

## FORTRESS REAL ESTATE INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2009/016487/06)

JSE share code: FFB

ISIN: ZAE000248506

Bond company code: FORI

LEI: 378900FE98E30F24D975

(“Fortress” or the “Company”)



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## DIVIDEND DECLARATION AND AVAILABILITY OF CAPITALISATION ISSUE CIRCULAR

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Shareholders are referred to the condensed unaudited consolidated interim financial statements of the Company released on SENS on Friday, 8 March 2024, wherein Fortress advised that its board of directors had resolved to declare the full distributable earnings of Fortress for the six months ended 31 December 2023 as a cash dividend, amounting to a dividend of 81.44308 cents per Fortress B share.

Shareholders are advised that the Company is offering them the opportunity to accept the dividend as a cash dividend of 81.44308 cents per Fortress B share (the “**cash dividend**”), or for eligible Fortress B shareholders to elect to receive a distribution of new fully paid-up Fortress B shares *in lieu* of the cash dividend (the “**capitalisation shares**”), priced at a 5% discount to the volume weighted average price (“**VWAP**”) of a Fortress B share traded on the JSE during the five day trading period ending Thursday, 28 March 2024 (less the cash distribution of 81.44308 cents per Fortress B share) (the “**reference price**”) (the “**capitalisation issue**”), or to elect to receive the dividend as a part cash distribution and part capitalisation shares.

The rationale for the capitalisation issue is to afford eligible Fortress B shareholders the opportunity to increase their investment in Fortress, whilst providing flexibility for those Fortress B shareholders who would prefer to receive the cash dividend. In addition, Fortress will benefit from an increase in available funds to support the ongoing growth of the Company. Both the cash dividend and the capitalisation issue will be funded out of the Company’s income reserves. The capitalisation shares, upon their issue, will rank *pari passu* with the other Fortress B shares then in issue.

A circular to Fortress B shareholders (the “**circular**”) in respect of the election to receive either the cash dividend or the capitalisation shares, together with a form of election, will be distributed to shareholders today, Friday, 22 March 2024. Copies of the circular may be obtained from the registered office of the Company from Friday, 22 March 2024 until Friday, 12 April 2024. The circular will also be available on the Company’s website at <https://fortressfund.co.za/financials/view-pdf?id=Circular%20to%20FFB%20shareholders%20in%20respect%20of%20the%20election%20to%20receive%20the%20cash%20dividend%20or%20the%20capitalisation%20shares>) from Friday, 22 March 2024.

Shareholders who do not elect to receive the capitalisation shares will receive the cash dividend by default. Eligible Fortress B shareholders who elect to receive the capitalisation shares for all or a part of their shareholding will receive fully paid-up new Fortress B shares of no par value. The number of capitalisation shares to which each shareholder will be entitled pursuant to the capitalisation issue will be determined by reference to such shareholder’s shareholding in Fortress on the record date, in relation to the ratio that 81.44308 cents bears to the reference price, which will be announced on SENS on Tuesday, 2 April 2024.

### Fractions

The allocation of new Fortress B shares will be such that any eligible Fortress B shareholders electing to receive capitalisation shares will not be allocated a fraction of a new Fortress B share. Any entitlement to receive a fraction of a new Fortress B share will be rounded down to the nearest whole number, resulting in only whole Fortress B shares being allocated in respect of the capitalisation issue, and a cash payment will be made for the fraction. The cash payment in respect of the fraction will be determined with reference to the VWAP of a Fortress B share on the JSE on Wednesday, 10 April 2024, discounted by 10%, which amount will be announced on SENS on Thursday, 11 April 2024.

## Salient dates and times

2024

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Condensed unaudited consolidated interim results for the six months ended 31 December 2023, including payment of dividend, released on SENS on	Friday, 8 March
Declaration announcement released on SENS relating to the cash dividend and the capitalisation issue	Friday, 22 March
Circular and form of election posted to shareholders on	Friday, 22 March
Finalisation announcement detailing the ratio applicable to the capitalisation issue published by 11:00am on	Tuesday, 2 April
Last day to trade in order to be eligible for the cash dividend, or alternatively, the capitalisation issue, or a combination thereof	Tuesday, 9 April
Fortress B shares trade “ex” the cash dividend / capitalisation issue on	Wednesday, 10 April
Listing of new shares and entitlements to trade new shares from the commencement of business on	Wednesday, 10 April
Cash payment in respect of fractions announced on SENS by 11:00am on	Thursday, 11 April
Last day to elect capitalisation issue <i>in lieu</i> of cash dividend. Forms of election to reach the transfer secretaries by 12:00pm on	Friday, 12 April
Record date for the cash dividend and to determine participation in the capitalisation issue	Friday, 12 April
Issue of new securities and CSDP or broker accounts credited with the cash dividend payment (if applicable)	Monday, 15 April
Publication of results announcement, including details of securities issued to directors, prescribed officers and/or the company secretary	Monday, 15 April
Listing of ordinary shares adjusted at the commencement of business on	Wednesday, 17 April

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### Notes:

1. All times are local times in South Africa and may be changed by Fortress (subject to the approval of the JSE, if required). Any change in the dates and times will be announced on SENS.
2. Fortress B shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate Limited, settlement of trades takes place three business days after such trades. Therefore, Fortress B shareholders who acquire Fortress B shares after close of trade on Tuesday, 9 April 2024 will not be eligible to participate in the cash dividend or capitalisation issue.
3. In order to be recorded in the register on the record date, no dematerialisation or rematerialisation of Fortress B shares may take place between the last date to trade in Fortress B shares on the JSE and the record date, both days included.

### Tax implications

The cash dividend and capitalisation issue may have tax implications for both resident and non-resident Fortress B shareholders. Fortress B shareholders are therefore encouraged to consult their professional tax advisors, should they be in any doubt as to the appropriate action to take.

In terms of the Income Tax Act 58 of 1962, (the “**Income Tax Act**”), the cash dividend will, unless exempt, be subject to dividend withholding tax (“**DWT**”) at a rate of 20% of the cash dividend and this amount will be withheld from the cash dividend, resulting in a net cash dividend of 65.15446 cents per share. Non-resident shareholders may be subject to DWT at a rate of less than 20%, depending on their country of residence and the applicability of any double tax agreement between South Africa and their country of residence.

The capitalisation issue is not subject to DWT in terms of the Income Tax Act as the amount to be transferred or applied by the Company constitutes shares in the Company. Subsequent disposals of shares in the Company may have income tax or Capital Gains Tax (“**CGT**”) implications as a result of the receipt of any capitalisation shares.

Where any future disposals of shares in the Company falls within the CGT regime, the base cost of the capitalisation shares will be deemed to be zero in terms of the Income Tax Act (the cost at which such shares will be included in the determination of the weighted average base cost method will be zero).

The number of Fortress B shares in issue as at the date of this announcement is 1 169 980 307 ordinary Fortress B shares of no par value.

Fortress' Income Tax Reference Number is 9218846179.

### Foreign shareholders

The distribution of this circular and/or accompanying documents and the right to elect capitalisation shares under the capitalisation issue in jurisdictions other than South Africa may be restricted by law and a failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions.

The capitalisation shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States of America ("**United States**") and accordingly may not be offered, sold, taken up, re-sold or delivered, directly or indirectly, in or into the United States absent registration under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or any other jurisdiction of the United States. There will be no public offering in the United States.

The capitalisation shares have not been and will not be registered for the purposes of election under the securities laws of the United Kingdom, European Economic Area, Canada, Japan or Australia (together with the United States, "**restricted territories**") and accordingly are not being offered, sold, taken up, re-sold or delivered directly or indirectly to recipients with registered addresses in such jurisdictions other than to permitted restricted territory shareholders who comply with the requirements of paragraph 5.4 of the circular.

Fortress B shareholders with registered addresses in, or who are resident in any of, the restricted territories who wish to elect to receive capitalisation shares under the capitalisation issue must warrant, represent and certify to Fortress' satisfaction, in its sole and absolute discretion, by no later than 12 April 2024 that their receipt of capitalisation shares will not result in the contravention of any registration or other legal requirement in such jurisdiction ("**permitted restricted territory shareholders**").

Any non-resident Fortress B shareholder which does not comply with paragraph 5.4 of the circular will not be entitled to receive the capitalisation shares, directly or indirectly, in the restricted territories and shall be deemed not to have elected the capitalisation issue alternative.

Fortress B shareholders who are not resident in, or who have a registered address outside of South Africa, must satisfy themselves as to the full observance of the laws of any relevant territory concerning the receipt of capitalisation shares, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction. If in doubt, Fortress B shareholders should consult their professional advisors immediately.

22 March 2024

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Lead sponsor

JAVACAPITAL

Joint sponsor

