

## **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

(Approved as a REIT by the JSE)

(“Resilient” or “Company”)



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## **PRE-CLOSE UPDATE**

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In anticipation of Resilient’s results for the year ended 30 June 2020, the following pre-close update is provided. The financial information on which this update is based has not been reviewed or reported on by the Company’s external auditors.

### **South Africa**

Since the previous update of 8 May 2020, the trend of non-metropolitan shopping centres trading better than those in metropolitan areas has been sustained. Trading conditions in Resilient’s portfolio have improved since the easing of the national lockdown provisions, however, consumers remain cautious and there has been a noticeable trend of support for value retailers. Conveniently located and easily accessible retail centres have been favoured.

Resilient’s policy has been to be supportive of tenants, particularly SMMEs and entertainment-related tenants such as cinemas and restaurants. Although the lockdown was relatively short, the impact on tenants was severe and recovery to pre-COVID trading levels will take time. For this reason, in excess of 95% of tenant relief provided is in the form of discounts rather than deferments. To date, Resilient’s *pro rata* share of tenant relief since 27 March 2020 amounts to c. R160 million which is c. 90% of a normalised month’s rental and rates billing. No relief was provided on utility charges or essential categories.

Agreement for rentals over the lockdown period has been reached with over 90% of tenants. Although arrears have increased, it is anticipated to decline as settlement is reached with the remaining tenants.

Resilient’s retail centres achieved strong comparable sales growth of 4,7% for the eight months to February 2020. Following the impact of the lockdown, comparable sales declined by 3,2% for the eleven months to May 2020. The figures exclude Mams Mall and The Crossing as they are not comparable.

Vacancies in the portfolio increased marginally from 1,9% at December 2019 to 2,1% at June 2020.

Edcon’s business rescue practitioners have advised that they are expecting to receive binding offers for the individual components of the business by the end of June 2020. Due to the quality of its property portfolio and the low vacancies, Resilient is confident that the impact of any changes by new owners will be manageable.

### **Nigeria**

The three malls in Nigeria were in complete lockdown for the month of April 2020. Entertainment, including cinemas and restaurants, remain in lockdown. Trading hours remain restricted to between 08h00 and 17h00 due to the national curfew. This has had a material negative impact on tenants’ turnover. There is no certainty on when the curfew or remaining restrictions will be lifted.

## Listed holdings

NEPI Rockcastle and Lighthouse Capital have published separate market updates.

## Treasury

In view of increased currency volatility and the associated treasury risk, the remaining EUR110 million cross-currency swap position has been terminated.

30 June 2020

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Sponsor

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