

## **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")



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## **APPOINTMENT OF BOARD SUBCOMMITTEE AND CONSIDERATION OF SHARE MERGER**

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Fortress has made significant progress towards creating a simpler and more robust business model in recent years. Proactive measures undertaken were principally aimed at protecting and strengthening Fortress' balance sheet and liquidity position, enabling the Company to continue developing its logistics property pipeline and grow its offshore presence, while retaining a comfortable level of gearing.

While the Fortress board ("the Board") is optimistic regarding the prospects for the business and the property sectors in which the Company operates, the Board is of the opinion that Fortress' existing capital structure, which comprises two classes of ordinary shares with equal voting rights but different entitlements to distribution of income, if declared, is not optimal and adversely impacts Fortress' ability to meet the JSE's minimum distribution requirements in order to retain its REIT status.

The Board views retention of Fortress' REIT status to be in the best interests of the Company and both classes of shareholders.

Accordingly, the Board has appointed an independent subcommittee ("the Subcommittee") to make recommendations in respect of merging the existing A and B shares into a single class of ordinary shares ("the share merger"). The Subcommittee will comprise the following independent non-executive directors from the Board:

- Jan Potgieter (chairman of the Subcommittee and Fortress' lead independent director);
- Bram Goossens;
- Benjamin Kodisang; and
- Susan Ludolph.

Fortress will engage with the Company's stakeholders regarding their views on the share merger. The Board anticipates that this process may result in a proposal to Fortress shareholders in the short term.

The Board is cognisant of the time pressure that Fortress faces in order to meet the minimum distribution requirements in order to retain REIT status, given that the Company's financial year ends on 30 June 2022 and that the Company is obliged to pay a distribution in accordance with the JSE Listings Requirements by 31 October 2022.

Shareholders will be updated as the process progresses.

23 May 2022

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Transaction advisor and lead sponsor



Joint sponsor

