POWERING GROWTH

FORTRESS

REIT LIMITED

CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 31 December 2021

DIRECTORS' COMMENTARY

"The start of this interim reporting period was marred by civil unrest and widespread riots and looting concentrated in KwaZulu-Natal and Gauteng. Many businesses were severely affected and the social tragedy will remain for some time. Encouragingly, SASRIA, with the support of government, managed to settle insurance claims which aided the commencement of rebuilding all our affected assets. Despite the emergence of a new COVID-19 variant towards the end of the reporting period, panic subsided fairly quickly, and the world is now seemingly opening up, learning to live with the COVID-19 virus and returning to a more normalised environment. Overall, we saw evidence of this normalisation across our portfolio with growth in retail turnover and leasing enquiries for our logistics development pipeline increasing. We currently have an overall portfolio vacancy rate that is the lowest in four years and there are early signs of improving rental reversions across our core portfolio.

The positive steps taken over recent years to simplify our business have created a more robust model which will allow us to better withstand the volatility brought about by numerous forces globally. The various proactive steps taken, principally aimed at protecting the balance sheet during the pandemic, enabled us to continue developing our logistics property pipeline and grow our offshore presence, while retaining a comfortable level of gearing.

While we navigate the macroeconomic headwinds in South Africa, we remain optimistic about the prospects for our business and the sectors within which we operate and focus. We are monitoring the ongoing crisis in Ukraine, but obtain comfort that more than 99% of our exposure in Central and Eastern Europe, both direct and indirect, is limited to countries which are both members of the European Union and NATO."

Steven Brown, *CEO*

NATURE OF THE BUSINESS

Fortress REIT Limited ("Fortress") is a Real Estate Investment Trust ("REIT") specialising in the logistics and retail property sectors with an established in-house development track record.

Our focus is on developing and in letting premium-grade logistics real estate in South Africa ("SA") and Central and Eastern Europe ("CEE"), as well as growing our convenience and commuter-oriented retail portfolio which currently comprises 53 shopping centres, and includes properties co-owned with partners.

At 31 December 2021, our property portfolio comprised the following:

	Dec 2021		Jun 2021	
Sector	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^	**12,6**	**42,6**	12,7	44,2
Logistics – CEE@	**1,5**	**5,1**	0,8	2,8
Logistics – Total	**14,1**	**47,7**	13,5	47,0
Retail	**9,9**	**33,4**	9,9	34,5
Industrial**	**3,3**	**11,1**	2,9	10,1
Office&	**2,0**	**6,8**	2,0	7,0
Other#	**0,3**	**1,0**	0,4	1,4
Total direct property portfolio	**29,6**	**100,0**	28,7	100,0

* *Based on management accounts.*
^ *Includes landholdings and work-in-progress of R2,6 billion (Jun 2021: R2,6 billion).*
** *From 1 July 2021, we reallocated Isando Business Park and City Deep Industrial Park to industrial from logistics.*
& *Includes development sites of R0,3 billion (Jun 2021: R0,2 billion).*
@ *Includes development sites of R0,2 billion (Jun 2021: R0,1 billion).*
# *Comprises a hotel, residential units and serviced apartment properties.*

In addition to our property portfolio, we have a 23,6% interest in NEPI Rockcastle plc ("NEPI Rockcastle"), valued at R15,3 billion at 31 December 2021.

	Dec 2021			Jun 2021		
Listed portfolio	Number of shares	Fair value R'000	Effective holding %	Number of shares	Fair value R'000	Effective holding %
NEPI Rockcastle	**144 008 793**	**15 264 932**	**23,6**	144 008 793	14 576 570	23,6

CAPITAL STRUCTURE, PROPOSED MOI AMENDMENT AND INTERIM DIVIDEND

The capital structure comprises two classes of ordinary shares, each with equal voting rights, but different entitlements to distributions and capital participation on redemption or winding up. The Fortress A ordinary share ("FFA"; share code: FFA) has a preferential right to capital participation upon winding up or redemption, which is calculated as the 60-day volume-weighted average price ("VWAP") on the JSE Limited ("JSE") subject to a floor of R8,11 if redeemed. The Fortress B ordinary share ("FFB"; share code: FFB) has entitlement to the residual distribution of capital upon winding up. The FFA share has an entitlement to receive the FFA benchmark prior to any distributions of income to the FFB share, provided the distributable earnings for the income period are in excess of the benchmark. Failing this, no distribution of income is payable to either share class.

The Memorandum of Incorporation ("MOI") governs the distribution in any six-month income period and defines a first and a second income period. The FFA share has a dividend benchmark which is the prior comparative period's dividend benchmark, escalated by the lower of the Consumer Price Index ("CPI") or 5% ("the FFA dividend benchmark"). Should the company earn distributable income in excess of the FFA dividend benchmark in any income period, the board may declare a dividend equal to the FFA dividend benchmark to the holders of FFA shares and any residual to the holders of FFB shares. Should the company earn distributable income below the FFA dividend benchmark, the board is not authorised to declare any distribution from income earned in that specific income period to either FFA or FFB shareholders, unless a specific amendment to the MOI, as proposed for the interim six-month period to 31 December 2021 ("1H2022" or "first income period"), has been approved by both classes of shareholders.

Other than these differences mentioned above (as noted in the MOI), all shares rank *pari passu* in all respects in accordance with clause 34.7 of the MOI.

The board is proposing to shareholders an amendment to the MOI, allowing a dividend to be declared to both classes of shareholders on a *pari passu* basis, as a result of the distributable earnings being below the FFA dividend benchmark for 1H2022. The payment of this dividend will assist meaningfully in meeting the minimum distribution required by the JSE under the Listings Requirements for REITs, being to distribute 75% of distributable profit as defined. Furthermore, with a more stable operating environment compared to that of the past two years, it is the board's intention to uphold the policy of declaring semi-annual distributions to shareholders.

Should the recently published circular regarding the amendment to the MOI be approved by the requisite majority of shareholders, the board will be in a position to declare a dividend of 30,85 cents per share to FFA shareholders and 30,85 cents per share to FFB shareholders. This would result in R630 million or 75,9% of distributable profit earned in 1H2022 being declared as a dividend. Should the proposed amendment not be approved, then no dividends will be paid to either FFA or FFB shareholders for this interim period of 1H2022.

REVIEW OF THE 2022 INTERIM REPORTING PERIOD

Highlights from 1H2022 and to the date of this report include:

- Disposed of 11 properties resulting in net proceeds of R287 million, with a further 11 properties held for sale which will net R367 million;
- Repurchased 26 861 996 FFA and 25 373 229 FFB shares at an average price of R14,34 and R3,02, respectively;
- Acquired a logistics park in Romania with gross lettable area ("GLA") of approximately 50 000m²;
- Acquired additional logistics development land in Łódź and Zabrze, Poland on which 160 000m² of prime logistics space can be developed;
- Improved trading densities at our retail centres with turnover growth of 8,2%;
- Reduced the overall vacancy in the property portfolio from 7,4% at 30 June 2021 to 6,5% at 31 December 2021 (based on GLA) which is the lowest vacancy rate in four years;
- Rolled forward the collar derivative structure on 11,47 million NEPI Rockcastle shares with a put strike of R76,76 and a call strike of R116,68 to ensure ample liquidity is maintained for funding our development pipeline, while also retaining the dividends on these shares; and
- Issued two sustainability-linked bonds during 1H2022 for a combined total of R900 million in the three- and five-year tenors and a further three sustainability-linked bonds amounting to R1,3 billion post 31 December 2021 in the three-, five- and five-and-a-half year tenors. This demonstrates increased appetite for Fortress bonds.

Top left: Eastport Logistics Park | Bottom left: Bydgoszcz Logistics Park | Right: Louwlardia Logistics Park

SUMMARY OF FINANCIAL PERFORMANCE

	Dec 2021	Jun 2021	Dec 2020	Jun 2020
Dividend declared per FFA share (cents)	**–**	74,70	–	23,00
FFA dividend benchmark (cents)$	**84,11**	79,14	80,10	76,13
Dividend declared per FFB share (cents)	**–**	–	–	–
Proposed dividend per FFA share (cents)&	**30,85**			
Proposed dividend per FFB share (cents)&	**30,85**			
Shares in issue at the end of the period				
– FFA	**1 191 595 172**	1 191 595 172	1 191 595 172	1 191 595 172
– FFB	**1 093 213 028**	1 093 213 028	1 093 213 028	1 093 213 028
– FFA shares held in treasury	**26 861 996**	–	–	–
– FFB shares held in treasury#	**87 536 353**	62 163 124	62 163 124	62 163 124
Management accounts information				
Net asset value ("NAV") per equity share (going concern)^	**R12,76**	R12,34	R11,35	R10,94
Loan-to-value ("LTV") ratio** (%)	**38,8**	36,7	38,1	38,5
Net property expense ratio (%)	**25,7**	23,1	24,6	24,3
Gross property expense ratio (%)	**42,3**	39,9	41,4	40,8
Net total expense ratio (%)	**25,3**	26,3^^	32,1^^	20,1
Gross total expense ratio (%)	**38,6**	35,3^^	36,7^^	34,2
SA REIT Best Practice disclosure				
SA REIT NAV per share	**R12,93**	R12,17	R11,29	R11,44
SA REIT LTV (%)	**38,9**	36,6	40,5	40,9
SA REIT funds from operations ("FFO") (R'000)	**814 582**	1 746 465	837 443	2 241 600
International Financial Reporting Standards ("IFRS") accounting				
NAV per equity share (going concern)^	**R13,05**	R12,63	R11,59	R11,17

$ *FFA dividend benchmark per share for the six-month income period.*

& *Proposed FFA and FFB dividends for 1H2022, subject to approval of the proposed amendment to the MOI on 18 March 2022.*

Excludes 64 197 790 FFB shares held by Fortress Empowerment 2 and Fortress Empowerment 4, which are consolidated and treated as treasury shares for IFRS purposes.

^ *The NAV per equity share is calculated as the total NAV divided by the aggregate number of FFA and FFB shares in issue, less shares held in treasury. The NAV per FFA share and FFB share is no longer disclosed from this interim reporting period.*

** *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. Refer to Annexure 1.*

^^ *Had NEPI Rockcastle's capitalisation issue in 1H2021 been accounted for as dividends received, the net total expense ratio and gross total expense ratio would have been Jun 2021: 22,4% (Dec 2020: 22,9%) and Jun 2021: 31,4% (Dec 2020: 29,5%), respectively.*

DISTRIBUTABLE INCOME AND DIVIDEND BENCHMARK

Distributable income, based on our communicated Fortress distribution methodology, was less than the FFA benchmark and accordingly no dividends may be declared by the board. Distributable income of R830,5 million was earned for 1H2022, which represents growth of 1,22% over the comparable period ended 31 December 2020.

The dividend benchmark for the FFA share is increased by the lower of CPI or 5,0% over the prior comparable income period, using the CPI figures supplied by Statistics SA. CPI growth for the first income period was 5,13% and therefore the FFA benchmark has been escalated by 5%. On this basis the FFA benchmark base is 84,11 cents for future comparable income periods.

Consistent with the distribution policy of recent reporting periods and as previously communicated, we do not distribute capitalised interest and now include the dividends received from listed investments in distributable income in the period in which they are received.

NAV

We have no intangible assets on our balance sheet and accordingly our NAV and tangible net asset value ("TNAV") are the same. Our TNAV has increased by 1,1% from R27,4 billion at 30 June 2021 to R27,7 billion at 31 December 2021. The increase is principally due to an increase in the NEPI Rockcastle share price over the period.

The TNAV per equity share at 31 December 2021 was R12,76, calculated as tangible NAV divided by all shares in issue, net of treasury shares. The TNAV per equity share, outside of a redemption or winding-up event, provides the fairest reflection of the per share TNAV for both FFA and FFB shares.

Information based on management accounts.

LTV RATIO

The LTV ratio has increased from 36,7% at 30 June 2021 to 38,8% at 31 December 2021. The increase is primarily as a result of the repurchase of 26 861 996 FFA and 25 373 229 FFB shares during the period and the conclusion of the acquisition of EliPark 1 in Romania.

We will continue to assess our gearing level, coupled with its interest serviceability, to ensure that we balance taking advantage of investment opportunities with the risk associated with high levels of debt. We are not in breach of any of our debt covenants and continue to enjoy good relationships with our funders.

Information based on management accounts.

DIRECT PROPERTY PORTFOLIO (SA)

Logistics portfolio

(R10,0 billion asset value)

Demand is strong for new, state-of-the-art warehousing space in secure logistics parks that are well-located and in good proximity to developed road infrastructure. This is evidenced by the completion and letting of three developments in 1H2022. We envisage rental growth as a result of increased building costs, predominantly resulting from steel price increases, although this growth is expected to be gradual and, for now, net initial yields remain under pressure.

Occupancy levels in our logistics portfolio are at an all-time high and the quality of this portfolio is enhanced with new developments.

Logistics developments

(R2,6 billion asset value)

The table below provides a summary of our logistics parks developments in South Africa:

Logistics park	Fortress ownership %	Total GLA of the park m²	Completed developments (including sold developments) m²	Available GLA for development m²	Currently under development: Let/under offer* m²	Currently under development: Speculative/unlet m²	Remaining GLA to be developed m²
Louwlardia	100	89 656	89 656	**–**	–	–	**–**
Eastport	65	420 000	95 191	**324 809**	164 470	18 573	**141 766**
Longlake	100	96 562	36 562	**60 000**	–	19 232	**40 768**
Clairwood	100	300 000	149 047	**150 953**	15 664	29 082	**106 207**
Cornubia	50,1	103 568	18 900	**84 668**	13 026	–	**71 642**
Total: SA		1 009 786	389 356	**620 430**	193 160	66 887	**360 383**

* *Development pre-let or under offer with prospective tenant.*

Eastport Logistics Park (65% interest) ("Eastport")

Eastport is located in a high-growth, high-demand corridor for logistics users along the R21 highway close to OR Tambo International Airport and easily accessible from both Johannesburg and Pretoria. It serves the eastern parts of South Africa and has easy access to the main transport routes to and from Durban.

Construction of the new Pick n Pay super distribution centre is well underway. The new 164 470m² state-of-the-art logistics facility will be completed in February 2023. On completion of the development, Pick n Pay will purchase a 60% undivided share in the property with the balance being owned by Fortress. We will achieve an agreed yield on completion of 7,0% with appropriate compensation for the funding and development risk.

During 1H2022, we commenced construction of our next speculative logistics facility of 18 573m². This building will be located adjacent to the new data centre that is currently being constructed on a portion of the park that was sold to an end user.

In keeping with our practise of entering into joint ventures with our tenants, we have disposed of a 50% undivided share in our new Clippa development to the tenant. Transfer is expected shortly, at a 1% compression on our development yield. We believe that selling a portion of the building to the tenant firmly entrenches them in the asset and contributes to the sustainability of the underlying cash flows.

We have recently entered into negotiations on another tenant-driven development of 20 000m² on a similar basis to that of Clippa, with a target yield in excess of 8%.

Clairwood Logistics Park ("Clairwood")

Clairwood is located approximately 11 kilometres from the Durban Port. This park was not affected by the civil unrest in July 2021. We completed 93 239m² of developments during 1H2022, which included a new container terminal which was pre-let to Kings Rest Containers on a 10-year triple net lease. We also let 14 257m² of warehousing to Super Group Consumer division on a five-year triple net lease at a 7,1% yield. We hope to extend our relationship with this tenant in the future.

The smaller units introduced at Clairwood were all fully let prior to completion. Demand is strong for these units given limited supply of quality space in the area.

We have commenced construction of 29 082m² of speculative logistics facilities on pocket 3 of this park. We expect this to be completed in September 2022 and we are in advanced negotiations with a third-party logistics provider to tenant approximately two-thirds of this facility on completion.

We have agreed a new 15-year triple net lease with a user for 15 664m² of GLA on a portion of pocket 5. This development will have exceptional exposure to the highway and complement the recently completed warehouses that were let to Super Group Consumer division and African Sugar Logistics. Construction of this warehouse will commence upon building plan approval.

In addition, the park has been shortlisted as the preferred site for the consolidation space in a new super-distribution centre for a large blue-chip tenant on the back of a long-term lease.

Clairwood will be a key asset for us going forward, with no other comparable product in its immediate vicinity.

Cornubia Ridge Logistics Park (50,1% interest) ("Cornubia")

Along with the Makro development completed in 2018, we completed a 23 727m^2 logistics facility at Cornubia during 1H2021 which had been fully let to two tenants occupying 14 002m^2 and 9 725m^2 on five-year and 10-year leases, respectively. This warehouse was destroyed in the civil unrest in July 2021.

We have received approximately 83% of our insurance claim relating to the damage caused by the arson attack at this facility. We are optimistic about a positive outcome on the site and have commenced rebuilding a facility for Retailability on a new site within the park.

Longlake Logistics Park ("Longlake")

The first phase of Longlake was completed with the warehouses fully let to Zest Weg and Cargo Carriers. We have commenced the next phase of this park with a new 19 232m^2 facility. This will be completed in August 2022 and given the good lettings enjoyed in the first phase of the park, we are confident that this will be let prior to completion. We are also assessing enquiries for various pre-let deals on this site in light of its proximity to Longmeadow, Linbro Park and Sandton.

Retail

(R9,9 billion asset value)

For 1H2022, like-for-like retail sales increased by 8,2% over the last 12 months when compared to the same period of the prior year. No adjustments have been made to the retail sales growth percentage for the impact of the July 2021 civil unrest. Sales growth was aided by the continued relaxation of COVID-19 restrictions and consumers returning to shopping centres with the pandemic abating, coupled with government's social grant initiatives. The concentration of our portfolio exposure to commuter and convenience retail has provided some protection from the prevailing negative economic environment and COVID-19 impact.

Of the six shopping centres impacted by the July 2021 civil unrest, two remain closed and are currently being rebuilt. We anticipate that these will reopen during the second half of the 2022 calendar year.

We continue to see strong growth from the grocer, pharmaceutical, sportswear/athleisure and value-fashion retailers. Sales from the restaurant and liquor categories have recovered well, following the relaxation of COVID-19-related restrictions.

Turnover performance by portfolio is split as follows:

Portfolio split	Comparative turnover growth* %	Retail portfolio by value^ %
Township centres	(1,3)	16,6
CBD centres	6,6	28,5
Suburban centres	13,0	32,6
Rural centres	6,4	22,3
Overall retail portfolio	**8,2**	**100,0**

* *Growth for the 12-month period 1H2022 compared to the same 12-month period of the prior year.*

^ *Based on management accounts.*

Township centres

The township portfolio was impacted the most by the July 2021 civil unrest. However, township centres have shown a strong recovery since then. Excluding Palm Springs Mall and Evaton Mall, which suffered substantial damage during the riots, the township centres' turnover figures would have increased by 8,0%. The government's social grants continue to support this market.

CBD centres

Overall, the CBD market is growing well, despite the July 2021 social unrest impact on West Street Durban and the continued non-operation of the train line in Bellville, Cape Town which impacted the performance of Bellstar Bellville. The positive performance in this category has been aided by the increasing number of people returning to work following easing of COVID-19 restrictions. This is evidenced in the increased activity from taxis and buses in close proximity to our centres.

Suburban centres

Suburban centres continue to benefit from shoppers' preference for convenience centres. Tzaneen Lifestyle Centre (25% interest), Arbour Crossing (25% interest) and White River Crossing (51% interest) continue to deliver strong growth. Pineslopes Shopping Centre benefitted from the recovery in the restaurant industry.

Rural centres

The government's social grant initiatives have aided rural centres. Village Walk Newcastle and Sterkspruit Plaza performed particularly well due to improvements in the tenancy. The introduction of Clicks and Shoprite Liquor at Venda Plaza led to improved trading at the centre.

Collections in the retail portfolio for 1H2022 are encouraging, with 98% of rental billed having been collected.

Vacancies

Vacancies by GLA in the retail portfolio were 3,6% at 31 December 2021, a marginal decrease from 3,7% reported at 30 June 2021.

Retail outlook

Trading conditions are expected to remain constrained due to economic and political uncertainty. However, the increased sales and customer activity experienced in this reporting period is encouraging, aided by our portfolio's focus on the robust commuter and convenience retail market. We remain focused on tenant retention and will explore expansion and redevelopment opportunities within the portfolio.

We plan to commence with the redevelopment of Mahikeng Station Boulevard Centre and introduce Shoprite and Clicks to the centre's tenant mix. We will be adding Shoprite and relocating the Choppies supermarket at Morone Shopping Centre.

Office (including office developments)

(R2,0 billion asset value)

The office portfolio is non-core and the assets are in the process of being sold. We previously announced that our largest office vacancy had been selected as the new office for the United Nations. Regrettably this transaction did not proceed. However, we subsequently let this property to a blue-chip user under a three-year lease agreement.

The portfolio continues to struggle against an oversupply of decentralised B-grade offices, high operating costs and low rentals. We are currently investigating the conversion of two of our well-located office blocks to residential units with experienced players in this sector. We will endeavour to sell to these developers where possible in order to extract the best value from these assets.

Construction of a portion of the basement at our Sandton site opposite the Gautrain station is underway, with completion expected before June 2022. This would be a requirement from any purchaser or user of the site and was necessary as the construction of the lateral support was reaching the end of its useful life.

Industrial

(R3,3 billion asset value)

Industrial property in our portfolio consists of mini-units and multi-user parks, as well as some larger manufacturing properties which typically require significant power supply. Vacancies in this portfolio decreased, although mainly on the back of short-term leases. Given the success of our pilot projects with Inospace, we have recently expanded this relationship and combined certain of our properties with additional Inospace assets to create a focused R1,2 billion Inospace-managed portfolio. This portfolio of serviced industrial parks provides an exciting platform into which we can contribute further assets in the future and which is able to attract capital from other sources. The effective date was 1 March 2022.

DIRECT PROPERTY PORTFOLIO (CEE)

We acquired our third logistics park in CEE in July 2021, with the new park located in Romania to add to the two parks previously acquired in Poland. The Romanian acquisition had some vacancy, subject to an earn-out with the developer upon leasing the space. Given the buoyant market, the space was let well before December 2021 and EliPark 1 is now fully let with a yield of 8% on the acquisition cost. This brings the current value of the total income-producing portfolio in CEE to EUR77,5 million and 125 706m^2 of GLA.

Further to the land located in the two Polish parks acquired in December 2020, we enhanced our development pipeline with two further acquisitions of land located in Łódź and Zabrze in Poland. This brings the total development pipeline in the CEE region to approximately 255 000m^2 of GLA.

In February 2022, we completed the construction of a warehouse for an existing tenant, Eco Ready Bath, which expanded in Stargard, a portion of which remains unlet. We also commenced construction on phase 1 of the fifth warehouse in Bydgoszcz, measuring 7 713m^2, of which 2 160m² has been pre-let to Volcano, an online clothing retailer.

The preference to develop assets on strategically located sites with our own in-house team in Poland stems from the high developer profit margins and a lack of well-priced, income-producing assets for sale. Retaining operational and development capability in-country enables better market access and limits the high fees that more passive investors are required to pay to access this asset class.

Romania still attracts a risk premium, however due to the very limited number of operating assets available for acquisition, the investment yields have compressed significantly. The market for well-located, quality logistics real estate remains strong, not only from an investment perspective, but also from a tenant demand perspective, which indicates there is scope for growth.

VACANCIES

Total vacancies, measured as a percentage of GLA, decreased from 7,4% at 30 June 2021 to 6,5% at 31 December 2021.

Sectoral vacancy	Based on GLA Dec 2021 %	Based on GLA Jun 2021 %	Based on value per m² of building Dec 2021# %	Based on value per m² of building Jun 2021# %
Total* (including CEE)	**6,5**	7,4	**4,5**	4,6
Logistics – SA	**2,6**	3,8	**2,1**	2,4
Retail	**3,7**	3,7	**2,7**	2,6
Industrial	**10,7**	13,0	**10,5**	12,4
Office	**29,1**	28,1	**27,2**	26,0
Other^	**3,5**	2,7	**0,8**	0,6
Logistics – CEE	**0,2**	1,5	**0,2**	2,0

Information based on management accounts.

* *Vacancy statistics at 30 June 2021 excluded Oak Avenue Highveld, an office building of 11 700m², which was shown as held for sale.*

^ *Includes a hotel, residential units and serviced apartment properties.*

PROPERTY DISPOSALS

The following properties have transferred since 30 June 2021:

Property name	Sector	Net proceeds R'000	Book value Jun 2021 R'000	Transfer date
3 & 6 Cedarfield Close Springfield Park^	Logistics	**108 000**	108 000	Sep 2021
Cambridge Motor Paulshof	Other – motor dealership	**47 900**	44 000	Dec 2021
James Crescent Midrand	Industrial	**37 450**	37 330	Dec 2021
286 Sixteenth Road^	Logistics	**21 500**	21 500	Aug 2021
56 Kelly Road Jet Park	Industrial	**19 600**	16 500	Nov 2021
Lakeview Business Park (no 15)	Industrial	**13 200**	10 850	Nov 2021
19 Spartan Road	Industrial	**13 000**	12 980	Nov 2021
64 Kelly Road Jet Park	Industrial	**9 800**	9 090	Nov 2021
Bevan Road Roodekop (vacant land only)^	Land	**8 070**	8 100	Sep 2021
City Deep Production Park	Industrial	**5 000**	5 000	Oct 2021
London Lane (Erf 129 Park Central only)	Industrial	**3 230**	2 958	Nov 2021
		286 750	276 308	

^ *Held for sale at 30 June 2021.*

The following properties were held for sale at 31 December 2021:

Property name	Sector	Net proceeds R'000	Book value Jun 2021 R'000	Transfer date
Midrand Protea Hotel	Other – Hotel	**117 500**	120 000	#
Eastport Logistics Park – Clippa*	Logistics	**55 038**	57 525	#
47 Jeffels Road Prospecton	Logistics	**54 400**	55 000	Jan 2022
Cambridge Manor Paulshof^	Office	**28 750**	28 750	#
4 6th St Wynberg	Industrial	**27 600**	27 230	#
12 Stockwell Road Pinetown	Logistics	**23 877**	20 400	Jan 2022
Chelsea Office Park Rivonia	Office	**17 890**	15 400	#
Latei Street Isando	Industrial	**15 600**	14 250	Jan 2022
Selby Mini Units	Industrial	**10 525**	12 200	#
Director Road Spartan	Industrial	**8 150**	8 230	#
Le Roux Avenue Midrand	Industrial	**7 970**	6 810	#
		367 300	365 795	

* *Clippa exercised its option to purchase a 50% undivided share in this property, in which Fortress group owns a 65% undivided share.*

^ *Held for sale at 30 June 2021.*

\# *Not yet transferred.*

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Environmental

We have 15 operational solar photovoltaic ("solar PV") plants at present, with another five plants under construction. We have commenced the installation of four more sites during the first quarter of 2022 and we are awaiting approval on a further four plants, with nine more feasibilities being undertaken.

Our installed capacity now stands at 6.485MWp compared to 4.735MWp at 30 June 2021. We generated 5 435MWh from our solar PV plants during 1H2022, compared to 2 596MWh for the corresponding period in the previous financial year. To date, we have spent R104 million on our solar roll-out with a further R64 million committed to sites under our control.

Our first battery storage plant at Bloemfontein Value Mart has been installed and commissioned and early indications are that the plant is performing as planned. This installation will provide energy security to our tenants during periods of load shedding, allowing us to operate this particular shopping centre from the battery and solar installation only. Three more battery storage system feasibilities are currently underway.

We have installed smart meters at a further five properties as we continue with the smart meter roll-out. These meters provide functionality allowing us to improve our utility management by better understanding electricity and water consumption patterns.

Management of our Meycol Nature Reserve is an ongoing commitment. We are making good progress according to the approved management plan in terms of conservation of the grasslands, swamp forests and associated biodiversity, as well as the eradication of invasive plant species.

Our partnership with Food & Trees for Africa continues to have a positive impact on the communities we are active in, as well as the environment.

Social

The focus of Fortress' initiatives is skills development from youth education and training to helping owners of small businesses. Fortress supports various community programmes that align to environmental and sustainability goals.

Our current B-BBEE rating is Level 4.

Governance

There have been no changes to the board of directors during 1H2022 and Mr Jan Potgieter was appointed as the lead independent non-executive director on 25 January 2022 as per the recommendations of the King IV Code on Corporate Governance.

CURRENCY DERIVATIVES

We employ no long-term hedging products against foreign assets or liabilities. Short-term cash flow requirements and, therefore, foreign exchange exposure, is managed through foreign exchange contracts or direct Euro currency once commitments become unconditional.

Income from foreign investments 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
Dec 2021	20,43
Jun 2022	20,82
Dec 2022	20,97
Jun 2023	20,52
Dec 2023	20,84
Jun 2024	20,82
Dec 2024	22,17

FUNDING AND LIQUIDITY – SOUTH AFRICA

During 1H2022, two expiring facilities with Standard Bank of R260 million and R550 million were extended to January 2024 and January 2025, respectively. We accepted two new secured facilities from Libfin for R200 million and R250 million, with tenors of five and seven years, respectively.

Subsequent to 31 December 2021, in February 2022, we issued three new sustainability-linked bonds of R450 million, R500 million and R350 million, with maturities in February 2025, February 2027 and August 2027, respectively.

At the date of this report, we have approximately R3,5 billion available under our existing South African facilities.

Facility expiry	Amount R'million	Average margin over 3-month Jibar %
Jun 2022	320	1,56
Jun 2023	4 891	2,03
Jun 2024	6 077	1,91
Jun 2025	6 100	1,91
Jun 2026	1 250	2,11
Jun 2027	922	2,34
Jun 2028	–	–
Jun 2029	250	1,95
	19 810	**1,97**

The expiry dates of notes and bonds in issuance under our unsecured domestic medium-term note programme, included in the facility expiry profile above, but excluding the new issuance in February 2022 mentioned previously, are as follows:

Repayment date	Financial year	Amount R'million
Feb 2022	Jun 2022	120
Aug 2022	Jun 2023	400
Nov 2022	Jun 2023	500
Oct 2023	Jun 2024	560
Aug 2024	Jun 2025	795
Oct 2024	Jun 2025	200
Aug 2026	Jun 2027	405
		2 980

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 2022	200	8,18
Jun 2023	300	7,79
Jun 2024	200	7,47
Jun 2025	950	7,03
Jun 2026	1 950	7,09
Jun 2027	1 050	6,75
Jun 2028	600	6,18
	5 250	**7,00**

Interest rate cap expiry	Amount R'million	Average cap rate %
Jun 2022	200	8,18
Jun 2023	300	7,71
Jun 2024	400	7,98
Jun 2025	700	7,50
Jun 2026	563	5,11
Jun 2027	1 925	6,23
Jun 2028	3 062	6,81
Jun 2029	600	6,45
	7 750	**6,71**

Subsequent to 31 December 2021, we entered into a new local interest rate swap with a nominal amount of R350 million and local interest rate caps with a nominal amount of R900 million (included in the tables above), with the effect that the combined weighted average swap and cap maturity profile is 4,5 years and a combined weighted average swap and cap rate of 6,82%.

The all-in weighted average cost of local funding of Fortress was 6,96% at 31 December 2021.

Hedging of variable interest rates	Group R'000
Interest-bearing borrowings	18 476 464
Fixed-rate funding (collar over NEPI Rockcastle shares)	(802 874)
Loans to co-owners	(242 344)
Cash and cash equivalents	(686 469)
Capital commitments contracted for	1 422 806
Capital commitments approved	554 856
Investment property held for sale	(367 300)
Estimated disposal of assets*	(1 466 000)
	16 889 139
Interest rate derivatives (swaps/caps) – SA	13 000 000[@]
Interest rate derivatives (swaps/caps) – CEE	498 575[@&]
Total interest rate derivatives (swaps/caps)	**13 498 575**
Percentage hedged (%)	**79,9**

Information based on management accounts.

[@] *At the date of this report.*

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

[&] *Converted at the 31 December 2021 spot exchange rate of EUR/ZAR18,13.*

FUNDING AND LIQUIDITY – CEE

Our Euro debt exposure consists of EUR31 million senior, amortising debt, with an average margin over three-month EURIBOR of 2,92% and maturities in 2025 and 2026.

Our foreign interest rate exposure is hedged through Euro interest rate swaps and caps of EUR27,5 million, equating to 88,9% and average expiry of 4,7 years. The weighted average hedge rate is -0,26%.

PROSPECTS

We have revised our distributable earnings guidance for the year ending 30 June 2022 to R1,7 billion from the R1,78 billion previously provided.

The revised downward adjustment is primarily as a result of a lower-than-expected dividend declared by NEPI Rockcastle in respect of the six months ended 31 December 2021 and increased borrowing costs post the South African Reserve Bank's decision to increase the repurchase rate in January 2022. The guided distributable earnings of R1,7 billion for the year ending 30 June 2022, when split into the two respective income periods, are below the FFA dividend benchmark for the six months ended 31 December 2021 (interim period), and are expected to be below the FFA dividend benchmark for the six months ending 30 June 2022 (final period).

This forecast is based on the following assumptions:

Fortress-specific assumptions

- No material sales nor acquisitions 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 change in the existing lockdown restrictions placed on any of our tenants in our direct portfolio;
- There is no unforeseen material macroeconomic deterioration in the markets in which Fortress has exposure; and
- The South African Reserve Bank maintains the repurchase rate at 4,0%.

This forecast has not been audited, reviewed or reported on by Fortress' auditor.

By order of the board

Steven Brown
CEO

Ian Vorster
CFO

Johannesburg
10 March 2022

Thrupps Illovo Centre

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2021

	Unaudited Dec 2021 R'000	Audited Jun 2021 R'000	Unaudited Dec 2020 R'000
ASSETS			
Non-current assets	**45 268 468**	43 600 772	42 623 506
Investment property	**25 213 845**	24 541 623	24 214 479
Straight-lining of rental revenue adjustment	**475 964**	514 140	520 046
Investment property under development	**3 340 576**	3 073 775	3 472 277
Property	**25 778**	25 778	27 587
Investment in and loans to associates	**15 965 628**	15 243 147	14 118 248
Staff scheme loans	**38 033**	23 197	77 633
Investment in BEE preference shares	**208 644**	179 112	193 236
Current assets	**1 883 288**	1 735 479	1 621 862
Staff scheme loans	**4 959**	13 712	5 779
Trade and other receivables	**1 188 493**	1 178 754	964 272
Cash and cash equivalents	**689 836**	543 013	651 811
Non-current assets held for sale	**367 300**	289 850	370 721
Investment property held for sale	**364 845**	288 813	368 148
Straight-lining of rental revenue adjustment	**2 455**	1 037	2 573
Total assets	**47 519 056**	45 626 101	44 616 089
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	**27 476 126**	27 257 162	25 023 071
Stated capital	**45 571 743**	45 571 743	45 571 743
Treasury shares	**(2 040 884)**	(1 578 517)	(1 578 517)
Currency translation reserve	**151 635**	128 675	136 303
Reserves	**(16 206 368)**	(16 864 739)	(19 106 458)
Non-controlling interests	**119 902**	122 844	121 062
Total equity	**27 596 028**	27 380 006	25 144 133
Total liabilities	**19 923 028**	18 246 095	19 471 956
Non-current liabilities	**14 216 293**	15 284 684	12 763 749
Interest-bearing borrowings	**14 167 668**	15 236 581	12 662 223
Deferred tax	**48 625**	48 103	101 526
Current liabilities	**5 706 735**	2 961 411	6 708 207
Trade and other payables	**1 156 851**	1 436 129	2 139 279
Income tax payable	**185 457**	188 820	170 029
Interest-bearing borrowings	**4 364 427**	1 336 462	4 398 899
Total equity and liabilities	**47 519 056**	45 626 101	44 616 089

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 31 December 2021

	Unaudited for the six months ended Dec 2021 R'000	Audited for the year ended Jun 2021 R'000	Unaudited for the six months ended Dec 2020 R'000
Recoveries and contractual rental revenue	**1 737 658**	3 304 394	1 673 215
Straight-lining of rental revenue adjustment	**(48 711)**	(73 038)	(59 182)
Revenue from direct property operations	**1 688 947**	3 231 356	1 614 033
Revenue from investments	**–**	2 098	–
Total revenue	**1 688 947**	3 233 454	1 614 033
Other income – SASRIA insurance claim	**223 353**	–	–
Fair value loss on investment property, investments and derivative financial instruments	**(333 541)**	(228 423)	(361 123)
Fair value loss on investment property	**(287 013)**	(382 415)	(258 634)
Adjustment resulting from straight-lining of rental revenue	**48 711**	73 038	59 182
Fair value gain/(loss) on investments	**29 530**	(10 271)	3 852
Fair value (loss)/gain on derivative financial instruments	**(124 769)**	91 225	(165 523)
Property operating expenses	**(734 057)**	(1 313 672)	(689 656)
Administrative expenses	**(105 341)**	(200 943)	(96 938)
Impairment of staff scheme loans	**(1 580)**	(12 180)	(8 627)
IFRS 2: *Share-based Payment* – employee incentive scheme	**(23 987)**	(45 753)	(26 144)
Reversal of impairment of investments in associates	**667 782**	2 070 946	1 044 107
Loss on sale of interest in associate	**–**	(33 632)	(33 632)
Income from associates	**544 060**	705 982	164 222
– Distributable	**464 919**	493 703	20 723
– Non-distributable	**79 141**	212 279	143 499
Profit before net finance costs	**1 925 636**	4 175 779	1 606 242
Net finance costs	**(436 878)**	(800 623)	(408 988)
Finance income	**22 188**	50 612	26 379
– Interest on staff scheme and other	**22 188**	50 612	26 379
Finance costs	**(459 066)**	(851 235)	(435 367)
– Interest on borrowings	**(496 301)**	(935 070)	(470 670)
– Capitalised interest	**37 235**	83 835	35 303
Profit before income tax	**1 488 758**	3 375 156	1 197 254
Income tax	**17 670**	21 995	(28 598)
Profit for the period	**1 506 428**	3 397 151	1 168 656

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME continued

for the period ended 31 December 2021

	Unaudited for the six months ended Dec 2021 R'000	Audited for the year ended Jun 2021 R'000	Unaudited for the six months ended Dec 2020 R'000
Other comprehensive income net of tax			
Items that may subsequently be reclassified to profit or loss:			
Exchange gain on translation of associates and subsidiaries	**22 960**	15 283	22 911
Total comprehensive income for the period	**1 529 388**	3 412 434	1 191 567
Profit for the period attributable to:			
Equity holders of the company	**1 502 497**	3 352 901	1 130 791
Non-controlling interests	**3 931**	44 250	37 865
	1 506 428	3 397 151	1 168 656
Total comprehensive income for the period attributable to:			
Equity holders of the company	**1 525 457**	3 368 184	1 153 702
Non-controlling interests	**3 931**	44 250	37 865
	1 529 388	3 412 434	1 191 567
Basic earnings per FFA share (cents)	**71,09**	156,17	52,69
Basic earnings per FFB share (cents)	**71,09**	156,17	52,69
Diluted earnings per FFA share (cents)	**70,83**	155,93	52,63
Diluted earnings per FFB share (cents)	**70,83**	155,93	52,63

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 31 December 2021

	Unaudited for the six months ended Dec 2021 R'000	Audited for the year ended Jun 2021 R'000	Unaudited for the six months ended Dec 2020 R'000
Operating activities			
Cash generated from operations	**1 399 990**	2 342 983	928 635
Interest on staff scheme and other	**14 525**	41 929	18 009
Interest on borrowings (excluding capitalised interest)	**(415 906)**	(871 046)	(414 550)
Dividends paid	**(874 986)**	(281 325)	(279 017)
Income tax	**(3 541)**	(52 019)	(51 729)
Cash inflow/(outflow) from operating activities	**120 082**	1 180 522	201 348
Investing activities			
Development and improvement of investment property	**(943 216)**	(1 093 828)	(613 910)
Capitalised interest paid on development of investment property	**(37 235)**	(83 835)	(35 303)
Acquisition of investment property	**(546 314)**	(766 021)	(718 425)
Disposal of investment property	**286 750**	1 519 626	961 458
Decrease/(increase) of interest in and loans advanced to associate	**1 259**	(3 074)	18 513
Proceeds from disposal of interest in associate	**–**	153 368	153 368
Staff scheme loans repaid	**–**	63 174	–
Cash outflow from derivative financial instruments	**(188 028)**	(778 162)	(136 137)
Acquisition of investments	**–**	(70 103)	–
Proceeds on disposal of investments	**–**	50 193	–
Cash outflow from investing activities	**(1 426 784)**	(1 008 662)	(370 436)
Financing activities			
Increase/(decrease) in interest-bearing borrowings	**1 915 892**	(113 473)	333 978
Return of capital (non-controlling interest)	**–**	(2 295)	–
Acquisition of treasury shares	**(462 367)**	–	–
Cash inflow/(outflow) from financing activities	**1 453 525**	(115 768)	333 978
Increase in cash and cash equivalents	**146 823**	56 092	164 890
Cash and cash equivalents at the beginning of the period	**543 013**	486 921	486 921
Cash and cash equivalents at the end of the period	**689 836**	543 013	651 811
Cash and cash equivalents consist of:			
Current accounts	**500 506**	262 947	327 282
Restricted cash#	**189 330**	280 066	324 529
	689 836	543 013	651 811

Restricted cash was held as collateral by Sanlam against secured facilities.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2021

	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
Balance at 30 Jun 2020	45 571 743	(1 578 517)	113 392	(19 989 847)	24 116 771	88 668	24 205 439
Profit for the period				1 130 791	1 130 791	37 865	1 168 656
IFRS 2: *Share-based Payment* – employee incentive scheme (retained earnings)				26 144	26 144		26 144
Exchange gain on translation of associate			22 911		22 911		22 911
Dividends paid				(273 546)	(273 546)	(5 471)	(279 017)
Balance at 31 Dec 2020	45 571 743	(1 578 517)	136 303	(19 106 458)	25 023 071	121 062	25 144 133
Profit for the period				2 222 110	2 222 110	6 385	2 228 495
IFRS 2: *Share-based Payment* – employee incentive scheme				19 609	19 609		19 609
Exchange loss on translation of associate and subsidiaries			(7 628)		(7 628)		(7 628)
Return of capital						(2 295)	(2 295)
Dividends paid						(2 308)	(2 308)
Balance at 30 Jun 2021	**45 571 743**	**(1 578 517)**	**128 675**	**(16 864 739)**	**27 257 162**	**122 844**	**27 380 006**
Profit for the period				**1 502 497**	**1 502 497**	**3 931**	**1 506 428**
IFRS 2: *Share-based Payment* – employee incentive scheme				**23 987**	**23 987**		**23 987**
FFA and FFB share buy-back		**(462 367)**			**(462 367)**		**(462 367)**
Exchange gain on translation of associate and subsidiaries			**22 960**		**22 960**		**22 960**
Dividends paid				**(868 113)**	**(868 113)**	**(6 873)**	**(874 986)**
Balance at 31 Dec 2021	**45 571 743**	**(2 040 884)**	**151 635**	**(16 206 368)**	**27 476 126**	**119 902**	**27 596 028**

NOTES

1. PREPARATION AND ACCOUNTING POLICIES

The condensed unaudited consolidated interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with and contain the information required by IAS 34: *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements, Debt Listings Requirements, SA REIT Association Best Practice Recommendations and the requirements of the Companies Act of South Africa. This report was compiled under the supervision of Ian Vorster CA(SA), the financial director of Fortress.

The accounting policies applied in the preparation of the condensed unaudited consolidated interim financial statements 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 period. Standards which became effective in the current reporting period had no effect on previously reported results, nor on the condensed unaudited consolidated interim financial statements for the six months ended 31 December 2021.

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 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.

Investment properties are not revalued for interim reporting purposes, other than by exception, based on a review by the directors of the portfolio of investment properties and investment properties under development to identify those properties where the value thereof is expected to have materially changed, due to market conditions and specific known factors. For those properties identified, internal valuations are performed by directors and those properties are revalued for interim reporting periods.

In terms of IAS 40: *Investment Property* and IFRS 7: *Financial Instruments: Disclosures*, 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.

With valuations not being performed on the group's entire investment property portfolio at interim period ends, key valuation assumptions and sensitivities relating to year-end valuations are disclosed in the annual financial statements. The fair value loss on investment property for the six months ended 31 December 2021 relates mainly to damaged properties due to civil unrest in July 2021.

In terms of IFRS 9 and IFRS 7, the group's currency and interest rate derivatives, 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.

The condensed consolidated interim financial statements have not been audited or reviewed by Fortress' auditor.

2. SUBSEQUENT EVENTS

The directors are not aware of any matters or circumstances arising subsequent to 31 December 2021 that require any additional disclosure or adjustment to the financial statements.

Subsequent to 31 December 2021, the traded price of NEPI Rockcastle on the JSE decreased from R106,00 per share to R87,60 per share at 8 March 2022. The decrease in the share price has decreased reported NAV at 31 December 2021 by approximately R2,6 billion as a result.

3. LEASE EXPIRY PROFILE

Based on	Rentable area %	Contractual rental revenue %
Vacant	6,5	
Jun 2022	16,3	14,3
Jun 2023	16,3	17,6
Jun 2024	15,0	16,3
Jun 2025	13,1	13,6
Jun 2026	9,7	10,7
> Jun 2026	23,1	27,5
	100,0	100,0

4. SEGMENTAL ANALYSIS

	Unaudited for the six months ended Dec 2021 R'000	Audited for the year ended Jun 2021 R'000	Unaudited for the six months ended Dec 2020 R'000
Total revenue			
Logistics – SA*	**555 146**	1 123 953	572 164
Retail	**664 599**	1 250 256	603 779
Industrial*	**269 831**	485 521	261 038
Offices	**120 982**	268 377	141 448
Other	**35 222**	72 532	35 604
Logistics – CEE**	**43 167**	30 717	–
Corporate	**–**	2 098	–
Total	**1 688 947**	3 233 454	1 614 033
Profit/(loss) after tax			
Logistics – SA*	**339 305**	847 197	350 713
Retail	**497 846**	868 742	331 143
Industrial*	**107 282**	91 666	134 349
Offices	**42 804**	(210 188)	(54 992)
Other	**22 723**	21 199	10 503
Logistics – CEE**	**(8 779)**	48 436	–
Corporate	**505 246**	1 730 099	396 940
Total	**1 506 428**	3 397 151	1 168 656
Total assets			
Logistics – SA*	**13 051 622**	13 032 419	12 671 725
Retail	**10 173 430**	10 032 029	10 023 961
Industrial*	**3 362 157**	2 916 448	3 435 027
Offices	**2 074 839**	2 069 183	2 296 295
Other	**502 775**	550 666	568 178
Logistics – CEE**	**1 505 371**	886 056	770 445
Corporate	**16 848 862**	16 139 300	14 850 458
Total	**47 519 056**	45 626 101	44 616 089

* *From 1 July 2021, we reallocated Isando Business Park and City Deep Industrial Park to industrial from logistics.*

** *The effective date for the acquisition of two logistics parks in Poland was 11 December 2020 and the effective date for the acquisition of the logistics park in Romania was 30 July 2021.*

5. EARNINGS AND HEADLINE EARNINGS

Reconciliation of profit for the period to headline earnings

	Unaudited for the six months ended Dec 2021 R'000	Audited for the year ended Jun 2021 R'000	Unaudited for the six months ended Dec 2020 R'000
Basic earnings for the period attributable to equity holders	**1 502 497**	3 352 901	1 130 791
Adjusted for:	**(502 690)**	(1 431 298)	(363 866)
– Fair value loss on investment property (net of straight-lining adjustment)	**238 302**	309 377	199 452
– Loss on sale of interest in associate	**–**	33 632	33 632
– Reversal of impairment of investment in associate	**(667 782)**	(2 070 946)	(1 044 107)
– Fair value (gain)/loss on investment property of associates	**(76 693)**	362 457	493 019
– Income tax effects	**3 483**	(65 818)	(45 862)
Headline earnings	**999 807**	1 921 603	766 925
Headline earnings per FFA share (cents)	**47,31**	89,50	35,73
Headline earnings per FFB share (cents)	**47,31**	89,50	35,73
Diluted headline earnings per FFA share (cents)	**47,13**	89,37	35,69
Diluted headline earnings per FFB share (cents)	**47,13**	89,37	35,69

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 period:

	Dec 2021	Jun 2021	Dec 2020
Weighted average number of shares			
– FFA shares	**1 168 614 123**	1 185 868 079	1 185 511 216
– FFB shares	**944 866 274**	961 125 021	960 768 158
Diluted weighted average number of shares			
– FFA shares	**1 173 036 242**	1 188 141 795	1 187 111 357
– FFB shares	**948 289 213**	962 110 020	961 573 922

	Dec 2021	Jun 2021	Dec 2020
Reconciliation of weighted average number of shares:			
– FFA shares			
Weighted average number of shares used in calculation of basic and headline earnings per share	**1 168 614 123**	1 185 868 079	1 185 511 216
Long-term incentive plan ("LTIP") share scheme award – dilutive shares	**1 229 144**	1 718 973	1 433 964
Conditional share plan ("CSP") share scheme award – dilutive shares	**3 192 975**	554 743	166 177
Diluted weighted average number of shares used in calculation of diluted earnings and diluted headline earnings per share	**1 173 036 242**	1 188 141 795	1 187 111 357
– FFB shares			
Weighted average number of shares used in calculation of basic and headline earnings per share	**944 866 274**	961 125 021	960 768 158
LTIP share scheme award – dilutive shares	**–**	–	–
CSP share scheme award – dilutive shares	**3 422 939**	984 999	805 764
Diluted weighted average number of shares used in calculation of diluted earnings and diluted headline earnings per share	**948 289 213**	962 110 020	961 573 922

Directors

Robin Lockhart-Ross (*chairperson*); Steven Brown*; Jan Potgieter *(lead independent director)*; Bram Goossens; Thavanesan Chetty; Benjamin Kodisang; Ina Lopion; Susan Ludolph; Vuso Majija*; Vuyiswa Ramokgopa; Donnovan Pydigadu*; Ian Vorster*

* *Executive director.*

Changes to the board committees

The following changes to the board committees have been made:

- Following his appointment to the remuneration committee on 1 September 2021, Bram Goossens was appointed as the chairperson of the remuneration committee, replacing interim chairperson, Robin Lockhart-Ross, who remained a member of the remuneration committee.
- Ina Lopion resigned as a member of the remuneration committee on 25 January 2022 as the committee had sufficient independent non-executive directors as members.

There have been no other changes to the board of directors.

Reconciliation of profit for the period to dividend declared

	Unaudited for the six months ended Dec 2021 R'000	Audited for the year ended Jun 2021 R'000	Unaudited for the six months ended Dec 2020 R'000
Profit for the period	**1 506 428**	3 397 151	1 168 656
Insurance right to receive – capital	**(223 353)**	–	–
Fair value loss on investment property	**287 013**	382 415	258 634
Fair value (gain)/loss on investments	**(29 530)**	10 271	(3 852)
Fair value loss/(gain) on derivative financial instruments	**124 769**	(91 225)	165 523
Impairment of staff scheme loans	**1 580**	12 180	8 627
Reversal of investments in associates	**(667 782)**	(2 070 946)	(1 044 107)
Loss on sale of interest in associate	**–**	33 632	33 632
Non-distributable income from associates	**(79 141)**	(212 279)	(143 499)
Interest received on LTIP (reversed for IFRS 2 charge)	**1 665**	2 043	1 340
IFRS 2: *Share-based Payment* – employee incentive scheme	**23 987**	45 753	26 144
Income tax	**(20 010)**	(21 995)	28 598
Non-controlling interests	**(3 931)**	(4 932)	789
Antecedent dividend (buy-back)	**(13 315)**	–	–
Staff scheme interest limitation	**(7 665)**	(16 827)	(9 140)
Dividends accrued	**–**	550 248	482 860
Interest on cross-currency swaps	**–**	61 782	46 031
Foreign dividend hedging	**73 968**	(39 710)	(40 021)
Interest rate derivatives	**(125 703)**	(286 525)	(155 148)
Capitalised interest limitation	**(37 235)**	(83 835)	(35 303)
NEPI Rockcastle collar – dividend protection	**18 762**	45 508	30 750
Amount available for distribution	**830 507**	1 712 709	820 514
Amount available for interim distribution – first income period	**830 507**	820 514	820 514
Amount available for final distribution – second income period	**–**	892 195	–
	830 507	1 712 709	820 514
Less: Interim dividend declared	**–**	–	–
– FFA shares		–	
– FFB shares			
Less: Final dividend declared		(870 056)	
– FFA shares		(870 056)	
– FFB shares		–	
Amount available for distribution retained by Fortress	**830 507**	842 653	820 514

Refer to the capital structure, proposed MOI amendment and interim dividend section on page 2 of this announcement for further details.

ANNEXURE 1
MANAGEMENT ACCOUNTS

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 have been extracted from the unaudited financial information for the six months ended 31 December 2021, they are not IFRS compliant 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 on the equity method for IFRS purposes, is proportionately consolidated;
- The group's listed investment in NEPI Rockcastle that is accounted for on the equity method for IFRS purposes, is fair valued;
- The group accounts for its share of the assets, liabilities and results of partially owned subsidiaries (Bridge, Cornubia, Mantraweb Residential and The Prism) on a proportionately consolidated basis instead of consolidating them;
- The consolidated financial position and performance of Fortress Empowerment 2 and Fortress Empowerment 4 have been deconsolidated;
- Revenue and expenses recognised for IFRS purposes in respect of COVID-19-related discounts are reversed; and
- SASRIA insurance proceeds to be received are reallocated from trade and other receivables to investment property under development.

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.

This *pro forma* information has not been reviewed or reported on by Fortress' external auditor.

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 unaudited consolidated statement of financial position and the condensed unaudited 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 on 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 six months ended 31 December 2021 on a line-by-line basis.

Adjustment 2

The investment in NEPI Rockcastle is reflected at fair value by multiplying the 144 008 793 shares held by the quoted closing price of R106,00 per share at 31 December 2021. All entries relating to accounting for these investments on the equity method are reversed. This more accurately reflects the group's LTV ratio and NAV.

Adjustment 3

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

It uses the unaudited management accounts for the six months ended 31 December 2021 of Bridge, Cornubia, Mantraweb Residential 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.

Adjustment 4

The adjustment deconsolidates the IFRS required consolidation of Fortress Empowerment 2 and Fortress Empowerment 4, on the basis that the deconsolidated position reflects the intended future position of these entities, being outside of the control of Fortress. This adjustment only affects the statement of financial position.

Adjustment 5

The adjustment adds back the revenue and expenses required to be recognised under IFRS for discounts related to the COVID-19 pandemic. This adjustment only affects the statement of comprehensive income.

Adjustment 6

The adjustment reallocates SASRIA insurance proceeds, to be received as a consequence of riot damage in July 2021, from trade and other receivables as required by IFRS to investment property under development. This adjustment only affects the statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	IFRS Dec 2021 R'000	Adj 1 Fair value accounting for investment in associate – Arbour Town Dec 2021 R'000	Adj 2 Fair value accounting for investment in associate – NEPI Rockcastle Dec 2021 R'000	Adj 3 Proportionate consolidation of partially-owned subsidiaries Dec 2021 R'000	Adj 4 Deconsolidation of BEE vehicles Dec 2021 R'000	Adj 6 adjustments to IFRS accounting due to riots Dec 2021 R'000	Management accounts Dec 2021 R'000
ASSETS							
Non-current assets	45 268 468	1 254	–	(168 256)	208 644	205 214	45 515 324
Investment property	25 213 845	686 085		(408 995)			25 490 935
Straight-lining of rental revenue adjustment	475 964	15 865		(1 605)			490 224
Investment property under development	3 340 576					205 214	3 545 790
Property	25 778						25 778
Investment in and loans to associates	15 965 628	(700 696)	(15 264 932)				–
Investments	–		15 264 932				15 264 932
Staff scheme loans	38 033						38 033
Investment in BEE preference shares	208 644				208 644		417 288
Loans to co-owners	–			242 344			242 344
Current assets	1 883 288	5 531	–	(8 649)	–	(205 214)	1 674 956
Staff scheme loans	4 959						4 959
Trade and other receivables	1 188 493	4 495		(4 246)		(205 214)	983 528
Cash and cash equivalents	689 836	1 036		(4 403)			686 469
Non-current assets held for sale	367 300	–	–	–	–	–	367 300
Investment property held for sale	364 845						364 845
Straight-lining of rental revenue adjustment	2 455						2 455
Total assets	47 519 056	6 785	–	(176 905)	208 644	–	47 557 580
EQUITY AND LIABILITIES							
Total equity attributable to equity holders	27 476 126	–	–	–	208 644	–	27 684 770
Share capital	45 571 743						45 571 743
Treasury shares	(2 040 884)				208 644		(1 832 240)
Currency translation reserve	151 635		(156 440)				(4 805)
Reserves	(16 206 368)		156 440				(16 049 928)
Non-controlling interests	119 902			(119 902)			–
Total equity	27 596 028	–	–	(119 902)	208 644	–	27 684 770
Total liabilities	19 923 028	6 785	–	(57 003)	–	–	19 872 810
Non-current liabilities	14 216 293	–	–	(55 631)	–	–	14 160 662
Interest-bearing borrowings	14 167 668			(55 631)			14 112 037
Deferred tax	48 625						48 625
Current liabilities	5 706 735	6 785	–	(1 372)	–	–	5 712 148
Trade and other payables	1 156 851	6 785		(1 372)			1 162 264
Income tax payable	185 457						185 457
Interest-bearing borrowings	4 364 427						4 364 427
Total equity and liabilities	47 519 056	6 785	–	(176 905)	208 644	–	47 557 580
NAV per equity share (going concern)	13,05						12,76

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Income statement	IFRS for the six months ended Dec 2021 R'000	Adj 1 Fair value accounting for investment in associate – Arbour Town for the six months ended Dec 2021 R'000	Adj 2 Fair value accounting for investment in associate – NEPI Rockcastle for the six months ended Dec 2021 R'000	Adj 3 Proportionate consolidation of partially-owned subsidiaries for the six months ended Dec 2021 R'000	Adj 5 Reversal of COVID-19 revenue and expenses for the six months ended Dec 2021 R'000	Management accounts for the six months ended Dec 2021 R'000
Recoveries and contractual rental revenue	1 737 658	45 853		(24 494)	(7 508)	1 751 509
Straight-lining of rental revenue adjustment	(48 711)	394		29 346		(18 971)
Revenue from direct property operations	1 688 947	46 247	–	4 852	(7 508)	1 732 538
Revenue from investments	–		439 057			439 057
Total revenue	1 688 947	46 247	439 057	4 852	(7 508)	2 171 595
Other income – SASRIA insurance claim	223 353					223 353
Fair value (loss)/gain on investment property, investments and derivative financial instruments	(333 541)	34 985	688 362	(29 346)	–	360 460
Fair value loss on investment property	(287 013)	35 379		–		(251 634)
Adjustment resulting from straight-lining of rental revenue	48 711	(394)		(29 346)		18 971
Fair value gain on investments	29 530		688 362			717 892
Fair value loss on derivative financial instruments	(124 769)					(124 769)
Property operating expenses	(734 057)	(19 914)		6 379	7 508	(740 084)
Administrative expenses	(105 341)	(111)		123		(105 329)
Impairment of staff scheme loans	(1 580)					(1 580)
IFRS 2: *Share-based Payment* – employee incentive scheme	(23 987)					(23 987)
Reversal of impairment of investment in associate	667 782		(667 782)			–
Income from associates	544 060	(61 241)	(482 819)	–	–	–
– Distributable	464 919	(25 862)	(439 057)			–
– Non-distributable	79 141	(35 379)	(43 762)			–
Profit before net finance costs	1 925 636	(34)	(23 182)	(17 992)	–	1 884 428

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
continued

Income statement continued	**IFRS for the six months ended Dec 2021 R'000**	**Adj 1 Fair value accounting for investment in associate – Arbour Town for the six months ended Dec 2021 R'000**	**Adj 2 Fair value accounting for investment in associate – NEPI Rockcastle for the six months ended Dec 2021 R'000**	**Adj 3 Proportionate consolidation of partially-owned subsidiaries for the six months ended Dec 2021 R'000**	**Adj 5 Reversal of COVID-19 revenue and expenses for the six months ended Dec 2021 R'000**	**Management accounts for the six months ended Dec 2021 R'000**
Profit before net finance costs	1 925 636	(34)	(23 182)	(17 992)	–	1 884 428
Net finance costs	(436 878)	34	–	14 061	–	(422 783)
Finance income	22 188			(105)	–	22 083
– Interest on staff scheme and other	22 188			(105)		22 083
Finance costs	(459 066)	34	–	14 166	–	(444 866)
– Interest on borrowings	(496 301)	34		14 166		(482 101)
– Capitalised interest	37 235			–		37 235
Profit before income tax	1 488 758	–	(23 182)	(3 931)	–	1 461 645
Income tax	17 670	–		–	–	17 670
Profit for the period	1 506 428	–	(23 182)	(3 931)	–	1 479 315
Profit for the period attributable to:						
Equity holders of the company	1 502 497		(23 182)			1 479 315
Non-controlling interests	3 931			(3 931)		–
	1 506 428	–	(23 182)	(3 931)	–	1 479 315
Basic earnings per FFA share (cents)	71,09					67,93
Basic earnings per FFB share (cents)	71,09					67,93
Diluted earnings per FFA share (cents)	70,83					67,69
Diluted earnings per FFB share (cents)	70,83					67,69
Headline earnings per FFA share (cents)	47,31					78,61
Headline earnings per FFB share (cents)	47,31					78,61
Diluted headline earnings per FFA share (cents)	47,13					78,33
Diluted headline earnings per FFB share (cents)	47,13					78,33
Headline earnings						
Profit for the period attributable to equity holders	1 502 497					1 479 315
Adjusted for:	(502 690)					232 663
– Fair value loss on investment property (net of straight-lining adjustment)	238 302					232 663
– Reversal of impairment of associate	(667 782)					
– Fair value gain on investment property of associates	(76 693)					
– Income tax effect	3 483					
Headline earnings	999 807					1 711 978

ANNEXURE 2

SA REIT BEST PRACTICE DISCLOSURE

SA REIT funds from operations ("SA REIT FFO") per share	Dec 2021 R'000	Jun 2021 R'000	Dec 2020 R'000
Profit for the period attributable to the parent	1 502 497	3 352 901	1 130 791
Adjusted for:			
Accounting/specific adjustments:	(687 255)	(1 156 937)	(269 270)
Fair value adjustments to:			
– Investment property	238 302	309 377	199 452
– Fair value (gain)/loss on investments	(29 530)	10 271	(3 853)
Insurance right to receive – capital	(223 353)	–	–
Impairment of staff scheme loans	1 580	12 180	8 627
Reversal of impairment of investment in associates	(667 782)	(2 070 946)	(1 044 107)
Deferred tax movement recognised in profit or loss	(17 848)	(41 105)	28 569
Straight-lining operating lease adjustment	48 711	73 038	59 182
Dividend accrual	(37 335)	550 248	482 860
Adjustments arising from investing activities:	–	33 632	33 632
– Loss on sale of interest in associate	–	33 632	33 632
Foreign exchange and hedging items:	91 796	(310 170)	47 135
– Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(51 735)	(264 453)	(118 388)
– Adjustments to amounts recognised in profit or loss relating to derivative financial instruments	143 531	(45 717)	165 523
Other adjustments:	(92 456)	(172 961)	(104 845)
– Non-distributable income from associates	(79 141)	(212 279)	(143 499)
– Antecedent dividend (buy-back)	(13 315)	–	–
– Non-controlling interests in respect of the above adjustments	–	39 318	38 654
SA REIT FFO	814 582	1 746 465	837 443

SA REIT funds from operations ("SA REIT FFO") per share	Dec 2021	Jun 2021	Dec 2020
Number of shares outstanding at end of period (net of treasury shares)	2 170 409 851	2 222 645 076	2 222 645 076
– FFA	1 164 733 176	1 191 595 172	1 191 595 172
– FFB	1 005 676 675	1 031 049 904	1 031 049 904
SA REIT FFO per share			
– Interim (cents)	37,53	37,68	37,68
– Final (cents)		40,90	

Reconciliation of SA REIT FFO to Fortress amount available for distribution	Dec 2021 R'000	Jun 2021 R'000	Dec 2020 R'000
SA REIT FFO	814 582	1 746 465	837 443
Company-specific adjustments	15 925	(33 756)	(16 930)
– Interest received on LTIP (reversed for IFRS 2 charge)	1 665	2 043	1 340
– IFRS 2: *Share-based Payment* – employee incentive scheme	23 987	45 753	26 144
– Dividend accrual	37 335	–	–
– Income tax	(2 162)	19 110	29
– Staff scheme interest limitation	(7 665)	(16 827)	(9 140)
– Capitalised interest	(37 235)	(83 835)	(35 303)
Fortress' amount available for distribution	830 507	1 712 709	820 513

Refer to the capital structure, proposed MOI amendment and interim dividend section on page 2 of this announcement for further details.

SA REIT net asset value ("SA REIT NAV")	Dec 2021 R'000	Jun 2021 R'000	Dec 2020 R'000
Reported NAV attributable to the parent	27 476 126	27 257 162	25 023 071
Adjustments:			
– Dividend declared (net of treasury shares)	–	(870 056)	(820 514)
– Fair value of certain derivative financial instruments	(193 130)	(124 665)	824 144
– Deferred tax	48 625	48 103	101 526
SA REIT NAV	27 331 621	26 310 544	25 128 227
Shares outstanding			
Number of shares in issue at period end (net of treasury shares)	2 106 212 061	2 158 447 286	2 222 645 076
Effect of dilutive instruments (options, convertibles and equity interests)	7 845 058	3 258 715	2 405 905
Dilutive number of shares in issue	2 114 057 119	2 161 706 001	2 225 050 981
SA REIT NAV per equity share (Rand)	12,93	12,17	11,29

ANNEXURE 2

SA REIT BEST PRACTICE DISCLOSURE continued

SA REIT loan-to-value ("SA REIT LTV")	Dec 2021 R'000	Jun 2021 R'000	Dec 2020 R'000
Gross debt	**18 532 095**	16 573 043	17 061 122
Less:			
– Cash and cash equivalents	**(500 506)**	(262 947)	(327 282)
(Less)/add:			
– Derivative financial instruments	**(193 130)**	(124 665)	824 144
Net debt	**17 838 459**	16 185 431	17 557 984
Total assets per statement of financial position	**47 519 056**	45 626 101	44 616 089
Less:			
– Cash and cash equivalents	**(500 506)**	(262 947)	(327 282)
– Derivative financial assets	**(564 035)**	(704 520)	(357 189)
– Goodwill and intangible assets	**–**	–	–
– Trade and other receivables	**(624 458)**	(474 234)	(607 083)
Carrying amount of property-related assets	**45 830 057**	44 184 400	43 324 535
SA REIT LTV (%)	**38,92**	36,63	40,53

SA REIT cost-to-income ratio	Dec 2021 R'000	Jun 2021 R'000	Dec 2020 R'000
Expenses			
Operating expenses per IFRS income statement (includes municipal expenses)	**734 057**	1 313 672	689 656
Administrative expenses per IFRS income statement	**105 341**	200 943	96 938
Operating costs	**839 398**	1 514 615	786 594
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	**1 287 051**	2 479 196	1 247 262
Utility and operating recoveries per IFRS income statement	**450 607**	825 198	425 953
Gross rental income	**1 737 658**	3 304 394	1 673 215
SA REIT cost-to-income ratio (%)	**48,31**	45,84	47,01

SA REIT administrative cost-to-income ratio	Dec 2021 R'000	Jun 2021 R'000	Dec 2020 R'000
Expenses			
Administrative expenses as per IFRS income statement	**105 341**	200 943	96 938
Administrative costs	**105 341**	200 943	96 938
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	**1 287 051**	2 479 196	1 247 262
Utility and operating recoveries per IFRS income statement	**450 607**	825 198	425 953
Gross rental income	**1 737 658**	3 304 394	1 673 215
SA REIT administrative cost-to-income ratio (%)	**6,06**	6,08	5,79

SA REIT GLA vacancy rate	Dec 2021 R'000	Jun 2021 R'000	Dec 2020 R'000
GLA of vacant space	**183 845**	201 448	187 549
GLA of total property portfolio	**2 827 129**	2 731 546	2 771 277
SA REIT GLA vacancy rate (%)	**6,50**	7,37	6,77

South African and CEE portfolio.

ANNEXURE 2

SA REIT BEST PRACTICE DISCLOSURE continued

WEIGHTED AVERAGE COST OF DEBT

Cost of debt – Rand denominated	Dec 2021 %	Jun 2021 %	Dec 2020 %
Variable interest rate borrowings			
Floating reference rate plus weighted average margin	5,85	5,59	5,48
Pre-adjusted weighted average cost of debt	5,85	5,59	5,48
Adjustments			
Impact of interest rate derivatives	0,96	1,12	1,24
Amortised transaction costs imputed into the effective interest rate	0,32	0,34	0,25
All-in weighted average cost of debt*	7,13	7,05	6,97

** Calculated using 3-month JIBAR reference rate at 30 June and 31 December as appropriate.*

Cost of debt – Euro denominated	Dec 2021 %	Jun 2021 %	Dec 2020 %
Pre-adjusted weighted average cost of debt	2,35	1,76	2,24
Adjustments			
Impact of interest rate derivatives	0,20	0,44	0,17
All-in weighted average cost of debt	2,55	2,20	2,41

Calculated using 3-month EURIBOR reference rate at 30 June and 31 December as appropriate.

CORPORATE INFORMATION

COMPANY DETAILS

Fortress REIT Limited

Incorporated in the Republic of South Africa
Registration number: 2009/016487/06
JSE share code: FFA | ISIN: ZAE000248498
JSE share code: FFB | ISIN: ZAE000248506
LEI: 378900FE98E30F24D975
Bond company code: FORI
("Fortress" or "the group" or "the company")
(Approved as a REIT by the JSE)
Block C, Cullinan Place
Cullinan Close, Morningside, 2196
(PO Box 138, Rivonia, 2128)

COMMERCIAL BANKERS

The Standard Bank of South Africa Limited

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

TRANSFER SECRETARIES

JSE Investor Services Proprietary Limited

(Registration number: 2000/007239/07)
13th Floor,19 Ameshoff Street, Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

LEAD SPONSOR

Java Capital Trustees and Sponsors Proprietary Limited

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

JOINT SPONSOR

Nedbank Limited, acting through its Corporate and Investment Banking Division

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

DEBT SPONSOR

Rand Merchant Bank

(a division of FirstRand Bank Limited)
(Registration number: 1929/001225/06)
1 Merchant Place
Corner of Fredman Drive and Rivonia Road
Sandton, 2196

COMPANY SECRETARY AND REGISTERED OFFICE

Tamlyn Stevens CA(SA)

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EXTERNAL AUDITOR

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FORTRESS
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