RESILIENT

Preliminary audited summarised consolidated financial statements

for the year ended 30 June 2021

Directors' commentary

Nature of the business

Resilient is a retail-focused Real Estate Investment Trust ("REIT") listed on the JSE Limited. 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 the successful development of new shopping centres and the reconfiguration of existing shopping centres to adapt to changing market demands. Resilient also invests directly and indirectly in offshore property assets.

Distributable earnings and dividend declared

The Board has declared a final dividend of 226,11 cents per share for 2H2021. Together with the 202,70 cents per share declared for 1H2021, the dividend for FY2021 of 428,81 cents per share is 16,4% higher than that of FY2020.

During FY2021, 97% of rentals and recoveries billed (before discounts) were collected. COVID-related discounts and tenant arrears are set out below:

	Jun 2021 six months			Dec 2020 six months			Jun 2020 six months			Dec 2019 six months		
	SA R'000	Nigeria R'000	Group R'000	SA R'000	Nigeria R'000	Group R'000	SA R'000	Nigeria R'000	Group R'000	SA R'000	Nigeria R'000	Group R'000
Discounts provided to tenants	15 718	1 795	17 513	42 100	1 611	43 711	166 300	6 620	172 920	–	–	–
Tenant arrears written off	16 563	(3 519)	13 044	18 923	1 600	20 523	18 607	3 168	21 775	5 188	2 367	7 555
Net arrears at period-end	33 050	4 603	37 653	58 229	6 939	65 168	63 516	3 524	67 040	27 013	5 678	32 691

The contribution from the Group's listed investments towards distributable earnings increased by R146 million during FY2021. This is mainly as a result of NEPI Rockcastle not declaring a dividend for the six months ended June 2020 and Resilient not including the NEPI Rockcastle capitalisation issue in the amount available for distribution for FY2020.

FY2020 benefitted from R220 million of interest earned on EUR221 million of cross-currency swaps as well as R30 million of capitalised interest. The Group had no cross-currency swaps during FY2021 and capitalised R0,7 million of borrowing costs. This had a negative impact on distributable earnings, however, it was largely offset by lower interest rates in South Africa during FY2021.

Commentary on results

South Africa

Resilient's focus on regions with strong economic fundamentals, either through mining and resources or export-quality agricultural products, has proved defensive. Resilient generally has the dominant offering in its target markets and always includes a strong grocery and convenience offering.

Comparable retail sales were affected by the trading restrictions imposed as a result of the COVID-19 pandemic. For the 12 months to June 2021, retail sales of the South African portfolio increased by 7,9% (when compared to the 12 months to June 2020). In April 2020, the level 5 restrictions resulted in non-essential retailers being unable to trade. If the effect of April is excluded, retail sales for the remaining 11 months of FY2021 increased by 2,1% (when compared to the same 11 months of FY2020). Commentary is based on the 11-month comparison which is more relevant.

Directors' commentary

continued

The comparable sales growth per province is set out below:

Province	11-month comparable sales growth (excluding April month) %	12-month comparable sales growth %	SA properties by value %
Mpumalanga	**(3,8)**	2,6	13,6
North West	**(2,5)**	2,3	5,7
Gauteng	**(1,2)**	4,1	23,9
Eastern Cape	**1,3**	7,3	3,3
KwaZulu-Natal	**4,2**	9,6	18,5
Northern Cape	**5,6**	11,3	6,2
Limpopo	**6,7**	12,7	28,8

Mahikeng Mall, the poorest performing shopping centre, is situated in the provincial capital of North West province and has a large government employee customer base. Most government employees worked from home for extended periods and we anticipate that the performance of the mall will recover as COVID concerns decline. Irene Village Mall and The Grove Mall continued to lose market share to convenience centres catering for "high order needs" and their strong entertainment and leisure offerings will benefit from a return to pre-COVID patterns.

Border restrictions and COVID concerns have continued to limit Mozambican visitors, an important component of I'langa Mall's customer base. On the other hand, Northam Plaza and Tubatse Crossing, the best and third-best performing centres, respectively, continue to benefit from elevated prices for Platinum Group Metals.

Arbour Crossing benefitted from its COVID-friendly open retail park design as well as the strong food offering and new lettings. Tzaneen Crossing benefitted from new lettings as well as buoyant conditions in the region which is exposed to export-quality fresh produce.

Retail sales at Murchison Mall grew strongly following the reletting of the space previously occupied by Edgars.

In total, rentals for renewals and new leases (including the cession of Edgars leases to Retailability and new leases with TFG in respect of Jet) increased by 1,9% on average during FY2021. Administered costs, particularly rates and taxes and electricity, are still escalating well ahead of inflation and retail sales growth and are affecting tenants' cost of occupancy.

In a difficult economic environment, Resilient's property portfolio recorded net property income growth of 1,1%, excluding the COVID-related discounts.

Social unrest

Post year-end, two of Resilient's 28 malls, Mams Mall and Jabulani Mall, were impacted by social unrest and looting. Damage to Mams Mall was limited and 94% of tenants have reopened for trade. Jabulani Mall was extensively looted. Resilient has worked proactively with retailers to repair damaged shopfronts and to reopen stores. Currently, 45% of Jabulani Mall's tenants have reopened for trade.

Both the damage and the loss of rentals are covered by Resilient's insurance.

Vacancies

Resilient owns 28 retail centres with a gross lettable area ("GLA") of 1,17 million square metres. Resilient's *pro rata* share of the vacancy decreased marginally from 2,4% at December 2020 to 2,3% at June 2021. Subsequent to year-end, agreements have been concluded to introduce Mr Price Home and PNA to Rivonia Village. The remaining vacancy at Rivonia Village relates to its office and first floor retail component. Negotiations are in progress to let a portion of the upper-level retail to a national fitness centre group. The office market in Rivonia is heavily over-supplied.

Property disposals

Competition Commission approval has been received for the sale of Murchison Mall for R392,1 million. The transfer documents have been lodged at the deeds office.

Property extensions

In line with approvals communicated in the 1H2021 results, the process of extending Irene Village Mall and Mahikeng Mall to accommodate Checkers is underway.

The pre-promulgation process for the 9 000m^2 GLA Klerksdorp Village development has been completed and earthworks are scheduled to commence before the end of 2021.

Plans to extend Tzaneen Lifestyle Centre are still under evaluation. There is strong tenant demand for the development.

Sustainability

Following the completion of the solar photovoltaic installations at Arbour Crossing, Soshanguve Crossing, Tzaneen Lifestyle Centre and Tzaneng Mall, Resilient produced 7,5% of its electricity consumption during June 2021.

The Highveld Mall solar installation is now scheduled to commence in 1H2022 with completion anticipated in 2H2022. Progress has been achieved with the evaluation and municipal approvals for the solar installations for Boardwalk Inkwazi, The Crossing Mokopane and Irene Village Mall.

Electricity for Jubilee Mall, Northam Plaza, Tubatse Crossing and Rivonia Village is provided by Eskom. Good progress is being made with the Eskom approvals.

Resilient's goal is to achieve carbon neutrality on energy utilisation. The revision of regulatory obstacles allowing greater than 1MW of installed capacity has enabled Resilient to aggressively accelerate its solar roll-out. Rapidly advancing power storage technology and significant cost reductions have improved the viability of batteries. In addition to assisting in managing peak demand, batteries could also be used to supply off-peak electricity.

Resilient is particularly well positioned to substantially increase its solar capacity. Although this will require further structural support for roofs, it is estimated that by fully utilising current roof areas, solar-based electricity production can increase to 36% of Resilient's requirements. This could be increased to up to 50% through the erection of car ports with solar panels (as has been implemented at The Grove Mall).

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 Checkers. In FY2021, the Board resolved to dispose of Resilient's operations in Nigeria. Following this resolution, Resilient entered into discussions to dispose of its Nigerian interest to Shoprite Holdings Limited. An in-principle agreement has been reached, however, the purchase consideration has not yet been agreed. Management considers it highly probable that the interest will be disposed of after the reporting date. The associated assets and liabilities are consequently presented as held for sale at the reporting date.

The Nigerian portfolio had vacancies of 4,6% of GLA at year-end.

Listed portfolio

	Jun 2021		Jun 2020	
Counter	Number of shares	Fair value R'000	Number of shares	Fair value R'000
NEPI Rockcastle (NRP)	**31 607 230**	**3 199 284**	75 522 449	6 703 371
Lighthouse Capital (LTE)	**501 639 400**	**4 128 492**	136 242 058	1 267 051
		7 327 776		7 970 422

Directors' commentary

continued

In line with Resilient's policy to only hold interests in companies over which it has significant influence, it has continued to reduce its interest in NEPI Rockcastle. In addition to the 27 861 446 NEPI Rockcastle shares exchanged for 346 875 010 Lighthouse shares in August 2020 ("LTE equity raise"), Resilient disposed of 18 099 381 NEPI Rockcastle shares for a total consideration of R1,7 billion during FY2021. Subsequent to year-end, 7 252 505 shares were sold raising a further R742 million.

Resilient's participation in the LTE equity raise resulted in its shareholding increasing from c. 19% to c. 40% and Resilient was required to make a mandatory offer (the "offer") for all the voting shares in Lighthouse not already owned by it. The offer was for a cash consideration of R7,13 per Lighthouse share. As a result of the mandatory offer, 1 252 496 Lighthouse shares were acquired. This, together with the scrip dividend received in April 2021, increased Resilient's interest in Lighthouse to 40,16% at year-end. Resilient exercises significant influence over Lighthouse and as such the investment continues to be equity accounted at June 2021. The carrying value of the investment was R1,2 billion at June 2021. The offer closed on 23 July 2021 and Resilient acquired a total of 4 117 086 Lighthouse shares pursuant to the offer.

On 12 August 2021, Lighthouse launched a vendor placing to partially finance its share of the acquisition of four shopping centres in northern France. Resilient acquired 144 510 258 Lighthouse shares in this equity raise at a price of R8,10 per share, for an aggregate consideration of R1,2 billion.

Following the implementation of the offer and Resilient's participation in the vendor placing, Resilient now holds 649 014 248 Lighthouse shares, representing 41,3% of the Lighthouse shares in issue.

Acquisition of interest in four shopping centres in France

Resilient has reached agreement with Wereldhave Retail France SAS on the acquisition of a 25% interest in four French shopping centres. Lighthouse will own the other 75% interest. Resilient's purchase consideration amounts to c. EUR76,25 million and related working capital on the effective date of 30 September 2021. The shopping centres are situated in growing regions in northern France and in cities that will continue to benefit from urbanisation. Property management of the shopping centres will be contracted to Accessite which manages over 50 shopping centres in France.

The four shopping centres are:

Docks Vauban (Le Havre) – This shopping centre is a waterfront development and was converted from historical dock warehousing to a shopping centre in 2009. It is the dominant retail centre in Le Havre and has an attractive design. Le Havre is the second largest port city in France and services northern France, including Paris. The centre includes a broad range of national retailers including Zara, H&M, Primark and Bershka. The leisure offering includes cinemas, a gymnasium and waterfront restaurants.

Docks 76 (Rouen) – The shopping centre is situated north of the river Seine in the affluent suburbs of Rouen. The area surrounding the centre has benefitted from considerable upmarket residential development and there are further developments currently under construction and in planning. The convenience offering has recently been enhanced with the introduction of Carrefour City and Biltoki, the popular French food market operator.

Saint Sever (Rouen) – This shopping centre is situated south of the river Seine adjacent to a busy commuter hub, which includes the metro. The centre is directly linked to the municipal offices, the municipal library and a large E'Leclerc hypermarket. The E'Leclerc hypermarket is separately owned but is only accessible through the shopping centre. A 7 500m^2 Primark store is currently being developed, which will further strengthen the dominant retail offering. The centre has a strong footfall of over nine million (2019) per annum which is anticipated to increase to over 10 million per annum post the opening of Primark.

Rivetoile (Strasbourg) – Strasbourg is the largest city in the Grand Est region of France and is the official seat of the European Parliament. It is one of the wealthiest cities in France and is situated on the river Rhine bordering Germany. The centre services the southern part of the city, is located adjacent to the university and is surrounded by high-density office and residential nodes. The centre is adjacent to a separately owned UGC Cinema and entertainment complex with 22 screens. The centre is anchored by an E'Leclerc hypermarket and tenants include Zara, Mango, H&M, Bershka, Pull&Bear and Sephora. The centre is adjacent to the Rhine waterways and has a strong waterfront restaurant offering.

The estimated yield for these properties of 8,1% is based on the projected net operating income for the 2022 calendar year and no estimated rental value is attributed to the vacant GLA acquired. The strategy is to strengthen the dominance of the retail centres.

Salient details of the properties (based on 100%) are as follows:

Name	Location	Retail GLA[1] m^2	Occupancy %	Weighted average rental[2] EUR	Net operating income for the year ended Dec 2020[3, 4] EUR	Transaction value ascribed to each property[5] EUR
Docks Vauban	Le Havre	47 292	93,4	10,20	3 932 000	55 950 000
Docks 76	Rouen	37 009	93,9	18,60	5 786 000	77 250 000
Rivetoile	Strasbourg	28 301	95,9	25,40	5 618 000	84 250 000
Saint Sever	Rouen	34 781	89,8	19,70	6 406 000	87 550 000
Total		**147 383**			**21 742 000**	**305 000 000**

1 *Inaccessible areas, storage areas and areas under development have been excluded from retail GLA.*
2 *Monthly weighted average rent at 31 March 2021, excluding discounts related to COVID.*
3 *Including the impact of temporary discounts related to COVID of c. EUR3 million.*
4 *Unaudited International Financial Reporting Standards ("IFRS") amounts as per transaction due diligence.*
5 *Allocation of total purchase price to individual properties based on management models.*

Dipula Income Fund

Resilient has identified a management team it wishes to get behind in order to help drive the creation of value for shareholders. Accordingly, Resilient has proposed to Dipula, subject to conditions including execution of formal agreements, that it will invest in and support Dipula, provided that Dipula first simplifies its dual share capital structure. Resilient envisages that it will co-own suitable retail assets with Dipula and will continue to support Dipula to play a leading role in the listed property sector. Resilient expects that details of the envisaged transaction, which will not require further announcement by Resilient, will be announced by Dipula in due course.

Financial commentary

Property valuations and yield

Jones Lang LaSalle Proprietary Limited valued the South African property portfolio at June 2021. Resilient's share of the South African portfolio was revalued upwards by 2,2% (R494 million). The average annualised property yield was 8,3% at June 2021.

Funding, facilities and interest rate derivatives

Resilient continues to enjoy strong support from banks and the capital markets. A total of R5,2 billion of facilities were accepted after year-end. The maturity profile was significantly extended.

The Group's policy is not to borrow against listed securities (R7,3 billion at June 2021). Currently, the Group has R2,7 billion of unbonded investment property (excluding land) and unsecured funding of R2,2 billion through the capital markets.

Directors' commentary

continued

Facility expiry	Amount 'million	Average margin
South Africa		
Jun 2022	R750	3-month JIBAR+1,72%
Jun 2023	R2 421	3-month JIBAR+1,66%
Jun 2024	R3 102	3-month JIBAR+1,93%
Jun 2025	R1 895	3-month JIBAR+1,81%
Jun 2026	R2 868	3-month JIBAR+1,90%
Jun 2027	R1 075	3-month JIBAR+1,94%
	R12 111	3-month JIBAR+1,84%
Nigeria*		
Mar 2024	USD45	90-day US LIBOR+6,25%

All facilities represent Resilient's proportionate share.

* *Discontinued operations.*

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 %
Jun 2024	500 000	7,78
Jun 2025	1 100 000	4,81
Jun 2026	800 000	4,91
Jun 2027	1 100 000	6,01
Jun 2028	500 000	6,70
Jun 2029	1 500 000	6,67
	5 500 000	**6,01**

Interest rate cap expiry	Amount R'000	Average cap rate %
Jun 2023	500 000	7,77
Jun 2024	1 100 000	7,98
Jun 2026	200 000	7,74
Jun 2027	700 000	8,12
Jun 2028	1 000 000	7,53
	3 500 000	**7,84**

The all-in weighted average cost of funding of Resilient was 6,69% at June 2021 and the average hedge term was 4,7 years.

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

Interest rate cap expiry	Amount USD'000	Average cap rate %
Jun 2023	11 000	2,42
Jun 2026	11 000	1,90
	22 000	**2,16**

Exposure to variable interest rates	South Africa '000	Nigeria* '000
Interest-bearing borrowings	R8 839 483	R392 124
Loans to co-owners	(R112 551)	
Tenant loans advanced	(R3 233)	
Cash and cash equivalents	(R40 715)	(R27 653)
Capital commitments contracted for	R65 482	
Capital commitments approved	R701 332	
	R9 449 798	**R364 471**
Exchange rate		14,27
Exposure	R9 449 798	USD25 541
Interest rate derivatives – swaps/caps	R9 000 000	USD22 000
Percentage hedged	**95,2% (R)**	**86,1% (USD)**

Loan-to-value ("LTV") ratio

	South Africa R'000	Nigeria* R'000	Total R'000
Assets			
Investment property	21 779 288	532 966	22 312 254
Straight-lining of rental revenue adjustment	479 553	5 277	484 830
Investment property under development	401 310		401 310
Investment property held for sale	392 100		392 100
Investments (funded in South Africa)	7 327 776		7 327 776
Staff incentive loans	19 667		19 667
Loans to co-owners	112 551	93 948	206 499
Loans advanced	3 233		3 233
	30 515 478	**632 191**	**31 147 669**
Net debt			
Cash and cash equivalents	(40 715)	(27 653)	(68 368)
Fair value of derivative financial instruments	(179 099)	(7 112)	(186 211)
Interest-bearing borrowings	8 839 483	392 124	9 231 607
	8 619 669	357 359	8 977 028
LTV ratio	**28,2% (R)**	**56,5% (USD)****	**28,8% (R)**

* *Discontinued operations.*

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

Directors' commentary

continued

Income hedging

The Group will continue to hedge 100% of foreign income to be received in the following 12 months. Until there is certainty on future earnings, Resilient will not enter into further hedges beyond a 12-month period. Expected foreign income is hedged as follows:

	EUR	USD
1H2022	R19,59	R16,74
2H2022	R19,74	R17,27

Summary of financial performance

	Jun 2021	Dec 2020	Jun 2020	Dec 2019
Dividend (cents per share)	**226,11**	202,70	100,48	267,96
Shares in issue for IFRS	**360 970 213**	360 970 213	360 970 213	363 037 227
Shares held in treasury: Resilient Properties	**39 156 041**	39 156 041	39 156 041	37 094 027
Shares in issue	**400 126 254**	400 126 254	400 126 254*	400 131 254
Management account information				
Net asset value per share	**R60,24**	R55,63	R55,49	R68,78
LTV ratio (%)**	**28,8**	33,7	35,2	27,2
Gross property expense ratio (%)	**37,3#**	38,6#	38,2#	36,9
Percentage of direct and indirect property assets offshore (%)	**25,4**	26,3	27,8	32,5
IFRS accounting				
Net asset value per share	**R52,13**	R50,60	R53,84	R68,14

* *During 2H2020, Resilient repurchased 5 000 Resilient shares in the market. These shares were cancelled.*

** *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.*

2H2021, 1H2021 and 2H2020 were impacted by Resilient's pro rata share of COVID-related discounts of R18 million, R44 million and R173 million, respectively. It was further impacted by the continued above-inflation increases in administered prices, particularly utilities and rates.

Prospects

Resilient's property portfolio and listed investments are well positioned to prove defensive in the year ahead. Although the economic prospects should improve as the COVID-19 pandemic is brought under control, the Board will maintain the Group's conservative financial structure. Resilient will continue to take advantage of any deep value opportunities that may arise in international markets through or in partnership with Lighthouse.

As stated before, the level of uncertainty, particularly relating to the pandemic and the distribution that Resilient will receive from its listed securities, remains elevated. Under these circumstances, the Board is not in a position to provide guidance. The distribution policy remains unchanged and Resilient will maintain its payout ratio at 100%.

By order of the Board

Des de Beer
Chief executive officer

Monica Muller
Chief financial officer

Johannesburg
26 August 2021

Summarised consolidated statement of financial position

	Audited Jun 2021 R'000	Audited Jun 2020 R'000
Assets		
Non-current assets	**28 120 328**	32 148 300
Investment property	**22 481 596**	23 440 816
Straight-lining of rental revenue adjustment	**496 091**	633 146
Investment property under development	**402 573**	407 853
Investment in associate	**1 197 777**	667 118
Investments	**3 199 284**	6 703 371
Staff incentive loans	**18 521**	16 236
Loans to co-owners	**103 198**	87 837
Other financial assets	**157 595**	114 326
Other assets	**63 693**	77 597
Current assets	**290 151**	277 642
Staff incentive loans	**1 146**	1 156
Trade and other receivables	**138 499**	183 293
Other financial assets	**77 524**	5 478
Other assets	**24 997**	25 008
Cash and cash equivalents	**47 985**	62 707
Assets held for sale	**1 518 620**	–
Total assets	**29 929 099**	32 425 942
Equity and liabilities		
Total equity attributable to equity holders	**18 818 570**	19 435 373
Stated capital	**13 014 794**	13 014 794
Treasury shares	**(2 996 167)**	(2 996 167)
Foreign currency translation reserve	**445 211**	257 963
Share-based payments reserve	**4 616**	–
Retained earnings	**8 350 116**	9 158 783
Non-controlling interests	**(209 125)**	(162 270)
Total equity	**18 609 445**	19 273 103
Total liabilities	**11 319 654**	13 152 839
Non-current liabilities	**8 409 469**	10 076 979
Interest-bearing borrowings	**7 711 932**	8 774 014
Other financial liabilities	**45 675**	147 209
Deferred tax	**126 740**	64 675
Amounts owing to non-controlling shareholders	**525 122**	1 091 081
Current liabilities	**1 637 623**	3 075 860
Trade and other payables	**490 304**	466 292
Other financial liabilities	**–**	78 406
Other liabilities	**19 673**	54 223
Income tax payable	**–**	262
Interest-bearing borrowings	**1 127 646**	2 476 677
Liabilities directly associated with assets classified as held for sale	**1 272 562**	–
Total equity and liabilities	**29 929 099**	32 425 942

Summarised consolidated statement of comprehensive income

	Audited for the year ended Jun 2021 R'000	Audited for the year ended Jun 2020* R'000
Contractual rental revenue and recoveries	**2 854 498**	2 689 776
Straight-lining of rental revenue adjustment	**(115 150)**	173 169
Revenue from direct property operations	**2 739 348**	2 862 945
Revenue from investments	**125 416**	730 734
Total revenue	**2 864 764**	3 593 679
Fair value adjustments	**1 464 741**	(5 071 624)
Fair value gain/(loss) on investment property	**509 100**	(841 360)
Adjustment resulting from straight-lining of rental revenue	**115 150**	(173 169)
Fair value gain/(loss) on investments	**627 708**	(3 142 457)
Fair value gain/(loss) on forward contract: Edcon Limited shares	**16 013**	(36 686)
Fair value gain/(loss) on currency derivatives	**224 649**	(802 092)
Fair value loss on interest rate derivatives	**(27 879)**	(75 860)
Property operating expenses	**(1 071 768)**	(1 026 412)
Administrative expenses	**(121 250)**	(120 170)
Share-based payments – employee incentive scheme	**(4 616)**	–
Foreign exchange (loss)/gain	**(3)**	4
Donations received by The Resilient Empowerment Trust	**2 754**	3 320
Reversal of impairment/(impairment) of staff incentive loans receivable	**2 388**	(21 238)
Reversal of impairment/(impairment) of loans receivable	**10 360**	(6 239)
Amortisation of interest rate cap premiums	**(13 934)**	(34 983)
Share of loss of associate	**(2 201 143)**	(239 150)
Profit/(loss) before net finance costs	**932 293**	(2 922 813)
Net finance costs	**(527 915)**	(717 396)
Finance income	**12 055**	28 002
Interest received on loans and cash balances	**12 055**	28 002
Finance costs	**(539 970)**	(745 398)
Interest on borrowings	**(540 700)**	(775 691)
Capitalised interest	**730**	30 293
Profit/(loss) before income tax	**404 378**	(3 640 209)
Income tax	**(62 067)**	52 270
Profit/(loss) from continuing operations	**342 311**	(3 587 939)
Loss from discontinued operations	**(144 489)**	(202 182)
Profit/(loss) for the year	**197 822**	(3 790 121)
Other comprehensive income net of tax		
Items that may subsequently be reclassified to profit or loss		
Foreign currency translation differences from continuing operations	**(238 479)**	17 734
Foreign currency translation differences from discontinued operations	**517 006**	(14 352)
	278 527	3 382
Total comprehensive income/(loss) for the year	**476 349**	(3 786 739)

* *Comparatives have been reclassified for the effect of the discontinued operations.*

Summarised consolidated statement of comprehensive income

continued

	Audited for the year ended Jun 2021 R'000	Audited for the year ended Jun 2020* R'000
Profit/(loss) for the year attributable to:		
Equity holders of the Company	213 271	(3 678 088)
Non-controlling interests	(15 449)	(112 033)
	197 822	(3 790 121)
Total comprehensive income/(loss) for the year attributable to:		
Equity holders of the Company	472 971	(3 686 394)
Non-controlling interests	3 378	(100 345)
	476 349	(3 786 739)
Total comprehensive income/(loss) attributable to equity holders of the Company arising from:		
Continuing operations	516 069	(3 624 137)
Discontinued operations	(43 098)	(62 257)
	472 971	(3 686 394)
Earnings/(loss) per share from profit/(loss) from continuing operations		
Basic earnings/(loss) per share (cents)	76,90	(995,08)
Diluted earnings/(loss) per share (cents)	76,77	(995,08)

* *Comparatives have been reclassified for the effect of the discontinued operations.*

Summarised consolidated statement of cash flows

	Audited for the year ended Jun 2021 R'000	Audited for the year ended Jun 2020 R'000
Operating activities		
Cash generated from operations	1 837 180	2 276 360
Interest paid	(583 799)	(850 258)
Dividends paid	(1 144 623)	(1 990 541)
Income tax (paid)/received	(906)	4 763
Cash inflow/(outflow) from operating activities	107 852	(559 676)
Investing activities		
Development and improvement of investment property	(108 674)	(174 096)
Increase of interest in associate	(10 021)	(260 585)
Return of capital by associate	–	68 472
Staff incentive loans repaid	924	163
Co-owner loans advanced	(5 001)	(5 059)
Tenant loans repaid	734	15 723
Acquisition of investments	–	(32 938)
Proceeds on disposal of investments	1 665 353	264 584
Interest received	10 757	27 817
Cash flow on currency derivatives	(8 307)	(596 686)
Cash flow on interest rate derivatives	(90 912)	(59 056)
Cash inflow/(outflow) from investing activities	1 454 853	(751 661)
Financing activities		
(Decrease)/increase in interest-bearing borrowings	(1 523 369)	816 067
Acquisition of shares by the Company	–	(164)
Acquisition of treasury shares	–	(100 571)
Cash (outflow)/inflow from financing activities	(1 523 369)	715 332
Increase/(decrease) in cash and cash equivalents	39 336	(596 005)
Cash and cash equivalents at the beginning of the year	62 707	658 712
Cash and cash equivalents at the end of the year	102 043	62 707
Cash and cash equivalents consist of:		
Current accounts	102 043	62 707

Summarised consolidated statement of changes in equity

Audited	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 2019	13 014 956	(2 895 596)	198 064		14 848 635	25 166 059	(14 941)	25 151 118
Shares acquired by the Company	(162)				(2)	(164)		(164)
Shares acquired and held in treasury		(100 571)				(100 571)		(100 571)
Foreign currency translation differences			(8 306)			(8 306)	11 688	3 382
Loss for the year					(3 678 088)	(3 678 088)	(112 033)	(3 790 121)
Dividends paid					(1 943 557)	(1 943 557)	(46 984)	(1 990 541)
Transfer to foreign currency translation reserve			68 205		(68 205)	–		–
Balance at Jun 2020	13 014 794	(2 996 167)	257 963	–	9 158 783	19 435 373	(162 270)	19 273 103
Foreign currency translation differences			259 700			259 700	18 827	278 527
Profit/(loss) for the year					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)	445 211	4 616	8 350 116	18 818 570	(209 125)	18 609 445

Notes

1. Preparation, accounting policies and audit opinion

The preliminary audited summarised consolidated financial statements have been prepared in accordance with the requirements of the JSE Listings Requirements for preliminary reports, the Debt Listings Requirements and the requirements of the Companies Act of South Africa applicable to summary financial statements.

The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, 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 to also, as a minimum, contain the information required by IAS 34: *Interim Financial Reporting*. This report and the consolidated annual financial statements were compiled under the supervision of Monica Muller CA(SA), the chief financial officer.

The accounting policies applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS and 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 year.

The Group's investment properties were externally valued by independent valuers. 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 10,5% (Jun 2020: 8,1% and 11,0%). The weighted average yield of the property portfolio was 8,3% (Jun 2020: 8,5%) 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 R706,0 million (Jun 2020: R689,3 million). A 25 basis points decrease in the capitalisation rate/first year forward yield will increase the value of investment property by R749,6 million (Jun 2020: R730,9 million). A 1% increase in the structural vacancy for a full year will decrease the value of investment property by R296,6 million (Jun 2020: R260,3 million). The effect of the COVID-19 pandemic is reflected in higher yields across much of the portfolio as investor sentiment has weakened. It is assumed that a rational landlord would top-up COVID rents where discounts or relief have 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 R244,7 million (Jun 2020: R118,3 million) of capital expenditure still to be incurred was deducted from the value of assets in determining their fair value. This includes COVID-related capital deductions of R8,4 million (Jun 2020: R47,3 million). A 1% increase in the capital expenditure will decrease the value of investment property by R0,1 million (Jun 2020: R0,5 million) for COVID-related capital deductions and R2,4 million (Jun 2020: R1,2 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 investments. 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. Resilient previously agreed to invest 40,9% of the basic rental received from Edgars, Edgars Beauty, Mac and Jet in Edcon Limited shares on a monthly basis between April 2019 and March 2021 (the "Edcon Arrangement"). This arrangement ceased in 1H2021 with the sale of the Edcon business to Retailability and TFG and the forward contract arising from the Edcon Arrangement has been derecognised. The Edcon unlisted investment is categorised as a level 3 investment. Due to the uncertain financial position of Edcon, the Board resolved to fully impair this R71 million investment at 2H2021. There were no transfers between levels 1, 2 and 3 during the year. The valuation methods applied are consistent with those applied in preparing the previous consolidated financial statements.

The Board resolved to dispose of Resilient's 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"). An in-principle agreement has been reached to dispose of these entities to Shoprite Holdings Limited and consequently these subsidiaries have been classified as discontinued operations in accordance with IFRS 5: *Non-Current Assets Held for Sale and Discontinued Operations*. Where necessary, comparative figures have been restated for the classification of Resilient Africa and Resilient Africa Managers as discontinued operations.

Resilient agreed to dispose of Murchison Mall during FY2021 for a cash consideration of R392,1 million. At the reporting date, the transaction remained subject to approval by the Competition Commission and as such the shopping centre has been disclosed as an asset held for sale at the fair value of the property, being the agreed sales price.

Since March 2020, South Africa has moved between various lockdown alert levels which have imposed varying restrictions on certain categories of tenants, particularly leisure-focused tenants. Resilient has continued to provide rental concessions in the form of rental discounts for tenants that have been impacted by these restrictions. The rental discounts represent a change in the consideration of the respective leases and as such meet the requirements of a lease modification as defined in IFRS 16: *Leases*. The lease modifications are accounted for as new leases from the effective date of the modification, taking into account any prepaid or accrued lease payments relating to the original leases as part of the lease payments for the new lease, and are released to profit or loss on a straight-line basis over the remaining term of the lease. An amount of R92,8 million (Jun 2020: R143,1 million) is included in the straight-lining receivable relating to the lease modifications.

As mentioned in the listed portfolio section, Resilient increased its interest in Lighthouse to 40,16% at the reporting date. The accounting treatment of the investment in Lighthouse has been considered in detail and an accounting opinion was obtained from a JSE-accredited IFRS adviser. Resilient continues to exercise significant influence over Lighthouse and as such the investment is equity accounted at June 2021. Resilient's share of the loss of Lighthouse during FY2021 was R2,2 billion. Lighthouse recognised a negative fair value adjustment on its investment in Hammerson as the investment was fair valued to GBP0,163 per share immediately prior to Hammerson becoming its associate. Lighthouse further recognised its share of Hammerson's losses since it became its associate.

The directors are not aware of any matters or circumstances arising subsequent to June 2021, not arising in the normal course of business, that require any additional disclosure or adjustment to the financial statements.

The auditor, PKF Octagon Inc., has issued an unmodified audit opinion on the consolidated financial statements for the year ended June 2021. The audit was conducted in accordance with International Standards on Auditing.

These preliminary audited summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent, in all material respects, with the consolidated financial statements.

This preliminary summarised report has been audited by PKF Octagon Inc. and an unmodified audit opinion has been issued. Copies of the audit reports and the consolidated financial statements are available for inspection at Resilient's registered address.

The auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of that report together with the accompanying financial information from Resilient's registered address.

2. Lease expiry profile

South Africa	Rentable area %	Contractual rental revenue %
Vacant	2,3	
Jun 2022	23,0	26,6
Jun 2023	16,2	19,3
Jun 2024	20,6	21,6
Jun 2025	11,9	11,5
Jun 2026	9,7	9,6
> Jun 2026	16,3	11,4

Notes

continued

3. Segmental analysis

	Audited for the year ended Jun 2021 R'000	Audited for the year ended Jun 2020 R'000
Total assets		
Retail: South Africa	23 951 164	23 367 099
Corporate: South Africa*	4 851 415	7 707 408
Discontinued operations**	1 126 520	1 351 435
	29 929 099	32 425 942
Total liabilities		
Retail: South Africa	399 063	384 267
Corporate: South Africa	9 648 029	11 365 106
Discontinued operations**	1 272 562	1 403 466
	11 319 654	13 152 839
Total revenue		
Revenue from direct property operations		
Retail: South Africa	2 739 348	2 862 945
Discontinued operations**	140 473	146 672
Revenue from investments		
Corporate: South Africa*	125 416	730 734
	3 005 237	3 740 351
Profit/(loss) for the year		
Retail: South Africa	2 307 843	785 318
Corporate: South Africa*	(1 965 532)	(4 373 257)
Discontinued operations**	(144 489)	(202 182)
	197 822	(3 790 121)

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

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

4. Reconciliation of earnings/(loss) attributable to equity holders to headline earnings/(loss)

Audited	Continuing operations R'000	Discontinued operations* R'000	Total R'000
Jun 2021			
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 investment's 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
Jun 2020			
Loss attributable to equity holders	(3 606 403)	(71 685)	(3 678 088)
Adjusted for:	1 170 592	145 955	1 316 547
– fair value loss on investment property	1 157 891	145 955	1 303 846
– share of equity-accounted investment's separately identifiable remeasurements	12 701		12 701
Headline (loss)/earnings	(2 435 811)	74 270	(2 361 541)
Headline (loss)/earnings per share (cents)	(672,09)	20,49	(651,60)
Diluted headline (loss)/earnings per share (cents)	(672,09)	20,49	(651,60)

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

Notes

continued

4. Reconciliation of earnings/(loss) attributable to equity holders to headline earnings/(loss) continued

	Number of shares	
Audited	**for the year ended Jun 2021 R'000**	**for the year ended Jun 2020 R'000**
Reconciliation of weighted average number of shares in issue during the year		
Weighted average number of shares	**360 970 213**	362 422 158
Adjustment for dilutive potential of share grants in terms of the Conditional Share Plan	**620 362**	–
Weighted average number of shares for diluted earnings/(loss) per share	**361 590 575**	362 422 158

Management accounts

Basis of preparation

In order to provide information of relevance to investors, these management accounts, which comprise financial information extracted from the audited financial statements for the year ended June 2021, 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; and
- 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.

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

Directors' responsibility statement

The preparation of the management accounts is the sole responsibility of the directors and have been prepared on the basis stated, for illustrative purposes only, to show the impact on the summarised consolidated statement of financial position and the summarised consolidated statement of comprehensive income. Due to their nature, the management accounts may not fairly present the financial position and results of the Group in terms of IFRS.

Reporting accountant's opinion

The *pro forma* financial information has been reviewed by PKF Octagon Inc. and its unmodified assurance report is available for inspection at Resilient's registered address.

Management accounts adjustments

Adjustment 1

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

Adjustment 2

Resilient has no entitlement to or share in the assets of The Resilient Empowerment Trust. This trust receives donations from donors other than Resilient to which the Group has no claim. The management accounts provide a true reflection of the assets under management of Resilient.

Adjustment 3

The investment in Lighthouse is reflected at its fair value by multiplying the 501 639 400 shares held by the quoted closing price at 30 June 2021. All entries recorded to account for this investment using the equity method are reversed. This more accurately reflects the Group's assets and liabilities.

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 year ended June 2021 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 "loss from discontinued operations" in the statement of comprehensive income and proportionately consolidates Resilient Africa and Resilient Africa Managers. It uses the management accounts for the year ended June 2021 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.

Management accounts

continued

Summarised consolidated statement of financial position

	IFRS Jun 2021 R'000	Adjustment 1 Component disclosure Jun 2021 R'000	Adjustment 2 Deconsolidation of The Resilient Empowerment Trust Jun 2021 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse Jun 2021 R'000	Adjustment 4 Proportionate consolidation of partially-owned subsidiaries Jun 2021 R'000	Adjustment 5 Discontinued operations Jun 2021 R'000	Management accounts Jun 2021 R'000
Assets							
Non-current assets	28 120 328	–	–	2 930 715	(710 756)	632 191	30 972 478
Investment property	22 481 596				(702 308)	532 966	22 312 254
Straight-lining of rental revenue adjustment	496 091				(16 538)	5 277	484 830
Investment property under development	402 573				(1 263)		401 310
Investment in associate	1 197 777			(1 197 777)			–
Investments	3 199 284			4 128 492			7 327 776
Staff incentive loans	18 521						18 521
Loans to co-owners	103 198				9 353	93 948	206 499
Other financial assets	157 595	(157 595)					–
Fair value of interest rate derivatives		120 835					120 835
Fair value of currency derivatives		35 656					35 656
Loans advanced		1 104					1 104
Other assets	63 693						63 693
Current assets	290 151	–	(5 130)	–	(7 652)	33 023	310 392
Staff incentive loans	1 146						1 146
Trade and other receivables	138 499		(14)		(5 498)	5 370	138 357
Other financial assets	77 524	(77 524)					–
Fair value of currency derivatives		75 395					75 395
Loans advanced		2 129					2 129
Other assets	24 997						24 997
Cash and cash equivalents	47 985		(5 116)		(2 154)	27 653	68 368
Assets held for sale	1 518 620					(1 126 520)	392 100
Total assets	29 929 099	–	(5 130)	2 930 715	(718 408)	(461 306)	31 674 970

Management accounts

continued

Summarised consolidated statement of financial position continued

	IFRS Jun 2021 R'000	Adjustment 1 Component disclosure Jun 2021 R'000	Adjustment 2 Deconsolidation of The Resilient Empowerment Trust Jun 2021 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse Jun 2021 R'000	Adjustment 4 Proportionate consolidation of partially-owned subsidiaries Jun 2021 R'000	Adjustment 5 Discontinued operations Jun 2021 R'000	Management accounts Jun 2021 R'000
Equity and liabilities							
Total equity attributable to equity holders	18 818 570	–	(5 112)	2 930 715	–	–	21 744 173
Stated capital	13 014 794						13 014 794
Treasury shares	(2 996 167)						(2 996 167)
Foreign currency translation reserve	445 211						445 211
Share-based payments reserve	4 616						4 616
Retained earnings	8 350 116		(5 112)	2 930 715			11 275 719
Non-controlling interests	(209 125)				(186 126)	395 251	–
Total equity	18 609 445	–	(5 112)	2 930 715	(186 126)	395 251	21 744 173
Total liabilities	11 319 654	–	(18)	–	(532 282)	(856 557)	9 930 797
Non-current liabilities	8 409 469	–	–	–	(525 213)	392 124	8 276 380
Interest-bearing borrowings	7 711 932				(95)	392 124	8 103 961
Other financial liabilities	45 675	(45 675)					–
Fair value of interest rate derivatives		45 675					45 675
Deferred tax	126 740				4		126 744
Amounts owing to non-controlling shareholders	525 122				(525 122)		–
Current liabilities	1 637 623	–	(18)	–	(7 069)	23 881	1 654 417
Trade and other payables	490 304		(18)		(6 263)	11 683	495 706
Other liabilities	19 673				(806)	12 198	31 065
Interest-bearing borrowings	1 127 646						1 127 646
Liabilities directly associated with assets classified as held for sale	1 272 562					(1 272 562)	–
Total equity and liabilities	29 929 099	–	(5 130)	2 930 715	(718 408)	(461 306)	31 674 970

Management accounts

continued

Summarised consolidated statement of comprehensive income

	IFRS for the year ended Jun 2021 R'000	Adjustment 1 Component disclosure for the year ended Jun 2021 R'000	Adjustment 2 Deconsolidation of The Resilient Empowerment Trust for the year ended Jun 2021 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse for the year ended Jun 2021 R'000	Adjustment 4 Proportionate consolidation of partially-owned subsidiaries for the year ended Jun 2021 R'000	Adjustment 5 Discontinued operations for the year ended Jun 2021 R'000	Management accounts for the year ended Jun 2021 R'000
Contractual rental revenue and recoveries	2 854 498				(91 491)	72 568	2 835 575
Straight-lining of rental revenue adjustment	(115 150)				1 499	(1 395)	(115 046)
Revenue from direct property operations	2 739 348	–	–	–	(89 992)	71 173	2 720 529
Revenue from investments	125 416			141 613			267 029
Realised loss on forward exchange contracts		(8 307)					(8 307)
Total revenue	2 864 764	(8 307)	–	141 613	(89 992)	71 173	2 979 251
Fair value adjustments	1 464 741	87 803	–	(11 974)	(16 335)	(11 237)	1 512 998
Fair value gain on investment property	509 100				(14 836)	(12 632)	481 632
Adjustment resulting from straight-lining of rental revenue	115 150				(1 499)	1 395	115 046
Fair value gain on investments	627 708			(11 974)	57		615 791
Fair value gain on forward contract: Edcon Limited shares	16 013				(57)		15 956
Fair value gain on currency derivatives	224 649	(224 649)					–
Unrealised gain		232 956					232 956
Fair value loss on interest rate derivatives	(27 879)	27 879					–
Unrealised gain		63 033					63 033
Realised loss		(11 416)					(11 416)
Property operating expenses	(1 071 768)				40 468	(26 444)	(1 057 744)
Administrative expenses	(121 250)		3 742		648	(8 691)	(125 551)
Share-based payments – employee incentive scheme	(4 616)						(4 616)
Foreign exchange loss	(3)					(71 602)	(71 605)
Donations received by The Resilient Empowerment Trust	2 754		(2 754)				–
Reversal of impairment of staff incentive loans receivable	2 388						2 388
Reversal of impairment of loans receivable	10 360						10 360
Amortisation of interest rate cap premiums	(13 934)						(13 934)
Share of loss of associate	(2 201 143)			2 201 143			–
Profit before net finance costs	932 293	79 496	988	2 330 782	(65 211)	(46 801)	3 231 547

Management accounts

continued

Summarised consolidated statement of comprehensive income continued

	IFRS for the year ended Jun 2021 R'000	Adjustment 1 Component disclosure for the year ended Jun 2021 R'000	Adjustment 2 Deconsolidation of The Resilient Empowerment Trust for the year ended Jun 2021 R'000	Adjustment 3 Fair value accounting for investment in Lighthouse for the year ended Jun 2021 R'000	Adjustment 4 Proportionate consolidation of partially-owned subsidiaries for the year ended Jun 2021 R'000	Adjustment 5 Discontinued operations for the year ended Jun 2021 R'000	Management accounts for the year ended Jun 2021 R'000
Net finance costs	(527 915)	(79 496)	(11)	–	503	(17 165)	(624 084)
Finance income	12 055	–	(11)	–	455	7 595	20 094
Interest received on loans and cash balances	12 055		(11)		455	7 595	20 094
Finance costs	(539 970)	(79 496)	–	–	48	(24 760)	(644 178)
Interest on borrowings	(540 700)				95	(24 760)	(565 365)
Interest paid on interest rate derivatives		(79 496)					(79 496)
Capitalised interest	730				(47)		683
Profit before income tax	404 378	–	977	2 330 782	(64 708)	(63 966)	2 607 463
Income tax	(62 067)				(13)	(353)	(62 433)
Profit from continuing operations	342 311	–	977	2 330 782	(64 721)	(64 319)	2 545 030
Loss from discontinued operations	(144 489)					144 489	–
Profit for the year	197 822	–	977	2 330 782	(64 721)	80 170	2 545 030
Profit for the year attributable to:							
Equity holders of the Company	213 271		977	2 330 782			2 545 030
Non-controlling interests	(15 449)				(64 721)	80 170	–
	197 822	–	977	2 330 782	(64 721)	80 170	2 545 030

Dividend calculation

	Management accounts for the year ended Jun 2021 R'000	Management accounts for the year ended Jun 2020 R'000
Contractual rental revenue and recoveries*	**2 835 575**	2 674 604
Reverse IFRS adjustment to rental revenue: Edcon	**(34 439)**	(12 797)
Edcon 40,9% basic rental adjustment	**–**	(32 814)
Revenue from investments	**267 029#**	730 734
Realised (loss)/gain on forward exchange contracts	**(8 307)#**	56 721
Property operating expenses	**(1 057 744)**	(1 021 328)
Administrative expenses	**(125 551)**	(125 206)
Share-based payments – employee incentive scheme	**(4 616)**	–
Amortisation of interest rate cap premiums	**(13 934)**	(34 983)
Interest received on loans and cash balances	**20 094**	89 242
Interest received on interest rate derivatives	**–**	388
Interest received on cross-currency swaps	**–**	220 108
Termination of interest rate derivatives	**(11 416)**	–
Interest on borrowings	**(565 365)**	(860 083)
Interest paid on interest rate derivatives	**(79 496)**	(23 086)
Capitalised interest	**683**	30 206
Dividends accrued	**322 162#**	(352 843)
Antecedent dividend	**–**	(844)
Income hedging adjustment of Nigeria performance	**3 202**	(2 521)
Distributable earnings	**1 547 877**	1 335 498
Interim dividend	**(731 687)**	(972 795)
Final dividend	**(816 190)**	(362 703)
	–	–

* *Rental revenue for FY2021 and FY2020 was reduced by R61,2 million and R172,9 million of COVID-related discounts.*

\# *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 EUR cents*	*Forward exchange rate R*	*Amount R'000*
1H2021				
NEPI Rockcastle	*54 133 157*	*16,88*	*18,55*	*169 469*
Lighthouse	*406 655 372*	*1,575*	*18,55*	*118 786*
2H2021				
NEPI Rockcastle	*39 250 746*	*17,64*	*19,75*	*136 763*
Lighthouse	*490 117 269*	*1,61*	*19,75*	*155 866*
				580 884

SA REIT ratios

SA REIT funds from operations ("SA REIT FFO") per share

	For the year ended Jun 2021 R'000	For the year ended Jun 2020 R'000
Profit/(loss) for the year attributable to equity holders of the Company	**213 271**	(3 678 088)
Adjusted for:		
Accounting-specific adjustments	**(781 342)**	3 642 563
Fair value adjustments to:		
Fair value (gain)/loss on investment property	**(624 250)**	1 014 529
Fair value (gain)/loss on investments	**(627 708)**	3 142 457
Fair value (gain)/loss on forward contract: Edcon Limited shares	**(16 013)**	36 686
(Reversal of impairment)/impairment of staff incentive loans receivable	**(2 388)**	21 238
(Reversal of impairment)/impairment of loans receivable	**(10 360)**	6 239
Straight-lining of rental revenue adjustment	**115 150**	(173 169)
Deferred tax	**62 065**	(52 574)
Dividends accrued	**322 162**	(352 843)
Foreign exchange and hedging items	**(281 368)**	1 129 558
Fair value (gain)/loss on interest rate derivatives	**(51 617)**	53 162
Fair value (gain)/loss on currency derivatives	**(229 754)**	1 076 400
Foreign exchange loss/(gain)	**3**	(4)
Other adjustments	**2 442 194**	287 446
Tax impact of the above adjustments	**2**	304
Share of loss of associate adjusted for dividends received	**2 342 756**	239 150
Non-distributable items included in loss from discontinued operations	**145 097**	176 986
Non-controlling interests in respect of the above adjustments	**(45 661)**	(128 150)
Antecedent earnings adjustment	**–**	(844)
SA REIT FFO	**1 592 755**	1 381 479
Shares in issue (net of treasury shares)		
– Interim	**360 970 213**	363 037 227
– Final	**360 970 213**	360 970 213
SA REIT FFO per share (cents)	**441,24**	381,14
– Interim	**210,74**	273,88
– Final	**230,50**	107,26
Company-specific adjustments	**(44 878)**	(45 981)
Edcon 40,9% basic rental adjustment	**(34 439)**	(45 611)
Termination of interest rate derivatives	**(11 416)**	–
Effect of consolidating The Resilient Empowerment Trust	**977**	(370)
Distributable income	**1 547 877**	1 335 498
Dividend per share (cents)	**428,81**	368,44
– Interim	**202,70**	267,96
– Final	**226,11**	100,48

SA REIT ratios

continued

SA REIT net asset value ("SA REIT NAV")

	Jun 2021 R'000	Jun 2020 R'000
Reported NAV attributable to the parent (IFRS)	18 818 570	19 435 373
Adjustments:	(875 661)	(188 250)
Dividend declared	(816 190)	(362 703)
Fair value of derivative financial instruments	(186 211)	109 778
Deferred tax	126 740	64 675
SA REIT NAV	17 942 909	19 247 123
Shares outstanding:		
Shares in issue (net of treasury shares)	360 970 213	360 970 213
Effect of dilutive instruments	620 362	–
Dilutive number of shares in issue	361 590 575	360 970 213
SA REIT NAV per share	R49,62	R53,32

SA REIT cost-to-income ratio

	For the year ended Jun 2021 R'000	For the year ended Jun 2020 R'000
Operating costs	1 261 049	1 233 237
Operating expenses per IFRS income statement (includes municipal expenses)	1 071 768	1 026 412
Administrative expenses per IFRS income statement	121 250	120 170
Operating expenses of discontinued operations	52 160	70 403
Administrative expenses of discontinued operations	15 871	16 252
Gross rental income	2 997 843	2 835 936
Contractual income per IFRS income statement (excluding straight-lining)	2 125 374	1 987 265
Utility and operating recoveries per IFRS income statement	729 124	702 511
Gross rental income of discontinued operations	143 345	146 160
SA REIT cost-to-income ratio	42,1%	43,5%

SA REIT administrative cost-to-income ratio

	For the year ended Jun 2021 R'000	For the year ended Jun 2020 R'000
Administrative expenses per IFRS income statement	121 250	120 170
Administrative expenses of discontinued operations	15 871	16 252
Total administrative expenses	137 121	136 422
Gross rental income	2 997 843	2 835 936
SA REIT administrative cost-to income ratio	4,6%	4,8%

SA REIT cost of debt

	Jun 2021 %	Jun 2020 %
Cost of debt – ZAR		
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	5,44	6,05
Pre-adjusted weighted average cost of debt	5,44	6,05
Adjustments:		
Impact of interest rate derivatives	1,11	0,58
Amortised transaction costs imputed in the effective interest rate	0,14	0,11
All-in weighted average cost of debt	6,69	6,74
Cost of debt – USD		
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	6,41	6,65
Pre-adjusted weighted average cost of debt	6,41	6,65
Adjustments:		
Amortised transaction costs imputed in the effective interest rate	0,31	0,26
All-in weighted average cost of debt	6,72	6,91

SA REIT ratios

continued

SA REIT LTV

	Jun 2021 R'000	Jun 2020 R'000
Gross debt – continuing operations	8 839 578	11 250 691
Gross debt – discontinued operations	643 446	–
Total gross debt	9 483 024	11 250 691
Less:		
Cash and cash equivalents – continuing operations	(47 985)	(62 707)
Cash and cash equivalents – discontinued operations	(54 058)	–
Total cash and cash equivalents	(102 043)	(62 707)
Add:		
Derivative financial instruments	(186 211)	109 778
Net debt (IFRS)	9 194 770	11 297 762
Total assets per statement of financial position	29 929 099	32 425 942
Less:		
Cash and cash equivalents	(102 043)	(62 707)
Derivative financial assets	(231 886)	(115 837)
Trade and other receivables – continuing operations	(138 499)	(183 293)
Trade and other receivables – discontinued operations	(9 123)	–
Carrying amount of property-related assets (IFRS)	29 447 548	32 064 105
SA REIT LTV	31,2%	35,2%

SA REIT GLA vacancy rate (excluding assets held for sale)

	Jun 2021 m^2	Jun 2020 m^2
GLA of vacant space	21 333	21 442
GLA of total property portfolio	943 154	978 076
SA REIT GLA vacancy rate*	2,3%	2,2%

SA REIT GLA vacancy rate (including assets held for sale)

	Jun 2021 m^2	Jun 2020 m^2
GLA of vacant space	22 978	21 442
GLA of total property portfolio	977 031	978 076
SA REIT GLA vacancy rate*	2,4%	2,2%

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

Payment of final dividend

The Board has approved and notice is hereby given of a final dividend of 226,11000 cents per share for the six months ended 30 June 2021.

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

Last date to trade *cum* dividend	Tuesday, 14 September 2021
Shares trade *ex* dividend	Wednesday, 15 September 2021
Record date	Friday, 17 September 2021
Payment date	Monday, 20 September 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 15 September 2021 and Friday, 17 September 2021, 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, 20 September 2021. Certificated shareholders' dividend payments will be posted on or about Monday, 20 September 2021.

Dividend tax treatment

In accordance with Resilient's status as a REIT, shareholders are advised that the dividend of 226,11000 cents per share for the six months ended 30 June 2021 ("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 abovementioned 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 180,88800 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 abovementioned 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: 400 126 254

Resilient's income tax reference number: 9579269144

Administrative 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; David Brown; Thembi Chagonda; Des de Beer*; Des Gordon; Nick Hanekom*; Johann Kriek*; Dawn Marole; Monica Muller*; Protas Phili; Umsha Reddy; Barry van Wyk

(executive director)*

Changes to the Board

Thando Sishuba has been appointed to the Board as an independent non-executive director with effect from 26 August 2021.

Company secretary

Ashleigh Egan

Registered address

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Transfer secretaries

Link Market Services South Africa 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

www.resilient.co.za

purple.frog

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