

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”)



PRE-CLOSE UPDATE

In anticipation of Resilient’s results for the six-months ended December 2021, 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.

TRADING PERFORMANCE

Resilient’s portfolio achieved strong comparable sales growth of +7,8% for the four months ended October (+6,1% compared to the 2019 pre-COVID performance). Resilient continues to benefit from dominant shopping centres serving markets exposed to export-commodities. The COVID-pandemic continues to impact footfalls, however, the trading performance has recovered well.

Jabulani Mall and a section of Mams Mall were looted during the social unrest of July 2021. As a result, retail sales in these centres declined by 40,1% and 10,0%, respectively, compared with the same four-month period of 2020 and were excluded from the comparable sales performance. Resilient’s share of the damage sustained to these properties amounted to R3,6 million and R2,3 million, respectively.

Resilient is insured for damage to the shopping centres as well as the loss of rental during the period of social unrest. Resilient’s share of the total insurance claim submitted amounts to R31 million.

COLLECTIONS AND COVID DISCOUNTS

During FY2020, Resilient’s insurance policy included pandemic cover. Resilient has agreed to a settlement of R12,6 million in respect of its claim. As the amount was not previously accrued, it will be included in the results for the current financial period. This cover is no longer available.

For the five months to date, Resilient has collected 96,6% of rental and recoveries billed before discounts. This number includes the full rental billing for the period of social unrest. Rental discounts of R19 million were granted during this financial period to date.

VACANCIES

Resilient’s *pro rata* share of the vacancy in the portfolio was 2,6% at October 2021. This includes vacancy of 0,5% which is earmarked for the introduction of three additional grocery stores and is therefore not available for letting.

RENEWALS AND NEW LEASES

Expiring leases with tenants that remained in occupation were renewed on average at -0,6% compared to the expiring rentals. Leases concluded with new tenants were on average 8,0% higher than the rentals of the outgoing tenants. In total, rentals for renewals and new leases increased on average by 1,8%.

FRENCH PORTFOLIO

The four shopping centres acquired in France will be included in Resilient’s results for Q4 2021. The malls are open and trading and retail sales are returning to pre-COVID levels. The official fully-vaccinated coverage is 88,0% in France and the impact of the fourth COVID-wave has been limited to date.

PORTFOLIO VALUATION

With the change in the Company’s year-end to December, the property portfolio is being externally valued by Jones Lang LaSalle.

29 November 2021

Sponsor

JAVACAPITAL