



UNAUDITED CONSOLIDATED
INTERIM RESULTS
for the six months ended 30 June 2023
and changes to the Board

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 malls 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 growth fundamentals. Resilient generally has the dominant offering in its target markets with strong grocery and flagship fashion offerings.

DISTRIBUTABLE EARNINGS AND DIVIDEND DECLARED

The Board has declared a dividend of 203,22 cents per share for the six months ended June 2023. This interim dividend is in line with the dividend of 203,98 cents per share for 2H2022 but below the 234,05 cents per share for 1H2022. The main reasons for the decline in distributable earnings are higher interest rates as well as lower distributions from investee companies.

It is Resilient's policy to acquire interest rate caps "at market". Distributable earnings were negatively impacted where long-standing interest rate caps did not provide full protection. Interest rates have increased by 475 basis points since January 2022. All but one interest rate cap are currently providing protection against the higher interest rates.

Hammerson did not declare a dividend in respect of 2H2022 and its dividend in respect of 1H2023 was based on a payout ratio of 65% of its adjusted earnings. This is below industry best practice of at least 85% and impacted Resilient's distribution on its holding as well as through its investment in Lighthouse.

COMMENTARY ON RESULTS

South Africa

This interim period has been characterised by continued loadshedding and the acceleration of initiatives to deal with this challenge. Resilient continues to emphasise keeping malls and tenants open for trade through periods of loadshedding. Growth in comparable sales has improved from the 2,9% reported for the four months to April to 3,6% for the six months ended June 2023. Foot traffic during this interim period increased by 6,3%. On a rolling 12-month basis, comparable sales increased by 6,4% till June 2023.

The comparable sales growth per province is set out below.

Province	Six months ended		South African properties by value
	Jun 2023 vs Jun 2019	Jun 2023 vs Jun 2022	
	%	%	%
Northern Cape	23,6	6,7	6,2
Eastern Cape	38,0	6,5	3,5
Mpumalanga	14,2	5,3	13,7
Gauteng	15,4	4,2	24,1
Limpopo	24,4	3,4	29,5
KwaZulu-Natal	29,5	1,6	17,2
North West	6,1	0,1	5,8

Sales growth for KwaZulu-Natal was off the higher base in the previous comparable period while damaged competing malls were still under repair. In North West, the main road past Mahikeng Mall is currently under reconstruction which is negatively affecting access and trade. Construction on the extension to Mahikeng Mall has commenced which may be disruptive until completion.

The South African property portfolio recorded comparable net property income ("NPI") growth of 5,8% for the reporting period. NPI was impacted by Resilient's *pro rata* share of the unrecoverable cost of diesel and generator servicing costs of R9,1 million and R2,2 million, respectively (1H2022: R1,4 million and R0,5 million, respectively).

Tenants remaining in occupation renewed expiring leases at rentals on average 5,1% higher than under the expired leases. Leases concluded with new tenants were on average 30,8% higher than the rentals of the outgoing tenants. In total, rentals for renewals and new leases increased on average by 9,6%.

Property acquisitions and developments

Resilient will not proceed with the acquisition of an additional 30% interest in Secunda Mall as the parties could not agree on the terms.

Construction of the new 9 000m² development, "The Village" in Klerksdorp, has commenced. The development is anchored by Checkers and Clicks and is scheduled to open in June 2024.

All the required regulatory approvals for the 13 500m² extension to Mahikeng Mall were obtained and construction has commenced. The extension will accommodate a new Checkers, Dis-Chem and various new retail offerings and will also support the right-sizing of existing tenants in line with demand. The development will solidify the mall's position as the dominant retail offering in Mahikeng and is anticipated to be completed by April 2024. Significant progress has been made in achieving regulatory approval for the extensions to Irene Village Mall, Tubatse Crossing and Tzaneen Lifestyle Centre.

During the period, a new 3 500m² Checkers was opened in The Grove Mall and has significantly enhanced foot traffic and sales at the mall. Dis-Chem and Food Lover's Market opened in Kathu Village Mall in July and August, respectively. Dis-Chem also opened in I'langa Mall, Tubatse Crossing and Diamond Pavilion.

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 1,9% at June 2023. This includes vacancies created to facilitate the introduction of new tenants at Tzaneng Mall and Jabulani Mall.

France

Resilient owns a 40% interest in Retail Property Investments SAS ("RPI") in partnership with Lighthouse. RPI is the owner of four regional malls in France.

France has been negatively affected by tenant failures and receiverships accelerated by the state ceasing its COVID-19 related financial support. A number of national tenants did not recover from COVID-19. Most of these businesses had private equity capital structures. Administrative procedures in France are challenging resulting in delays of up to 12 months to recover the space from failing tenants. Good progress has been made with reletting this space to international retailers. The full year impact of the tenant failures and administrative delays is forecast to be approximately EUR0,5 million (Resilient's share) for 2023.

The acquisition of the land immediately surrounding Rivetoile has been finalised. This land will facilitate the expansion of the ground floor and improve the access and flow of the mall. The project is scheduled to commence in 3Q2023 with completion in 2Q2024.

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. All three malls in the portfolio are fully let.

Following the elections, a new President took office and substantial economic changes, including the abolition of a petrol subsidy and the parallel exchange rate, were introduced. These changes have had a significant negative impact on the Nigerian economy and exchange rates. As a result, the Board requested an updated valuation. This valuation, performed by CBRE Excellerate, resulted in a devaluation of the assets by USD12,9 million (Resilient's share).

DIRECTORS' COMMENTARY continued

Resilient Africa has received notice that the USD45 million facility expiring in March 2024 that has no recourse to Resilient's South African balance sheet, will not be renewed. Resilient Africa is investigating alternative sources of funding.

The Nigerian investment contributes 41 cents to Resilient's net asset value of R62,81 per share at June 2023.

LISTED PORTFOLIO

Counter	Jun 2023		Dec 2022	
	Number of shares	Fair value R'000	Number of shares	Fair value R'000
Lighthouse Properties (LTE)	549 874 355	3 596 178	523 610 673	3 560 553
Hammerson (HMSO/HMN)	141 700 000	846 772	197 927 768	971 682
		4 442 950		4 532 235

While Hammerson's results were well received by the market, the Board's priority remains focused on Resilient's energy initiatives and funding its capital commitments while retaining conservative leverage.

Resilient's 200 268 486 Hammerson shares had an average cost of R3,73 per share. During the reporting period, 58 568 486 Hammerson shares were sold at an average price of R6,08 per share raising proceeds of R356 million. A further 103 863 163 Hammerson shares were sold for R626 million (average price of R6,03 per share) after the reporting period.

The increase in the number of shares held in Lighthouse follows Resilient's election to receive scrip dividends in April 2023. Resilient currently owns 30,9% of Lighthouse and accounts for its investment using the equity method.

ENERGY PROJECTS

Since the first solar installation at The Grove Mall in 2016, the Board has been concerned about the substantial challenges in the cost and supply of electricity. Resilient has been an industry leader in solar and battery installations and has been proactive in ensuring uninterrupted trading during periods of loadshedding. In partnership with its tenants, Resilient has installed 167 in-store battery systems to date. In addition, several tenants have been connected to reliable backup generators.

The local authorities have been slow in implementing the amended regulations relating to solar installations announced by the President. Approvals have, however, recently been received from the Mbombela Local Authority to expand the solar installation at I'langa Mall from 1,37MWp to 4,37MWp and from the Madibeng Municipality for the increase of the installation at Brits Mall from 1,44MWp to 3,94MWp. Approval has also been received from the National Energy Regulator of South Africa to expand the solar installations at Galleria Mall and Arbour Crossing from 1,45MWp to 5,98MWp and 1,43MWp to 2,98MWp, respectively. Tshwane Municipality continues to delay approvals affecting the planned additional installations at Mams Mall, The Grove Mall and Soshanguve Crossing.

In the current period, the largest rooftop solar installation in South Africa, being the 6,81MWp installation at Boardwalk Inkwazi and the 1,03MWp installation at Tzaneen Crossing were completed. In addition, the installed capacity at Mall of the North and The Crossing Mokopane was expanded from 1,33MWp to 5,23MWp and 1,17MWp to 2,03MWp, respectively. The current installed capacity of 45,8MWp will increase to 59,3MWp by the end of December 2023.

Resilient has trialled different batteries for an extended period to determine the most effective systems for the Group's requirements. The Board has approved the expansion of the battery system at The Grove Mall from 1,35MWh to 6,0MWh and at Irene Village

Mall from 0,75MWh to 4,0MWh. Battery installations for Boardwalk Inkwazi, Mall of the North, Diamond Pavilion, Kathu Village Mall, Highveld Mall and I'langa Mall are being evaluated.

The roll-out of solar installations and batteries is central to Resilient's strategy of managing operating costs which will ensure the competitiveness of its malls and benefit its tenants. Although battery installations are capital-intensive, the benefits are compelling. These benefits include arbitrage, peak-shaving and loadshedding mitigation. Arbitrage includes utilising grid power to charge batteries during low-cost, off-peak periods and discharging this power during high-cost, peak periods. Peak-shaving reduces the demand from the grid during peak periods which also attract the highest rates. Sufficient battery capacity will allow the continued use of solar power during periods of loadshedding.

Solar energy has a substantial positive impact on the achievement of Resilient's ESG. Based on Resilient's *pro rata* ownership, 20,4% of its electricity consumption was produced from solar installations during the month of June 2023. This is on schedule to increase to 27,7% by year-end.

To date, Resilient has invested R564 million in solar and battery installations with a further R463 million approved and included in capital commitments.

FINANCIAL COMMENTARY

Property valuations

Resilient's full property portfolio is subject to an independent external valuation annually at year-end. The South African property portfolio was therefore valued by Quadrant Properties Proprietary Limited ("Quadrant") at December 2022. In addition to the valuation of the Nigerian portfolio by CBRE Excellerate, in order to accommodate minority shareholders, Arbour Crossing, Galleria Mall and Tzaneen Lifestyle Centre were valued by Quadrant at June 2023. Resilient's share of the positive revaluation of these malls was R49,4 million (+2,1%).

Funding, facilities and interest rate derivatives

The Group's policy is not to borrow against listed securities (R4,4 billion at June 2023). The Group has R5,5 billion of unbonded investment property (excluding land) and currently has unsecured funding of R3,7 billion.

Resilient continues to be well supported by both the capital markets and the banks. During FY2023 to date, Resilient has raised R960 million of unsecured funding through its Domestic Medium Term Note Programme and repaid a R275 million note on its expiry in August. A new R750 million five-year facility was accepted from Nedbank at a cost of 3-month JIBAR plus 1,60%.

At the date of this announcement, Resilient has R2,3 billion of undrawn facilities available.

The following facilities are currently in place:

Facility expiry	Amount 'million	Average margin
South Africa		
FY2023	R984	3-month JIBAR+1,87%
FY2024	R3 503	3-month JIBAR+1,66%
FY2025	R3 095	3-month JIBAR+1,79%
FY2026	R3 228	3-month JIBAR+1,79%
FY2027	R780	3-month JIBAR+1,65%
FY2028	R1 250	3-month JIBAR+1,62%
	R12 840	3-month JIBAR+1,74%
Nigeria[#]		
Mar 2024	USD45	3-month SOFR+2,00%
France[#]		
Mar 2027 (including extension option in 2025)	EUR50,4	3-month EURIBOR+3,00%

All facilities represent Resilient's proportionate share.

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

DIRECTORS' COMMENTARY continued

Interest rate derivatives

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 %
FY2024	1 100 000	4,81
FY2025	1 500 000	6,10
FY2026	1 600 000	6,65
FY2027	1 500 000	7,44
FY2028	2 750 000	7,18
	8 450 000	6,63

Interest rate cap expiry	Amount R'000	Average cap rate %
Sep 2023	300 000	7,91
Dec 2023	200 000	7,43
FY2024	400 000	8,37
FY2026	400 000	7,91
FY2027	1 000 000	8,03
FY2029	500 000	7,15
	2 800 000	7,85

The all-in weighted average cost of funding of Resilient was 8,63% at June 2023 and the average hedge term is 3,4 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 2026	USD11 000	1,645*
Mar 2027	EUR50 445	1,00

* Based on the Secured Overnight Financing Rate ("SOFR").

Exposure to variable interest rates	South Africa '000	France '000	Nigeria '000
Interest-bearing borrowings	R11 280 554	R1 010 573	R517 019
Loans to co-owners	(R94 568)		
Tenant loans advanced	(R2)		
Cash and cash equivalents	(R31 442)	(R65 829)	(R19 854)
Capital commitments contracted for	R500 772	R83 658	
Capital commitments approved	R661 790		
	R12 317 104	R1 028 402	R497 165
Exchange rate		20,57	18,82
Exposure	R12 317 104	EUR49 995	USD26 417
Interest rate derivatives – swaps/caps	R11 250 000	EUR50 445	USD11 000
Percentage hedged	91,3% (R)	100,9% (EUR)	41,6% (USD)

Loan-to-value ("LTV") ratio

	South Africa R'000	France R'000	Nigeria R'000	Total R'000
Assets				
Investment property	24 120 397	2 818 432	523 407	27 462 236
Straight-lining of rental revenue adjustment	539 591	2 345	4 276	546 212
Investment property under development	795 027	235 719		1 030 746
Investments (funded in South Africa)	4 442 950			4 442 950
Staff incentive loans	13 165			13 165
Loans to co-owners	94 568		136 068	230 636
Loans advanced	2			2
	30 005 700	3 056 496	663 751	33 725 947
Net debt				
Cash and cash equivalents	(31 442)	(65 829)	(19 854)	(117 125)
Fair value of derivative financial instruments	(441 907)	(80 401)		(522 308)
Interest-bearing borrowings	11 280 554	1 010 573	517 019	12 808 146
	10 807 205	864 343	497 165	12 168 713
LTV ratio	36,0% (R)	28,3% (EUR)*	74,9% (USD)*	36,1% (R)

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

DIRECTORS' COMMENTARY continued

Income hedging

Foreign income expected for 2H2023 is hedged as follows:

	EUR	GBP	USD
2H2023	R19,70	R21,34	R18,20

Repurchase of shares

Resilient acquired 5 526 450 of its shares through the open market at an average cost of R46,46 per share. All the shares repurchased were delisted and reverted to authorised but unissued share capital of the Company.

Summary of financial performance

	Jun 2023	Dec 2022	Jun 2022	Dec 2021
Dividend (cents per share)	203,22	203,98	234,05	226,62
Shares in issue for IFRS	334 334 849	340 575 147	347 037 531	360 970 213
Shares held in treasury: Resilient Properties	30 156 041	30 156 041	30 156 041	39 156 041
Shares held in treasury: Deferred Share Plan	713 848	–	–	–
Shares in issue	365 204 738	370 731 188	377 193 572	400 126 254
Management accounts information				
Net asset value per share	R62,81	R62,18	R58,23	R64,96*
LTV ratio (%)**	36,1#	34,7	32,1	28,8
Gross property expense ratio (%)	38,1	38,0	35,0	38,1
Percentage of direct and indirect property assets offshore (%)	24,0	23,8	21,3	29,3
IFRS accounting				
Net asset value per share	R59,95	R58,26	R54,16	R56,58

* This net asset value per share includes the 170 554 201 Lighthouse shares Resilient 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.

The LTV ratio is 34,9% taking into account the proceeds of R626 million from the disposal of Hammerson shares since the reporting date.

CHANGES TO THE BOARD

Des de Beer has advised the Board of his intention to formally retire as chief executive officer at the end of 2023. Des will remain on the Board as a non-independent non-executive director thereafter. Johann Kriek has been appointed by the Board as the CEO elect.

With effect from 15 August 2023, Barry Stuhler has been appointed to the Board as a non-independent non-executive director. Barry is well-known to the South African investment market as former CEO of Property Fund Managers Limited, the asset manager of Capital Property Fund, and Pangbourne Properties Limited. Barry brings extensive property experience to the Board. The appointments have been made in accordance with Resilient's Nomination Policy.

PROSPECTS

There are numerous uncertainties in the current economic environment including the cost of electricity (including diesel usage), varying levels of loadshedding, inflation and dividends from investee companies. Based on Resilient's current assumptions, the Board forecasts that the dividend for FY2023 will be approximately R4,00 per share. This is based on the assumptions that there is no further deterioration of the macroeconomic environment, that no major corporate failures will occur and that tenants will be able to absorb the rising utility costs and municipal rates. This forecast and prospects have not been audited, reviewed or reported on by Resilient's auditor.

By order of the Board

Des de Beer
Chief executive officer

Johannesburg
15 August 2023

Monica Muller
Chief financial officer

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited Jun 2023 R'000	Audited Dec 2022 R'000	Unaudited Jun 2022 R'000
ASSETS			
Non-current assets	32 710 090	32 898 594	28 332 664
Investment property	25 952 258	26 185 959	23 006 485
Straight-lining of rental revenue adjustment	578 700	542 156	468 230
Investment property under development	796 516	613 028	360 608
Investment in associates	3 142 963	2 679 486	2 197 244
Investments	–	971 682	918 161
Staff incentive loans	10 150	11 300	13 867
Loans to co-owners	106 430	104 819	107 330
Loans to associate	1 610 830	1 333 073	763 778
Other financial assets	512 243	457 091	496 961
Current assets	1 138 577	337 773	279 969
Investments	846 772	–	–
Staff incentive loans	3 015	5 145	2 443
Loans to associate	–	–	10 692
Trade and other receivables	162 296	146 745	128 330
Other financial assets	2 677	21 275	74 581
Other assets	54 372	48 185	23 016
Cash and cash equivalents	69 445	116 423	40 907
Assets held for sale	–	–	2 196 757
Total assets	33 848 667	33 236 367	30 809 390

	Unaudited Jun 2023 R'000	Audited Dec 2022 R'000	Unaudited Jun 2022 R'000
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	20 044 054	19 841 807	18 795 919
Stated capital	10 501 794	10 660 712	10 846 544
Treasury shares	(2 229 346)	(2 193 878)	(2 193 878)
Foreign currency translation reserve	1 484 436	896 005	610 496
Share-based payments reserve	34 805	24 065	16 198
Retained earnings	10 252 365	10 454 903	9 516 559
Non-controlling interests	(301 738)	(99 974)	(76 814)
Total equity	19 742 316	19 741 833	18 719 105
Total liabilities	14 106 351	13 494 534	12 090 285
Non-current liabilities	8 962 638	9 686 144	7 612 840
Interest-bearing borrowings	8 814 725	9 593 490	7 394 157
Other financial liabilities	44 286	262	7 025
Deferred tax	103 627	92 392	211 658
Current liabilities	5 143 713	3 808 390	3 083 593
Trade and other payables	584 898	564 318	462 241
Other financial liabilities	28 725	1 447	1 128
Other liabilities	36 691	53 688	12 574
Income tax payable	665	25	3 336
Amounts owing to non-controlling shareholders	1 150 716	1 155 625	492 016
Interest-bearing borrowings	3 342 018	2 033 287	2 112 298
Liabilities directly associated with assets classified as held for sale	–	–	1 393 852
Total equity and liabilities	33 848 667	33 236 367	30 809 390

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited for the six months ended Jun 2023 R'000	Audited for the year ended Dec 2022 R'000	Restated* for the six months ended Jun 2022 R'000
Contractual rental revenue and recoveries	1 730 131	3 287 521	1 606 939
Straight-lining of rental revenue adjustment	35 647	110 561	(24 683)
Revenue from direct property operations	1 765 778	3 398 082	1 582 256
Revenue from investments	–	104 593	39 065
Total revenue	1 765 778	3 502 675	1 621 321
Fair value adjustments	(287 785)	1 285 219	352 354
Fair value (loss)/gain on investment property	(414 970)	1 147 835	230 328
Adjustment resulting from straight-lining of rental revenue	(35 647)	(110 561)	24 683
Fair value gain/(loss) on investments	158 831	(11 303)	(231 571)
Fair value (loss)/gain on currency derivatives	(100 509)	60 053	77 624
Fair value gain on interest rate derivatives	104 510	199 195	251 290
Property operating expenses	(621 158)	(1 230 382)	(562 091)
Administrative expenses	(83 312)	(144 778)	(75 292)
Share-based payments – employee incentive scheme	(10 740)	(14 659)	(6 792)
Foreign exchange gain	216 370	141 812	29 441
Profit on distribution of interest in associate to shareholders	–	774 928	774 928
(Impairment)/reversal of impairment of staff incentive loans receivable	(1 910)	166	275
(Impairment)/reversal of impairment of loans receivable	(1 198)	(1 172)	3 474
Share of profit of associates	128 260	281 158	137 416
Profit before net finance costs	1 104 305	4 594 967	2 275 034
Net finance costs	(499 410)	(681 330)	(285 744)
Finance income	54 792	53 560	21 398
Interest received on loans and cash balances	8 611	14 240	6 494
Interest received from associate	46 181	39 320	14 904
Finance costs	(554 202)	(734 890)	(307 142)
Interest on borrowings	(565 842)	(749 794)	(312 831)
Capitalised interest	11 640	14 904	5 689
Profit before income tax	604 895	3 913 637	1 989 290
Income tax	(16 306)	2 700	(111 677)
Profit for the period	588 589	3 916 337	1 877 613

	Unaudited for the six months ended Jun 2023 R'000	Audited for the year ended Dec 2022 R'000	Restated* for the six months ended Jun 2022 R'000
Other comprehensive income/(loss) net of tax			
Items that may subsequently be reclassified to profit or loss			
Exchange differences on translation of foreign operations	381 088	(196 076)	(502 445)
	381 088	(196 076)	(502 445)
Total comprehensive income for the period	969 677	3 720 261	1 375 168
Profit/(loss) for the period attributable to:			
Equity holders of the Company	784 356	3 789 415	1 789 136
Non-controlling interests	(195 767)	126 922	88 477
	588 589	3 916 337	1 877 613
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the Company	1 171 441	3 596 188	1 287 625
Non-controlling interests	(201 764)	124 073	87 543
	969 677	3 720 261	1 375 168
Basic earnings per share (cents)	232,08	1 081,99	499,78
Diluted earnings per share (cents)	231,18	1 077,92	497,94

* Refer to note 5 for disclosure on the restatement.

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 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 <i>in specie</i>	(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
Shares acquired by the Company	(185 832)				(153 945)	(339 777)		(339 777)
Exchange differences realised on distribution of interest in associate to shareholders			(126 670)			(126 670)		(126 670)
Foreign currency translation differences			308 284			308 284	(1 915)	306 369
Profit for the period					2 000 279	2 000 279	38 445	2 038 724
Share-based payments – employee incentive scheme				7 867		7 867		7 867
Dividends paid					(804 095)	(804 095)	(59 690)	(863 785)
Transfer to foreign currency translation reserve			103 895		(103 895)	–		–
Balance at Dec 2022	10 660 712	(2 193 878)	896 005	24 065	10 454 903	19 841 807	(99 974)	19 741 833
Shares acquired by the Company	(158 918)				(97 847)	(256 765)		(256 765)
Foreign currency translation differences			387 085			387 085	(5 997)	381 088
Profit/(loss) for the period					784 356	784 356	(195 767)	588 589
Share-based payments – employee incentive scheme		(35 468)		10 740		(24 728)		(24 728)
Dividends paid					(687 701)	(687 701)		(687 701)
Transfer to foreign currency translation reserve			201 346		(201 346)	–		–
Balance at Jun 2023	10 501 794	(2 229 346)	1 484 436	34 805	10 252 365	20 044 054	(301 738)	19 742 316

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited for the six months ended Jun 2023 R'000	Audited for the year ended Dec 2022 R'000	Unaudited for the six months ended Jun 2022 R'000
Operating activities			
Cash generated from operations	1 016 808	1 913 760	958 435
Interest paid	(497 204)	(627 624)	(279 348)
Dividends received	–	214 819	213 521
Dividends paid	(687 701)	(1 621 986)	(817 891)
Income tax paid	(4 431)	(29 257)	(3 357)
Cash (outflow)/inflow from operating activities	(172 528)	(150 288)	71 360
Investing activities			
Development and improvement of investment property	(322 527)	(565 625)	(244 762)
Acquisition of interest in associate	–	(125 601)	–
Loans advanced to associate	(56 630)	(518 986)	–
Associate loans repaid	–	521 334	470 304
Staff incentive loans repaid	1 877	4 553	4 779
Co-owner loans advanced	(2 809)	(3 062)	(927)
Tenant loans repaid	138	2 833	585
Acquisition of investments	(13 750)	(732 630)	–
Proceeds on disposal of investments	356 031	1 472 420	492 866
Interest received	8 104	16 030	7 780
Cash flow on currency derivatives	(3 662)	76 671	48 524
Cash flow on interest rate derivatives	42 273	(69 612)	(56 283)
Cash inflow from investing activities	9 045	78 325	722 866
Financing activities			
Proceeds from borrowings raised	6 147 830	15 674 830	6 152 344
Repayment of borrowings	(5 734 183)	(14 477 413)	(6 206 198)
Repayment of amounts owing to non-controlling shareholders	(4 909)	(45 275)	(27 829)
Acquisition of treasury shares	(35 468)	–	–
Acquisition of shares by the Company	(256 765)	(1 105 936)	(766 152)
Cash inflow/(outflow) from financing activities	116 505	46 206	(847 835)
Decrease in cash and cash equivalents	(46 978)	(25 757)	(53 609)
Cash and cash equivalents at the beginning of the period	116 423	142 180	142 180
Cash and cash equivalents at the end of the period	69 445	116 423	88 571
Cash and cash equivalents consist of:			
Current accounts	69 445	116 423	88 571

NOTES

1. PREPARATION AND ACCOUNTING POLICIES

The condensed unaudited consolidated interim financial statements have been prepared in accordance with the requirements of the JSE Listings Requirements and the Debt Listings Requirements for interim results and the requirements of the Companies Act of South Africa, 71 of 2008.

The JSE Listings Requirements require interim results to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain 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 comparative information included in the statement of comprehensive income in respect of the June 2022 financial period has been restated in terms of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*. Refer to note 5 for the disclosure on this restatement.

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 pages 3 and 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 application of the valuation technique. Refer to note 4 for disclosure of significant unobservable inputs applied during the valuation of investment property and the sensitivity analysis performed on these inputs.

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.

In 2022, Resilient introduced a Single Incentive Plan (“SIP”) to replace the previous Conditional Share Plan. The SIP incorporates a Deferred Share Plan (“DSP”) in which shares are awarded to participants based on predetermined performance criteria. Shares awarded under the DSP are acquired once awarded and are held in escrow until the vesting conditions are satisfied. In April 2023, the first award was granted under the SIP resulting in the acquisition of 713 848 Resilient shares at a cost of R35,5 million. The deferred share award is classified as an equity-settled share-based payment and, as the shares are not issued unencumbered, the shares are not deemed to be issued to the participants until the vesting conditions are satisfied. The shares are therefore recognised as treasury shares when acquired.

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 2023, not arising in the normal course of business, which are likely to have a material effect on the financial information contained in this report.

NOTES continued

2. SEGMENTAL ANALYSIS

	Unaudited for the six months ended Jun 2023 R'000	Audited for the year ended Dec 2022 R'000	Restated for the six months ended Jun 2022 R'000
Total assets			
Retail: South Africa	26 486 096	26 163 141	24 852 893
Retail: France	2 113 704	1 788 043	967 731
Retail: Nigeria	1 065 313	1 407 513	–
Corporate: South Africa*	4 154 007	3 835 582	3 635 009
Corporate: Nigeria	29 547	42 088	–
Discontinued operations**	–	–	1 353 757
	33 848 667	33 236 367	30 809 390
Total liabilities			
Retail: South Africa	479 766	472 954	372 247
Retail: Nigeria	67 932	61 573	–
Corporate: South Africa	12 065 279	11 548 043	10 324 186
Corporate: Nigeria	1 493 374	1 411 964	–
Discontinued operations**	–	–	1 393 852
	14 106 351	13 494 534	12 090 285
Total revenue			
<i>Revenue from direct property operations</i>			
Retail: South Africa	1 657 922	3 214 650	1 497 530
Retail: Nigeria	107 856	183 432	84 726
<i>Revenue from investments</i>			
Corporate: South Africa*	–	104 593	39 065
	1 765 778	3 502 675	1 621 321
Profit for the period			
Retail: South Africa	1 116 604	3 007 038	1 151 661
Retail: France	35 871	170 406	(27 397)
Retail: Nigeria	(426 547)	192 876	123 515
Corporate: South Africa*	(109 177)	620 335	672 656
Corporate: Nigeria	(28 162)	(74 318)	(42 822)
	588 589	3 916 337	1 877 613

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

** At June 2022, Resilient's operations in Nigeria were classified as discontinued operations. In the six-month period ended December 2022, these operations were no longer classified as discontinued operations and the prior period financial information was reclassified into the respective lines in the statement of comprehensive income in terms of the principles of consolidation. The comparative information for the six-month period ended June 2022 in respect of the statement of financial position continues to reflect assets held for sale and liabilities associated with assets held for sale in line with IFRS 5.

3. RECONCILIATION OF EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS TO HEADLINE EARNINGS

	Unaudited for the six months ended Jun 2023 R'000	Audited for the year ended Dec 2022 R'000	Unaudited for the six months ended Jun 2022 R'000
Earnings attributable to equity holders	784 356	3 789 415	1 789 136
Adjusted for:	148 870	(1 910 781)	(981 987)
– fair value loss/(gain) on investment property	228 540	(971 774)	(186 914)
– exchange differences realised on distribution of interest in associate to shareholders	–	(126 670)	–
– profit on distribution of interest in associate to shareholders	–	(774 928)	(774 928)
– share of equity-accounted investments' separately identifiable remeasurements	(79 670)	(37 409)	(20 145)
Headline earnings	933 226	1 878 634	807 149
Headline earnings per share (cents)	276,13	536,41	225,47
Diluted headline earnings per share (cents)	275,06	534,39	224,64

	Number of shares for the six months ended Jun 2023	Number of shares for the year ended Dec 2022	Number of shares for the six months ended Jun 2022
Reconciliation of weighted average number of shares in issue during the period			
Weighted average number of shares	337 967 893	350 225 541	357 984 240
Adjustment for dilutive potential of share grants in terms of the Conditional Share Plan	1 317 934	1 323 307	1 323 307
Weighted average number of shares for diluted earnings and diluted headline earnings per share	339 285 827	351 548 848	359 307 547

NOTES continued

4. VALUATION OF INVESTMENT PROPERTY

At the reporting date, the key assumptions and unobservable inputs used in determining the fair value of investment property were in the following ranges:

Description	Discount rate range %	Exit capitalisation rate range %	Weighted average exit capitalisation rate %	Vacancy rate range %	Rental growth rate range %
Jun 2023					
SA investment properties	13,5 – 14,25	8,50 – 9,25	8,71	0,10 – 5,00	4,69 – 7,21
Nigerian investment properties	14,00	10,00 – 10,50	10,12	–	(15%) – 2,5%
Dec 2022					
SA investment properties	13,5 – 14,25	8,50 – 9,25	8,46	0,10 – 5,00	4,69 – 7,21
Nigerian investment properties	14,00	10,00 – 10,50	9,50	–	4,5

Sensitivity of significant unobservable inputs

Description	Change in discount rate		Change in exit capitalisation rate		Change in vacancy rate		Change in rental growth rate		
	Decrease of 50bps	Increase of 50bps	Decrease of 50bps	Increase of 50bps	Decrease of 100bps	Increase of 100bps	Decrease of 25bps	Increase of 25bps	
	Valuation R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Jun 2023									
SA portfolio	26 283 761	273 704	(701 826)	2 187 443	(2 099 903)	295 188	(746 283)	(581 260)	131 072
Nigerian portfolio	1 034 415	16 617	(16 240)	28 811	(26 140)	–	(2 485)	(6 154)	6 154
Dec 2022									
SA portfolio	25 349 913	272 277	(700 434)	2 180 424	(2 094 145)	286 312	(723 844)	(563 783)	127 131
Nigerian portfolio	1 378 202	24 126	(23 547)	44 285	(40 097)	–	(2 929)	(8 479)	8 530

Sensitivity of significant unobservable inputs – June 2022

At June 2022, the range of capitalisation rates/first year forward yields was between 8,0% and 11,5% with the weighted average yield of the property portfolio being 8,3%.

A total of R89,2 million of capital expenditure still to be incurred was deducted from the value of assets in determining its fair value.

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 would decrease the value of investment property, including those disclosed as held for sale, by R751,6 million.
- A 25 basis points decrease in the capitalisation rate/first year forward yield would increase the value of investment property, including those disclosed as held for sale, by R798,4 million.

A 1% increase in the structural vacancy for a full year would decrease the value of investment property by R165,9 million.

5. RESTATEMENT OF FINANCIAL STATEMENTS
Discontinued operations and assets held for sale

In the June 2021 reporting period, the Nigerian operations were classified as a discontinued operation and disclosed as such in the annual financial statements. While the shareholders of Resilient Africa have resolved to dispose of the Nigerian operations and will continue to market their combined interests in Resilient Africa, management has not, however, been successful in identifying a prospective purchaser for the Nigerian operations. At December 2022, as more than a year had passed since the Nigerian operations were classified as held for sale, and the timing of the disposal and ability to identify a buyer within the next 12 months remained uncertain, these operations were reclassified into the respective lines within the statement of comprehensive income in terms of the principles of consolidation. Management exercised judgement in making the decision to reclassify the Nigerian operations. In terms of IFRS 5, the comparative period in the statement of comprehensive income was restated to consolidate Resilient Africa into its respective line items. The comparative information at December 2021 was restated in the December 2022 annual financial statements. Accordingly, in the preparation of these interim financial statements, the comparative financial information presented in the statement of comprehensive income for the six months ended June 2022 is therefore also restated.

The restatement has no effect on the statement of cash flows. Earnings per share and headline earnings per share were previously disaggregated between continuing operations and discontinued operations. As Resilient no longer has discontinued operations, this disaggregation is no longer performed.

6. LEASE EXPIRY PROFILE

South Africa	Rentable area %	Contractual rental revenue %
Vacant	1,9	
Dec 2023	20,1	21,9
Dec 2024	17,6	19,6
Dec 2025	12,0	12,8
Dec 2026	14,7	15,9
Dec 2027	14,6	14,7
> Dec 2027	19,1	15,1

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 as follows 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.

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

ADJUSTMENTS TO THE PRO FORMA FINANCIAL INFORMATION

Adjustment 1

In order to enhance disclosure, the fair value loss 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

All entries recorded to account for the investment in Lighthouse using the equity method are reversed. The investment is reflected at its fair value by multiplying the 549 874 355 shares held by the quoted closing price of R6,54 at 30 June 2023. 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 (Resilient Africa and the indirect investments in Arbour Crossing, Galleria Mall and Mahikeng Mall) previously consolidated. It uses the management accounts for the six months ended 30 June 2023 of Resilient Africa, Resilient Africa Managers, Arbour Town and Southern Palace Investments 19 to reverse the non-controlling interests to reflect the Group’s proportionate interest in the assets, liabilities and results of operations from these investments.

Adjustment 5

Resilient owns a 40% interest in RPI which owns four malls 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 5 reverses the entries recorded to account for the investment in terms of IFRS and proportionately consolidates RPI to reflect the Group’s proportionate interest in the assets, liabilities and results of operations from this investment.

The financial information used in preparing adjustments 2, 4 and 5 has been extracted from the management accounts of the respective entities that have been used in the preparation of Resilient’s condensed unaudited consolidated financial statements for the six months ended 30 June 2023. The Board is satisfied with the accuracy of these management accounts.

PRO FORMA FINANCIAL INFORMATION continued

(Management accounts)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	IFRS Jun 2023* R'000	Adjustment 1 Component disclosure Jun 2023 R'000	Adjustment 2 Deconsolidation of The Resilient Empowerment Trust Jun 2023 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse Jun 2023 R'000	Adjustment 4 Proportionate consolidation of partially- owned subsidiaries Jun 2023 R'000	Adjustment 5 Proportionate consolidation of French investment Jun 2023 R'000	Pro forma financial information (management accounts) Jun 2023 R'000
ASSETS							
Non-current assets	32 710 090	-	-	956 089	(1 220 570)	1 023 193	33 468 802
Investment property	25 952 258				(1 308 454)	2 818 432	27 462 236
Straight-lining of rental revenue adjustment	578 700				(34 833)	2 345	546 212
Investment property under development	796 516				(1 489)	235 719	1 030 746
Investment in associates	3 142 963			(2 640 089)		(502 874)	-
Investments	-			3 596 178			3 596 178
Staff incentive loans	10 150						10 150
Loans to co-owners	106 430				124 206		230 636
Loans to associate	1 610 830					(1 610 830)	-
Other financial assets	512 243	(512 243)					-
Fair value of interest rate derivatives		512 243				80 401	592 644
Current assets	1 138 577	-	(129)	-	(31 693)	209 759	1 316 514
Investments	846 772						846 772
Staff incentive loans	3 015						3 015
Trade and other receivables	162 296		(128)		(13 514)	98 710	247 364
Other financial assets	2 677	(2 677)					-
Fair value of interest rate derivatives		2 675					2 675
Loans advanced		2					2
Other assets	54 372				(31)	45 220	99 561
Cash and cash equivalents	69 445		(1)		(18 148)	65 829	117 125
Total assets	33 848 667	-	(129)	956 089	(1 252 263)	1 232 952	34 785 316

* Extracted without modification from Resilient's condensed consolidated statement of financial position at June 2023.

PRO FORMA FINANCIAL INFORMATION continued

(Management accounts)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

	IFRS Jun 2023* R'000	Adjustment 1 Component disclosure Jun 2023 R'000	Adjustment 2 Deconsolidation of The Resilient Empowerment Trust Jun 2023 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse Jun 2023 R'000	Adjustment 4 Proportionate consolidation of partially- owned subsidiaries Jun 2023 R'000	Adjustment 5 Proportionate consolidation of French investment Jun 2023 R'000	Pro forma financial information (management accounts) Jun 2023 R'000
EQUITY AND LIABILITIES							
Total equity attributable to equity holders	20 044 054	–	(101)	956 089	–	–	21 000 042
Stated capital	10 501 794						10 501 794
Treasury shares	(2 229 346)						(2 229 346)
Foreign currency translation reserve	1 484 436			(733 814)			750 622
Share-based payments reserve	34 805						34 805
Retained earnings	10 252 365		(101)	1 689 903			11 942 167
Non-controlling interests	(301 738)				301 738		–
Total equity	19 742 316	–	(101)	956 089	301 738	–	21 000 042
Total liabilities	14 106 351	–	(28)	–	(1 554 001)	1 232 952	13 785 274
Non-current liabilities	8 962 638	–	–	–	(346 380)	963 480	9 579 738
Interest-bearing borrowings	8 814 725				(346 380)	963 480	9 431 825
Other financial liabilities	44 286	(44 286)					–
Fair value of interest rate derivatives		1 544					1 544
Fair value of currency derivatives		42 742					42 742
Deferred tax	103 627						103 627
Current liabilities	5 143 713	–	(28)	–	(1 207 621)	269 472	4 205 536
Trade and other payables	584 898		(28)		(33 676)	194 753	745 947
Other financial liabilities	28 725	(28 725)					–
Fair value of currency derivatives		28 725					28 725
Other liabilities	36 691				(10 394)	27 626	53 923
Income tax payable	665				(45)		620
Amounts owing to non-controlling shareholders	1 150 716				(1 150 716)		–
Interest-bearing borrowings	3 342 018				(12 790)	47 093	3 376 321
Total equity and liabilities	33 848 667	–	(129)	956 089	(1 252 263)	1 232 952	34 785 316
Net asset value per share (R)[*]	59,95						62,81
Diluted net asset value per share (R)^{**}	59,59						62,43

* Extracted without modification from Resilient's condensed consolidated statement of financial position at June 2023.

This also represents the net tangible asset value per share and is based on 334 334 849 shares in issue at the reporting date.

** This also represents the diluted net tangible asset value per share and is based on 336 366 631 shares in issue after taking into account the dilutive potential of 1 317 934 shares granted under the Conditional Share Plan and the 713 848 shares granted under the DSP.

PRO FORMA FINANCIAL INFORMATION continued

(Management accounts)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	IFRS for the six months ended Jun 2023* R'000	Adjustment 1 Component disclosure for the six months ended Jun 2023 R'000	Adjustment 2 Deconsolidation of The Resilient Empowerment Trust for the six months ended Jun 2023 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse for the six months ended Jun 2023 R'000	Adjustment 4 Proportionate consolidation of partially- owned subsidiaries for the six months ended Jun 2023 R'000	Adjustment 5 Proportionate consolidation of French investment for the six months ended Jun 2023 R'000	Pro forma financial information (management accounts) for the six months ended Jun 2023 R'000
Contractual rental revenue and recoveries	1 730 131				(110 105)	174 258	1 794 284
Straight-lining of rental revenue adjustment	35 647				2 495		38 142
Revenue from direct property operations	1 765 778	-	-	-	(107 610)	174 258	1 832 426
Revenue from investments	-			177 280			177 280
Realised loss on forward exchange contracts		(3 662)					(3 662)
Total revenue	1 765 778	(3 662)	-	177 280	(107 610)	174 258	2 006 044
Fair value adjustments	(287 785)	(31 891)	-	(418 658)	218 810	(241)	(519 765)
Fair value loss on investment property	(414 970)				221 305		(193 665)
Adjustment resulting from straight-lining of rental revenue	(35 647)				(2 495)		(38 142)
Fair value gain/(loss) on investments	158 831			(418 658)			(259 827)
Fair value loss on currency derivatives	(100 509)	100 509					-
Unrealised loss		(96 847)					(96 847)
Fair value gain on interest rate derivatives	104 510	(104 510)					-
Unrealised gain		68 957				(241)	68 716
Property operating expenses	(621 158)				49 402	(111 950)	(683 706)
Administrative expenses	(83 312)		99		4 019	(3 541)	(82 735)
Share-based payment – employee incentive scheme	(10 740)						(10 740)
Foreign exchange gain	216 370				(12 275)		204 095
Impairment of staff incentive loans receivable	(1 910)						(1 910)
Impairment of loans receivable	(1 198)						(1 198)
Amortisation of interest rate cap premiums		(6 720)				(2 777)	(9 497)
Share of profit of associate	128 260			(138 570)		10 310	-
Profit before net finance costs	1 104 305	(42 273)	99	(379 948)	152 346	66 059	900 588

* Extracted without modification from Resilient's condensed consolidated statement of comprehensive income for the six months ended June 2023.

PRO FORMA FINANCIAL INFORMATION continued

(Management accounts)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

continued

	IFRS for the six months ended Jun 2023* R'000	Adjustment 1 Component disclosure for the six months ended Jun 2023 R'000	Adjustment 2 Deconsolidation of The Resilient Empowerment Trust for the six months ended Jun 2023 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse for the six months ended Jun 2023 R'000	Adjustment 4 Proportionate consolidation of partially- owned subsidiaries for the six months ended Jun 2023 R'000	Adjustment 5 Proportionate consolidation of French investment for the six months ended Jun 2023 R'000	Pro forma financial information (management accounts) for the six months ended Jun 2023 R'000
Net finance costs	(499 410)	42 273	–	–	41 729	(66 059)	(481 467)
Finance income	54 792	49 038	–	–	5 459	(46 181)	63 108
Interest received on loans and cash balances	8 611				5 459		14 070
Interest received on interest rate derivatives		49 038					49 038
Interest received from associate	46 181					(46 181)	–
Finance costs	(554 202)	(6 765)	–	–	36 270	(19 878)	(544 575)
Interest on borrowings	(565 842)				36 328	(19 878)	(549 392)
Interest paid on interest rate derivatives		(6 765)					(6 765)
Capitalised interest	11 640				(58)		11 582
Profit before income tax	604 895	–	99	(379 948)	194 075	–	419 121
Income tax	(16 306)				1 692		(14 614)
Profit for the period	588 589	–	99	(379 948)	195 767	–	404 507
Profit/(loss) for the period attributable to:							
Equity holders of the Company	784 356		99	(379 948)			404 507
Non-controlling interests	(195 767)				195 767		–
	588 589	–	99	(379 948)	195 767	–	404 507
Basic earnings per share (cents)**	232,08						119,69
Diluted earnings per share (cents)**	231,18						119,22
Headline earnings per share (cents)**	276,13						188,28
Diluted headline earnings per share (cents)**	275,06						187,55

* Extracted without modification from Resilient's condensed consolidated statement of comprehensive income for the six months ended June 2023.

** These ratios are based on the weighted average number of shares in issue reflected on page 19.

DIVIDEND
CALCULATION

	Pro forma financial information (management accounts) for the six months ended Jun 2023 R'000	Pro forma financial information (management accounts) for the year ended Dec 2022 R'000	Pro forma financial information (management accounts) for the six months ended Jun 2022 R'000
Contractual rental revenue and recoveries	1 794 284	3 306 063	1 593 811
Revenue from investments	177 280 [#]	412 131	213 521
Realised (loss)/gain on forward exchange contracts	(3 662) [#]	76 671	48 524
Property operating expenses	(683 706)	(1 256 931)	(558 558)
Administrative expenses	(82 735)	(142 532)	(72 729)
Share-based payments – employee incentive scheme	(10 740)	(14 659)	(6 792)
Amortisation of interest rate cap premiums	(9 497)	(16 690)	(7 651)
Interest received on loans and cash balances	14 070	23 988	11 244
Interest received on interest rate derivatives	49 038	12 653	–
Interest on borrowings	(549 392)	(712 516)	(293 010)
Interest paid on interest rate derivatives	(6 765)	(82 265)	(56 283)
Capitalised interest	11 582	14 733	5 633
Antecedent dividend	(6 123)	(37 676)	(25 459)
Dividends accrued	(11 074) [#]	(94 886)	(47 083)
Income hedging adjustment of Nigerian and French performance	(1 674)	10 716	7 073
Distributable earnings	680 886	1 498 800	812 241
Interim dividend	(680 886) [*]	(804 095)	(812 241)
Final dividend		(694 705)	
	–	–	–

* Shares in issue eligible for dividend (inclusive of DSP shares): 335 048 697.

[#] 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 declared	Forward exchange rate R	Amount R'000
Hammerson	196 047 856	0,612 GBP pence	21,02	25 220
Lighthouse	533 970 236	1,35 EUR cents	19,05	137 324
				162 544



SA REIT FUNDS FROM OPERATIONS (“SA REIT FFO”) PER SHARE

	for the six months ended Jun 2023 R'000	for the year ended Dec 2022 R'000	for the six months ended Jun 2022 R'000
Profit for the period attributable to equity holders of the Company	784 356	3 789 415	1 789 136
Adjusted for:			
Accounting-specific adjustments	259 408	(1 245 244)	54 845
Fair value loss/(gain) on investment property	450 617	(1 037 274)	(255 011)
Fair value (gain)/loss on investments	(158 831)	11 303	231 571
Impairment/(reversal of impairment) of staff incentive loans receivable	1 910	(166)	(275)
Impairment/(reversal of impairment) of loans receivable	1 198	1 172	(3 474)
Straight-lining of rental revenue adjustment	(35 647)	(110 561)	24 683
Deferred tax	11 235	(14 832)	104 434
Dividends accrued	(11 074)	(94 886)	(47 083)
Foreign exchange and hedging items	(190 154)	(397 059)	(365 951)
Fair value gain on interest rate derivatives	(68 957)	(282 581)	(314 483)
Fair value loss/(gain) on currency derivatives	95 173	27 334	(22 027)
Foreign exchange gain	(216 370)	(141 812)	(29 441)
Other adjustments	(166 700)	163 336	133 677
Tax impact of the above adjustments	5 071	12 132	7 243
Share of loss of associate adjusted for dividends received	38 951	62 737	59 420
Non-controlling interests in respect of the above adjustments	(210 722)	88 467	67 014
SA REIT FFO	686 910	2 310 448	1 611 707
Shares in issue (net of treasury shares)			
– Interim (inclusive of Deferred Share Plan shares)	335 048 697	347 037 531	347 037 531
– Final		340 575 147	
SA REIT FFO per share (cents)	205,02	669,58	464,42
– Interim	205,02	464,42	464,42
– Final		205,16	
Company-specific adjustments	(6 024)	(811 648)	(799 466)
Antecedent dividend	(6 123)	(37 676)	(25 459)
Profit on distribution of interest in associate to shareholders	–	(774 928)	(774 928)
Effect of consolidating The Resilient Empowerment Trust	99	956	921
Distributable income	680 886	1 498 800	812 241
Dividend per share (cents)	203,22	438,03	234,05
– Interim	203,22	234,05	234,05
– Final		203,98	

SA REIT NET ASSET VALUE (“SA REIT NAV”)

	Jun 2023 R'000	Dec 2022 R'000	Jun 2022 R'000
Reported NAV attributable to the Parent (IFRS)	20 044 054	19 841 807	18 795 919
<i>Adjustments:</i>	(1 019 166)	(1 078 830)	(1 161 584)
Dividend declared	(680 886)	(694 705)	(812 241)
Fair value of derivative financial instruments	(441 907)	(476 517)	(561 001)
Deferred tax	103 627	92 392	211 658
SA REIT NAV	19 024 888	18 762 977	17 634 335
<i>Shares outstanding:</i>			
Shares in issue (net of treasury shares)	334 334 849	340 575 147	347 037 531
Effect of dilutive instruments:	2 031 782	1 323 307	1 323 307
– Shares granted under the Conditional Share Plan	1 317 934	1 323 307	1 323 307
– Shares granted under the Deferred Share Plan	713 848	–	–
Dilutive number of shares in issue	336 366 631	341 898 454	348 360 838
SA REIT NAV per share	R56,56	R54,88	R50,62

SA REIT COST-TO-INCOME RATIO

	for the six months ended Jun 2023 R'000	for the year ended Dec 2022 R'000	for the six months ended Jun 2022 R'000
Operating costs	704 470	1 375 160	637 383
Operating expenses per IFRS income statement (includes municipal expenses)	621 158	1 230 382	562 091
Administrative expenses per IFRS income statement	83 312	144 778	75 292
Gross rental income	1 730 131	3 287 521	1 606 939
Contractual income per IFRS income statement (excluding straight-lining)	1 279 231	2 428 723	1 190 348
Utility and operating recoveries per IFRS income statement	450 900	858 798	416 591
SA REIT cost-to-income ratio	40,7%	41,8%	39,7%

SA REIT RATIOS continued

SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO

	for the six months ended Jun 2023 R'000	for the year ended Dec 2022 R'000	for the six months ended Jun 2022 R'000
Administrative expenses per IFRS income statement	83 312	144 778	75 292
Gross rental income	1 730 131	3 287 521	1 606 939
SA REIT administrative cost-to-income ratio	4,8%	4,4%	4,7%

SA REIT COST OF DEBT

	Jun 2023 %	Dec 2022 %	Jun 2022 %
Cost of debt – ZAR			
<i>Variable interest rate borrowings</i>			
Floating reference rate plus weighted average margin	9,80	8,45	6,37
Preadjusted weighted average cost of debt	9,80	8,45	6,37
<i>Adjustments:</i>			
Impact of interest rate derivatives	(1,28)	(0,23)	0,94
Amortised transaction costs imputed in the effective interest rate	0,11	0,12	0,13
All-in weighted average cost of debt	8,63	8,34	7,44
Cost of debt – USD			
<i>Variable interest rate borrowings</i>			
Floating reference rate plus weighted average margin	11,58	10,89	7,67
Preadjusted weighted average cost of debt	11,58	10,89	7,67
<i>Adjustments:</i>			
Amortised transaction costs imputed in the effective interest rate	0,16	0,17	0,26
All-in weighted average cost of debt	11,74	11,06	7,93

SA REIT LTV

	Jun 2023 R'000	Dec 2022 R'000	Jun 2022 R'000
Total gross debt	12 156 743	11 626 777	10 240 767
<i>Less:</i>			
Total cash and cash equivalents	(69 445)	(116 423)	(88 571)
<i>Add:</i>			
Derivative financial instruments	(441 907)	(476 517)	(561 001)
Net debt (IFRS)	11 645 391	11 033 837	9 591 195
Total assets per statement of financial position	33 848 667	33 236 367	30 809 390
<i>Less:</i>			
Cash and cash equivalents	(69 445)	(116 423)	(88 571)
Derivative financial assets	(514 918)	(478 226)	(569 154)
Trade and other receivables	(162 296)	(146 745)	(128 330)
Carrying amount of property-related assets (IFRS)	33 102 008	32 494 973	30 023 335
SA REIT LTV	35,2%	34,0%	31,9

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

	Jun 2023 m ²	Dec 2022 m ²	Jun 2022 m ²
GLA of vacant space	23 338	20 707	18 559
GLA of total property portfolio	1 022 652	1 020 261	911 087
SA REIT GLA vacancy rate*	2,3%	2,0%	2,0%

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

	Jun 2023 m ²	Dec 2022 m ²	Jun 2022 m ²
GLA of vacant space	23 338	20 707	18 883
GLA of total property portfolio	1 022 652	1 020 261	944 876
SA REIT GLA vacancy rate*	2,3%	2,0%	2,0%

* This ratio is based on Resilient's pro rata share of the properties held in South Africa, France and Nigeria.

PAYMENT OF INTERIM DIVIDEND

The Board has approved and notice is hereby given of an interim dividend of 203,22000 cents per share for the six months ended 30 June 2023.

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

Last date to trade <i>cum</i> dividend	Tuesday, 5 September 2023
Shares trade <i>ex</i> dividend	Wednesday, 6 September 2023
Record date	Friday, 8 September 2023
Payment date	Monday, 11 September 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 6 September 2023 and Friday, 8 September 2023, 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, 11 September 2023. Certificated shareholders' dividend payments will be posted on or about Monday, 11 September 2023.

DIVIDEND TAX TREATMENT

In accordance with Resilient's status as a REIT, shareholders are advised that the dividend of 203,22000 cents per share for the six months ended 30 June 2023 ("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 162,57600 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: 365 204 738

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; Johann Kriek*; Dawn Marole;
Monica Muller*; Protas Phili; Thando Sishuba;
Barry van Wyk

* *Executive director*

Company secretary

Hluke Mthombeni CA(SA)

Registered address

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Transfer secretaries

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5th Floor, One Exchange Square, Gwen Lane
Sandown, 2196

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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