

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 UPDATE

In its interim results for the six months ended 31 December 2020 published on 10 March 2021, Fortress provided dividend per share guidance for the six-month period ending 30 June 2021 (“2H2021”) of 78,79 cents per Fortress A (“FFA”) share and approximately 10 cents per Fortress B (“FFB”) share. Shareholders and noteholders were further advised that the aforementioned guidance was based, *inter alia*, on the assumption that NEPI Rockcastle plc (“NEPI Rockcastle”) achieves its expected distributable earnings for its financial year ending 31 December 2021 as published by NEPI Rockcastle on 25 February 2021 and adheres to its payout ratio policy.

Shareholders and noteholders are referred to the business update by NEPI Rockcastle published on SENS on 20 May 2021 (the “NEPI Rockcastle business update”), which included an update on operating performance, tenant support and rent concessions. The NEPI Rockcastle business update further advised that, due to the degree of uncertainty in relation to the future restrictions on NEPI Rockcastle’s operations, it withdrew the previously provided distributable earnings guidance for its financial year ending 31 December 2021.

Fortress’ distributable income and dividends for 2H2021 are materially dependent on the interim dividend declared by NEPI Rockcastle for the same period. Fortress has therefore reconsidered its guidance for 2H2021 taking into account the information disclosed in the NEPI Rockcastle business update. Accordingly, Fortress withdraws its previously provided dividend guidance per FFA share and FFB share in respect of 2H2021.

The FFA share is entitled in any income period to a distribution equal to the prior comparative period’s distribution escalated by the lower of the Consumer Price Index or 5% (“the FFA entitlement”) and the FFB share is entitled to any residual distributable income in an income period. In terms of the company’s memorandum of incorporation, should the company not earn sufficient distributable income to meet the FFA entitlement, the board may not distribute any income to FFA shareholders and accordingly no distribution may then be declared to FFB shareholders.

The financial information set out in this announcement has not been audited, reviewed or reported on by Fortress’ auditors.

21 May 2021

Lead sponsor

JAVACAPITAL

Joint sponsor



Debt sponsor

