Jun 2022 R'000	Adjustment 4 Proportionate consolidation of partially-owned subsidiaries for the six months ended Jun 2022 R'000	Adjustment 5 Discontinued operations for the six months ended Jun 2022 R'000	Adjustment 6 Proportionate consolidation of French investment for the six months ended Jun 2022 R'000	*Pro forma* financial information for the six months ended Jun 2022 R'000
Contractual rental revenue and recoveries	1 521 425				(51 840)	43 328	80 898	1 593 811
Straight-lining of rental revenue adjustment	(23 895)				359	(380)		(23 916)
Revenue from direct property operations	1 497 530	–	–	–	(51 481)	42 948	80 898	1 569 895
Revenue from investments	39 065			174 456				213 521
Realised gain: forward exchange contracts		48 524						48 524
Total revenue	1 536 595	48 524	–	174 456	(51 481)	42 948	80 898	1 831 940
Fair value adjustments	279 280	14 669	–	(935 039)	(31 658)	36 635	34 798	(601 315)
Fair value gain on investment property	158 042				(31 299)	36 255	25 241	188 239
Adjustment resulting from straight-lining of rental revenue	23 895				(359)	380		23 916
Fair value loss on investments	(231 571)			(935 039)				(1 166 610)
Fair value gain on currency derivatives	77 624	(77 624)						–
Unrealised gain		29 100						29 100
Fair value gain on interest rate derivatives	251 290	(251 290)						–
Unrealised gain		314 483					9 557	324 040
Property operating expenses	(527 806)				21 194	(17 440)	(34 506)	(558 558)
Administrative expenses	(68 837)		925		500	(3 336)	(1 981)	(72 729)
Share-based payment – employee incentive scheme	(6 792)							(6 792)
Foreign exchange gain	27 190					2 616		29 806
Profit on distribution of interest in associate to shareholders	774 928			(774 928)				–
Reversal of impairment of staff incentive loans receivable	275							275
Reversal of impairment of loans receivable	3 474							3 474
Amortisation of interest rate cap premiums		(6 910)					(741)	(7 651)
Share of profit of associate	137 416			(80 238)			(57 178)	–
Profit before net finance costs	2 155 723	56 283	925	(1 615 749)	(61 445)	61 423	21 290	618 450

* *Extracted without modification from Resilient's condensed consolidated statement of comprehensive income for the six months ended June 2022.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

continued

	IFRS for the six months ended Jun 2022* R'000	Adjustment 1 Component disclosure for the six months ended Jun 2022 R'000	Adjustment 2 Deconsolidation of The Resilient Empowerment Trust for the six months ended Jun 2022 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse for the six months ended Jun 2022 R'000	Adjustment 4 Proportionate consolidation of partially-owned subsidiaries for the six months ended Jun 2022 R'000	Adjustment 5 Discontinued operations for the six months ended Jun 2022 R'000	Adjustment 6 Proportionate consolidation of French investment for the six months ended Jun 2022 R'000	*Pro forma* financial information for the six months ended Jun 2022 R'000
Net finance costs	(247 386)	(56 283)	(4)	–	389	(7 842)	(21 290)	(332 416)
Finance income	20 876	–	(4)	–	445	4 831	(14 904)	11 244
Interest received on loans and cash balances	5 972		(4)		445	4 831		11 244
Interest received from associate	14 904						(14 904)	–
Finance costs	(268 262)	(56 283)	–	–	(56)	(12 673)	(6 386)	(343 660)
Interest on borrowings	(273 951)				–	(12 673)	(6 386)	(293 010)
Interest paid on interest rate derivatives		(56 283)						(56 283)
Capitalised interest	5 689				(56)			5 633
Profit before income tax	1 908 337	–	921	(1 615 749)	(61 056)	53 581	–	286 034
Income tax	(111 417)					(309)		(111 726)
Profit from continuing operations	1 796 920	–	921	(1 615 749)	(61 056)	53 272	–	174 308
Profit from discontinued operations	80 693					(80 693)		–
Profit for the period	1 877 613	–	921	(1 615 749)	(61 056)	(27 421)	–	174 308
Profit for the period attributable to:								
Equity holders of the Company	1 789 136		921	(1 615 749)			–	174 308
Non-controlling interests	88 477				(61 056)	(27 421)		–
	1 877 613	–	921	(1 615 749)	(61 056)	(27 421)	–	174 308
Basic earnings per share (cents)**	499,78	–	0,26	(451,35)	–	–	–	48,69
Diluted earnings per share (cents)**	497,94	–	0,26	(449,68)	–	–	–	48,51
Headline earnings/(loss) per share (cents)**	225,47	–	0,26	(236,30)	–	–	–	(10,57)
Diluted headline earnings/(loss) per share (cents)**	224,64	–	0,26	(235,43)	–	–	–	(10,53)

* *Extracted without modification from Resilient's condensed consolidated statement of comprehensive income for the six months ended June 2022.*

** *These ratios are based on the weighted average number of shares in issue reflected on page 20.*

DIVIDEND **CALCULATION**

	Pro forma financial information (management accounts) for the six months ended Jun 2022 R'000	*Pro forma* financial information (management accounts) for the six months ended Dec 2021 R'000	*Pro forma* financial information (management accounts) for the year ended Jun 2021 R'000
Contractual rental revenue and recoveries	**1 593 811**	1 525 507	2 835 575
Reverse IFRS adjustment to rental revenue: Edcon Limited	**–**	–	(34 439)
Revenue from investments	**213 521***	271 316	267 029
Realised gain/(loss) on forward exchange contracts	**48 524***	45 636	(8 307)
Property operating expenses	**(558 558)**	(580 967)	(1 057 744)
Administrative expenses	**(72 729)**	(70 638)	(125 551)
Share-based payment – employee incentive scheme	**(6 792)**	(4 790)	(4 616)
Amortisation of interest rate cap premiums	**(7 651)**	(7 025)	(13 934)
Interest received on loans and cash balances	**11 244**	11 179	20 094
Termination of interest rate derivatives	**–**	21	(11 416)
Interest on borrowings	**(293 010)**	(271 567)	(565 365)
Interest paid on interest rate derivatives	**(56 283)**	(61 066)	(79 496)
Capitalised interest	**5 633**	1 749	683
Antecedent dividend	**(25 459)**	–	–
Dividends accrued	**(47 083)***	(45 385)	322 162
Income hedging adjustment of Nigeria and French performance	**7 073**	4 061	3 202
Distributable earnings	**812 241**	818 031	1 547 877
Interim dividend	**(812 241)**		(731 687)
Final dividend	**–**	(818 031)	(816 190)
	–	–	–

* *The total of the numbers denoted with * represents dividends from investee companies included in distributable earnings and was calculated as follows:*

	Weighted number of shares held during the period	*Company dividend estimated EUR cents*	*Forward exchange rate R*	*Amount R'000*
NEPI Rockcastle	*13 143 432*	*21,34*	*19,65*	*55 114*
Lighthouse	*502 145 799*	*1,62*	*19,65*	*159 848*
				214 962

SA REIT **RATIOS**

SA REIT FUNDS FROM OPERATIONS ("SA REIT FFO") PER SHARE

	For the six months ended Jun 2022 R'000	For the six months ended Dec 2021 R'000
Profit for the period attributable to equity holders of the Company	**1 789 136**	1 892 236
Adjusted for:		
Accounting-specific adjustments	**127 131**	(1 054 728)
Fair value gain on investment property	**(181 937)**	(875 408)
Fair value loss/(gain) on investments	**231 571**	(106 894)
Reversal of impairment of staff incentive loans receivable	**(275)**	(4 072)
(Reversal of impairment)/impairment of loans receivable	**(3 474)**	2 589
Straight-lining of rental revenue adjustment	**23 895**	(6 042)
Deferred tax	**104 434**	(19 516)
Dividends accrued	**(47 083)**	(45 385)
Foreign exchange and hedging items	**(363 700)**	(43 712)
Fair value gain on interest rate derivatives	**(314 483)**	(36 589)
Fair value (gain)/loss on currency derivatives	**(22 027)**	73 114
Foreign exchange gain	**(27 190)**	(80 237)
Other adjustments	**59 140**	20 060
Tax impact of the above adjustments	**6 983**	18 419
Share of loss/(profit) of associate adjusted for dividends received	**59 420**	(3 821)
Non-distributable items included in profit from discontinued operations	**(74 277)**	(53 772)
Non-controlling interests in respect of the above adjustments	**67 014**	59 234
SA REIT FFO	**1 611 707**	813 856
Shares in issue (net of treasury shares)		
– Interim	**347 037 531**	
– Final		360 970 213
SA REIT FFO per share (cents)	**464,42**	225,46
– Interim	**464,42**	
– Final		225,46
Company-specific adjustments	**(799 466)**	4 175
Termination of interest rate derivatives		21
Antecedent dividend	**(25 459)**	
Profit on distribution of interest in associate to shareholders	**(774 928)**	
Effect of consolidating The Resilient Empowerment Trust	**921**	4 154
Distributable income	**812 241**	818 031
Dividend per share (cents)	**234,05**	226,62
– Interim	**234,05**	
– Final		226,62

SA REIT NET ASSET VALUE ("SA REIT NAV")

	Jun 2022 R'000	Dec 2021 R'000
Reported NAV attributable to the Parent (IFRS)	18 795 919	20 424 448
Adjustments:	(1 161 584)	(864 533)
Dividend declared	(812 241)	(818 031)
Fair value of derivative financial instruments	(561 001)	(153 726)
Deferred tax	211 658	107 224
SA REIT NAV	17 634 335	19 559 915
Shares outstanding:		
Shares in issue (net of treasury shares)	347 037 531	360 970 213
Effect of dilutive instruments	1 323 307	1 091 630
Dilutive number of shares in issue	348 360 838	362 061 843
SA REIT NAV per share	R50,62	R54,02

SA REIT COST-TO-INCOME RATIO

	For the six months ended Jun 2022 R'000	For the six months ended Dec 2021 R'000
Operating costs	637 383	670 286
Operating expenses per IFRS income statement (includes municipal expenses)	527 806	568 984
Administrative expenses per IFRS income statement	68 837	68 999
Civil unrest insurance proceeds: repair and security costs	–	(4 551)
Operating expenses of discontinued operations	34 285	29 402
Administrative expenses of discontinued operations	6 455	7 452
Gross rental income	1 606 939	1 563 760
Contractual income per IFRS income statement (excluding straight-lining)	1 104 834	1 076 130
Utility and operating recoveries per IFRS income statement	416 591	385 283
Civil unrest insurance proceeds: loss of rental	–	9 282
Pandemic cover insurance proceeds: loss of rental	–	12 783
Gross rental income of discontinued operations	85 514	80 282
SA REIT cost-to-income ratio	39,7%	42,9%

SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO

	For the six months ended Jun 2022 R'000	For the six months ended Dec 2021 R'000
Administrative expenses per IFRS income statement	68 837	68 999
Administrative expenses of discontinued operations	6 455	7 452
Total administrative expenses	75 292	76 451
Gross rental income	1 606 939	1 563 760
SA REIT administrative cost-to-income ratio	4,7%	4,9%

SA REIT COST OF DEBT

	Jun 2022 %	Dec 2021 %
Cost of debt – ZAR		
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	6,37	5,53
Preadjusted weighted average cost of debt	6,37	5,53
Adjustments:		
Impact of interest rate derivatives	0,94	1,45
Amortised transaction costs imputed in the effective interest rate	0,13	0,13
All-in weighted average cost of debt	7,44	7,11
Cost of debt – USD		
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	7,67	6,40
Preadjusted weighted average cost of debt	7,67	6,40
Adjustments:		
Amortised transaction costs imputed in the effective interest rate	0,26	0,28
All-in weighted average cost of debt	7,93	6,68

SA REIT LTV

	Jun 2022 R'000	Dec 2021 R'000
Gross debt – continuing operations	**9 506 455**	9 555 343
Gross debt – discontinued operations	**734 312**	718 760
Total gross debt	**10 240 767**	10 274 103
Less:		
Cash and cash equivalents – continuing operations	**(40 907)**	(76 544)
Cash and cash equivalents – discontinued operations	**(47 664)**	(65 636)
Total cash and cash equivalents	**(88 571)**	(142 180)
Add:		
Derivative financial instruments	**(561 001)**	(153 726)
Net debt (IFRS)	**9 591 195**	9 978 197
Total assets per statement of financial position	**30 809 390**	32 428 658
Less:		
Cash and cash equivalents	**(88 571)**	(142 180)
Derivative financial assets	**(569 154)**	(187 897)
Trade and other receivables – continuing operations	**(128 330)**	(167 159)
Trade and other receivables – discontinued operations	**(11 456)**	(11 192)
Carrying amount of property-related assets (IFRS)	**30 011 879**	31 920 230
SA REIT LTV	**32,0%**	31,3%

SA REIT GLA VACANCY RATE (EXCLUDING ASSETS HELD FOR SALE)

	Jun 2022 m^2	Dec 2021 m^2
GLA of vacant space	**18 559**	24 456
GLA of total property portfolio	**911 087**	979 790
SA REIT GLA vacancy rate*	**2,0%**	2,5%

SA REIT GLA VACANCY RATE (INCLUDING ASSETS HELD FOR SALE)

	Jun 2022 m^2	Dec 2021 m^2
GLA of vacant space	**18 883**	24 554
GLA of total property portfolio	**944 876**	994 841
SA REIT GLA vacancy rate*	**2,0%**	2,5%

* *This ratio is based on Resilient's* pro rata *share.*

PAYMENT OF INTERIM DIVIDEND

The Board has approved and notice is hereby given of an interim dividend of 234,05000 cents per share for the six months ended 30 June 2022.

The dividend is payable to Resilient shareholders in accordance with the timetable set out below:

Last date to trade *cum* dividend	Tuesday, 6 September 2022
Shares trade *ex* dividend	Wednesday, 7 September 2022
Record date	Friday, 9 September 2022
Payment date	Monday, 12 September 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 7 September 2022 and Friday, 9 September 2022, both days inclusive.

In respect of dematerialised shareholders, the dividend will be transferred to the Central Securities Depository Participant ("CSDP") accounts/broker accounts on Monday, 12 September 2022. Certificated shareholders' dividend payments will be posted on or about Monday, 12 September 2022.

DIVIDEND **TAX TREATMENT**

In accordance with Resilient's status as a REIT, shareholders are advised that the dividend of 234,05000 cents per share for the six months ended 30 June 2022 ("the dividend") meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, 58 of 1962 ("Income Tax Act"). The dividend will be deemed to be a dividend, for South African tax purposes, in terms of section 25BB of the Income Tax Act.

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT. This dividend is, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders provide the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

a) a declaration that the dividend is exempt from dividends tax; and
b) a written undertaking to inform the CSDP, broker or the Company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner ceases to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the above-mentioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Any distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the shareholder. Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 187,24000 cents per share.

A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
b) a written undertaking to inform their CSDP, broker or the Company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner ceases to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the above-mentioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted, if applicable.

Shares in issue at the date of declaration of this dividend: 375 521 874

Resilient's income tax reference number: 9579269144

CORPORATE **INFORMATION**

Resilient REIT Limited

Incorporated in the Republic of South Africa
Registration number: 2002/016851/06
JSE share code: RES
ISIN: ZAE000209557
Bond company code: BIRPIF
LEI: 378900F37FF47D486C58
(Approved as a REIT by the JSE)
("Resilient" or "the Company" or "the Group")

Directors

Alan Olivier *(chairman)*; Stuart Bird; Des de Beer*; Des Gordon; Nick Hanekom*; Johann Kriek*; Dawn Marole; Monica Muller*; Protas Phili; Thando Sishuba; Barry van Wyk

* *Executive director*

Changes to the Board and sub-committees

Shareholders are referred to the SENS announcement of 20 June 2022 regarding the passing of David Brown on 19 June 2022. Thembi Chagonda formally retired from the Board and her positions as chairperson of the Social and Ethics Committee and member of the Nomination Committee at the annual general meeting of 22 June 2022.

The following changes were consequently made to the sub-committees with effect from 22 June 2022:

- Protas Phili has been appointed as chairman of the Audit Committee;
- Des Gordon has been appointed as a member of the Remuneration Committee; and
- Des Gordon has been appointed as the chairman of the Social and Ethics Committee.

Company secretary

Hluke Mthombeni CA(SA)

Registered address

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Transfer secretaries

JSE Investor Services Proprietary Limited
13th Floor, 19 Ameshoff Street, Braamfontein, 2001

Sponsor

Java Capital Trustees and Sponsors Proprietary Limited
6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196

Debt sponsor

Rand Merchant Bank
(a division of FirstRand Bank Limited)
1 Merchant Place, corner of Fredman Drive and Rivonia Road, Sandton, 2196

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purple.frog

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