

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

Short-form announcement: consolidated financial results for the year ended 30 June 2020

#### Nature of the business

Resilient is an internally asset managed 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 malls and the reconfiguration of existing malls to adapt to changing market demands.

Resilient also invests in offshore property-related assets.

#### Distributable earnings and dividend declared

The Board has declared a final dividend of 100,48 cents per share for 2H2020. Together with the 267,96 cents per share declared for 1H2020, the dividend for FY2020 of 368,44 cents per share is 30,6% lower than that for FY2019.

In calculating the Group's dividend for FY2020, only 59,1% of the basic rental from the Edcon group was included. NEPI Rockcastle has not declared a dividend for the six months ended June 2020 and the Board has not included the capitalisation issue by NEPI Rockcastle in the amount available for distribution for 2H2020. Lighthouse Capital has advised that, following the change in its year-end to December, it will declare a distribution for the nine months to December 2020 in February 2021. Consequently, Resilient's final dividend excludes any distribution from Lighthouse in respect of the three months ended June 2020.

The final dividend was negatively impacted by the COVID-19 lockdown and the termination of the Group's cross-currency swaps. This was partially offset by lower interest rates in South Africa that benefitted the Group as R3,8 billion of interest rate hedges are in the form of interest rate caps.

#### Financial performance

	Note	Audited for the year ended Jun 2020	Audited for the year ended Jun 2019	Movement
IFRS information				
Total revenue (R'000)	A	3 740 351	3 805 964	(65 613)
Basic (loss)/earnings per share (cents)	B	(1014,86)	1 246,14	(2261,00)
Headline (loss)/earnings per share (cents)	B	(651,60)	468,87	(1 120,47)
Dividend (cents per share)		368,44	531,06	(162,62)
Net asset value (R)		53,84	69,32	(15,48)
Management account information				
Net asset value (R)		55,49	69,39	(13,90)

Loan-to-value (%)	C	34,8	26,8	8,0
Net property expense ratio (%)	D	17,4	16,1	1,3
Gross property expense ratio (%)	D	38,2	35,6	2,6
Net total expense ratio (%)	D, E	19,4	16,2	3,2
Gross total expense ratio (%)	D, E	36,9	31,4	5,5

#### Notes

In June 2019 shareholders approved the repurchase of 52 182 504 Resilient shares and the acquisition of 7 474 707 Fortress B shares, held as collateral for the loans previously advanced by Resilient to the Siyakha Trusts, in full settlement of these loans. The Siyakha Trusts were deconsolidated at June 2019.

A: Total revenue for June 2019 includes R227,5 million of dividends received from Fortress A and Fortress B shares held by the Siyakha Trusts which were consolidated at the time.

B: The significant movement in basic and headline earnings can be attributed to the following items:

	Audited for the year ended Jun 2020 R'million	Audited for the year ended Jun 2019 R'million
Fair value (loss)/gain on investment property*	(1 130)	372
Fair value (loss)/gain on investments	(3 142)	144
Fair value (loss)/gain on currency derivatives**	(802)	443
Profit on deconsolidation of the Siyakha Trusts*	-	2 437

\* Excluded from headline earnings.

\*\* All cross-currency swaps were eliminated to reduce treasury risk.

C: The loan-to-value ratio is calculated by dividing total interest-bearing borrowings adjusted for cash on hand by the total of investments in property, listed securities and loans advanced.

D: Resilient's approach to the COVID-19 pandemic has been, and will continue to be, supportive of tenants, particularly SMMEs and leisure - focused tenants. 2H2020 was impacted by Resilient's pro rata share of COVID-related discounts of R166,3 million (c. 95% of a normalised month's rental and rates billing). It was furthermore impacted by the continued above inflation increases in administered prices, particularly utilities and rates.

E: 2H2020 excludes distributions from NEPI Rockcastle in respect of the six months ended June 2020 and from Lighthouse in respect of the three months ended June 2020.

#### Property performance

Resilient owns 28 retail centres in South Africa with a GLA of 1,17 million square metres and three retail centres in Nigeria with a GLA of 30 015 square metres.

The South African portfolio's performance for FY2020 can be divided into three separate periods. The performance for 1H2020 was sound with comparable retail

sales growth of 4,2%. The 2020 calendar year started strongly with comparable sales growth for January and February of 6,5%. Trading restrictions were introduced in mid-March followed by the lockdown on 27 March and sales deteriorated sharply resulting in negative comparable sales of 3,6% for FY2020. Excluding the COVID-related discounts, the South African portfolio recorded net property income growth of 5,5% on a comparable basis.

Jones Lang LaSalle Proprietary Limited ("JLL") valued the South African property portfolio at June 2020. Resilient's share of the South African portfolio was devalued by 3,5% (R813 million). Resilient's share of the devaluation of the Nigerian properties amounted to USD8 million, as valued by CBRE Excellerate.

Resilient's pro rata share of the South African vacancy increased marginally from 1,9% at December 2019 to 2,1% at June 2020. Vacancies in the Nigerian portfolio increased to 9,3% at year-end mainly as a result of the withdrawal of Mr Price from Nigeria.

#### Prospects

As previously announced, Resilient is still in discussions to sell certain property assets. The purchasers have confirmed their ongoing interest in the properties, however, negotiations have been delayed due to COVID-19.

The Board anticipates that economic recovery will be gradual and uneven. Resilient is well positioned to continue benefitting from the defensive quality of its assets and strong tenant profile.

The Board will maintain the Group's conservative financial structure but will benefit from deep-value opportunities in international markets through its investment in Lighthouse.

In light of the increased uncertainty due to COVID-19, particularly relating to distributions from Resilient's listed securities, the Board is not in a position to provide guidance for FY2021. The Board intends to continue to declare and pay dividends in line with the policies applied in the past and will accordingly continue to pay out 100% of distributable earnings to shareholders. With regards to listed securities, Resilient will only distribute dividends received in or converted to cash.

#### Payment of final dividend

The Board has approved and notice is hereby given of a final dividend of 100,48000 cents per share for the six months ended 30 June 2020.

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

Last date to trade cum dividend	Tuesday, 15 September 2020
Shares trade ex dividend	Wednesday, 16 September 2020
Record date	Friday, 18 September 2020
Payment date	Monday, 21 September 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 16 September 2020 and Friday, 18 September 2020, both days inclusive.

The auditor, PKF Octagon Inc., has issued an unmodified audit opinion on the consolidated financial statements for the year ended June 2020. The audit was conducted in accordance with International Standards on Auditing. The preliminary

summarised report ("full announcement") 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.

This short-form announcement is the responsibility of the directors and is only a summary of the information in the full announcement released on SENS and does not include full or complete details. The full announcement is available on the Company's website at

<https://www.resilient.co.za/downloads.htm?Subcategory=2020> and can be accessed using the following JSE link:

<https://senspdf.jse.co.za/documents/2020/jse/isse/rese/FY2020.pdf>

The full announcement is available for inspection at the registered offices of the Company or its sponsor, at no charge, during office hours. Any investment decision should be based on the full announcement available on the Company's website.

#### Dividend: tax treatment

In accordance with Resilient's status as a REIT, shareholders are advised that the dividend of 100,48000 cents per share for the six months ended 30 June 2020 ("the dividend") meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 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 Central Securities Depository Participant ("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 cease 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 80,38400 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 cease 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

By order of the Board

Des de Beer

Chief executive officer

Monica Muller

Chief financial officer

Johannesburg

26 August 2020

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; Umsa Reddy; Barry van Wyk  
(\*executive director)

Company secretary

Ashleigh Egan

Registered address

4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191

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, 2169

[www.resilient.co.za](http://www.resilient.co.za)