

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 summarised consolidated financial statements for the six months ended 31 December 2021

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 its strong development skills which support new developments and the reconfiguration of existing shopping centres to adapt to structural changes in the market. Resilient also invests directly and indirectly in offshore property assets.

The Company's focus is on regions with strong economic fundamentals, either with mineral resources or export-quality agricultural products. Resilient generally has the dominant offering in its target markets with a strong grocery and convenience offering.

Distributable earnings and dividend declared

The Board has declared a dividend of 226,62 cents per share for the six months ended December 2021. This represents an increase of 11,8% when compared to the dividend for the six months ended December 2020.

Commentary on results

The Group collected 97,1% of rentals and recoveries billed (before discounts) during the period. Resilient provided R21,5 million (Dec 2020: R43,7 million) of COVID-related discounts to tenants during the period.

During the previous reporting period, Resilient's insurance policy included pandemic cover. Resilient has received a settlement of R12,6 million in respect of its claim, which was not previously accrued.

To date, Resilient has received a settlement of R13,7 million in respect of its insurance claims relating to the social unrest of July 2021. This claim includes R3,3 million for damages, R9,3 million for loss of rental and R1,1 million relating to additional security costs incurred. An amount of R3 million relating to damages and additional expenses remains outstanding and has not been accrued for.

The Group's year-end changed to December which resulted in an increase in administrative costs compared to the interim comparable period. Costs such as internal and external audit fees as well as valuation fees are usually accounted for over a 12-month period. However, as a result of the change in the Group's financial year, these costs were accounted for over a period of six months. In addition, staff incentivisation (STI awards) is accrued for only at the reporting period-end. These additional costs were offset by a strong performance by the South African property portfolio which recorded net property income growth of 7,8%. This excludes the COVID-related discounts, the pandemic cover settlement received and Murchison Mall which was disposed of during the period.

Administered costs, particularly rates and taxes and electricity, continue to escalate well ahead of inflation and retail sales growth and are affecting tenants' cost of occupancy.

Resilient's South African portfolio achieved strong comparable sales growth of +8,5% for the six months ended December 2021 (+6,9% compared to the six months to December 2019 pre-COVID performance). Resilient continues to benefit from dominant shopping centres serving markets exposed to export commodities. These include mining and high-value agricultural products in which South Africa is internationally competitive.

Resilient owns 27 retail centres in South Africa with a GLA of 1,15 million square metres. Resilient's pro rata share of the vacancy in this portfolio was 2,3% at December 2021.

Jones Lang LaSalle Proprietary Limited valued the South African property portfolio at 31 December 2021. Resilient's share of the South African portfolio was revalued upwards by 3,7% (R843 million). The average annualised property yield was 8,2% at December 2021. Resilient's share of the revaluation of the French assets amounted to EUR6,5 million during the period.

Financial performance

	Audited for the six months ended Dec 2021	Restated audited for the year ended Jun 2021	Movement
IFRS information			
Total revenue (R'000)*	1 539 748	2 864 764	(1 325 016)
Basic earnings per share (cents)*	525,22	76,90	448,32
Diluted earnings per share (cents)*	523,63	76,77	446,86
Headline earnings per share (cents)*	231,22	70,16	161,06
Diluted headline earnings per share (cents)*	230,52	70,04	160,48
Dividend (cents per share)	226,62	428,81	(202,19)
Net asset value per share (R)	56,73	53,28	3,45
Management accounts information			
Net asset value per share (R)	65,03	60,24	4,79
Loan-to-value ratio (%)	28,8	28,8	-
Gross property expense ratio (%)	38,1	37,3	0,8
Percentage of direct and indirect property assets offshore (%)	29,4	25,4	4,0

* Represents continuing operations. The Nigerian operations are classified as discontinued operations at the reporting date.

The Board has resolved to distribute Lighthouse shares to Resilient shareholders at a ratio of 0,48 Lighthouse shares for each Resilient share held, subject to rounding and payment in cash for fractions. The distribution in specie, including cash payments for fractions, will take the form of a return of capital. Following the implementation of the distribution in specie, which is subject to conditions including exchange control approval, Resilient will own approximately 30,7% of the Lighthouse shares in issue. In due course, Resilient will announce the full details of the distribution in specie.

Prospects

Resilient remains open to additional direct investment in regions with strong economic fundamentals based on internationally competitive commodities. As in the past, the Group will maintain a conservative financial structure as protection against unforeseen events.

As Resilient's shares trade at a discount to its net asset value, the Board has appointed Java Capital to explore all avenues to unlock value for shareholders. In due course, Resilient will provide details of the outcomes of this process.

In view of the current international uncertainty as well as the continued

impact of COVID, the Board is not in a position to provide guidance. The distribution policy remains unchanged and Resilient will maintain its payout ratio at 100%.

Payment of final dividend

The Board has approved and notice is hereby given of a final dividend of 226,62000 cents per share for the six months ended 31 December 2021.

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

Last date to trade cum dividend	Tuesday, 5 April 2022
Shares trade ex dividend	Wednesday, 6 April 2022
Record date	Friday, 8 April 2022
Payment date	Monday, 11 April 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 6 April 2022 and Friday, 8 April 2022, both days inclusive.

In respect of dematerialised shareholders, the dividend will be transferred to the Central Securities Depository Participant ("CSDP") accounts/broker accounts on Monday, 11 April 2022. Certificated shareholders' dividend payments will be posted on or about Monday, 11 April 2022.

The auditor, PricewaterhouseCoopers Inc., has issued an unmodified audit opinion on the consolidated financial statements for the six months ended 31 December 2021. The auditor's opinion includes communication of a key audit matter in relation to valuation of investment property. This opinion is available, along with the consolidated financial statements for the six months ended 31 December 2021, at the registered offices of the Company and on the Company's website at <https://www.resilient.co.za/downloads.htm?Subcategory=2021>. The audit was conducted in accordance with International Standards on Auditing. The summarised consolidated financial statements for the six months ended 31 December 2021 ("full announcement") has been audited by PricewaterhouseCoopers 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 and does not include full or complete details. The full announcement has been released on SENS and is available on the JSE website at <https://senspdf.jse.co.za/documents/2022/JSE/isse/RESE/Dec21AFS.pdf>, and on the Company's website at <https://www.resilient.co.za/downloads.htm?Subcategory=2021>. 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.

By order of the Board

Des de Beer
Chief executive officer

Monica Muller
Chief financial officer

Johannesburg
17 March 2022

Dividend tax treatment

In accordance with Resilient's status as a REIT, shareholders are advised that the dividend of 226,62000 cents per share for the six months ended 31 December 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 above-mentioned 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 181,29600 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 above-mentioned 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

Sponsor: Java Capital