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")

Short-form announcement: Audited consolidated financial results for the year ended 30 June 2021 and change to the Board of Directors

www.resilient.co.za

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		
	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
Tenant arrears written off	16 563	(3 519)	13 044	18 923	1 600	20 523
Net arrears at period-end	33 050	4 603	37 653	58 229	6 939	65 168

	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
Discounts provided to tenants	166 300	6 620	172 920	-	-	-
Tenant arrears written off	18 607	3 168	21 775	5 188	2 367	7 555
Net arrears at period-end	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.

Financial performance

	Note	Audited for the year ended June 2021	Audited for the year ended June 2020	Movement
IFRS information				
Total revenue (R'000)*	A	2 864 764	3 593 679	(728 915)
Basic earnings/(loss) per share (cents)*	B	76,90	(995,08)	1 071,98
Diluted earnings/(loss) per share (cents)*	B	76,77	(995,08)	1 071,85
Headline earnings/(loss) per share (cents)*	B	70,16	(672,09)	742,25
Diluted headline earnings/ (loss) per share (cents)*	B	70,04	(672,09)	742,13
Dividend (cents per share)		428,81	368,44	60,37
Net asset value (R)		52,13	53,84	(1,71)
Management account information				
Net asset value (R)		60,24	55,49	4,75
Loan-to-value ratio (%)	C	28,8	35,2	(6,4)
Gross property expense ratio (%)		37,3	38,2	(0,9)
Percentage of direct and indirect property assets offshore (%)		25,4	27,8	(2,4)

* Represents continuing operations. The Board resolved to dispose of Resilient's operations in Nigeria and as such the Nigerian operations have been classified as discontinued operations at the reporting date.

Notes:
A FY2021 included revenue from NEPI Rockcastle of R125,4 million compared to the R729,3 million of FY2020.
B The movement can be attributed to the following:

	Note	Audited for the year ended June 2021 R'million	Audited for the year ended June 2020 R'million
Revenue from investments	A	125 416	730 734
Fair value gain/(loss) on investment property	D	509 100	(841 360)
Fair value gain/(loss) on investments		627 708	(3 142 457)
Fair value gain/(loss) on currency derivative		224 649	(802 092)
Share of loss of associate	E	(2 201 143)	(239 150)

C The loan-to-value 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.
D Fair value gain/(loss) on investment property affects basic and diluted earnings/(loss) per share. It does not affect headline and diluted headline earnings/(loss) per share.
E Resilient owned 40,16% of Lighthouse Capital and the investment is equity accounted at the reporting date. 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.

Property performance
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).

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. Resilient's share of the South African portfolio was revalued upwards by 2,2% by Jones Lang LaSalle Proprietary Limited.

Resilient owns 28 retail centres with a 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.

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.

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%.

Change to the Board of Directors
Thando Sishuba has been appointed to the Board as an independent non-executive director with effect from 26 August 2021. Thandos'appointment was made in accordance with Resilient's Nomination Policy and to increase the independence and skillset of the Board.

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 accounts/broker accounts on Monday, 20 September 2021. Certificated shareholders' dividend payments will be posted on or about Monday, 20 September 2021.

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. The key audit matters included in the auditor's report are the valuation of investment properties and the compliance with debt covenants. The preliminary summarised report ("full announcement") has been audited by PKF Octagon Inc. and an unmodified audit opinion has been issued.

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 can be found on the Company's website at
https://www.resilient.co.za/downloads.htm?Subcategory=2021
and can be accessed using the following
JSE link: https://senspdf.jse.co.za/documents/2021/jse/isse/rese/FY2021.pdf
The full announcement, the consolidated financial statements and the audit reports are 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.

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

By order of the Board

Des de Beer	Monica Muller
Chief executive officer	Chief financial officer

Johannesburg
26 August 2021

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)

Company secretary
Ashleigh Egan

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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)
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