RESILIENT REIT LIMITED

CONDESD UNAUDITED INTERIM FINANCIAL STATEMENTS
for the six months ended 31 December 2017

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Employee share scheme of the Resilient Property Fund (‘RESIF’). Resilient reserved
shares at the value of R5.00 each to the Spin-off 360 Bondholders Trust to entitle
them to receive 0.75% of the property in which they have an interest at the
date of its approval by shareholders on 1 October 2014.

CURRENCY DERIVATIVES

Balance sheet hedging

The principal exposure of the Group is from its position in foreign currency
exposure as a result of obtaining finance in currencies other than South
African rand. The Group’s exposure is hedged in part through the use of
forward foreign currency exchange contracts.

Incomes foreign currency in hedge to its following policy:

1. hedge 65% of the income proportionate to be received in 2017 and 2018.
2. hedge 90% of the income proportionate to be received in 2019 and 2020.
3. hedge 50% of the income proportionate to be received in 2021 and 2022.

In the case of forward foreign currency exchange contracts, the hedges are
designed to achieve a 60% to 65% hedge ratio.

PROSPECTS

The REIT has a strong balance sheet and reserves, which include the
funds raised to its current access facilities which has resulted in it placing
funds on cash and cash equivalents of R4 272 613, which is expected to
be placed on non-interest-bearing deposits in the coming months.

RESILIENT REIT LIMITED

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for the six months ended 31 December 2017

Gauteng

The final phase of the extension to I’langa Mall was completed marginally ahead
of budget in September 2017. The two external facing store rooms are now
completely completed.

Construction of the enlarged Mezzanine Mall was completed in November 2016. On
completion, the enlarged Mezzanine Mall will comprise a total floor area of
26,000 m², of which 11,400 m² is let to national tenants and 14,600 m²
is let to co-owners.

The Group’s geographic diversification remains significant and
remains at an acceptable level.

The board is comfortable that the forecast dividends to be received from the
current REIT’s interest in the cement is adequate to fund the dividend
transfers due to the Group’s European-based investments, however, European
economies are expected to remain relatively flat and negative impacts
from exchange rate fluctuations expected to continue.

In the period to December 2017, the Group’s operating results suffered from
increased vacancy levels at the properties in the Arbour Square trade park
which has resulted in 1.7% vacancy level at December 2017.

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MANAGEMENT ACCOUNTS
In order to provide a greater level of transparency to investors, the group has chosen not to use financial information from the unaudited interim financial statements published in June 2022. The directors have determined that their focus should be on the latest consolidated financial statements of the group and Resilient. The management accounts have been prepared in accordance with the requirements of the IFRS for the year ended 31 December 2021, however, the presentation, format and information disclosed therein are in compliance with the requirements of IFRS for the year ending 31 December 2022.

The equity investment in Hammerson is recorded at cost less impairment. In the absence of an active market for Hammerson shares, the directors have valued this investment at the quoted closing price of Hammerson shares at December 2021. The directors considered the quoted closing price of Hammerson shares at December 2021 to be a reasonable approximation of the fair value of the equity investment.

The directors have determined that all other investments are categorised as level 1 investments.

The equity share of associates and joint ventures is determinable on an on-going basis. The directors have determined that they can reasonably be expected to receive adequate returns on the investments in these associates and therefore they have been classified in the financial statements as level 1 investments.

The accounting policies applied in the preparation of the condensed interim financial statements are in accordance with the International Accounting Standards and the SAICA Financial Reporting Guides. The group accounts are prepared on the historical cost measurement basis and in accordance with the requirements of IFRS and the Companies Act.

The condensed consolidated financial statements are prepared in accordance with the requirements of the IFRS for the year ending 31 December 2022, however, the presentation, format and information disclosed therein are in compliance with the requirements of IFRS for the year ending 31 December 2021.

The group has adopted the following criteria for determining whether an investment is a level 1, 2 or 3 asset:

Level 1: Active market with significant volume of transactions (e.g. Reuters or Bloomberg).

Level 2: Valuation based on quoted prices for similar assets or liabilities.

Level 3: Valuation based on unobservable inputs (e.g. using assumptions).

The adoption of the new and revised standards became effective during the current reporting period and have had a material impact on the financial statements prepared for the period to 31 December 2021.

The condensed consolidated financial statements as at 31 December 2021 comprise information for the 15 months ended 31 December 2021 and information for the previous 12 months ended 31 December 2020.

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and are presented in accordance with the SAICA Financial Reporting Guides. The consolidated financial statements have been prepared in accordance with the requirements of the IFRS for the year ending 31 December 2022, however, the presentation, format and information disclosed therein are in compliance with the requirements of IFRS for the year ending 31 December 2021.

Principal accounting policies:

1. PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements were prepared in accordance with the requirements of IFRS. The directors have determined that the group is a going concern at the reporting date.

The group has determined that the directors of the subsidiaries are the controlling parties for the purposes of the group's financial statements and that the directors of the group have the final authority over the preparation of the consolidated financial statements.

The adoption of the new and revised standards became effective during the current reporting period and have had a material impact on the financial statements prepared for the period to 31 December 2021.

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and are presented in accordance with the SAICA Financial Reporting Guides. The consolidated financial statements have been prepared in accordance with the requirements of the IFRS for the year ending 31 December 2022, however, the presentation, format and information disclosed therein are in compliance with the requirements of IFRS for the year ending 31 December 2021.