

FORTRESS REIT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2009/016487/06)

JSE share codes: FFA ISIN: ZAE000248498

FFB ISIN: ZAE000248506

Bond Company code: FORI

LEI: 378900FE98E30F24D975

(Approved as a REIT by the JSE)

("Fortress" or "the Company")



TRADING STATEMENT

Shareholders are referred to:

- the SENS announcements issued by Fortress on 17 April 2020 and 8 June 2020 relating to, *inter alia*, the impact of Covid-19 on Fortress' operations and financial position;
- the announcements released on SENS regarding the amendment to Fortress' Memorandum of Incorporation to provide the Company with the flexibility to distribute less than the A share distribution entitlement for the six months ended 30 June 2020 (the "**A distribution entitlement**") to A shareholders, the last of which was released on SENS on 29 July 2020; and
- the trading statement released on SENS by NEPI Rockcastle plc ("**NEPI**") on 17 August 2020 wherein NEPI shareholders were advised that NEPI expects a decline of approximately 32% or approximately 9.4 euro cents in distributable earnings per share for the first half of 2020, compared to the distributable earnings per share of 29.02 euro cents for the prior corresponding period and, should its board resolve to declare a dividend, that it expects that the decline in dividend per share for six months ended 30 June 2020 will be at least equal to the decline in distributable earnings per share.

Fortress A shareholders are advised that given the impact of Covid-19 on the Fortress group and the decline in distributable earnings per NEPI share, the Fortress board anticipates that the distribution per share payable to Fortress A shareholders for the six months ended 30 June 2020 will be at least 15% (or 11.043 cents) lower than the distribution per share paid to Fortress A shareholders for the six months ended 30 June 2019 (the "**prior period**") of 73.62000 cents. Fortress will publish a further trading statement once it has the reasonable degree of certainty required to confirm the extent of the difference in distribution per share payable to A shareholders from the prior period.

Fortress B shareholders are advised that as Fortress will not meet the A distribution entitlement, in compliance with clause 34.1 of Fortress' Memorandum of Incorporation no distribution will be declared or paid in respect of the Fortress B shares for the six months ended 30 June 2020 as compared to 78.01000 cents per Fortress B share in respect of the prior period.

Notwithstanding the above, Fortress expects that it will satisfy the minimum distribution requirements for REITs set out in the JSE Listings Requirements in respect of the year ended 30 June 2020.

The financial information contained in this trading statement has not been reviewed or reported on by Fortress' auditors.

Fortress' consolidated results for the year ended 30 June 2020 will be published on 3 September 2020.

18 August 2020

Lead sponsor

JAVACAPITAL

Joint sponsor

