

## 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, AVAILABILITY OF DIVIDEND ALTERNATIVE CIRCULAR AND FINALISATION INFORMATION IN RESPECT OF THE DIVIDEND ALTERNATIVE

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Shareholders are referred to the audited consolidated annual financial statements of the Company released on SENS on Thursday, 29 August 2024, wherein Fortress advised that its board of directors had resolved to declare the full distributable earnings of Fortress for the six months ended 30 June 2024 as a cash dividend, amounting to a dividend of 70.19000 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 70.19000 cents per Fortress B share (the “**cash dividend**”), or for eligible Fortress B shareholders to elect to receive a dividend *in specie* of ordinary shares in NEPI Rockcastle N.V. (“**NRP shares**”) in respect of all or some of their Fortress B shares *in lieu* of the cash dividend (the “**dividend in specie**”), or to elect to receive the dividend as a part cash distribution and part dividend *in specie*. Shareholders who do not elect to receive the dividend *in specie* will receive the cash dividend in respect of all of their Fortress B shares by default.

Fortress (via its wholly-owned subsidiaries) currently holds 107 981 399 NRP shares, constituting 16.1% of the total issued share capital of NEPI Rockcastle N.V. The dividend *in specie* will afford eligible Fortress B shareholders the opportunity to acquire shares in a highly-rated, listed and liquid property company, whilst providing flexibility for those Fortress B shareholders who would prefer to receive the cash dividend.

A circular to Fortress B shareholders (the “**circular**”) in respect of the election to receive either the cash dividend or the dividend *in specie*, together with a form of election, will be distributed to shareholders today, Tuesday, 15 October 2024. Copies of the circular may be obtained from the registered office of the Company from Tuesday, 15 October 2024 until Friday, 1 November 2024 (the “**record date**”). The circular will also be available on the Company’s website at <https://fortressfund.co.za/financials/view-pdf?id=Circular%20to%20FFB%20shareholders%20to%20elect%20to%20receive%20a%20dividend%20in%20specie%20of%20Nepi%20Rockcastle%20shares%20as%20an%20alternative%20to%20receive%20a%20cash%20dividend> from Tuesday, 15 October 2024.

#### Ratio attributable to the dividend *in specie*

Eligible Fortress B shareholders who elect to receive the dividend *in specie* for all or some of their Fortress B shares will receive NRP shares in respect of the Fortress B shares for which such an election is made. The number of NRP shares to which each Fortress B shareholder will be entitled pursuant to the dividend *in specie* will be determined with reference to the ratio of 0.00662 NRP shares for every 1 Fortress B share in respect of which a dividend *in specie* election has been made and which is held on the record date. Where this ratio gives rise to a fraction of a NRP share, the rounding principle as more fully described below, will be applied.

By way of example, assuming that a Fortress B shareholder holds 1 000 Fortress B shares at the close of business on the record date and elects to receive the dividend *in specie* in respect of all of their Fortress B shares, then:

$$\begin{aligned} \text{NRP shares to be transferred } \textit{in specie} &= \frac{1\,000 \times 0.00662}{1} \\ &= 6 \text{ NRP shares per } 1\,000 \text{ Fortress B shares held (subject to the} \\ &\quad \text{rounding principle as described below)} \end{aligned}$$

The cash dividend will be funded out of the Company’s cash reserves.

If all shareholders were to elect to receive the dividend *in specie*, the maximum number of NRP shares to be transferred to shareholders would amount to 7 974 247 NRP shares, based on the ratio above and ignoring the rounding principle.

If no Fortress B shareholder were to elect to receive the dividend *in specie*, the maximum gross cash dividend payable by the Company would be R845 487 054.10.

## Fractions

Trading in the Strate environment does not permit fractions and fractional entitlements. Accordingly, where a shareholder's entitlement to NRP shares in relation to the dividend *in specie* calculated in the formula mentioned above gives rise to an entitlement to a fraction of a NRP share, such entitlement to receive a fraction of a NRP share will be rounded down to the nearest whole number, resulting in only whole NRP shares being transferred in terms of the dividend *in specie*, with a cash payment being made in respect of the fraction. The cash payment in respect of the fraction will be determined with reference to the volume weighted average price of a NRP share on the JSE on Wednesday, 30 October 2024 discounted by 10%, which amount will be announced on SENS on Thursday, 31 October 2024.

## Salient dates and times

	2024
Audited consolidated annual financial statements for the year ended 30 June 2024 published on SENS on	Thursday, 29 August
Circular and form of election posted to shareholders and published on the Company's website on	Tuesday, 15 October
Declaration and finalisation information relating to the cash dividend and the dividend <i>in specie</i> published on SENS	Tuesday, 15 October
Last day to trade in order to be eligible for the cash dividend, or alternatively, the dividend <i>in specie</i> , or a combination thereof ("LDT")	Tuesday, 29 October
Fortress B shares trade "ex" dividend	Wednesday, 30 October
Cash payment in respect of fractions announced on SENS by 11:00am on	Thursday, 31 October
Last day to elect the dividend <i>in specie</i> . Forms of election to reach the transfer secretaries by 12:00pm on	Friday, 1 November
Record date for the cash dividend and to determine participation in the dividend <i>in specie</i>	Friday, 1 November
CSDP or broker accounts credited with the cash dividend payment or NRP shares (as applicable) <sup>4</sup>	Tuesday, 5 November
Publication of results announcement	Tuesday, 5 November

## 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, 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, 29 October 2024 will not be eligible to participate in the cash dividend or dividend *in specie*.
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 LDT and the record date, both days included.
4. **Fortress B shareholders who elect the dividend *in specie* in respect of all or some of their Fortress B shares are advised that they may not trade in the NRP shares owing to them until such time that the NRP shares have been transferred to their CSDP or broker accounts.**

## Tax implications

### *Dividends tax in respect of the cash dividend*

The cash dividend is subject to dividends tax of 20% (unless a reduced rate is applicable for non-resident shareholders in terms of any applicable treaty entered into between the Republic of South Africa and the jurisdiction in which the shareholder is resident) for those Fortress B shareholders to whom dividends tax is applicable. The resultant net cash dividend amount after deducting dividends withholding tax at the domestic withholding tax rate of 20% is 56.15200 cents per share for those Fortress B shareholders subject to dividends tax at a rate of 20%, and 70.19000 cents per share for those Fortress B shareholders who are not subject to dividends tax.

If you are unsure as to the dividends tax implications for yourself pursuant to your election, you should consult your professional advisor before making your election.

### *Securities Transfer Tax (“STT”) and dividends tax applicable to the dividend in specie*

Fortress B shareholders electing the dividend *in specie* will be liable for STT at the rate of 0.25% on the value of the NRP shares that are transferred to them and agree to pay and undertake to ensure that their relevant CSDP or broker account has sufficient cash resources available for the said STT to be paid to the South African Revenue Service.

STT will be calculated based on the closing NRP share price on the record date. This value will be communicated to the market on the record date by way of an announcement on SENS.

To the extent applicable, dividends tax arising from the election by Fortress B shareholders of the dividend *in specie* will be funded by Fortress and will be calculated based on the same value of a NRP share as described above.

The number of Fortress B shares in issue as at the date of this announcement is 1 204 569 104 ordinary Fortress B shares of no par value.

Fortress’ income tax reference number is 9218846179.

## Foreign shareholders

The distribution of the circular and/or accompanying documents and the right to elect the dividend *in specie* 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 NRP shares that are transferred pursuant to an *in specie* dividend election by a Fortress B shareholder 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 (including its territories and possessions, any state of the United States of America and the District of Columbia) (the “**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 NRP shares that are transferred pursuant to an *in specie* dividend election by a Fortress B shareholder 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 (the “**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 shareholder’ (as defined below) who comply with the requirements set out below.

Fortress B shareholders with registered addresses in, or who are resident in any of, the restricted territories who wish to elect to receive NRP shares pursuant to the *in specie* dividend election must warrant, represent and certify to Fortress’ satisfaction, in its sole and absolute discretion, by no later than the record date that their receipt of NRP shares will not result in the contravention of any registration or other legal requirement in such jurisdiction (“**permitted restricted territory shareholders**”).

Subject to the provisions of paragraph 3.4.5 of the circular, any non-resident Fortress B shareholder in the restricted territories which does not comply with the requirements set out above will not be entitled to receive the NRP shares, directly or indirectly, and shall be deemed not to have elected the dividend *in specie*.

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 the dividend *in specie*, 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.

In addition to the information set out above, non-resident Fortress B shareholders are directed to paragraph 3.4.5 of the circular for further information.

15 October 2024

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Lead equity sponsor



Debt sponsor and joint equity sponsor

