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 the "**Company**")

PRE-CLOSE UPDATE

In anticipation of Resilient's results for the interim period ended 31 December 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

Despite the impact of the COVID-19 pandemic, Resilient's portfolio continues to perform well and recorded a decline in retail sales of only 1,7% for the first four months of this financial year compared to the prior year. The trend is, however, improving with retail sales for October being 5,5% higher than October 2019.

Family-orientated entertainment concepts, including restaurants, continue to improve. The performance of cinemas has been negatively affected by the COVID-related restrictions, however, the limited number of "block buster" releases is the major concern.

During the first five months of FY2021, an additional R31 million of rental discounts were granted mainly in the entertainment and personal care categories. Resilient has, at this stage, collected 94,3% of rental and recoveries billed before discounts (96,6% post discounts) during this period.

At November 2020, vacancies totalled 2,4% of GLA, however, tenant demand has improved and management expects vacancies to decline. As previously indicated, Resilient is in negotiations to add five grocery stores to the portfolio that will cater for structural changes in consumer demand and benefit the Company's overall tenant mix. After the delays caused by the COVID-19 lockdown, progress is being achieved with the lease renewal processes with all major tenants.

Resilient has received a cash offer from an institutional purchaser for Murchison Mall at its June 2019 book value of R392 million. This is marginally below the June 2020 valuation, however, the Board has resolved to accept the offer that is still subject to conditions normally associated with transactions of this nature. The proceeds will facilitate the expansion of Mahikeng Mall for which additional retail rights have been approved.

Discussions with a major institutional purchaser on the disposal of interests in several malls continue. The Board has resolved not to continue discussions beyond a cut-off date of 31 December 2020 unless significant progress with the transaction is achieved.

Nigeria

Despite civil unrest and a challenging economic environment, vacancies have reduced from 9,3% to 6,1%.

Treasury and capital management

Credit approval has been obtained for the renewal of the R1,85 billion facilities from RMB that expire between March and June 2021. This has eliminated the refinancing risk for the 2021 financial year. To avoid concentration risk, the tenures will be spread between two and four years.

Nedbank has approved new facilities totalling R425 million with tenures between three and four years.

The Board's long-standing target range for the Group's loan-to-value ratio has been 30% to 35%. The Board does not intend varying this target range.

Distributions

The Board's policy remains 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.

2 December 2020

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