



# Notice of annual general meeting, form of proxy and summarised financial statements

for the year ended 30 June 2024



**FORTRESS**

REAL ESTATE INVESTMENTS

Powering Growth

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### Privacy notice for shareholders

As you are probably aware, the Protection of Personal Information Act 4 of 2013, (POPIA) regulates the processing of personal information in South Africa and places certain obligations on responsible parties such as the company. One of these obligations is to notify data subjects about the purpose of processing their personal information and the likely recipients of such personal information. We wish to inform you that from time to time we receive requests from third parties to provide a copy of the company's share register, which may contain personal information relating to shareholders. We comply with these requests where we are required to provide a copy of the share register in accordance with section 26 of the Companies Act of South Africa, Act 71 of 2008, as amended (Companies Act) read with regulation 24 of the Companies Regulations. Accordingly, the personal information of shareholders may be disclosed to such parties from time to time. For more detail on how we process your personal information and your rights in terms of POPIA, please refer to our privacy policy which can be accessed at <https://property.fortressfund.co.za/privacy-notice>

## Letter to shareholders

### Dear shareholder,

You are invited to attend and vote at the fifteenth annual general meeting of Fortress Real Estate Investments Limited (Fortress), which will be in person and via video conferencing. Refer to **page 10** for the procedures to attend the annual general meeting electronically.

This invitation is extended to Fortress B (FFB) ordinary shareholders, or their proxies.

The purpose of this document is to present:

- The directors' report;
- The auditor's report;
- The audit committee report;
- The audited financial statements for the group and the company for the year ended 30 June 2024; and
- The social, ethics and sustainability committee report.

The above documents can be found on our website:

- in our 2024 integrated report at <https://fortressfund.co.za/investor-relations/investor-documents?document=annual-reports>; or
- in our annual financial statements for the year ended 30 June 2024 at [https://assets.ctfassets.net/7unabnt9bnbr/2dcX7ozwTrmJ1WvdJKex2y/5c26d5b19f3637d9ded4362270143819/Annual\\_financial\\_statements\\_30\\_June\\_2024.pdf](https://assets.ctfassets.net/7unabnt9bnbr/2dcX7ozwTrmJ1WvdJKex2y/5c26d5b19f3637d9ded4362270143819/Annual_financial_statements_30_June_2024.pdf).

Alternatively copies can be obtained from the company on request by contacting the company secretary, Tamlyn Stevens at [tamlyn@fortressfund.co.za](mailto:tamlyn@fortressfund.co.za).

In addition, we present details of certain of the resolutions to be tabled at the annual general meeting. These resolutions propose:

- Directors' appointments to be confirmed;
- Re-elections to the board and audit committee;
- Reappointment of KPMG Inc. (KPMG) as the auditor of the group, with Roxanne Solomon being the designated audit partner;
- General authority to issue shares for cash;
- Approval of financial assistance to related or inter-related companies;
- Approval of the repurchase of shares;
- Approval of non-executive directors' remuneration for their services as directors;
- Authority for directors to determine non-executive directors' additional special payments;
- Authority for directors or the company secretary to implement resolutions; and
- Endorsement of the remuneration policy and the remuneration implementation report.

### Robin Lockhart-Ross

*Independent non-executive chairman*

Johannesburg  
29 October 2024

## Notice of annual general meeting

of FFB ordinary shareholders (shareholders)

**Fortress Real Estate Investments Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number: 2009/016487/06)  
JSE share code: FFB | ISIN: ZAE000248506  
LEI: 378900FE98E30F24D975  
(Fortress or the group or the company)

### This document is important and requires your immediate attention

If you are in any doubt as to what action you should take arising from the following resolutions, please consult your Central Securities Depository Participant (CSDP), stockbroker, banker, attorney, accountant or other professional advisor immediately.

Notice is given of the fifteenth annual general meeting of shareholders of Fortress at the company's registered office, Block C, Cullinan Place, Cullinan Close, Morningside, 2196 and via video conference on Tuesday, 3 December 2024 at 11h00 for the following purposes:

- To present the audited consolidated annual financial statements of the group and the audited annual financial statements of the company, including the directors' report, the auditor's report, the audit committee report and the social, ethics and sustainability committee report for the year ended 30 June 2024;
- To consider and, if deemed fit, pass with or without modification, the ordinary resolutions, non-binding advisory votes and special resolutions set out in this notice of annual general meeting; and
- To deal with such business as may be lawfully dealt with at an annual general meeting.

### Additional information

The full consolidated annual financial statements of the group and separate annual financial statements of the company are included in the 30 June 2024 annual financial statements as published on the company's website at [https://assets.ctfassets.net/7unabnt9bnbr/2dcX7ozwTrmJ1WvdJKex2y/5c26d5b19f3637d9ded4362270143819/Annual\\_financial\\_statements\\_30\\_June\\_2024.pdf](https://assets.ctfassets.net/7unabnt9bnbr/2dcX7ozwTrmJ1WvdJKex2y/5c26d5b19f3637d9ded4362270143819/Annual_financial_statements_30_June_2024.pdf) and are also available on request from the company secretary.

The social, ethics and sustainability committee report and remuneration report are included in our 2024 integrated report at <https://fortressfund.co.za/investor-relations/investor-documents?document=annual-reports> and are also available on request from the company secretary.



**FORTRESS**  
REAL ESTATE INVESTMENTS

### 1. Consider as ordinary resolution number 1: Directors' appointments to be confirmed in terms of clause 25.3 and election in terms of clause 25.12 of the company's memorandum of incorporation, being new appointments made, each by way of a separate vote

#### 1.1 Hermanus (Herman) Lambertus Bosman (56)

*BCom (Law), LLB, LLM, CFA*

Independent non-executive director

**Date of appointment:** August 2024

Herman is a Chartered Financial Analyst with BCom Law, LLB and LLM degrees from the University of Johannesburg. Herman worked at Rand Merchant Bank, a division of FirstRand Bank Limited (RMB) for 12 years and ultimately headed up its corporate finance division. He returned to the RMB group in 2014 as the chief executive officer (CEO) of RMB Holdings Limited (RMBH) and RMI Holdings Limited following his tenure as CEO of Deutsche Bank South Africa from 2006 to 2013. Herman has also served on the boards of FirstRand Limited, Discovery Limited and Hastings plc and is currently the chairman of the boards of RMBH and OUTsurance Holdings Limited.

#### 1.2 Nonhlanhla (Noni) Mayisela (42)

*BCom Accounting, Postgraduate Diploma in Management (Wits)*

Independent non-executive director

**Date of appointment:** August 2024

Noni holds a BCom in Accounting from the University of South Africa, a Post Graduate Diploma in Management from Wits Business School and is the co-owner and executive director of Ukukhula Real Estate Partners, a majority black-women-owned commercial real estate asset management company. She has over

20 years' experience in the property industry. Noni has been at the forefront of driving gender diversity through her extensive involvement in the Women's Property Network. She is also the co-founder and director of African Women in Property, a non-executive director of the Afrit Group and an investment committee member of Summit Africa Social Infrastructure Fund. Most recently, she also held the position of non-executive director of Liberty 2 Degrees until November 2023.

**2. Consider as ordinary resolution number 2: Re-electing the following directors, each by way of a separate vote, who retire in terms of clause 25.12 of the company's memorandum of incorporation and who offer themselves for re-election**

**2.1 Thavanesan (TC) Chetty (58)**

*BA (Economics and Geography), Master of Town and Regional Planning, Diploma in Business Management*  
Independent non-executive director  
**Date of appointment:** February 2021

TC is a professional town and regional planner with a degree in economics. With over 30 years of experience in the property sector, he is the CEO of TC Chetty and Associates, a consultancy business providing services in business strategy, development planning, development economics, training and development coordination. TC is also the partner development and public affairs manager in South Africa for the Royal Institute of Chartered Surveyors. Previously, he acted as president and board member of the South African Property Owners Association and currently serves as the chairman of Immedia, a specialist mobile app development and media strategy company.

**2.2 Susan (Sue) Melanie Ludolph (60)**

*BCom, BAcc, CA(SA)*  
Independent non-executive director  
**Date of appointment:** December 2018

Sue played a driving role in South African and international business reporting. She has served as an independent member of the Discovery Health Medical Scheme's audit committee for six years and was an independent

member of the Discovery Health Medical Scheme's risk committee for four years. From 2014 to 2019, Sue was a judge for the PwC Building Public Trust Awards. She was previously the project director: financial reporting for the South African Institute of Chartered Accountants, co-founded the CFO Forum of South Africa, was the national recruitment partner for Deloitte, and was the dean of the commerce faculty and director of the Midrand campus for Educor Limited. She established and implemented the strategy and work plan of South Africa's first top 100 CFO Forum, which today still guides, influences and leads on issues affecting chief financial officers and business. Sue has experience in financial and integrated reporting, tax, risk management and governance.

**2.3 Ian David Vorster (44)**

*BCom (Hons) (Accounting), CA(SA)*  
Chief financial officer and financial director  
**Date of appointment:** December 2018

Ian completed his articles at PKF (JHB) Inc. (PKF) and qualified as a chartered accountant in 2006. He joined the PKF corporate finance division in 2007 and was appointed partner in 2009. PKF merged with Grant Thornton Johannesburg in 2013 and, in 2015, he was appointed as head of the corporate finance division. Ian also served on the Grant Thornton executive committee. He has extensive experience in due diligence investigations, transaction structuring, valuations and JSE Limited (JSE) reporting accountants and independent expert experience.

**The following director has served on the board for nine years and retires in terms of clause 25.12.2.3 of the company's memorandum of incorporation and who does not offer himself for re-election:**

Jan Naudé Potgieter will have served on the board for nine years on 1 December 2024. Although eligible, Jan has indicated that he will not make himself available for re-election to the board or to the audit committee and will retire at the annual general meeting.

**3. Consider as ordinary resolution number 3: Re-electing or electing the members of the audit committee, each by way of a separate vote, who offer themselves for re-election or election, in terms of section 94(2) of the Companies Act, namely:**

**3.1 Susan (Sue) Melanie Ludolph (60)**

Sue's curriculum vitae is included on **page 2**.

Subject to the passing of resolution 2.2 for Sue's re-election to the board of directors.

**3.2 Edwin (Eddy) Obowitz (67)**

*BCom, CA(SA), CPA (Israel)*  
Independent non-executive director  
**Date of appointment:** May 2023

Eddy holds a BCom degree and is a chartered accountant and certified public accountant. In his over 43-year professional career, Eddy has had exposure to various diverse local and international industries and business enterprises. He is currently the owner of Contineo Financial Services and serves as an independent non-executive director at Trencor Limited, The Foschini Group Limited and BNP Paribas Personal Finance South Africa Limited (RCS Group), as well as various non-listed companies.

**3.3 Jonathon (Jon) Wade Hillary (51)**

*BCompt (Hons), CTA, CA(SA), Advanced Management Program (Harvard University)*  
Independent non-executive director  
**Date of appointment:** December 2023

Jon founded Jika Strategies Proprietary Limited in 2021 focusing on strategic, operational and M&A advisory. Following completion of his articles at KPMG, Jon spent six years abroad in multiple countries working with Magic Circle law firms. On his return to South Africa in 2003, Jon joined Group Five Infrastructure as group financial director for Intertoll. Jon was appointed as managing director of Group Five Property Developments in 2008 and became an executive director of the investments and concessions cluster in 2014. In 2017, Jon joined the JSE-listed Torre Industries Group as executive chairman and CEO, which was then taken private and renamed Synerlytic in 2019. Jon's areas of expertise focus on leadership, corporate finance and operational effectiveness of large listed organisations.

**4. Consider as ordinary resolution number 4: Reappointment of KPMG as auditor of the group with Roxanne Solomon being the designated audit partner**

The company's audit committee has confirmed KPMG's independence and has nominated KPMG for reappointment as independent auditor of the company pursuant to section 90(2)(c) of the Companies Act.

In accordance with paragraph 3.84(g)(iii) of the JSE Listings Requirements and paragraph 7.3(e)(iii) of the Debt Listings Requirements, the audit committee has assessed and confirmed the suitability of KPMG and Roxanne Solomon for reappointment.

**As special business to consider and, if deemed fit, pass with or without modification, which modification is capable of being substantive in nature, the following resolutions:**

**5. Consider as ordinary resolution number 5: General authority to issue shares for cash**

"RESOLVED THAT the directors of the company be and are hereby authorised by way of a general authority to issue shares in the capital of the company for cash, as and when they in their discretion deem fit, subject to the Companies Act, the memorandum of incorporation of the company, the JSE Listings Requirements, when applicable, and the following limitations, namely that:

- The shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- Any such issue will be made to 'public shareholders' and not 'related parties', all as defined in the JSE Listings Requirements, provided that if the company undertakes an equity raise via a bookbuild process, shares may be allotted and issued to related parties on the basis that such related parties may only participate with a maximum bid price at which they are prepared to take up shares or at book close price, in accordance with the provisions contained in paragraph 5.52(f) of the JSE Listings Requirements;



- The total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 60 214 591 FFB shares, being 5% (five percent) of the company's B issued shares (excluding treasury shares) as at the date of notice of this annual general meeting. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 60 214 591 FFB shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
- In determining the price at which an issue of shares for cash may be made in terms of this authority, the maximum discount permitted will be 5% (five percent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed to by the directors of the company and the party subscribing for shares;
- In the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- This authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date that this authority is given; and
- An announcement giving full details, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) business days prior to the date the issue is agreed in writing and an explanation, including supporting information (if any), of the intended use of the funds, will be published at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) of the number of shares in issue prior to the issue."

Ordinary resolution number 5 is required, under the JSE Listings Requirements, to be passed by achieving a 75% (seventy-five percent) majority of the votes cast in favour of such resolution by all shareholders present or represented by proxy and entitled to vote at the annual general meeting.

## 6. Consider as special resolution number 1: Approval of financial assistance to related or inter-related companies

"RESOLVED THAT to the extent required by the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company's memorandum of incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in terms of section 45 of the Companies Act by way of loans, guarantees, the provisions of security or otherwise, to any of its present or future subsidiaries and/or any other company or juristic person that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure for a period of 2 (two) years after adoption or until renewal at the next annual general meeting of the company, whichever is earlier."

### The reason for and effect of special resolution number 1

The company provides loans to and/or guarantees loans or other obligations of entities in the group. The company believes it necessary that it continues to have the ability to provide financial assistance to, *inter alia*, ensure that any of its present or future subsidiaries and/or any other company or juristic person that is or becomes related or inter-related to the company has access to financing and/or financial backing from the company (as opposed to banks) and is accordingly proposing special resolution number 1.

Therefore, the reason for, and effect of, special resolution number 1 is to permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities referred to in special resolution number 1 above.

In terms of section 45 of the Companies Act, if special resolution number 1 is adopted, the board of directors will only be entitled to authorise such financial assistance if it is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act.

## 7. Consider as special resolution number 2: Approval of the repurchase of shares

"RESOLVED THAT subject to the Companies Act, the memorandum of incorporation of the company, the JSE Listings Requirements and the restrictions set out below, the repurchase of shares of the company under this authority, either by the company or by any subsidiary of the company, is hereby authorised, on the basis that:

- This authority will only be valid until the company's next annual general meeting or for 15 (fifteen) months from the date of this resolution, whichever period is shorter;
- The number of shares which may be acquired pursuant to this authority in any financial year may not in the aggregate exceed 10% (ten percent) of the company's issued share capital as at the date of this notice of annual general meeting;
- The repurchase of shares must be effected through the order book operated by the JSE trading system and done without any prior arrangement between the company and the counterparty;
- The repurchase of shares may not be made at a price greater than 10% (ten percent) above the volume-weighted average of the market price for the shares for the 5 (five) business days immediately preceding the date on which the repurchase is effected;
- At any point in time, the company will only appoint one agent to effect repurchases on its behalf;
- The company or its subsidiaries may not repurchase shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless there is a repurchase programme in place and the dates and quantities of shares to be repurchased during the prohibited period have been submitted to the JSE in writing prior to the commencement of the prohibited period; and
- A resolution by the board of directors is passed that the board of directors of the company authorises the repurchase, that the company and the relevant subsidiaries have passed the solvency and liquidity test as set out in section 4 of the Companies Act and that, since the test was performed, there have been no material changes to the financial position of the group."

In accordance with the JSE Listings Requirements, the directors record that they will utilise this general authority to effect a repurchase of Fortress shares as and when suitable opportunities present themselves.

## Reason for and effect of special resolution number 2

The reason for special resolution number 2 is to afford the company or a subsidiary of the company a general authority to effect a repurchase of the company's shares on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the JSE Listings Requirements and the Companies Act, to effect repurchases of the company's shares on the JSE, either through the company or through any subsidiary of the company.

The directors, after considering the effect of a maximum repurchase, are of the opinion that for a period of 12 (twelve) months after the date of the notice of annual general meeting:

- The company and the group will be able, in the ordinary course of business, to pay their debts;
- The assets of the company and the group will be in excess of the liabilities of the company and the group measured in accordance with the accounting policies used in the latest audited annual financial statements of the group and company;
- The issued share capital and reserves of the company and the group will be adequate for ordinary business purposes; and
- The working capital of the company and the group will be adequate for ordinary business purposes.

After the company, or its subsidiaries, has cumulatively repurchased 3% (three percent) of the initial number of shares (the number of shares in issue at the time that the general authority from shareholders is granted) and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, an announcement will be made in terms of the JSE Listings Requirements.

The following additional information, which appears in the 2024 annual financial statements or elsewhere in this document, is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of special resolution number 2:

- Major shareholders – pages 154 to 155 of the 2024 annual financial statements; and
- Issued share capital of the company – page 50 of this document.

### Material changes

Other than the facts and developments reported on in the 2024 integrated report and the 'Category 2 acquisition of shares in NEPI Rockcastle N.V.' announcement released on the Stock Exchange News Service (SENS) on 18 October 2024, there have been no material changes in the affairs or financial position of the company and its subsidiaries between the date of signature of the audit report for the year ended 30 June 2024 and the date of this notice of annual general meeting.

### Directors' responsibility statement

The directors, whose names appear on page 50 of this document and page 3 of the 2024 annual financial statements, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required in terms of the JSE Listings Requirements.

### 8. Consider as special resolution number 3: Approval of non-executive directors' remuneration for their services as directors

"RESOLVED THAT in accordance with section 66 of the Companies Act, fees to be paid by the company to the non-executive directors for their services as directors be and are hereby approved, as follows:

For the year ending 31 December 2025	Base fee R	Meeting fee R
Chairman (note 1)	1 480 000	nil
Non-executive director	380 000	15 750
Audit committee chairman	193 000	15 000
Audit committee member	152 000	11 250
Property and investment committee chairman	170 000	15 000
Property and investment committee member	140 000	11 250
Remuneration committee chairman	167 000	15 000
Remuneration committee member	130 000	11 250
Nomination committee chairman (note 2)	114 000	15 000
Nomination committee member	98 000	11 250
Risk committee chairman	136 000	15 000
Risk committee member	108 000	11 250
Social, ethics and sustainability committee chairman	114 000	15 000
Social, ethics and sustainability committee member	98 000	11 250

#### Notes

1. The board chairman's remuneration comprises an all-inclusive annual fee, regardless of the number of board meetings held and attended, and regardless of the number of committees of which the chairman is a member.
2. For so long as, in terms of current company policy, the board chairman also chairs the nomination committee, no fees will be paid for this role.
3. The above remuneration excludes value-added tax (VAT) in terms of current VAT legislation."

### Reason for and effect of special resolution number 3

The reason for special resolution number 3 is to obtain shareholder approval by way of a special resolution in accordance with section 66(9) of the Companies Act for the payment by the company of remuneration to each of the non-executive directors of the company for their services as non-executive directors for the year up to 31 December 2025 in the amounts set out under special resolution number 3.

### 9. Consider as special resolution number 4: Authorising directors to determine non-executive directors' additional special payments

"RESOLVED THAT a disinterested quorum of directors be and is hereby authorised to determine, on a case-by-case and documented basis, such additional remuneration payable to non-executive directors when performing services for or on behalf of the company outside their ordinary duties as a non-executive director, in accordance with clause 28.2 of the company's memorandum of incorporation. Non-executive directors will be entitled to additional remuneration for services which fall outside their ordinary duties as a non-executive director at an hourly rate of R3 750 per hour (or part thereof), subject to a maximum fee of R300 000 per annum per non-executive director."

All amounts in Rand	Per hour or part thereof
Non-executive director	3 750

The above rate excludes VAT in terms of current VAT legislation.

The above additional remuneration will be approved by the directors on a case-by-case and documented basis and limited to a maximum amount of R300 000 per annum per non-executive director.

### Reason for and effect of special resolution number 4

The reason for special resolution number 4 is to obtain shareholder approval by way of a special resolution in accordance with section 66(9) of the Companies Act

and clause 28.2 of the memorandum of incorporation for the payment by the company of remuneration for services which fall outside of his or her ordinary duties as a non-executive director until the following annual general meeting in the amounts set out under special resolution number 4.

### 10. Consider as ordinary resolution number 6: Authority for directors or the company secretary to implement resolutions

"RESOLVED THAT any director of the company or the company secretary be and is hereby authorised to do all such things and sign all such documents as may be required to give effect to ordinary resolutions numbers 1 to 5 and special resolutions numbers 1 to 4."

Unless otherwise stated, in order for the ordinary resolutions to be adopted, the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or by proxy, is required and in order for the special resolutions to be adopted, the support of at least 75% (seventy-five percent) of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass such resolutions.

### 11. Consider as non-binding advisory vote number 1: Approval of the remuneration policy

"RESOLVED THAT in accordance with the principles of the King IV Report on Corporate Governance for South Africa, 2016™ (King IV) and the JSE Listings Requirements, and through a non-binding advisory vote, the company's remuneration policy be and is hereby approved."

### Reason for and effect of non-binding advisory vote number 1

In terms of principle 14 of King IV, the company's remuneration policy should be tabled at the annual general meeting for a non-binding advisory vote. Accordingly, shareholders are requested to endorse the company's remuneration policy. The vote allows shareholders to express their views on the company's remuneration policy but will not be binding on the company.

### Remuneration policy

The remuneration policy is disclosed in detail in the remuneration report included in the 2024 integrated report as published on the company's website at <https://www.fortressfund.co.za/investor-relations/investor-documents?document=annual-reports>.

### 12. Consider as non-binding advisory vote number 2: Approval of the remuneration implementation report

"RESOLVED THAT in accordance with the principles of King IV and the JSE Listings Requirements, and through a non-binding advisory vote, the company's remuneration implementation report be and is hereby approved."

### Reason for and effect of non-binding advisory vote number 2

In terms of principle 14 of King IV, the company's remuneration implementation report should be tabled at the annual general meeting for a non-binding advisory vote. Accordingly, shareholders are requested to endorse the company's remuneration implementation report. The vote allows shareholders to express their views on the company's remuneration implementation report but will not be binding on the company.

### Remuneration implementation report

The remuneration implementation report is disclosed in detail in the remuneration report included in the 2024 integrated report as published on the company's website at <https://www.fortressfund.co.za/investor-relations/investor-documents?document=annual-reports>.

In the event of 25% (twenty-five percent) or more of shareholders voting against the non-binding advisory votes, the board of directors is committed to engaging actively with dissenting shareholders in this regard in order to ascertain the reasons therefore and to address all legitimate and reasonable objections and concerns.

Important dates and times	2024
Record date for receipt of notice purposes	Friday, 25 October
Notice of annual general meeting, form of proxy and summary financial statements for the year ended 30 June 2024 issued to shareholders	Thursday, 31 October
2024 integrated report available on Fortress' website	Thursday, 31 October
Last day to trade in order to be eligible to vote	Tuesday, 19 November
Record date for voting purposes (voting record date)	Friday, 22 November
Last day forms of proxy should be lodged with the transfer secretaries for the annual general meeting (by 11h00), failing which forms of proxy may be handed to the transfer secretaries or the chairman at any time prior to the commencement of the annual general meeting	Friday, 29 November
Annual general meeting held at 11h00	Tuesday, 3 December
Results of the annual general meeting released on the SENS	Wednesday, 4 December

#### Notes:

1. All dates and times in this notice are local dates and times in South Africa.
2. The above dates and times are subject to change. Any changes will be released on SENS and, if required, published in the press.
3. Shareholders should note that as transactions in Fortress shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trade. Therefore, shareholders who acquire Fortress shares after Tuesday, 19 November 2024 will not be eligible to vote at the annual general meeting.
4. In order to ensure the orderly arrangement of affairs at the annual general meeting, forms of proxy should be lodged with the transfer secretaries by 11h00 on Friday, 29 November 2024, failing which forms of proxy may be handed to the transfer secretaries or the chairman at any time prior to the commencement of the annual general meeting or prior to voting on any resolution proposed at the annual general meeting.
5. If the annual general meeting is adjourned or postponed, forms of proxy submitted for the initial annual general meeting will remain valid in respect of any adjournment or postponement of the annual general meeting.

### Statement in terms of section 62(3)(e) of the Companies Act

Shareholders holding certificated shares and shareholders holding shares in dematerialised form in 'own name':

- May attend and vote at the annual general meeting, alternatively;
- May appoint an individual as a proxy (who need not also be a shareholder of the company) to attend, participate in and speak and vote in your place at the annual general meeting by completing the attached form of proxy and returning it to the registered office of Fortress or to the transfer secretaries. For administrative purposes, shareholders are requested to submit the duly completed forms of proxy by 11h00 on Friday, 29 November 2024. Alternatively, the form of proxy may be handed to the chairman of the annual general meeting or to the transfer secretaries at the annual general meeting or at any time prior to the commencement of the annual general meeting or prior to voting on any resolution proposed at the annual general meeting. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy.

Please note that any shareholder of the company that is a company may authorise any person to act as its representative at the annual general meeting.

Please also note that section 63(1) of the Companies Act requires that persons wishing to participate in the annual general meeting (including the aforementioned representative) must provide satisfactory identification before they may so participate.

### Notice to owners of dematerialised shares

Please note that if you are the owner of dematerialised shares held through a CSDP or broker (or their nominee) and are not registered as an 'own name' dematerialised shareholder, then you are not a registered shareholder of the company, but your CSDP or broker (or their nominee) would be.

Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker as the case may be:

- If you wish to attend the annual general meeting, you must contact your CSDP or broker and obtain the relevant letter of representation from it, alternatively;

- If you are unable to attend the annual general meeting but wish to be represented at the annual general meeting, you must contact your CSDP or broker and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, within the time period required by your CSDP or broker; and
- CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and for administrative purposes are requested to submit the duly completed forms of proxy by 11h00 on Friday, 29 November 2024. Alternatively, the form of proxy may be handed to the chairman of the annual general meeting or the transfer secretaries at the annual general meeting at any time prior to the commencement of the annual general meeting or prior to voting on any resolution proposed at the annual general meeting.

### Quorum

The quorum requirements for a shareholders' meeting to begin, or for a matter to be considered, are as set out in sections 64(1) and 64(3) of the Companies Act and accordingly:

- At least three shareholders entitled to attend and vote and who are present in person or able to participate in the meeting by electronic communication, or represented by a proxy who is present in person or able to participate in the meeting by electronic communication, must be present;
- A shareholders' meeting may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty-five percent) of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and

- A matter to be decided at a shareholders' meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty-five percent) of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, JSE Investor Services Proprietary Limited (One Exchange Square, Gwen Lane, Sandown, Sandton, 2196), for the purposes of being entitled to attend, participate in and vote at the annual general meeting is Friday, 22 November 2024.

### Voting at the annual general meeting

In order to more effectively record the votes and give effect to the intentions of shareholders, voting on all resolutions will be conducted by way of a poll.

### Electronic participation

Shareholders or their proxies may participate in the annual general meeting by way of video conferencing, via the remote interactive electronic platform, Microsoft Teams. Shareholders or their proxies who wish to participate in the annual general meeting via the video conferencing facility will be required to advise the company thereof by no later than 11h00 on Friday, 29 November 2024 by submitting, by email to Tamlyn Stevens at tamlyn@fortressfund.co.za, the relevant contact details including an email address, cellular number and landline, as well as full details of the shareholder's title to the shares issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders), and (in the case of dematerialised shareholders) written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised shares. Upon receipt of the required information, the shareholder concerned will be provided with a secure link and instructions to access the video conferencing facility during the annual general meeting.

Shareholders who wish to participate in the annual general meeting by way of the video conferencing facility must note that they will not be able to vote during the annual general meeting through this medium. Such shareholders, should they wish to have their vote counted at the annual general meeting, must, to the extent applicable: (i) complete the form of proxy; or (ii) contact their CSDP or broker, in both instances, as set out above.

Shareholders must ensure that when such shareholder intends to participate via electronic means, that the voting proxies are sent through to the transfer secretaries, JSE Investor Services Proprietary Limited, by no later than 11h00 on Friday, 29 November 2024.

Shareholders will be liable for their own network and data charges. Fortress will not be held accountable in the case of the loss of network connectivity or network failure due to insufficient airtime/internet connectivity/power outages/electronic participation channel malfunction which could prevent a shareholder from participating in the electronic annual general meeting.

Fortress does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the annual general meeting of shareholders or any business to be conducted thereat.

**Tamlyn Stevens**  
*Company secretary*

Johannesburg  
29 October 2024

**Address of registered office**  
Block C, Cullinan Place, Cullinan Close  
Morningside, 2196  
(PO Box 138, Rivonia, 2128)

**Address of transfer secretaries**  
JSE Investor Services Proprietary Limited  
One Exchange Square, Gwen Lane, Sandown,  
Sandton, 2196  
(PO Box 4844, Johannesburg, 2000)



**FORTRESS**  
REAL ESTATE INVESTMENTS

**Fortress Real Estate Investments Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number: 2009/016487/06)  
JSE share code: FFB | ISIN: ZAE000248506  
LEI: 378900FE98E30F24D975  
(Fortress or the group or the company)

### This document is important and requires your immediate attention.

For use by the holders of the company's certificated shares (certificated shareholders) and/or dematerialised shares held through a Central Securities Depository Participant (CSDP) or broker who have selected 'own name' registration (own name dematerialised shareholders), at the fifteenth annual general meeting of shareholders of the company to be held at the company's registered office, Block C, Cullinan Place, Cullinan Close, Morningside, 2196 and via video conference on Tuesday, 3 December 2024 at 11h00, or at any adjournment thereof, if required. Additional forms of proxy are available from the company's registered office.

Not for use by dematerialised shareholders who have not selected 'own name' registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary letter of representation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote in accordance with their instructions at the annual general meeting.

I/We (name/s in block letters) \_\_\_\_\_

of \_\_\_\_\_

being the holders of \_\_\_\_\_ FFB shares in the capital of the company do hereby appoint:

- \_\_\_\_\_ or failing him/her,
- \_\_\_\_\_ or failing him/her,
- the chairman of the annual general meeting

as my/our proxy to act for me/us on my/our behalf at the annual general meeting or any adjournment thereof, which will be held for the purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions and non-binding advisory votes to be proposed thereat as detailed in the notice of annual general meeting; and to vote for and/or against such resolutions and votes and/or to abstain from voting for the resolutions and votes in respect of the shares registered in my/our name in accordance with the following instructions:

	For FFB	Against FFB	Abstain FFB
Ordinary resolution number 1.1 (confirmation of appointment and election of Hermanus Lambertus Bosman as a director)			
Ordinary resolution number 1.2 (confirmation of appointment and election of Nonhlanhla Mayisela as a director)			
Ordinary resolution number 2.1 (re-election of Thavanesan Chetty as a director)			



	For FFB	Against FFB	Abstain FFB
Ordinary resolution number 2.2 (re-election of Susan Melanie Ludolph as a director)			
Ordinary resolution number 2.3 (re-election of Ian David Vorster as a director)			
Ordinary resolution number 3.1 (re-election of Susan Melanie Ludolph as a member of the audit committee)			
Ordinary resolution number 3.2 (re-election of Edwin Oblowitz as a member of the audit committee)			
Ordinary resolution number 3.3 (election of Jonathon Wade Hillary as a member of the audit committee)			
Ordinary resolution number 4 (reappointment of the auditor)			
Ordinary resolution number 5 (general authority to issue shares for cash)			
Special resolution number 1 (approval of financial assistance to related or inter-related companies)			
Special resolution number 2 (approval of the repurchase of shares)			
Special resolution number 3 (authorising non-executive directors' fees)			
Special resolution number 4 (authorising directors to determine non-executive directors' additional special payments)			
Ordinary resolution number 6 (authority for directors or the company secretary to implement resolutions)			
Non-binding advisory vote number 1 (approval of the remuneration policy)			
Non-binding advisory vote number 2 (approval of the remuneration implementation report)			

(Indicate instructions to the proxy in the spaces provided above)

Unless otherwise instructed, my proxy may vote as he/she thinks fit.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2024

Signature \_\_\_\_\_

Assisted by (where applicable) \_\_\_\_\_

Refer to the notes on the next page.

1. Only shareholders who are registered in the register of the company under their 'own name' on the record date for voting purposes, being Friday, 22 November 2024, may complete a form of proxy or attend the annual general meeting. This includes certificated shareholders or 'own name' dematerialised shareholders. A proxy need not be a shareholder of the company.

2. Certificated shareholders wishing to attend the annual general meeting have to ensure beforehand with the transfer secretaries, JSE Investor Services Proprietary Limited, that their shares are registered in their 'own-name'.

3. Beneficial shareholders whose shares are not registered in their 'own name', but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instructions on voting their shares, or obtaining a proxy to attend, speak and vote at the annual general meeting.

4. Dematerialised shareholders who have not elected 'own name' registration in the register of the company through a CSDP and who wish to attend the annual general meeting, must instruct the CSDP or broker to provide them with the necessary letter of representation to attend.

5. Dematerialised shareholders who have not elected 'own name' registration in the register of the company through a CSDP and who are unable to attend, but wish to vote at the annual general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.

6. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder's choice in the space, with or without deleting 'the chairman of the annual general meeting'. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed,

should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by:

7.1 Cancelling it in writing, or making a later inconsistent appointment of a proxy; and

7.2 Delivering a copy of the revocation instrument to the proxy, and to the company.

8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date:

8.1 Stated in the revocation instrument, if any; or

8.2 Upon which the revocation instrument is delivered to the proxy and the company as required in section 58(4)(c)(ii) of the Companies Act.

9. Should the instrument appointing a proxy or proxies have been delivered to the transfer secretaries, as long as that appointment remains in effect, any notice that is required by the Companies Act or the memorandum of incorporation of the company to be delivered by the company to the shareholder must be delivered to:

9.1 The shareholder; or

9.2 The proxy or proxies if the shareholder has in writing directed the company to do so and has paid any reasonable fee charged by the company for doing so.

10. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation or the instrument appointing the proxy provide otherwise.

11. If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument appointing a proxy:

11.1 Such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;

11.2 The company must not require that the proxy appointment be made irrevocable; and

11.3 The proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.



12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.

13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.

14. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.

15. A company holding shares in the company that wishes to attend and participate at the annual general meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the transfer secretaries prior to the annual general meeting.

16. Where there are joint holders of shares, any one of such persons may vote at any meeting in respect of such shares as if he/she were solely entitled thereto, but if more than one of such joint holders wishes to be present or represented at the annual general meeting, that one of the said persons whose name appears first in the register or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.

17. The chairman of the annual general meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.

18. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.

19. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions at the annual general meeting or other proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit,

in respect of the shares concerned. A shareholder or the proxy is not obliged to use all of the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.

20. Forms of proxy are requested to be lodged at, posted, faxed or emailed to the transfer secretaries, JSE Investor Services Proprietary Limited so as to arrive no later than 11h00 on Friday, 29 November 2024. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairman of the annual general meeting immediately before the commencement of the annual general meeting or prior to voting on a resolution. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the annual general meeting should the shareholder decide to do so.

21. This form of proxy may be used at any adjournment or postponement of the annual general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.

22. The foregoing notes include a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.

**Forms of proxy must be lodged at, posted, faxed or emailed to the transfer secretaries, JSE Investor Services Proprietary Limited:**

**Hand deliveries to**  
JSE Investor Services Proprietary Limited  
One Exchange Square  
Gwen Lane, Sandown  
Sandton, 2196

**Postal deliveries to**  
JSE Investor Services Proprietary Limited  
PO Box 4844  
Johannesburg, 2000

**Fax to**  
086 674 2450

**Email**  
meetfax@jseinvestorservices.co.za





"We achieved a better result than forecast for the year ended 30 June 2024, which is notable in light of the numerous challenges we faced, including stagnant local economic growth and high interest rates imposed by central banks around the world to combat inflation not experienced for several decades. We ended the year with a definitive sentiment shift towards a more positive global real estate outlook. On the global front, a more dovish shift in central bank forecasts and expectations of lower interest rates have led to indications of investment returning to global real estate, albeit in certain sub-sectors more so than others. On the local front, we had a smooth transition of power to a government of national unity and witnessed significant funds flowing back into our local market. While we saw little change in the value of our local assets, with a moderate increase of less than 2% on a like-for-like basis, we are witnessing signs of a generally more positive local real estate market, with investors returning and an improvement in tenant enquiries for additional space.

The simplified single-share corporate structure allows us to shift our focus from the constraints of the previous dual-share REIT structure to the opportunities that this new structure presents. Management and the board are focused on how to enhance total shareholder returns by using the various tools at our disposal in an appropriate manner, without compromising the future sustainability of the business.

Our asset management and development teams have performed exceptionally well during the financial year. The trading density growth of 6,4% in our retail portfolio, in what remains a consumer-constrained environment, is pleasing. The strong performance of the core retail portfolio has been led by the centres which were recently refurbished and extended, and we will continue to ensure that these centres are relevant and remain attractive to consumers and tenants. The logistics portfolio has performed above our expectations and demand for high-quality warehouses in prime locations remains strong. A further highlight of the year was the 19,2% premium achieved over book value on the property disposals.

Our associate NEPI Rockcastle continues to grow, and they have established themselves as the leading CEE retail real estate business. We are extremely pleased with their performance and wish to compliment the management and board on another set of outstanding results.

Our total distribution for the 2024 financial year of R1,789 billion is approximately 5,2% higher than our forecast. This contributed to a higher final dividend of 70,19 cents per share for 2H2024, compared to our forecast of 62,64 cents per share. The total distribution for FY2024 amounted to 151,63 cents per share. With the more flexible corporate structure and previously noted focus on enhancing total shareholder returns, we are pleased to announce that an option will be granted to shareholders to receive the final dividend of 70,19 cents per share in cash or, alternatively, at the shareholders' election, to receive 0,00662 NEPI Rockcastle shares for every Fortress B share held. This alternative to receive NEPI Rockcastle shares represents additional value of between 25% and 30% compared to the default cash dividend."

Steven Brown, CEO

## Scheme of arrangement

Fortress shareholders approved a scheme of arrangement in January 2024 which resulted in Fortress repurchasing all of the FFB shares in issue in consideration for 0,060207 NEPI Rockcastle shares for every FFB share ("the SOA"). The effect of the implementation of the SOA, together with the Empowerment Settlement Agreements, is that 53 134 372 NEPI Rockcastle shares were used to fund the repurchase of all the FFB shares in issue.

The SOA resulted in changes to a number of metrics, including future distributable income, NAV/TNAV, SA REIT FFO and the LTV ratio from those reported in past interim and final results.

The SOA involved the repurchase of all FFB shares ("FFB pre-SOA") at the time of implementation, which resulted in only FFA shares being in issue. These FFA shares were then converted to FFB shares ("FFB post-SOA"), being the only share class currently in issue. For purposes of simplified reporting, we use the defined term "FFB or B share" throughout this announcement in the context it is provided/discussed, without drawing a distinction between FFB pre-SOA and FFB post-SOA.

**The ratios disclosed throughout this results announcement use the conventions and calculation methodology as per SA REIT Best Practice Recommendations, unless otherwise indicated, per Annexure 1. Ratios showing Fortress' economic interest in assets and liabilities and revenue and expenditure, presented as management accounts, are included in Annexure 2.**

Refer to Annexure 3 for a glossary of terms used in this results announcement.

## Highlights of FY2024

Highlights of FY2024 and to the date of this report include:

- Simplifying the capital structure into a single class of share through the implementation of the SOA;
- Dividends to shareholders of 151,63 cents per share for FY2024;
- Direct property disposals of R1,69 billion for FY2024 at a premium of 19,2% to the most recent formal valuations;
- Developments completed for the year of R2,7 billion;
- Low overall portfolio vacancy of 3,4%, based on rental;
- Like-for-like retail turnover growth of 6,4%;
- Increasing our solar PV plants across the portfolio from 25 at 30 June 2023 to 59 plants at 30 June 2024, with installed capacity increasing by 130,2% from 9,63MWac at 30 June 2023 to 22,17MWac at 30 June 2024;
- Outstanding results from NEPI Rockcastle, growing its dividend per share by 5,6%; and
- Growth in TNAV per share of 65,2% from R15,25 per share at 30 June 2023 to R25,19 per share at 30 June 2024.

## Nature of the business

Fortress is a real estate investment company with a focus on developing and letting premium-grade logistics real estate in South Africa and CEE, as well as growing our convenience and commuter-oriented retail portfolio. Fortress also holds, at the date of this report, a 16,3% interest in NEPI Rockcastle, the largest listed property company on the JSE, with a EUR7 billion portfolio across nine CEE countries. This holding reduced from 24,2% at 31 December 2023.

At 30 June 2024, our property portfolio comprised the following:

Sector	Jun 2024		Jun 2023	
	Direct property portfolio by value R'-billion*	As a % of total direct property assets	Direct property portfolio by value R'-billion*	As a % of total direct property assets
Logistics – SA <sup>^</sup>	16,4	47,8	15,1	46,3
Logistics – CEE <sup>®</sup>	3,6	10,5	2,9	8,9
Logistics – total	20,0	58,3	18,0	55,2
Retail	10,7	31,2	10,1	31,0
Industrial	2,3	6,7	2,7	8,3
Office <sup>§</sup>	1,1	3,2	1,6	4,9
Other <sup>#</sup>	0,2	0,6	0,2	0,6
<b>Total direct property portfolio</b>	<b>34,3</b>	<b>100,0</b>	<b>32,6</b>	<b>100,0</b>

- \* Reflecting Fortress' economic interest in wholly-owned and co-owned properties.  
<sup>^</sup> Includes landholdings and work-in-progress of R1,1 billion (Jun 2023: R1,8 billion).  
<sup>®</sup> Includes development sites of R0,5 billion (Jun 2023: R0,6 billion).  
<sup>§</sup> Includes development sites of R0,2 billion (Jun 2023: R0,2 billion).  
<sup>#</sup> Comprises residential units and serviced apartment properties.

In addition to our property portfolio, our NEPI Rockcastle interest at 30 June 2024 was 16,3% and valued at R14,2 billion.

Listed portfolio	Jun 2024			Jun 2023		
	Number of shares	Fair value R'000	Effective holding %	Number of shares	Fair value R'000	Effective holding %
NEPI Rockcastle	107 981 399	14 185 519	16,3	152 086 271	16 800 971	23,9

### Capital structure and distributions

During 2H2024, shareholders approved the repurchase of all the FFB shares in exchange for shares in NEPI Rockcastle. The remaining shares comprised only FFA shares in issue, which FFA shares were then converted to FFB shares. With the completion on 26 February 2024 of all the implementation steps outlined in the SOA circular, we now have a single class of share in issue, comprising only FFB shares. The result of the SOA is that the previous restrictions to paying distributions no longer apply, and the board is thus empowered to declare distributions to shareholders.

The board has a policy of paying out 100% of the Fortress-defined distributable earnings on a semi-annual basis. The Fortress distribution methodology is generally more conservative than industry guidelines.

For the 2H2024 reporting period, the board has declared a dividend of 70,19 cents per FFB share with an alternative to receive the dividend in the form of NEPI Rockcastle shares in a ratio of 0,00662 NEPI Rockcastle shares for every FFB share. The election to receive NEPI Rockcastle shares enables the company to retain cash and reduce gearing against the direct portfolio. Considering the price of a NEPI Rockcastle share against the cash distribution, the premium offered to shareholders who elect the NEPI Rockcastle share alternative is between 25% and 30%. Salient details of the dividend alternative will be communicated to shareholders in a circular to be published in due course.

### Summary of financial performance

	Jun 2024	Dec 2023	Jun 2023	Dec 2022
Dividend declared per FFA share (cents)	–	–	–	–
Dividend declared per FFB share (cents)				
– For the financial year	151,63		–	
– For the six-month reporting period	70,19 <sup>§</sup>	81,44 <sup>§</sup>	–	–
Distributable earnings (R'000)				
– For the financial year	1 788 505		1 797 267	
– For the six-month reporting period	835 637	952 868	996 320	800 947
Shares in issue at the end of the period				
– FFA	–	1 169 980 307	1 191 595 172	1 191 595 172
– FFB	1 192 801 293	1 010 923 806	1 093 213 028	1 093 213 028
– FFA shares held in treasury	–	–	26 861 996	26 861 996
– FFB shares held in treasury	2 264 400	–	87 536 353 <sup>#</sup>	87 536 353 <sup>#</sup>
<b>SA REIT Best Practice disclosure</b>				
SA REIT NAV per share*	R23,85	R16,24	R14,85	R13,70
SA REIT LTV (%)	38,2	34,2	35,9	36,9
SA REIT FFO (R'000)	1 957 364	949 041	2 188 936	1 088 334
<b>IFRS accounting</b>				
NAV per share <sup>^</sup>	R25,09	R17,18	R15,82	R14,11
TNAV per share <sup>^</sup>	R25,19	R16,99	R15,25	R14,15

<sup>§</sup> The FFB shares on which the dividend has been declared were converted from FFA shares during 2H2024. Refer to the Scheme of Arrangement section earlier in this announcement.

<sup>#</sup> Excludes 64 197 790 FFB shares held by Fortress Empowerment 2 and Fortress Empowerment 4, which were consolidated and treated as treasury shares for IFRS purposes.

\* The SA REIT NAV per share is calculated as NAV, based on SA REIT BPR methodology, divided by all shares in issue, net of treasury shares and dilutive shares.

<sup>^</sup> The NAV and TNAV per share for IFRS accounting is calculated as the total NAV per the IFRS statement of financial position divided by the aggregate number of FFA and FFB shares in issue, less shares held in treasury.

### Distributable earnings

Distributable earnings amounted to R835,6 million for 2H2024, compared to R996,3 million for 2H2023. Full-year earnings for FY2024 amounted to R1 788,5 million, compared to R1 797,3 million for FY2023. The board has declared the full distributable earnings available for 2H2024 as a dividend, which amounts to 70,19 cents per FFB share.

Shareholders may further elect to receive the 2H2024 distribution in cash, as the default option, or in the form of shares in NEPI Rockcastle held by Fortress in a ratio of 0,00662 NEPI Rockcastle shares for every FFB share. Full details of the alternative will be communicated to shareholders in due course.

Post the implementation of the SOA, the distributable earnings benchmark is no longer applicable.

### NAV and TNAV

TNAV per share increased by 65,2% from R15,25 at 30 June 2023 to R25,19 at 30 June 2024.

The SA REIT NAV per share increased by 60,6% to R23,85 at 30 June 2024, compared to R14,85 at 30 June 2023. The SA REIT NAV per share is calculated as NAV, based on the SA REIT BPR methodology, divided by all shares in issue, net of treasury shares and dilutive shares and adjusted for certain items.

### LTV ratio

The LTV ratio increased from 35,9% at 30 June 2023 to 38,2% at 30 June 2024. The increase is a result of the utilisation of NEPI Rockcastle shares to facilitate the repurchase of all the FFB pre-SOA shares. This decreased total assets by R7,0 billion and was the primary contributor to the higher LTV ratio. The current LTV ratio remains within our target range, although we are aiming for a lower debt-to-direct assets ratio. This will be assisted through a take-up of the alternative dividend option offered to shareholders.

*The information disclosed uses the SA REIT BPR calculation of LTV.*

### Energy and water solutions

Our focus remains on the implementation of strategies and providing solutions to our tenants to ensure the highest level of energy security at reasonable prices, as well as building capacity to be more efficient in our utility management practices. We have seen a reduction in load shedding and an improvement in Eskom's ability to generate energy, however, failing infrastructure and cable theft remain a threat to energy security. Furthermore, double-digit growth in tariff inflation remains problematic in terms of energy affordability and increases pressure on operating expenses.

We are making meaningful progress with the implementation of our energy plan, comprising the installation of generators, rooftop solar PV plants and smart meters. We envisage adding batteries to the total solution, once financially feasible. Where viable, we integrate solar systems with diesel generators in an effort to reduce diesel costs. 82% of our retail portfolio by GLA is now connected to backup generators and this should reach 97% by December 2024.

Smart meters, water and electrical, have been installed at 54% of our retail portfolio, which will increase to 82% by December 2024. These meters, coupled with IoT devices, form the backbone of a portfolio-wide utility management system, providing management oversight and near real-time data on energy consumption profiles, as well as the complete energy supply mix consisting of grid-supplied, solar PV and diesel-generated electricity. The same functionality is also applied to water, where we now have access to near real-time water consumption profiles allowing us to be more proactive in water management and leak detection.

### Renewable energy

At 30 June 2024, we had 59 operational solar PV plants, including one in Poland, compared to 25 at 30 June 2023. Since 30 June 2024, we have completed 10 plants with a further 12, including one in Romania, due for completion by December 2024. Our aim is to have 96 operational plants by June 2025. Our installed capacity at 30 June 2024 was 22,17MWac compared to 9,63MWac at 30 June 2023. Our aim is to increase the installed capacity to 34MWac by June 2025.

### Wheeling

We have entered into a 10-year wheeling agreement with Discovery Green to provide renewable energy to 14 of our Eskom-supplied properties. Under this agreement, we will be provided with at least 70% of the electricity consumption which we are unable to provide from our own on-site solar PV plants. It is anticipated that this programme will be operational in 2026.

This wheeling agreement is a critical step in reaching our 2030 decarbonisation target of reducing our Scope 1, 2 and 3 carbon footprint by 45% compared to our 2018 baseline.

### Water solutions

It is our strategy to have backup water available at our retail centres for two to three days, coupled with boreholes and purification plants. We currently have backup water tanks at 30 of our retail centres, with a further installation to be completed by October 2024. We view this as a critical requirement in order to offer our tenants a functional space and our retail visitors a comfortable experience.

### Green building ratings

We are finalising EDGE ratings at two logistics buildings in Gauteng and we have recently instructed the ratings of a further six buildings at Clairwood.

We have received BREEAM "Excellent" certificates for seven properties in Poland, with a further three certifications in progress.

### Direct property portfolio (South Africa)

#### Logistics portfolio (R15,3 billion asset value)

The vacancy in our logistics portfolio, based on GLA, marginally increased from 1,2% at 31 December 2023 to 1,8% at 30 June 2024. The vacancy remains low by historical standards and allows us to have a more selective tenancing approach, and more flexibility in negotiating terms with new or existing tenants. Like-for-like NOI growth in this portfolio of 7,7% is pleasing, particularly with the challenges the economy faced in 2023.

Although construction cost inflation experienced in 2022 and 2023 has moderated, the cost of construction remains materially above the levels seen before 2022. This has led to a hardening of the rental market in general and in particular for new developments. While this has a positive impact, it has been countered by an increase in costs such as municipal rates and insurance, which negates some of our growth in NOI.



### Logistics developments

#### (R1,1 billion asset value)

The remaining development pipeline in South Africa is approximately 165 000m<sup>2</sup> of GLA and completion thereof is estimated within four years if market conditions continue on the current path.

The table below provides a summary of our logistics park developments in South Africa.

Logistics park	Fortress' ownership %	Total GLA for the park m <sup>2</sup>	Completed developments (including sold developments) m <sup>2</sup>	Available GLA for development m <sup>2</sup>	Currently under development		Remaining GLA to be developed m <sup>2</sup>
					Let/under offer* m <sup>2</sup>	Speculative/unlet m <sup>2</sup>	
Louwlerdia	100	89 656	89 656	–	–	–	–
Eastport	65	325 816	217 686	<b>108 130</b>	56 070	13 063	<b>38 997</b>
Eastport – Pick n Pay	100	163 533	163 533	–	–	–	–
Longlake	100	96 562	55 631	<b>40 931</b>	–	–	<b>40 931</b>
Clairwood	100	297 528	252 645	<b>44 883</b>	14 071	–	<b>30 812</b>
Cornubia	50,1	110 296	56 463	<b>53 833</b>	–	–	<b>53 833</b>
<b>Sub-total</b>		<b>1 083 391</b>	<b>835 614</b>	<b>247 777</b>	<b>70 141</b>	<b>13 063</b>	<b>164 573</b>
Eastport North (option)	65	150 000	–	<b>150 000</b>	–	–	<b>150 000</b>
<b>Total: SA</b>		<b>1 233 391</b>	<b>835 614</b>	<b>397 777</b>	<b>70 141</b>	<b>13 063</b>	<b>314 573</b>

The GLA information in the table changes between reporting periods as developments progress, buildings are completed, leases are entered into and areas are remeasured.

#### Eastport (R3,4 billion)

After 30 June 2024, we sold and transferred additional land to Teraco to expand their data centre at Eastport. This large infrastructure project enhances Eastport and the R21 node. With continued strong demand for prime warehousing, we commenced the development of the smallest warehouse at Eastport on a speculative basis. This allows us to capitalise on the economies of scale while we are developing the two adjacent warehouses for Crusader Logistics and Liquor Runners, measuring 19 970m<sup>2</sup> and 31 481m<sup>2</sup>, respectively. Following the completion of these developments, Eastport will have one site remaining, with available bulk of approximately 39 000m<sup>2</sup> of GLA. The option available to us on the Eastport North site is the last remaining pocket of land on which we can develop large logistics assets in the future.

#### Longlake (R774 million)

Phase 2 of Longlake has approximately 41 000m<sup>2</sup> of GLA still to be developed. Although no binding agreements have yet been entered into, there is improved interest in this site. The short-term lease on the first building has been extended to accommodate the tenant in occupation, who will be relocating to a new development at Eastport.

#### Clairwood (R3,2 billion)

Following the completion of the new building for Sammar and the site currently under development for CHC, there is only one remaining site at Clairwood on which we can develop between 30 000m<sup>2</sup> and 35 000m<sup>2</sup> of GLA. We are in negotiations with a large third-party logistics provider for a new pre-let development on this site, which will then complete Clairwood Logistics Park by December 2025, should a development agreement be concluded.

#### Cornubia (R582 million)

With its close proximity to Umhlanga, Cornubia is in a prime location. During FY2024, we completed a new development for Dromex on the lower platform measuring 24 537m<sup>2</sup>. There is currently approximately 54 000m<sup>2</sup> of GLA available for future development on this co-owned site, in which we have a 50,1% interest.

#### Retail

##### (R10,7 billion asset value)

Tenant turnovers in the Fortress retail portfolio increased by 6,4% from FY2023 to FY2024. This is a pleasing performance in an environment of sustained low economic growth and high interest rates, which has put pressure on the disposable income of consumers.

Consumer preferences continue to focus on essential goods and services and this benefitted grocery, health and beauty, and fast food and restaurant tenants. Our retail portfolio is largely focused on commuter-oriented and convenience retail, which is positioned well for this environment.

Turnover performance by portfolio is split as follows:

Portfolio split	Comparative turnover growth* %	Retail portfolio by value* %
Township centres	7,9	15,1
CBD centres	11,1	21,7
Suburban centres	4,7	39,2
Rural centres	6,0	24,0
Overall retail portfolio	6,4	100,0

\* Growth rate for the 12-month period to June 2024, over the 12-month period to June 2023, on a like-for-like basis.

^ Based on Fortress' economic interest in wholly-owned and co-owned retail properties.

The improved letting at Evaton Mall, Palm Springs Mall and Yarona Shopping Centre, reported on during the 1H2024 interim results announcement, continues to drive the performance of our township retail portfolio.

The CBD portfolio turnover growth has emanated from improved lettings at Park Central Shopping Centre, Central Park Bloemfontein and Mahikeng Station Boulevard Centre.

The suburban category's slower growth stemmed from some disruption as a result of the current redevelopments at 204 Oxford Shopping Centre and Bloemfontein Value Mart, which are scheduled for completion in 1H2025 and 2H2025, respectively. We expect a better growth trajectory once these redevelopments are complete.

The rural portfolio is stable and trading well.

#### Vacancies and reversions

The retail portfolio vacancy, based on GLA, decreased to 1,7% at 30 June 2024 from 2,0% at 31 December 2023. The portfolio experienced marginally negative rental reversions of (0,8%), but strong like-for-like NOI growth of 8,5%.

#### Disposals and acquisitions

We disposed of two CBD centres, being Kimberley Junction and 225 Pine.

#### Redevelopments and extensions

The redevelopment of 204 Oxford is scheduled for completion during 1H2025 and we are looking forward to the opening of Woolworths as a second anchor at the centre.

The construction work for the addition of 4 500m<sup>2</sup> at Sterkspruit Plaza has commenced. This extension will accommodate a new Boxer Supermarket and banks, including FNB and Absa. This work is scheduled for completion in 2H2025.

Construction for the introduction of Shoprite at Bloemfontein Value Mart has commenced, which will support this shopping centre's convenience offering and add a food anchor tenant to the centre.

## Direct property portfolio (CEE)

### Logistics portfolio

#### (R3,6 billion asset value)

We have completed the development in Łódź for Notino, measuring 28 100m<sup>2</sup>, as well as the adjacent speculative portion of 25 200m<sup>2</sup>, together comprising 53 300m<sup>2</sup> of GLA. Shortly after completion, the speculative portion was let to Oriflame and the development is now fully let. We will proceed cautiously with further developments at our site in Łódź, on the back of a softer logistics market in central Poland. The park has a remaining 30 000m<sup>2</sup> of GLA to be developed.

In contrast, the developments in Zabrze and Bydgoszcz have progressed well and interest from prospective tenants has been strong for these parks. The existing tenant in Zabrze, Innpro, exercised their option to expand shortly after taking occupation and we will now continue to phase 2 of this development. This will comprise a new facility of 23 015m<sup>2</sup>, with 11 340m<sup>2</sup> pre-let to Innpro and 11 675m<sup>2</sup> developed on a speculative basis. In Bydgoszcz, the development for MEDiVet is continuing and will be completed shortly, with strong interest from tenants to lease the remainder of Hall C at Bydgoszcz.

We have obtained BREEAM ratings for all income-producing assets in our Polish portfolio at a level of "Excellent". The need for energy-efficient warehouses, which minimise ongoing energy usage and carbon emissions, is forecast to grow in the future and we plan to develop and expand our existing portfolio with energy efficiency front of mind.

## Office (including office developments)

#### (R1,1 billion asset value)

Our sales team continues to make good progress with the disposal of the remaining office properties. At year-end, we had 21 office properties remaining, of which three were held for sale. Fourways Office Park has since been sold, bringing the total to 20. Should all the transactions relating to the held for sale assets be concluded, only 18 office assets will remain, with a total value of approximately R814 million, representing only 1,5% of our total assets.

### Industrial

#### (R2,3 billion asset value)

The industrial portfolio continues to show good growth. The joint portfolio we own with Inospace has shown continued outperformance, with strong demand for the smaller, more flexible units. NOI for the Inospace-managed portfolio increased by 17% from FY2023 to FY2024 and is forecast to grow by a further 10% for FY2025 compared to FY2024.

The larger industrial units remain in demand as a consequence of low rental rates. The higher yield from this portfolio lowers our holding cost while we continue to dispose of these properties.

## Vacancies

Total vacancies, measured as a percentage of GLA, decreased from 4,2% at 31 December 2023 to 4,0% at 30 June 2024.

Sectoral vacancy	Based on GLA Jun 2024 %	Based on GLA Dec 2023 %	Based on rental Jun 2024 <sup>#</sup> %	Based on rental Dec 2023 <sup>#</sup> %
Total	4,0	4,2	3,4	3,7
Logistics – SA	1,8	1,2	1,5	1,1
Retail	1,7	2,0	1,4	1,6
Logistics – CEE	3,7	6,5	3,5	6,5
Industrial	8,9	8,1	8,9	8,4
Office	25,2	25,3	24,3	24,4
Other <sup>^</sup>	–	–	–	–

Information based on Fortress' economic interest in wholly-owned and co-owned properties.

<sup>#</sup> Vacancy based on the gross rental (100% of GLA and value) of the building.

<sup>^</sup> Comprises residential units and serviced apartment properties.

## Weighted average lease expiry

The WALE per sector, based on GLA, was as follows:

	Based on GLA Jun 2024 years	Based on GLA Jun 2023 years
Total	4,0	3,7
Logistics – SA	4,9	4,7
Retail	3,3	3,2
Logistics – CEE	5,1	4,3
Industrial	1,9	1,9
Office	1,8	1,8
Other <sup>^</sup>	0,8	0,6

Information based on Fortress' economic interest in wholly-owned and co-owned properties.

<sup>^</sup> Comprises residential units and serviced apartment properties.

## Property disposals

Disposals were notable both in terms of the absolute value sold, as well as the premium achieved to the book values. During FY2024, we sold R1,69 billion of assets at a premium of 19,2% to book value. We will continue to recycle capital out of older, lower-growth assets, deemed non-core, into new developments on our existing land holdings, as well as refurbishment and enhancement of our core retail assets.

Of the R611,5 million held for sale at year-end, a total of R476,7 million has subsequently been transferred.

The following properties were transferred during FY2024:

Property name	Sector	Net proceeds R'000	Book value Jun 2023 R'000	Transfer date
Longmeadow Inland 1 <sup>^</sup>	Logistics	493 290	312 613	Nov 2023
Louwlarclia Logistics Park – Building 2 (WAG) <sup>®</sup>	Logistics	207 697	201 000	Nov 2023
Oak Avenue Highveld	Office	150 000	115 000	Jun 2024
Palisades Business Park Jet Park	Industrial	120 000	109 432	Jun 2024
Oxford Manor Illovo	Office	110 674	105 000	Feb 2024
225 Pine	Retail	110 100	97 000	May 2024
45 Diesel Road Isando	Industrial	90 000	76 706	Dec 2023
22 On Sloane	Office	50 000	50 000	Sep 2023
Monyetla Office Park <sup>^</sup> *	Office	41 932	41 932	Dec 2023
Springbok Park Industria West	Industrial	39 000	40 093	Jun 2024
10 Covora Road	Industrial	37 700	37 700	Aug 2023
Director and Megawatt Roads	Industrial	36 300	36 300	Aug 2023
Game Paarl	Retail	29 000	29 000	Nov 2023
20 Loper Avenue Spartan	Logistics	24 900	22 578	May 2024
48 Koornhof Road	Industrial	23 760	21 135	Apr 2024
357 Rivonia Boulevard	Office	17 500	18 500	Jun 2024
112 Roan Crescent	Logistics	16 000	15 387	Jun 2024
50 Tsessebe Crescent	Logistics	13 900	11 996	Feb 2024
368 Sifon Street Robertville	Industrial	13 800	13 045	Jun 2024
78 Loper Avenue Aeroport	Logistics	12 500	12 500	Aug 2023
75 Kyalami Boulevard	Industrial	11 300	10 783	May 2024
1257 South Road Centurion	Office	10 500	11 000	Mar 2024
Lakeview Business Park 10	Industrial	10 000	9 058	Mar 2024
Greenbushes <sup>^</sup>	Land	5 698	3 689	Aug 2023
Lakeview Business Park 6	Industrial	4 850	4 850	Aug 2023
10 – 14 Watkins Street Denver	Industrial	3 925	5 516	Jun 2024
15 Kouga Street Stikland <sup>®</sup>	Industrial	3 800	3 800	Jul 2023
3 Watkins Street	Industrial	2 300	2 301	Sep 2023
		<b>1 690 426</b>	<b>1 417 914</b>	

<sup>~</sup> Longmeadow Inland 1 was acquired in August 2023 for R500 million, and this portion was sold in November 2023 to Dis-Chem. The figure in the book value column represents the apportioned cost. The remainder of the site, held by Fortress, has been formally valued at R414,5 million.

<sup>^</sup> Portion of the property.

<sup>®</sup> 50% undivided share.

\* Effective date of transaction that registered in March 2024.

The following properties were held for sale at 30 June 2024:

Property name	Sector	Net proceeds R'000	Book value Jun 2023 R'000	Transfer date
Eastport Logistics Park <sup>^</sup>	Land	133 250	113 073	Jul 2024
Fourways Office Park Fourways	Office	103 700	105 000	Jul 2024
Kimberley Junction	Retail	97 000	100 000	Jul 2024
1 Setchel Road Roodekop	Industrial	96 250	92 093	Jul 2024
Hobart Square	Office	43 000	50 000	*
Centurion Office Park	Office	40 000	45 000	*
35 Reedebuck Crescent	Logistics	25 450	21 727	Jul 2024
Milkyway Road Crown Mines	Logistics	25 000	22 959	*
146 Serenade Road Rustivia	Logistics	21 000	22 012	Aug 2024
9 Reedebuck Crescent	Logistics	13 800	12 464	*
71 Tsessebe Crescent	Logistics	13 000	12 268	*
		<b>611 450</b>	<b>596 596</b>	

<sup>^</sup> Portion of the property.

<sup>#</sup> Sale agreement with Teraco for the sale of 108 000m<sup>2</sup> of land adjacent to their current site. Book value includes capitalised costs to date.

\* Not yet transferred.

## Environmental, social and governance

### Environmental

We generated 22 180MWh from our solar PV plants during FY2024, compared to 11 970MWh generated in FY2023. Our renewable energy penetration increased from 5,4% at 30 June 2023 to 10,0% at 30 June 2024 and we anticipate this to increase further to 20,0% by 30 June 2025. We have spent a total of R337,9 million on our solar roll-out programme to 30 June 2024, with a further R119,0 million committed. We estimate a further spend of R174,3 million to complete the solar roll-out, in addition to current approved projects.

### Social

As part of Fortress' ESG strategy, we invest in skills programmes that assist children and young adults, as well as enterprise development that supports owners of small businesses. Our solution-driven community initiatives in South Africa are scalable, sustainable and aligned to 10 of the 17 United Nations Sustainable Development Goals.

Our current B-BBEE rating is Level 2.

### Governance

Nonhlanhla Mayisela was appointed to the board as an independent non-executive director, as a member of the risk committee and as a member of the social, ethics and sustainability committee effective 29 August 2024.

Herman Bosman was appointed to the board as an independent non-executive director, as a member of the remuneration committee and as a member of the nomination committee effective 29 August 2024.

Refer to the condensed unaudited consolidated interim financial statements for the six months ended 31 December 2023 for the 1H2024 changes to the board and committees.

## Currency derivatives

We employ currency derivatives to hedge income expected from our associate, NEPI Rockcastle, as noted in the table below. Apart from these forward exchange contracts, we have no other material foreign currency derivatives.

Income from our NEPI Rockcastle investment is hedged in line with the following policy:

- Hedge 100% of the income projected to be received in the following 12 months;
- Hedge 67% of the income projected to be received in months 13 to 24; and
- Hedge 33% of the income projected to be received in months 25 to 36.

In line with this policy, the following forward exchange contracts are in place:

Forward rate against Rand	EUR
Jun 2024	20,27
Dec 2024	20,55
Jun 2025	21,35
Dec 2025	21,47
Jun 2026	22,92
Dec 2026	23,77
Jun 2027	22,55

## Funding and liquidity – South Africa

Subsequent to 30 June 2024, we repaid maturing DMTN notes totalling R1 095 million in August 2024. However, we issued an additional R900 million under our DMTN programme in April 2024, split into a three-year note of R409 million and a five-year note of R491 million. We have also refinanced a Standard Bank facility of R800 million, which expired in March 2024, for a further three years.

In order to have access to additional funding, and at the same time hedge risk, we entered into a collar over 24,3 million NEPI Rockcastle shares during 2H2024. The put strikes are between R114 and R120 and the call strikes between R135 and R139 in three tranches with maturities between April 2025 and April 2026. We retain the dividends on these shares and the risks and rewards of ownership.

The SOA implemented in February 2024 has resulted in a decrease in our unencumbered asset ratio, as well as our

interest cover ratio, due to the decrease in our asset base following the exchange of NEPI Rockcastle shares for the repurchase of the FFB shares.

At the date of this report, we have approximately R3,3 billion available under our existing South African facilities.

## Existing South African facilities

Facility expiry	Amount R'million	Average margin over three-month JIBAR %
Jun 2025	4 724	1,91
Jun 2026	2 658	1,80
Jun 2027	6 865	1,81
Jun 2028	4 571	1,84
Jun 2029	3 191	1,79
	<b>22 009</b>	<b>1,83</b>

## Expiry profile – DMTN

The expiry dates of notes and bonds in issuance under our unsecured DMTN programme, included in the facility expiry profile above, are as follows:

Repayment date	Financial year	Amount R'million
Oct 2024	Jun 2025	200
Feb 2025	Jun 2025	450
Jun 2026	Jun 2026	380
Aug 2026	Jun 2027	905
Nov 2026	Jun 2027	250
Feb 2027	Jun 2027	500
Apr 2027	Jun 2027	409
Aug 2027	Jun 2028	350
Nov 2027	Jun 2028	500
Jun 2028	Jun 2028	420
Aug 2028	Jun 2029	600
Apr 2029	Jun 2029	491
		<b>5 455</b>

The South African facility expiry profile and DMTN expiry profile are reflected as at the date of this report.

## Interest rate hedging

At the date of this report, the following interest rate derivatives are in place in mitigation of South African Rand interest rate risk:

Interest rate swap expiry	Amount R'million	Average swap rate %
Jun 2025	555	7,67
Jun 2026	2 039	7,01
Jun 2027	1 416	7,03
Jun 2028	989	6,78
<b>Total: Group</b>	<b>4 999</b>	<b>7,04</b>
Less: Non-controlling interest portion	(316)	(0,03)
<b>Total: Fortress' economic interest</b>	<b>4 683</b>	<b>7,01</b>

Interest rate cap expiry	Amount R'million	Average cap rate %
Jun 2025	700	7,50
Jun 2026	563	5,11
Jun 2027	2 725	6,75
Jun 2028	3 862	7,08
Jun 2029	2 800	7,67
Jun 2030	300	8,23
	<b>10 950</b>	<b>7,11</b>

Subsequent to 30 June 2024, we entered into a new local interest rate cap with a nominal amount of R1 billion, with the effect that the combined weighted average swap and cap maturity profile is 2,88 years and the combined weighted average swap and cap rate is 7,09%.

The all-in weighted average cost of local funding of Fortress at 30 June 2024 was 9,74% (Jun 2023: 9,64%), based on the SA REIT BPR calculation methodology.

Exposure to and hedging of variable interest rates	Group R'000
Interest-bearing borrowings	20 966 469
Loans to co-owners	(215 183)
Cash and cash equivalents	(2 184 336)
Capital commitments contracted for	536 542
Capital commitments approved, not contracted	442 524
Investment property held for sale	(611 450)
Estimated proceeds from disposal of assets*	(762 141)
	<b>18 172 425</b>
Interest rate derivatives (swaps/caps) – SA <sup>®</sup>	15 633 000
Interest rate derivatives (swaps/caps) – CEE <sup>®&amp;</sup>	984 750
<b>Total interest rate derivatives (swaps/caps)</b>	<b>16 617 750</b>
<b>Percentage hedged (%)</b>	<b>91,4</b>

Information based on Fortress' economic interest in assets and liabilities and interest rate hedging instruments.

<sup>®</sup> At the date of this report.

\* Capital commitments include amounts to be spent to complete current developments. We have an established asset disposal programme, and in order to match capital commitments with proceeds from disposals, an assumption of asset sales is made for this purpose.

<sup>&</sup> Converted at the 30 June 2024 spot exchange rate of EUR/ZAR19,50.

## Funding and liquidity – CEE

New facilities of EUR50 million were entered into with Standard Bank Isle of Man during 1H2024, with a tenor of four years. At 30 June 2024, our total Euro debt facilities consist of EUR77 million, with an average margin over three-month EURIBOR of 2,33% and maturities in the 2025, 2026 and 2028 financial years. At the date of this report, EUR3 million is available under our Euro facilities.



Our foreign interest rate exposure is hedged through Euro interest rate swaps and caps of EUR50,5 million with an average expiry of 4,1 years at 30 June 2024. The weighted average hedge rate was 1,5% at 30 June 2024.

The all-in weighted average cost of Euro-denominated funding at 30 June 2024 was 4,81% (Jun 2023: 3,10%) based on the SA REIT BPR methodology.

No new Euro interest rate swaps or caps have been entered into subsequent to 30 June 2024.

## Prospects

We previously communicated that our distributable earnings for the year ended 30 June 2024 would be at least R1,7 billion. Our actual distributable earnings for FY2024 amounted to R1,789 billion.

We revise our previous guidance of approximately R1,73 billion for FY2025 to R1,75 billion following NEPI Rockcastle's updated outlook for its 2024 financial year, published on 20 August 2024. Further detail is presented in the table below.

	1H2024 (actual)	2H2024 (actual)	FY2024 (actual)	FY2025 (forecast)	Change %
<b>Total distributable earnings (R'000)</b>	<b>952 868</b>	<b>835 637</b>	<b>1 788 505</b>	1 750 000	(2,2)
Shares in issue (net of treasury shares)	1 169 980 307	1 190 536 893	1 190 536 893	1 190 536 893	
Distributable earnings per share (cents)	81,44	70,19	151,63 <sup>#</sup>	146,99	(3,1)

	1H2024 (normalised)	2H2024 (actual)	FY2024 (normalised actual)	FY2025 (forecast)	Change %
<b>Normalisation adjustments</b>					
Exclusion of dividend on 53 134 372 NEPI Rockcastle shares (R'000) received in September 2023*	(266 365)	–	(266 365)	–	–
Adjusted total distributable earnings (R'000) (normalised for the effects of the SOA)	686 503	835 637	1 522 140	1 750 000	15,0
Adjusted distributable earnings per share (cents) (normalised for the effects of the SOA)	58,68	70,19	128,87	146,99	14,1

\* The 53 134 372 NEPI Rockcastle shares were used to fund the buy-back of all the Fortress B ordinary shares in issue at the time of implementation of the SOA. The adjustment includes related foreign currency hedges on this income.

<sup>#</sup> Sum of the 1H2024 and 2H2024 actual distributable earnings per share.

This forecast is based on the following assumptions:

### Fortress-specific assumptions

- Our distributable earnings methodology will remain consistent with that of prior periods, as previously communicated;
- NEPI Rockcastle maintains a 90% payout ratio and meets their published distributable earnings per share guidance for their 2024 financial year ended 31 December 2024;
- No material sales, or acquisitions, outside of our planned pipeline occur which necessitate a revision to this forecast;
- There is no unforeseen failure of material tenants in our portfolio;
- Contractual escalations and market-related renewals will be achieved with no major change in vacancy rates; and
- Tenants will be able to absorb the recovery of rising utility costs and municipal rates.

### Macroeconomic and regulatory assumptions

- There is no unforeseen material macroeconomic deterioration in the markets in which Fortress has exposure;
- There are no unforeseen adverse socio-political events in the jurisdictions in which Fortress has exposure;
- There are no changes to current tax legislation in the jurisdictions in which the company operates; and
- There are no interest rate changes by the European Central Bank or the South African Reserve Bank.

The forecast and normalisation adjustments, including the assumptions on which they are based and the financial information from which they have been prepared, are the responsibility of the directors of the company. The forecast and normalisation adjustments have not been reviewed or reported on by the company's external auditor.

By order of the board

**Steven Brown**  
CEO

**Ian Vorster**  
CFO

Johannesburg  
29 August 2024

# Statements of financial position

at 30 June 2024

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>Assets</b>				
<b>Non-current assets</b>	<b>49 464 494</b>	<b>52 299 794</b>	<b>47 476 797</b>	<b>56 944 828</b>
Investment property	31 740 049	29 381 917		
Straight-lining of rental revenue adjustment	609 504	500 224		
Investment property under development	1 657 755	2 874 608		
Property	24 422	25 326		
Investment in and loans to associates	14 990 246	17 570 306		
Staff scheme loans	–	66 935	–	54 661
Amounts owing by group companies			12 275 543	10 389 410
Investment in BEE preference shares	–	324 842		
Deferred tax	442 518	1 555 636		
Interest in subsidiaries			35 201 254	46 500 757
<b>Current assets</b>	<b>3 514 839</b>	<b>1 842 829</b>	<b>857 042</b>	<b>863 694</b>
Trade and other receivables	1 326 412	1 634 378		8 192
Income tax receivable			1 658	832
Amounts owing by group companies			855 384	854 670
Cash and cash equivalents	2 188 427	208 451		
<b>Non-current assets held for sale</b>	<b>611 450</b>	<b>95 150</b>		
Investment property and investment property under development held for sale	607 547	93 669		
Straight-lining of rental revenue adjustment	3 903	1 481		
<b>Total assets</b>	<b>53 590 783</b>	<b>54 237 773</b>	<b>48 333 839</b>	<b>57 808 522</b>

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>Equity and liabilities</b>				
<b>Total equity attributable to equity holders</b>	<b>29 865 807</b>	<b>33 330 390</b>	<b>27 530 457</b>	<b>47 109 806</b>
Stated capital	36 679 208	45 571 743	37 267 144	45 571 743
Treasury shares	–	(2 040 884)		
Currency translation reserve	631 081	719 378		
Reserves	(7 444 482)	(10 919 847)	(9 736 687)	1 538 063
<b>Non-controlling interests</b>	<b>199 430</b>	<b>189 427</b>		
<b>Total equity</b>	<b>30 065 237</b>	<b>33 519 817</b>	<b>27 530 457</b>	<b>47 109 806</b>
<b>Total liabilities</b>	<b>23 525 546</b>	<b>20 717 956</b>	<b>20 803 382</b>	<b>10 698 716</b>
<b>Non-current liabilities</b>	<b>17 530 940</b>	<b>16 376 971</b>	<b>15 064 935</b>	<b>6 783 019</b>
Amounts owing to group companies			6 548 044	–
Interest-bearing borrowings	16 968 561	16 021 674	8 516 891	6 783 019
Deferred tax	562 379	355 297		
<b>Current liabilities</b>	<b>5 994 606</b>	<b>4 340 985</b>	<b>5 738 447</b>	<b>3 915 697</b>
Trade and other payables	1 282 898	1 181 691	1 317	883
Income tax payable	109 346	145 602		
Amounts owing to group companies			2 702 248	1 007 385
Interest-bearing borrowings	4 602 362	3 013 692	3 034 882	2 907 429
<b>Total equity and liabilities</b>	<b>53 590 783</b>	<b>54 237 773</b>	<b>48 333 839</b>	<b>57 808 522</b>

# Statements of comprehensive income

for the year ended 30 June 2024

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Recoveries and contractual rental revenue	4 270 852	3 763 397		
Straight-lining of rental revenue adjustment	112 655	24 557		
<b>Revenue from direct property operations</b>	<b>4 383 507</b>	<b>3 787 954</b>		
Revenue received from group companies				22 863 831
<b>Total revenue</b>	<b>4 383 507</b>	<b>3 787 954</b>		<b>22 863 831</b>
<b>Other expense</b>		(1 492)		
<b>Fair value gain/(loss) on investment property, investments and derivative financial instruments</b>	<b>597 539</b>	<b>(932 631)</b>		
Fair value gain/(loss) on investment property	637 063	(742 379)		
Adjustment resulting from straight-lining of rental revenue	(112 655)	(24 557)		
Fair value gain on investments	159 250	96 939		
Fair value loss on derivative financial instruments	(86 119)	(262 634)		
Property operating expenses	(1 764 773)	(1 545 111)		
Administrative expenses	(238 357)	(222 178)	(14 635)	(13 213)
Reversal of impairment/(impairment) of staff scheme loans	6 831	(6 594)	6 001	(5 160)
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme	(93 791)	(55 579)		
Reversal of impairment of investments in associates	2 520 182	2 371 817		
(Impairment)/reversal of impairment of investment in subsidiaries			(10 428 616)	5 991 694
Foreign exchange gain	13 401	2 768		
Loss on sale of interest in associate	(63 908)	–		
Income from associates	2 129 673	2 387 281		
– Distributable	1 473 800	1 463 686		
– Non-distributable	655 873	923 595		
<b>Profit/(loss) before net finance costs</b>	<b>7 490 304</b>	<b>5 786 235</b>	<b>(10 437 250)</b>	28 837 152
<b>Net finance costs</b>	<b>(1 806 186)</b>	<b>(1 162 427)</b>	<b>40 106</b>	(632 924)
Finance income	58 275	63 253	1 137 084	387 740
– Interest on staff scheme and other interest received	58 275	63 253	1 137 084	387 740
Finance costs	(1 864 461)	(1 225 680)	(1 096 978)	(1 020 664)
– Interest on borrowings	(2 014 471)	(1 531 736)	(1 096 978)	(1 020 664)
– Capitalised interest	150 010	306 056		
<b>Profit/(loss) before income tax</b>	<b>5 684 118</b>	<b>4 623 808</b>	<b>(10 397 144)</b>	28 204 228
Income tax	(1 337 888)	1 264 195	(1 784)	(225 111)
<b>Profit/(loss) for the year</b>	<b>4 346 230</b>	<b>5 888 003</b>	<b>(10 398 928)</b>	27 979 117

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>Other comprehensive income/(loss) net of tax</b>				
Items that may subsequently be reclassified to profit or loss				
Exchange (loss)/gain on translation of associate and subsidiaries	(88 297)	603 978		
<b>Total comprehensive income/(loss) for the year</b>	<b>4 257 933</b>	<b>6 491 981</b>	<b>(10 398 928)</b>	27 979 117
<b>Profit/(loss) for the year attributable to:</b>				
Equity holders of the company	4 332 680	5 917 362		
Non-controlling interests	13 550	(29 359)		
	<b>4 346 230</b>	<b>5 888 003</b>		
<b>Total comprehensive income/(loss) for the year attributable to:</b>				
Equity holders of the company	4 244 383	6 521 340		
Non-controlling interests	13 550	(29 359)		
	<b>4 257 933</b>	<b>6 491 981</b>		
Basic earnings per FFA share (cents)	–	281,92		
Basic earnings per FFB share (cents)	370,03	281,92		
Diluted earnings per FFA share (cents)	–	279,51		
Diluted earnings per FFB share (cents)	365,67	279,51		

# Statements of changes in equity

for the year ended 30 June 2024

	Stated capital R'000	Treasury shares R'000	Currency translation reserve R'000	Reserves R'000	Equity attributable to equity holders R'000	Non- controlling interests R'000	Total equity R'000
<b>GROUP</b>							
<b>Balance at 30 June 2022</b>	45 571 743	(2 040 884)	115 400	(16 905 858)	26 740 401	219 300	26 959 701
Profit for the year				5 917 362	5 917 362	(29 359)	5 888 003
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme				55 579	55 579		55 579
Acquisition of additional interest in Inofort Proprietary Limited and transfer of reserves				156	156	3 102	3 258
Exchange gain on translation of associate and subsidiaries			603 978		603 978		603 978
Additional equity reserves in associate through scrip election – NEPI Rockcastle N.V.				12 914	12 914		12 914
Dividends paid				–	–	(3 616)	(3 616)
<b>Balance at 30 June 2023</b>	<b>45 571 743</b>	<b>(2 040 884)</b>	<b>719 378</b>	<b>(10 919 847)</b>	<b>33 330 390</b>	<b>189 427</b>	<b>33 519 817</b>
Profit for the year				4 332 680	4 332 680	13 550	4 346 230
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme				75 255	75 255		75 255
Cancellation of FFA and FFB treasury shares	(1 264 733)	1 264 733			–		–
Earnings distribution – scrip issue	322 002				322 002		322 002
Scheme of arrangement FFB repurchase	(7 900 414)	776 151			(7 124 263)		(7 124 263)
Scheme of arrangement capitalised costs	(49 390)				(49 390)		(49 390)
Exchange loss on translation of associate and subsidiaries			(88 297)		(88 297)		(88 297)
Additional equity reserves in associate through scrip election – NEPI Rockcastle N.V.				19 403	19 403		19 403
Dividends paid				(951 973)	(951 973)	(3 547)	(955 520)
<b>Balance at 30 June 2024</b>	<b>36 679 208</b>	<b>–</b>	<b>631 081</b>	<b>(7 444 482)</b>	<b>29 865 807</b>	<b>199 430</b>	<b>30 065 237</b>

	Stated capital R'000	Reserves R'000	Equity attributable to equity holders R'000
<b>COMPANY</b>			
<b>Balance at 30 June 2022</b>	45 571 743	(26 496 633)	19 075 110
Profit for the year		27 979 117	27 979 117
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme		55 579	55 579
<b>Balance at 30 June 2023</b>	<b>45 571 743</b>	<b>1 538 063</b>	<b>47 109 806</b>
Loss for the year		(10 398 928)	(10 398 928)
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme		75 255	75 255
Cancellation of FFA and FFB treasury shares	(967 633)		(967 633)
Scheme of arrangement FFB repurchase	(7 609 578)		(7 609 578)
Earnings distribution – scrip issue	322 002		322 002
Scheme of arrangement capitalised costs	(49 390)		(49 390)
Dividends paid		(951 077)	(951 077)
<b>Balance at 30 June 2024</b>	<b>37 267 144</b>	<b>(9 736 687)</b>	<b>27 530 457</b>



# Statements of cash flows

for the year ended 30 June 2024

	GROUP		COMPANY	
	2024 R'000	Re-presented* 2023 R'000	2024 R'000	Re-presented* 2023 R'000
<b>Operating activities</b>				
Cash generated from/(utilised in) operations	3 113 210	2 292 371	(6 009)	(7 415)
Interest on staff scheme and other interest received	31 793	36 685	1 137 084	366 226
Interest on borrowings (excluding capitalised interest)	(1 884 238)	(1 208 918)	(1 096 978)	(1 020 664)
Revenue received from group companies			-	600 000
Dividends paid	(633 518)	(3 616)	(629 075)	-
Income tax paid	(49 179)	(92 254)	(2 610)	(225 943)
Cash inflow/(outflow) from operating activities	578 068	1 024 268	(597 588)	(287 796)
<b>Investing activities</b>				
Development and improvement of investment property	(2 300 340)	(2 217 170)		
Capitalised interest paid on development of investment property	(150 010)	(306 056)		
Acquisition of investment property	(500 000)	(209 242)		
Proceeds from disposal of investment property	1 690 426	1 326 082		
Loan to associate repaid	38 429	42 014		
Cash inflow from derivative financial instruments	-	56 941		
Cash outflow from currency derivatives	(66 609)	-		
Cash inflow from interest rate derivatives	133 415	-		
Acquisition of investments			(21 491)	(111 919)
Loans to group companies (advanced)/repaid*			(1 886 847)	992 371
Loans from group companies advanced*			-	2 893 743
Cash (outflow)/inflow from investing activities	(1 154 689)	(1 307 431)	(1 908 338)	3 774 195
<b>Financing activities</b>				
Interest-bearing borrowings raised and drawn*	3 914 664	7 000 815	2 583 679	849 551
Interest-bearing borrowings repaid*	(1 308 677)	(7 202 802)	(722 354)	(4 935 950)
Scheme of arrangement capitalised costs	(49 390)	-	(49 390)	-
Loans from group companies advanced <sup>o</sup>			693 991	-
Cash inflow/(outflow) from financing activities	2 556 597	(201 987)	2 505 926	(4 086 399)
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>1 979 976</b>	<b>(485 150)</b>	<b>-</b>	<b>(600 000)</b>
Cash and cash equivalents at the beginning of the year	208 451	693 601	-	600 000
<b>Cash and cash equivalents at the end of the year</b>	<b>2 188 427</b>	<b>208 451</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents consist of:				
Current accounts and call deposits	2 151 769	208 451	-	-
Restricted cash <sup>f</sup>	36 658	-	-	-
	2 188 427	208 451	-	-

\* The 2023 column on the statement of cash flows has been re-presented to reflect gross movements in respect of loans to/(from) subsidiaries and interest-bearing borrowings in accordance with IAS 7.22-24. The statement of cash flows in the 2023 financial statements previously reported the net movement thereon, with notes 19.3 and 19.4 presenting the respective gross movements. This re-presentation had no effect on the increase/(decrease) in the cash and cash equivalents for the prior year.

<sup>f</sup> Relates to amounts placed in escrow for building contracts undertaken in CEE.

<sup>o</sup> The nature of the loans from group companies has changed in the current year, such that cash flows on these loans have been classified as financing activities.

# Notes

## 1. Preparation and accounting policies

The summary consolidated financial statements for the year ended 30 June 2024 have been prepared in accordance with the requirements of the Companies Act of South Africa, Act 71 of 2008 ("Companies Act") applicable to summary financial statements, the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS<sup>®</sup> Accounting Standards"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34: *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of IFRS Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

This report and the full set of consolidated financial statements were compiled under the supervision of Ian Vorster CA(SA), the financial director and CFO of Fortress. The accounting policies applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements with the exception of new and revised standards which became effective during the year. Standards which became effective in the current reporting period had no material effect on previously reported results, nor on the summary consolidated financial statements for the year ended 30 June 2024.

The group's investment properties are valued externally by independent valuers at each financial year-end, other than investment properties under development. The fair value of investment properties under development is determined internally by the directors for year-end reporting periods, and is assumed to be the cost thereof, unless market factors indicate that the fair value of investment properties under development is materially different to the carrying value, in which case an internal valuation is performed, and investment properties under development are revalued to fair value.

In terms of IAS 40: *Investment Property* and IFRS 7: *Financial Instruments: Disclosure*, investment properties are measured at fair value and are categorised as a level 3 fair value measurement. The revaluation of investment property requires judgement in the determination of future cash flows from leases and application of an appropriate capitalisation rate and discount rate. Refer to note 7 for disclosure of significant unobservable inputs on the valuations of investment properties and the effects on the valuations of the sensitivity analysis performed on these inputs.

In terms of IFRS 9 and IFRS 7, the group's currency and interest rate derivatives, equity collar derivative, as well as the investment in BEE preference shares, are measured at fair value through profit or loss and are categorised as a level 2 fair value measurement. There were no transfers between levels 1, 2 and 3 during the year. The valuation methods applied are consistent with those applied in preparing the previous consolidated annual financial statements.

These summary consolidated financial statements for the year ended 30 June 2024 have been extracted from audited information, but are not themselves audited. The annual financial statements were audited by KPMG Inc., who expressed an unmodified opinion thereon. The audited consolidated annual financial statements and the auditor's report thereon are available for inspection through a secure electronic manner at the election of the person requesting inspection and at the company's registered office. The audited consolidated annual financial statements, together with the audit report thereon, have been published on Fortress' website and are available at: <https://fortressfund.co.za/investor-relations/investor-documents?document=annual-reports>.

The audit report on the consolidated annual financial statements, in respect of which an unmodified opinion was expressed, notes the valuation of investment properties as a key audit matter. The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders and noteholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

## 2. Subsequent events

The directors are not aware of any other events subsequent to 30 June 2024, not arising in the normal course of business, which are likely to have a material effect on the financial information contained in this report.

## 3. Lease expiry profile

Based on	Rentable area %	Contractual rental revenue %
Vacant	4,0	–
Jun 2025	24,7	21,4
Jun 2026	13,9	12,9
Jun 2027	14,3	14,2
Jun 2028	7,9	8,6
Jun 2029	9,7	10,2
> Jun 2029	25,5	32,7
<b>Grand total</b>	<b>100,0</b>	<b>100,0</b>

## 4. Segmental analysis

	Jun 2024 R'000	Jun 2023 R'000
<b>Total revenue</b>		
Retail	1 493 857	1 384 458
Logistics – SA	1 832 101	1 330 182
Logistics – CEE	196 044	162 344
Industrial	594 888	604 845
Office	213 220	239 854
Other <sup>#</sup>	53 397	66 271
Corporate	–	–
<b>Total</b>	<b>4 383 507</b>	<b>3 787 954</b>
<b>Profit after tax</b>		
Retail	1 066 842	818 657
Logistics – SA	1 829 852	501 811
Logistics – CEE	104 344	130 916
Industrial	243 940	192 524
Office	(42 828)	(112 117)
Other <sup>#</sup>	40 346	22 676
Corporate	1 103 734	4 333 536
<b>Total</b>	<b>4 346 230</b>	<b>5 888 003</b>
<b>Total assets</b>		
Retail	10 745 244	10 209 103
Logistics – SA	16 924 554	15 492 371
Logistics – CEE	3 593 297	2 886 421
Industrial	3 011 572	3 366 927
Office	1 236 204	1 657 321
Other <sup>#</sup>	355 555	351 130
Corporate	17 724 357	20 274 500
<b>Total</b>	<b>53 590 783</b>	<b>54 237 773</b>

<sup>#</sup> Comprises residential units and serviced apartment properties.

## 5. Earnings and headline earnings per share

### Reconciliation of profit for the year to headline earnings

	Jun 2024 R'000	Jun 2023 R'000
<b>Basic earnings for the year attributable to equity holders</b>	<b>4 332 680</b>	5 917 362
Adjusted for:	<b>(2 915 685)</b>	(4 007 562)
– Fair value (gain)/loss on investment property (including straight-lining adjustment)	<b>(524 408)</b>	766 936
– Current year income tax effects in respect of investment property	<b>180 627</b>	(71 324)
– Prior year income tax effects in respect of investment property	–	497 462
– Reversal of impairment of investment in associate	<b>(2 520 182)</b>	(2 371 817)
– Current year income tax effects in respect of investment in associate	<b>544 359</b>	512 312
– Prior year income tax effects in respect of investment in associate	–	(2 611 580)
– Fair value gain on investment property of associates	<b>(785 651)</b>	(862 816)
– Income tax effect	<b>125 662</b>	133 265
– Loss on sale of interest in associate	<b>63 908</b>	–
<b>Headline earnings</b>	<b>1 416 995</b>	1 909 800

Basic earnings, diluted earnings, headline earnings and diluted headline earnings attributable to the FFA and FFB classes of ordinary shares, respectively, are determined as follows for purposes of calculating earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share.

For each of the FFA and FFB classes of shares:

- Any dividends paid in the relevant financial period are first allocated to the relevant class of shares; and
- Thereafter, any residual basic earnings/(loss), diluted earnings/(loss), headline earnings/(loss) and diluted headline earnings/(loss) of the company, not yet allocated by way of dividends paid in the period, are allocated to each FFA and FFB share on a *pari passu* basis.

The application of IAS 33: *Earnings per Share*, paragraph A14, results in the allocation of earnings to each class of ordinary shares, firstly by the allocation of dividends paid in the financial period to a particular class of shares, and thereafter by the allocation of residual earnings by the participation feature of each class of shares, as if all the profit or loss for the period had been distributed. The Fortress MOI provides that other than (i) a distribution of income, if declared; (ii) capital participation rights on redemption of the FFA shares; or (iii) capital participation rights on winding up of the company, the FFA and FFB shares rank *pari passu*. Therefore, in the absence of events i, ii or iii, the *pari passu* principle for each FFA share and each FFB share has been applied as the participation feature in the allocation of any residual earnings/(loss).

It should be noted that the resultant basic earnings, diluted earnings, headline earnings and diluted headline earnings attributable to FFA and FFB shares, calculated in accordance with IAS 33.A14, do not represent distributable earnings, nor the FFA dividend benchmark.

## 5. Earnings and headline earnings per share continued

### Allocation of basic and headline earnings to FFA and FFB shares

	Jun 2024 R'000	Jun 2023 R'000
<b>Basic earnings for the year attributable to equity holders</b>		
Dividends paid to FFA shareholders in the financial year	–	–
Residual basic earnings to be split <i>pari passu</i> per FFA and FFB share*	–	3 273 385
<b>Total FFA basic earnings</b>	–	3 273 385
Dividends paid to FFB shareholders in the financial year	<b>952 868<sup>^</sup></b>	–
Residual basic earnings to be split <i>pari passu</i> per FFA and FFB share*	<b>3 379 812</b>	2 643 977
<b>Total FFB basic earnings</b>	<b>4 332 680</b>	2 643 977
<b>Total FFA and FFB basic earnings</b>	<b>4 332 680</b>	5 917 362
<b>Headline earnings for the year attributable to equity holders</b>		
Dividends paid to FFA shareholders in the financial year	–	–
Residual headline earnings to be split <i>pari passu</i> per FFA and FFB share*	–	1 056 469
<b>Total FFA headline earnings</b>	–	1 056 469
Dividends paid to FFB shareholders in the financial year	<b>952 868<sup>^</sup></b>	–
Residual headline earnings to be split <i>pari passu</i> per FFA and FFB share*	<b>464 127</b>	853 331
<b>Total FFB headline earnings</b>	<b>1 416 995</b>	853 331
<b>Total FFA and FFB headline earnings</b>	<b>1 416 995</b>	1 909 800

<sup>^</sup> Interim dividend declared in 1H2024, paid in 2H2024.

\* Residual value of earnings not distributed by way of a dividend is split on a *pari passu* basis between the total weighted average number of FFA shares and FFB shares in issue for the year.

## 5. Earnings and headline earnings per share continued

## Allocation of diluted earnings and diluted headline earnings to FFA and FFB shares

	Jun 2024 R'000	Jun 2023 R'000
<b>Diluted earnings for the year attributable to equity holders</b>		
Dividends paid to FFA shareholders in the financial year	–	–
Residual diluted earnings to be split <i>pari passu</i> per FFA and FFB share**	–	3 268 445
<b>Total FFA diluted earnings</b>	–	3 268 445
Dividends paid to FFB shareholders in the financial year	952 868 <sup>^</sup>	–
Residual diluted earnings to be split <i>pari passu</i> per FFA and FFB share**	3 379 812	2 648 917
<b>Total FFB diluted earnings</b>	4 332 680	2 648 917
<b>Total FFA and FFB diluted earnings</b>	4 332 680	5 917 362
<b>Diluted headline earnings for the year attributable to equity holders</b>		
Dividends paid to FFA shareholders in the financial year	–	–
Residual diluted headline earnings to be split <i>pari passu</i> per FFA and FFB share**	–	1 054 875
<b>Total FFA diluted headline earnings</b>	–	1 054 875
Dividends paid to FFB shareholders in the financial year	952 868 <sup>^</sup>	–
Residual diluted headline earnings to be split <i>pari passu</i> per FFA and FFB share**	464 127	854 925
<b>Total FFB diluted headline earnings</b>	1 416 995	854 925
<b>Total FFA and FFB diluted headline earnings</b>	1 416 995	1 909 800

<sup>^</sup> Interim dividend declared in 1H2024, paid in 2H2024.

\*\* Residual value of earnings not distributed by way of a dividend is split on a *pari passu* basis between the total weighted average number of FFA shares and FFB shares in issue for the year.

## 5. Earnings and headline earnings per share continued

## Basic earnings, diluted earnings, headline earnings and diluted headline earnings per share

	Jun 2024	Jun 2023
Basic earnings per FFA share (cents)	–	281,92
Basic earnings per FFB share (cents)	370,03	281,92
Diluted earnings per FFA share (cents)	–	279,51
Diluted earnings per FFB share (cents)	365,67	279,51
Headline earnings per FFA share (cents)	–	90,99
Headline earnings per FFB share (cents)	121,02	90,99
Diluted headline earnings per FFA share (cents)	–	90,21
Diluted headline earnings per FFB share (cents)	119,59	90,21



## 5. Earnings and headline earnings per share continued

### Weighted average number of shares

Basic earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share are based on the following weighted average shares in issue during the year:

	2024	2023
<b>Weighted average number of shares</b>		
– FFA shares	–	1 161 085 976
– FFB shares	<b>1 170 894 954</b>	937 831 685
<b>Total weighted average number of FFA and FFB shares used in basic and headline earnings per share calculations (applicable to the residual basic and headline earnings)</b>	<b>1 170 894 954</b>	2 098 917 661
<b>Diluted weighted average number of shares</b>		
– FFA shares	–	1 169 347 851
– FFB shares	<b>1 184 875 325</b>	947 699 938
<b>Total weighted average number of FFA and FFB shares used in diluted earnings and diluted headline earnings per share calculations (applicable to the residual diluted earnings and diluted headline earnings)</b>	<b>1 184 875 325</b>	2 117 047 789
<b>Reconciliation of weighted average number of shares – FFA shares</b>		
Weighted average number of shares used in calculation of basic and headline earnings per share	–	1 161 085 976
LTIP share scheme award – dilutive shares	–	924 794
CSP share scheme award – dilutive shares	–	7 337 081
<b>Diluted weighted average number of shares used in calculation of diluted earnings and diluted headline earnings per share</b>	–	1 169 347 851
<b>Reconciliation of weighted average number of shares – FFB shares</b>		
Weighted average number of shares used in calculation of basic and headline earnings per share	<b>1 170 894 954</b>	937 831 685
LTIP share scheme award – dilutive shares	–	824 279
CSP share scheme award – dilutive shares	<b>13 980 371</b>	9 043 974
<b>Diluted weighted average number of shares used in calculation of diluted earnings and diluted headline earnings per share</b>	<b>1 184 875 325</b>	947 699 938

Earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share are calculated on the following basis per IAS 33: *Earnings per Share*, paragraph A14, whereby the allocation of earnings to each class of ordinary shares is firstly by the allocation of dividends paid in the financial period to a particular class of shares, and thereafter by the allocation of residual earnings for a participation feature of each class of shares, as if all the profit or loss for the period had been distributed. The Fortress MOI provides that other than (i) a distribution of income, if declared; (ii) capital participation rights on redemption of the FFA shares; or (iii) capital participation rights on winding up of the company, the FFA and the FFB shares rank *pari passu*. Therefore, in the absence of events i, ii or iii, the *pari passu* principle for each FFA share and each FFB share has been applied as the participation feature in the allocation of any residual earnings/(loss).

## 6. Reconciliation of profit for the year to amount available for distribution

	Jun 2024 R'000	Jun 2023 R'000
Profit for the year	4 346 230	5 888 003
Fair value (gain)/loss on investment property	(637 063)	742 379
Fair value gain on investments	(159 250)	(96 939)
Fair value loss on derivative financial instruments	86 119	262 634
(Reversal of impairment)/impairment of staff scheme loans	(6 831)	6 594
Insurance right to receive – capital	–	1 492
Reversal of impairment of investments in associates	(2 520 182)	(2 371 817)
Loss on sale of interest in associate	63 908	–
Non-distributable income from associates	(655 873)	(923 595)
Interest received on LTIP (reversed for IFRS 2 charge)	6 743	5 726
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme	93 791	55 579
Deferred tax	1 324 965	(1 301 946)
Income tax in respect of prior periods	–	(168 054)
Non-controlling interests	(6 199)	(2 814)
Antecedent dividend	9 144	–
Unrealised exchange gain	(14 245)	(4 111)
Staff scheme interest limitation	(37 811)	(32 296)
Foreign dividend hedging	(66 609)	79 484
Interest rate derivatives	111 678	(36 996)
Capitalised interest limitation	(150 010)	(306 056)
<b>Amount available for distribution</b>	<b>1 788 505</b>	1 797 267
Amount available for interim distribution – first income period	952 868	800 947
Amount available for final distribution – second income period	835 637	996 320
	<b>1 788 505</b>	1 797 267
Less: interim dividend declared	(952 868)	–
– FFA shares	–	–
– FFB shares	(952 868)	–
Less: final dividend declared	(835 637)	–
– FFA shares	–	–
– FFB shares	(835 637)	–
<b>Amount available for distribution retained by Fortress</b>	–	1 797 267

## 7. Valuation of investment property – significant unobservable inputs

### 7.1 Significant unobservable inputs in respect of the valuation of investment properties are summarised below:

Portfolio	Sector or location valued	Valuation methodology	Discount rate range	Exit capitalisation rate range	Equivalent yield range
A	Gauteng logistics and industrial portfolio	Discounted cash flow	13,00% to 17,25%	8,50% to 13,00%	#
B	Large retail portfolio and large logistics portfolio in Gauteng, KwaZulu-Natal and Western Cape	Discounted cash flow	13,00% to 14,75%	8,00% to 9,75%	#
C	Retail portfolio (smaller non-metropolitan centres)	Discounted cash flow	13,75% to 17,50%	8,50% to 13,50%	#
D	Office portfolio	Discounted cash flow	14,75% to 16,50%	9,75% to 12,00%	#
E	Romanian logistics portfolio	Discounted cash flow	9,25%	7,35%	#
F	Polish logistics portfolio	Hardcore/layer method	N/A	5,85% to 6,50%	5,85% to 6,50%

# Valuations performed applying discounted cash flow methodology.

None of the property valuations fell outside of the ranges of unobservable inputs reflected above.

## 7.2 Effect on valuation of investment property

The most significant unobservable inputs in respect of the external valuations performed for investment property are discount rates, exit capitalisation rates and equivalent yields. The sensitivity of these valuation inputs is disclosed below.

### 2024 financial year

SA portfolio	Valuation R'000	Weighted average exit capitalisation rate %	Weighted average discount rate %	Change in discount rate				Change in exit capitalisation rate					
				Decrease of 50bps (Romania: 25bps) R'000	%	Increase of 50bps (Romania: 25bps) R'000	%	Decrease of 50bps (Romania: 25bps) R'000	%	Increase of 50bps (Romania: 25bps) R'000	%		
<b>Sector</b>													
Office	838 050	11,42	15,94	15 768	1,88	(15 402)	(1,84)	24 730	2,95	(22 644)	(2,70)		
Logistics	15 540 490	8,64	13,44	309 493	1,99	(481 773)	(3,10)	609 921	3,92	(547 065)	(3,52)		
Retail	9 701 800	9,26	14,35	188 005	1,94	(185 463)	(1,91)	371 448	3,83	(333 031)	(3,43)		
Industrial	2 840 355	10,09	14,30	50 810	1,79	(49 579)	(1,75)	91 767	3,23	(83 059)	(2,92)		
Other	355 000	11,08	16,18	6 280	1,77	(6 136)	(1,73)	10 033	2,83	(9 162)	(2,58)		
<b>Total</b>	<b>29 275 695</b>			<b>570 356</b>		<b>(738 353)</b>		<b>1 107 899</b>		<b>(994 961)</b>			
<b>Romanian portfolio</b>													
Logistics	666 950	7,35	9,25	11 502	1,72	(11 307)	(1,70)	11 502	1,72	(10 723)	(1,61)		
<b>Total</b>	<b>666 950</b>			<b>11 502</b>		<b>(11 307)</b>		<b>11 502</b>		<b>(10 723)</b>			

  

Polish portfolio	Valuation R'000	Weighted average equivalent yield %	Change in equivalent yield			
			Decrease of 25bps R'000	%	Increase of 25bps R'000	%
Logistics	2 431 330	6,04	128 280	5,28	(117 753)	(4,84)
<b>Total</b>	<b>2 431 330</b>		<b>128 280</b>		<b>(117 753)</b>	

## 8. Share capital of the company

The below table discloses the authorised and issued share capital of Fortress after the October 2024 issuance of Fortress B ordinary shares and at the last practicable date. This information has not been reviewed or reported on by Fortress' auditors.

	R'000	
Total stated capital net of treasury	37 267 144	
	Fortress A ordinary shares Number of shares	Fortress B ordinary shares Number of shares
Authorised ordinary shares of no par value	830 019 693	3 169 980 307
<i>Issued</i>		
Issued ordinary shares of no par value	–	1 204 569 104
Number of ordinary shares held in treasury	–	(277 274)
<b>Issued ordinary shares of no par value net of shares held in treasury</b>	<b>–</b>	<b>1 204 291 830</b>

### Directors

Robin Lockhart-Ross (*chairman*); Herman Bosman; Steven Brown\*; Jan Potgieter (*lead independent non-executive director*); Thavanesan Chetty; Jonathon Hillary; Ina Lopion; Susan Ludolph; Vuso Majija\*; Nonhlanhla Mayisela; Edwin Oblowitz; Caswell Rampheri; Ian Vorster\*.

\* *Executive director.*





# Annexure 1

## SA REIT Best Practice disclosure

SA REIT FFO	Jun 2024 R'000	Jun 2023 R'000
Profit for the year attributable to equity holders	4 332 680	5 917 362
Adjusted for:		
Accounting/specific adjustments:	(1 916 789)	(2 905 615)
Fair value adjustments to:		
– Investment property	(524 408)	766 936
– Fair value gain on investments	(159 250)	(96 939)
Insurance right to receive – capital	–	1 492
(Reversal of impairment)/impairment of staff scheme loans	(6 831)	6 594
Reversal of impairment of investments in associates	(2 520 182)	(2 371 817)
Deferred tax movement recognised in profit or loss	1 324 965	(1 301 946)
Straight-lining operating lease adjustment	(112 655)	(24 557)
Dividend accrual	81 572	114 622
Adjustments arising from investing activities:	63 908	–
– Loss on sale of interest in associate	63 908	–
Foreign exchange and hedging items:	116 943	301 011
– Fair value adjustments on derivative financial instruments employed solely for hedging purposes	45 069	42 488
– Adjustments to amounts recognised in profit or loss relating to derivative financial instruments	86 119	262 634
– Foreign exchange gains or losses relating to capital items – unrealised	(14 245)	(4 111)
Other adjustments:	(639 378)	(1 123 822)
– Non-distributable income from associates	(655 873)	(923 595)
– Antecedent dividend	9 144	–
– Non-controlling interests in respect of the above adjustments	7 351	(32 173)
– Income tax in respect of prior periods	–	(168 054)
<b>SA REIT FFO</b>	<b>1 957 364</b>	<b>2 188 936</b>
<b>Company-specific adjustments</b>	<b>(168 859)</b>	<b>(391 669)</b>
– Interest received on LTIP (reversed for IFRS 2 charge)	6 743	5 726
– IFRS 2: <i>Share-based Payment</i> – employee incentive scheme	93 791	55 579
– Dividend accrual	(81 572)	(114 622)
– Staff scheme interest limitation	(37 811)	(32 296)
– Capitalised interest	(150 010)	(306 056)
<b>Fortress' amount available for distribution</b>	<b>1 788 505</b>	<b>1 797 267</b>
Number of shares outstanding at the end of the year (net of treasury shares and LTIP purchase shares)	1 190 536 893	2 170 409 851
FFA	–	1 164 733 176
FFB	1 190 536 893	1 005 676 675

SA REIT NAV	Jun 2024 R'000	Jun 2023 R'000
Reported NAV attributable to the parent	29 865 807	33 330 390
Adjustments:		
– Dividend to be declared (net of treasury shares)	(835 637)	–
– Fair value of certain derivative financial instruments	(425 197)	(578 122)
– Deferred tax	119 861	(1 200 339)
<b>SA REIT NAV</b>	<b>28 724 834</b>	<b>31 551 929</b>
Shares outstanding:		
Number of shares in issue at year-end (net of treasury shares)	1 190 536 893	2 106 212 061
Effect of dilutive instruments (options, convertibles and equity interests)	13 980 371	18 130 128
<b>Dilutive number of shares in issue</b>	<b>1 204 517 264</b>	<b>2 124 342 189</b>
<b>SA REIT NAV per share</b>	<b>23,85</b>	<b>14,85</b>
<b>SA REIT LTV</b>	<b>Jun 2024 R'000</b>	<b>Jun 2023 R'000</b>
Gross debt	21 570 923	19 035 366
Less:		
Cash and cash equivalents	(2 188 427)	(208 451)
Less:		
Derivative financial instruments	(425 197)	(578 122)
<b>Net debt</b>	<b>18 957 299</b>	<b>18 248 793</b>
Total assets per statement of financial position	53 590 783	54 237 773
Less:		
Cash and cash equivalents	(2 188 427)	(208 451)
Derivative financial assets	(693 141)	(894 012)
Trade and other receivables	(633 271)	(740 366)
Intangible assets – deferred tax asset	(442 518)	(1 555 636)
<b>Carrying amount of property-related assets</b>	<b>49 633 426</b>	<b>50 839 308</b>
<b>SA REIT LTV (%)</b>	<b>38,19</b>	<b>35,90</b>



Annexure 1  
SA REIT Best Practice disclosure continued

	Jun 2024 R'000	Jun 2023 R'000
<b>SA REIT cost-to-income ratio</b>		
<b>Expenses</b>		
Operating expenses per IFRS statement of comprehensive income (includes municipal expenses)	1 764 773	1 545 111
Administrative expenses per IFRS statement of comprehensive income	238 357	222 178
<b>Operating costs</b>	<b>2 003 130</b>	<b>1 767 289</b>
<b>Rental income</b>		
Contractual rental income per IFRS statement of comprehensive income (excluding straight-lining)	3 085 888	2 787 082
Utility and operating recoveries per IFRS statement of comprehensive income	1 184 964	976 315
<b>Gross rental income</b>	<b>4 270 852</b>	<b>3 763 397</b>
<b>SA REIT cost-to-income ratio (%)</b>	<b>46,90</b>	<b>46,96</b>
	Jun 2024 R'000	Jun 2023 R'000
<b>SA REIT administrative cost-to-income ratio</b>		
<b>Expenses</b>		
Administrative expenses per IFRS statement of comprehensive income	238 357	222 178
<b>Administrative costs</b>	<b>238 357</b>	<b>222 178</b>
<b>Rental income</b>		
Contractual rental income per IFRS statement of comprehensive income (excluding straight-lining)	3 085 888	2 787 082
Utility and operating recoveries per IFRS statement of comprehensive income	1 184 964	976 315
<b>Gross rental income</b>	<b>4 270 852</b>	<b>3 763 397</b>
<b>SA REIT administrative cost-to-income ratio (%)</b>	<b>5,58</b>	<b>5,90</b>
	Jun 2024 m <sup>2</sup>	Jun 2023 m <sup>2</sup>
<b>SA REIT GLA vacancy rate</b>		
Gross lettable area of vacant space	117 823	106 600
Gross lettable area of total property portfolio	2 919 833	2 873 318
<b>SA REIT GLA vacancy rate (%)</b>	<b>4,04</b>	<b>3,71</b>

**Weighted average cost of debt**

	Jun 2024 %	Jun 2023 %
<b>Cost of debt – Rand-denominated</b>		
<i>Variable interest rate borrowings</i>		
Floating reference rate plus weighted average margin	10,29	10,41
<b>Pre-adjusted weighted average cost of debt</b>	<b>10,29</b>	<b>10,41</b>
<b>Adjustments</b>		
Impact of interest rate derivatives	(1,13)	(1,27)
Amortised transaction costs imputed into the effective interest rate	0,58	0,50
<b>All-in weighted average cost of debt*</b>	<b>9,74</b>	<b>9,64</b>

\* Calculated using the three-month JIBAR reference rate at 30 June.

	Jun 2024 %	Jun 2023 %
<b>Cost of debt – Euro-denominated</b>		
<i>Variable interest rate borrowings</i>		
Floating reference rate plus weighted average margin	6,06	6,05
<b>Pre-adjusted weighted average cost of debt</b>	<b>6,06</b>	<b>6,05</b>
<b>Adjustments</b>		
Impact of interest rate derivatives	(1,25)	(2,95)
<b>All-in weighted average cost of debt**</b>	<b>4,81</b>	<b>3,10</b>

\*\* Calculated using the three-month EURIBOR reference rate at 30 June.

The SA REIT Best Practice disclosure constitutes non-IFRS financial information and is considered to be *pro forma* financial information in terms of the JSE Listings Requirements.

The directors are responsible for compiling the SA REIT Best Practice disclosures on the basis of the applicable criteria specified in the JSE Listings Requirements. KPMG Inc.'s reporting accountants' report thereon is available for inspection at the registered office.

## Annexure 2

# Management accounts

The information and ratios presented in the table represent Fortress' economic interest in assets and liabilities and revenue and expenditure. The information is calculated as disclosed under "Basis of preparation" noted below and is derived from the management accounts. The information is consistently prepared for all reporting periods disclosed below.

	Jun 2024	Jun 2023
NAV per share <sup>^</sup>	<b>R25,09</b>	R15,51
LTV ratio** (%)	<b>38,5</b>	36,2
Net property expense ratio (%)	<b>24,2</b>	25,1
Gross property expense ratio (%)	<b>41,6</b>	41,2
Net total expense ratio (%)	<b>21,8</b>	21,7
Gross total expense ratio (%)	<b>35,3</b>	33,8

<sup>^</sup> The NAV per share is calculated as the total NAV divided by the aggregate number of FFA and FFB shares in issue, less shares held in treasury.

<sup>\*\*</sup> The LTV ratio is calculated by dividing the total interest-bearing borrowings adjusted for cash on hand by the total of investments in property, listed securities and loans advanced, and is based on management accounts information.

### Basis of preparation

In order to provide information of relevance to investors, we present management accounts in addition to IFRS accounts. While the management accounts are based on the audited financial information for the year ended 30 June 2024, these have been adjusted for the *pro forma* adjustments and therefore constitute *pro forma* financial information per the JSE Listings Requirements. The management accounts have been prepared on the following basis:

- The group's interest in Arbour Town, an associate, accounted for using the equity method for IFRS purposes is proportionately consolidated;
- The group's listed investment in NEPI Rockcastle, that is accounted for using the equity method for IFRS purposes is fair valued; and
- The group accounts for its share of the assets, liabilities and results of partially-owned subsidiaries (Bridge, Cornubia, Mantraweb Residential, Inofort and The Prism) on a proportionately consolidated basis instead of consolidating them.

The *pro forma* financial information ("management accounts") has been prepared in terms of the JSE Listings Requirements and the SAICA Guide on *pro forma* financial information.

Fortress' auditor and reporting accountant, KPMG Inc., has issued an unmodified independent reporting accountant's assurance report on this *pro forma* information. The report is available for inspection at the registered office and has been included in the annual financial statements.

### Directors' responsibility statement

The preparation of the management accounts is the sole responsibility of the directors. These accounts have been prepared on the basis stated, for illustrative purposes only, to show the impact on the condensed audited consolidated statement of financial position and the condensed audited consolidated statement of comprehensive income.

Due to their nature, the management accounts may not fairly present the financial position and results of the group in terms of IFRS.

## Management accounts adjustments

### Adjustment 1

This adjustment proportionately consolidates the indirect investments in The Galleria and Arbour Crossing that are held through Arbour Town (Fortress has a 25% interest), accounted for using the equity method in terms of IFRS.

It effectively discloses the group's interest in the assets, liabilities and results of operations from these investments by disclosing the management accounts for the year ended 30 June 2024 on a line-by-line basis.

This is a continuing adjustment for management accounts purposes.

### Adjustment 2

The investment in NEPI Rockcastle is reflected at fair value by multiplying the 107 981 399 shares held by the quoted closing price of R131,37 per share at 30 June 2024. All entries relating to accounting for this investment using the equity method are reversed.

This is a continuing adjustment for management accounts purposes.

### Adjustment 3

This adjustment proportionately consolidates the indirect investments in partially-owned subsidiaries (the indirect investments in Bridge, Cornubia, Mantraweb Residential, Inofort and The Prism) that are consolidated in terms of IFRS.

It uses the audited management accounts for the year ended 30 June 2024 of Bridge, Cornubia, Mantraweb Residential, Inofort and The Prism to reverse the non-controlling interests to reflect the group's interest in the assets, liabilities and results of operations from these investments.

This is a continuing adjustment for management accounts purposes.

## Summarised consolidated statement of financial position

	Extracted from IFRS financial statements Jun 2024 R'000	Adj 1 Fair value accounting for investments in associate – Arbour Town Jun 2024 R'000	Adj 2 Fair value accounting for investments in associate – NEPI Rockcastle Jun 2024 R'000	Adj 3 Proportionate consolidation of partially- owned subsidiaries Jun 2024 R'000	Management accounts Jun 2024 R'000
<b>Assets</b>					
<b>Non-current assets</b>	49 464 494	1 278	–	(863 539)	48 602 233
Investment property	31 740 049	775 689		(1 072 996)	31 442 742
Straight-lining of rental revenue adjustment	609 504	30 316		(4 321)	635 499
Investment property under development	1 657 755				1 657 755
Property	24 422				24 422
Investment in and loans to associates	14 990 246	(804 727)	(14 185 519)		–
Investments	–		14 185 519		14 185 519
Deferred tax	442 518			(1 405)	441 113
Loans to co-owners	–			215 183	215 183
<b>Current assets</b>	3 514 839	8 658	–	(21 126)	3 502 371
Trade and other receivables	1 326 412	6 574		(14 951)	1 318 035
Cash and cash equivalents	2 188 427	2 084		(6 175)	2 184 336
<b>Non-current assets held for sale</b>	611 450	–	–	–	611 450
Investment property and investment property under development held for sale	607 547				607 547
Straight-lining of rental revenue adjustment	3 903				3 903
<b>Total assets</b>	53 590 783	9 936	–	(884 665)	52 716 054

Summarised consolidated statement of financial position continued

	Extracted from IFRS financial statements Jun 2024 R'000	Adj 1 Fair value accounting for investments in associate – Arbour Town Jun 2024 R'000	Adj 2 Fair value accounting for investments in associate – NEPI Rockcastle Jun 2024 R'000	Adj 3 Proportionate consolidation of partially- owned subsidiaries Jun 2024 R'000	Management accounts Jun 2024 R'000
<b>Equity and liabilities</b>					
<b>Total equity attributable to equity holders</b>	29 865 807	–	–	–	29 865 807
Stated capital	36 679 208				36 679 208
Currency translation reserve	631 081		(313 553)		317 528
Reserves	(7 444 482)		313 553		(7 130 929)
<b>Non-controlling interests</b>	199 430			(199 430)	–
<b>Total equity</b>	30 065 237	–	–	(199 430)	29 865 807
<b>Total liabilities</b>	23 525 546	9 936	–	(685 235)	22 850 247
<b>Non-current liabilities</b>	17 530 940	–	–	(663 873)	16 867 067
Interest-bearing borrowings	16 968 561			(604 454)	16 364 107
Deferred tax	562 379			(59 419)	502 960
<b>Current liabilities</b>	5 994 606	9 936	–	(21 362)	5 983 180
Trade and other payables	1 282 898	9 936		(21 624)	1 271 210
Income tax payable	109 346			262	109 608
Interest-bearing borrowings	4 602 362				4 602 362
<b>Total equity and liabilities</b>	53 590 783	9 936	–	(884 665)	52 716 054
TNAV per share	25,19				25,14
NAV per share	25,09				25,09



## Summarised consolidated statement of comprehensive income

	Extracted from IFRS financial statements for the year ended Jun 2024 R'000	Adj 1 Fair value accounting for investments in associate – Arbour Town for the year ended Jun 2024 R'000	Adj 2 Fair value accounting for investments in associate – NEPI Rockcastle for the year ended Jun 2024 R'000	Adj 3 Proportionate consolidation of partially-owned subsidiaries for the year ended Jun 2024 R'000	Management accounts for the year ended Jun 2024 R'000
Recoveries and contractual rental revenue	4 270 852	112 852		(158 579)	4 225 125
Straight-lining of rental revenue adjustment	112 655	244		(641)	112 258
<b>Revenue from direct property operations</b>	<b>4 383 507</b>	<b>113 096</b>	<b>–</b>	<b>(159 220)</b>	<b>4 337 383</b>
Revenue from investments	–		1 415 846		1 415 846
<b>Total revenue</b>	<b>4 383 507</b>	<b>113 096</b>	<b>1 415 846</b>	<b>(159 220)</b>	<b>5 753 229</b>
<b>Fair value gain on investment property, investments and derivative financial instruments</b>	<b>597 539</b>	<b>27 755</b>	<b>3 069 505</b>	<b>(40 037)</b>	<b>3 654 762</b>
Fair value gain on investment property	637 063	27 999		(44 502)	620 560
Adjustment resulting from straight-lining of rental revenue	(112 655)	(244)		641	(112 258)
Fair value gain on investments	159 250		3 069 505	–	3 228 755
Fair value loss on derivative financial instruments	(86 119)			3 824	(82 295)
Property operating expenses	(1 764 773)	(54 823)		60 861	(1 758 735)
Administrative expenses	(238 357)	(260)		5 771	(232 846)
Reversal of impairment of staff scheme loans	6 831				6 831
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme	(93 791)				(93 791)
Reversal of impairment of investment in associates	2 520 182		(2 520 182)		–
Foreign exchange gain	13 401				13 401
Loss on sale of interest in associate	(63 908)		63 908		–
Income from associates	2 129 673	(85 953)	(2 043 720)	–	–
– Distributable	1 473 800	(57 954)	(1 415 846)		–
– Non-distributable	655 873	(27 999)	(627 874)		–
<b>Profit before net finance costs</b>	<b>7 490 304</b>	<b>(185)</b>	<b>(14 643)</b>	<b>(132 625)</b>	<b>7 342 851</b>

Summarised consolidated statement of comprehensive income continued

	Extracted from IFRS financial statements for the year ended Jun 2024 R'000	Adj 1 Fair value accounting for investments in associate – Arbour Town for the year ended Jun 2024 R'000	Adj 2 Fair value accounting for investments in associate – NEPI Rockcastle for the year ended Jun 2024 R'000	Adj 3 Proportionate consolidation of partially-owned subsidiaries for the year ended Jun 2024 R'000	Management accounts for the year ended Jun 2024 R'000
<b>Profit before net finance costs</b>	7 490 304	(185)	(14 643)	(132 625)	7 342 851
<b>Net finance costs</b>	(1 806 186)	185	–	87 479	(1 718 522)
Finance income	58 275	185	–	(149)	58 311
– Interest on staff scheme and other interest received	58 275	185	–	(149)	58 311
Finance costs	(1 864 461)	–	–	87 628	(1 776 833)
– Interest on borrowings	(2 014 471)	–	–	87 628	(1 926 843)
– Capitalised interest	150 010	–	–	–	150 010
<b>Profit before income tax</b>	5 684 118	–	(14 643)	(45 146)	5 624 329
Income tax	(1 337 888)	–	–	31 596	(1 306 292)
<b>Profit for the year</b>	4 346 230	–	(14 643)	(13 550)	4 318 037
<b>Profit for the year attributable to:</b>					
Equity holders of the company	4 332 680	–	(14 643)	–	4 318 037
Non-controlling interests	13 550	–	–	(13 550)	–
<b>Profit for the year</b>	4 346 230	–	(14 643)	(13 550)	4 318 037
Basic earnings per FFB share (cents)	370,03				368,78
Diluted earnings per FFB share (cents)	365,67				364,43
Headline earnings per FFB share (cents)	121,02				340,80
Diluted headline earnings per FFB share (cents)	119,59				336,77
<b>Headline earnings</b>					
<b>Profit for the year attributable to equity holders</b>	4 332 680				4 318 037
Adjusted for:	(2 915 685)				(327 675)
– Fair value (gain)/loss on investment property (including straight-lining adjustment)	(524 408)				(508 302)
– Current year income tax effects in respect of investment property	180 627				180 627
– Reversal of impairment of investment in associate	(2 520 182)				
– Current year income tax effects in respect of investment in associate	544 359				
– Fair value gain on investment property of associates	(785 651)				
– Income tax effect	125 662				
– Loss on sale of interest in associate	63 908				
<b>Headline earnings</b>	1 416 995				3 990 362

## Annexure 3

# Glossary of terms

2H2023	Final reporting period for the six months ended 30 June 2023
1H2024	Interim reporting period for the six months ended 31 December 2023
2H2024	Final reporting period for the six months ended 30 June 2024
1H2025	Interim reporting period for the six months ending 31 December 2024
2H2025	Final reporting period for the six months ending 30 June 2025
B-BBEE	Broad-based Black Economic Empowerment
Board	Board of directors of Fortress
bps	Basis points
BREEAM	Building Research Establishment Environmental Assessment Methodology
CBD	Central business district
CEE	Central and Eastern Europe
CEO	Chief executive officer
CFO	Chief financial officer
Clairwood	Clairwood Logistics Park, KwaZulu-Natal
Companies Act	Companies Act of South Africa, Act 71 of 2008
Cornubia	Cornubia Logistics Park, KwaZulu-Natal
CSDP	Central Securities Depository Participant
CSP	Conditional Share Plan
DMTN	Domestic medium-term note programme
Eastport	Eastport Logistics Park, Gauteng
EDGE	Excellence in Design for Greater Efficiencies
ESG	Environmental, social and governance
EUR	Euro
EURIBOR	Euro Interbank Offered Rate
FFA or A share	Fortress A class share (JSE share code: FFA)
FFB or B share	Fortress B class share (JSE share code: FFB)
FFO	Funds from operations
Fortress	Fortress Real Estate Investments Limited
Fortress Empowerment 2	Fortress Empowerment (RF) 2 Proprietary Limited
Fortress Empowerment 4	Fortress Empowerment (RF) 4 Proprietary Limited
FY2023	Financial year ended 30 June 2023
FY2024	Financial year ended 30 June 2024

FY2025	Financial year ending 30 June 2025
GLA	Gross lettable area
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
IoT	Internet of things
JIBAR	Johannesburg Interbank Average Rate
JSE	JSE Limited, the Johannesburg Stock Exchange
Longlake	Longlake Logistics Park, Gauteng
Louwardia	Louwardia Logistics Park, Gauteng
LTIP	Long-term Incentive Plan
LTV	Loan-to-value
m <sup>2</sup>	Square metre
M&A	Mergers and acquisitions
MOI	Memorandum of Incorporation
MWac	Megawatt, alternating current
MWh	Megawatt hours
NAV	Net asset value
NEPI Rockcastle	NEPI Rockcastle N.V.
NOI	Net operating income
POPIA	Protection of Personal Information Act, 4 of 2013
REIT	Real Estate Investment Trust
SA	South Africa
SA REIT BPR	SA REIT Best Practice Recommendations
SAICA	South African Institute of Chartered Accountants
SOA	Scheme of Arrangement as per the circular to shareholders dated 30 November 2023
Solar PV	Solar photovoltaic
TNAV	Tangible net asset value
VAT	Value-added tax
WALE	Weighted average lease expiry
ZAR	South African Rand



# Corporate information

## Company details

### Fortress Real Estate Investments Limited

Incorporated in the Republic of South Africa  
Registration number: 2009/016487/06  
JSE share code: FFB | ISIN: ZAE000248506  
LEI: 378900FE98E30F24D975  
Bond company code: FORI  
("Fortress" or "the group" or "the company")

Block C, Cullinan Place  
Cullinan Close, Morningside, 2196  
(PO Box 138, Rivonia, 2128)

## Directors

Robin Lockhart-Ross (*chairman*)  
Herman Bosman  
Steven Brown\*  
Jan Potgieter (*lead independent non-executive director*)  
Thavanesan Chetty  
Jonathon Hillary  
Ina Lopion  
Susan Ludolph  
Vuso Majija\*  
Nonhlanhla Mayisela  
Edwin Oblowitz  
Caswell Rampheri  
Ian Vorster\*

\* Executive director

## Commercial bankers

### The Standard Bank of South Africa Limited

(Registration number: 1962/000738/06)  
Corporate and Investment Banking  
7<sup>th</sup> Floor, 3 Simmonds Street, Johannesburg, 2001  
(PO Box 61029, Marshalltown, 2107)

## Transfer secretaries

### JSE Investor Services Proprietary Limited

(Registration number: 2000/007239/07)  
One Exchange Square, Gwen Lane  
Sandown, Sandton, 2196  
(PO Box 4844, Johannesburg, 2000)

## Lead sponsor

### Java Capital Trustees and Sponsors Proprietary Limited

(Registration number: 2006/005780/07)  
6<sup>th</sup> Floor, 1 Park Lane, Wierda Valley, Sandton, 2196  
(PO Box 522606, Saxonwold, 2132)

## Joint equity sponsor and debt sponsor

### Nedbank Limited, acting through its Corporate and Investment Banking Division

(Registration number: 1951/000009/06)  
3<sup>rd</sup> Floor, Corporate Place, Nedbank Sandton  
135 Rivonia Road, Sandton, 2196  
(PO Box 1144, Johannesburg, 2000)

## Company secretary and registered office

### Tamlyn Stevens CA(SA)

Block C, Cullinan Place  
Cullinan Close, Morningside, 2196  
(PO Box 138, Rivonia, 2128)

## External auditor

### KPMG Inc.

KPMG Crescent  
85 Empire Road, Parktown, 2193  
(Private Bag 9, Parkview, 2122)

## Email

info@fortressfund.co.za







[www.fortressfund.co.za](http://www.fortressfund.co.za)



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