

## **FORTRESS REAL ESTATE INVESTMENTS LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 2009/016487/06)

JSE share code: FFB

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Bond company code: FORI

LEI: 378900FE98E30F24D975

(“Fortress” or “the Company” or “the Group”)



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## **TRADING AND PRE-CLOSE OPERATIONAL UPDATE**

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Shareholders and noteholders are referred to the results announcement for the interim period ended 31 December 2025 (“1H2026”), released on SENS on 26 February 2026. We hereby provide an update on Fortress’ operations for the period subsequent to 31 December 2025.

*Fortress is a real estate investment company with a diversified portfolio of high-quality logistics and retail assets across South Africa and Central and Eastern Europe (“CEE”). The Group owns direct logistics properties valued at R24,1 billion, alongside a South African retail portfolio valued at R11,9 billion. Fortress also holds approximately R14,4 billion in NEPI Rockcastle shares, providing indirect exposure to one of the CEE region’s leading retail property portfolios. Collectively, these investments offer shareholders access to a real estate platform with a combined value in excess of R53 billion, supported by a robust development pipeline that underpins future growth.*

*The logistics sector continues to outperform, supported by sustained demand for premium, secure warehousing. Vacancy levels in the South African logistics portfolio remain low at 1,4%, while vacancies in the CEE portfolio have declined materially to 1,8%, driven primarily by improved occupancy at Gdańsk Logistics Park. Since 30 June 2025, we have completed 88 292m<sup>2</sup> of new logistics space, with a further 65 662m<sup>2</sup> currently under construction. Pre-leasing activity remains strong, underpinned by the superior quality of our assets, which feature best-in-class flooring, expansive yard areas, and increased eaves heights to optimise racking and volumetric efficiency. These properties are further enhanced by strong connectivity and access to well-established transport infrastructure.*

*Our retail portfolio continues to perform well, delivering like-for-like tenant turnover growth of 4,2% while sustaining a low vacancy rate of 0,8%. The continued success of our asset management initiatives and the positive impact of recently refurbished and expanded centres are further contributing to the resilience of this portfolio. We remain focused on ensuring our retail assets remain relevant, competitive and attractive to both shoppers and tenants.*

*Our capital recycling strategy, enhancing core assets while disposing of underperforming properties, continues to deliver tangible results. For the 30 June 2026 financial year-to-date, we have disposed of non-core properties with a combined book value of R362,4 million, realising proceeds of R382,5 million, representing a premium of 5,5% to book value. The average exit yield achieved on disposals, excluding land, during the period was 8,3%. These proceeds have been reinvested into new logistics developments and strategic retail upgrades, extensions and an acquisition. At the date of this announcement, properties with a combined book value of R277,4 million are classified as held for sale.*

*Following the Group’s consistent operational performance, we reaffirm our distributable earnings forecast for the financial year ending 30 June 2026 (“FY2026”) of at least R2 150 million, translating into a forecast distribution of at least 176,48 cents per share, compared to 162,44 cents per share for the financial year ended 30 June 2025 (“FY2025”). The Board further provides earnings guidance for the financial year ending 30 June 2027 (“FY2027”) of approximately R2 310 million, representing a 7,4% increase compared to FY2026 guidance.*

### ***SA logistics and logistics developments***

Vacancies, based on rental, in our South African ("SA") logistics portfolio increased to 1,4% at 31 May 2026, compared to 0,3% at 31 December 2025. This notably low vacancy is a testament to sustained demand for high-quality developments in secure, well-located parks, proactive asset management across the existing portfolio, and the strengthened overall quality of our logistics platform. This is further underpinned by the successful disposal of higher-vacancy, non-core assets.

Demand for space at Eastport Logistics Park ("Eastport") remains encouraging. Following the completion of three new warehouses, a 30 296m<sup>2</sup> facility for Liquor Runners, a 20 840m<sup>2</sup> facility for Crusader Logistics, and a 12 996m<sup>2</sup> facility for Teralco Logistics, only 30 000m<sup>2</sup> of gross lettable area ("GLA") remains available for future development at Eastport. The sole vacancy within the park relates to Teralco Logistics' previous 22 095m<sup>2</sup> warehouse, which was vacated upon their relocation into the newly constructed 12 996m<sup>2</sup> facility. The increase in vacancies in the logistics portfolio is primarily attributable to this warehouse, which is currently being actively marketed, with encouraging interest from prospective tenants.

Clippa, an existing tenant at Eastport, exercised its option to acquire the remaining 50% undivided share in their warehouse within the park, resulting in the disposal of Fortress' remaining 32,5% interest in the Clippa warehouse. The disposal is subject to transfer in the deeds office. The transaction delivered a total asset return of approximately 20%.

We retain an option to expand north of Eastport, where a further 150 000m<sup>2</sup> of development potential exists. We continue to engage with prospective tenants requiring large warehouse space that cannot be accommodated on the remaining site at Eastport. In addition, we have recently commenced discussions regarding a site south of Eastport, which can accommodate approximately 90 000m<sup>2</sup> of GLA. The broader node surrounding Eastport and extending along the R21 freeway has firmly established itself as one of South Africa's premier logistics locations, with strong and promising tenant interest. Our internal development team is currently engaging with several large potential users.

The development of a new 24 507m<sup>2</sup> warehouse at Longlake Logistics Park ("Longlake") for Suzuki is scheduled for practical completion in July 2026. The first warehouse at Longlake, measuring 19 099m<sup>2</sup> and previously leased to Liquor Runners, has since been let to Overnight Logistics. Demand for space at Longlake remains promising, and construction of the 18 982m<sup>2</sup> speculative warehouse is on track for completion in August 2026. Upon completion of these developments, Longlake will be fully developed.

### ***Central and Eastern European logistics and logistics developments***

Vacancies, based on rental, across the CEE logistics portfolio significantly decreased from 9,0% at 31 December 2025 to 1,8% at 31 May 2026.

In Gdańsk, Rossmann and Stokrotka have entered into five-year leases for 4 152m<sup>2</sup> and 4 160m<sup>2</sup> respectively, both commencing in April 2026. A further three-year lease has been concluded with DSV Contract Logistics for 18 930m<sup>2</sup>, with commencement scheduled for October 2026. The remaining vacant space of 9 038m<sup>2</sup> represents the only material vacancy within the portfolio and is being actively marketed, with interest received from both existing and prospective tenants.

At Bydgoszcz Logistics Park, construction of the pre-leased 7 346m<sup>2</sup> warehouse for Inter Cars was completed and handed over on schedule, with the 10-year lease commencing in May 2026. The 7 020m<sup>2</sup> speculative part of Hall C (Phase 3) warehouse was completed in April 2026 and has been leased to Domitech on a five-year lease commencing 1 July 2026, structured across three phases. The park is now fully developed and comprises 91 500m<sup>2</sup> of completed GLA, with a single remaining vacancy of 2 160m<sup>2</sup>. Building on the success achieved at Bydgoszcz, we have opened discussions to acquire a nearby 10-hectare site offering approximately 48 000m<sup>2</sup> of developable GLA.

In Romania, we have acquired an 80% share in an additional site measuring 11,5 hectares, offering approximately 61 000m<sup>2</sup> of GLA, located in the north-west of Bucharest near our existing asset, and benefiting from direct access via a new interchange on the A0 ring road.

The table below provides a summary of our logistics park developments in SA and CEE:

Logistics park	Description/tenant	Fortress' ownership %	GLA (m <sup>2</sup> ) (100%)	Let GLA (100%)	Lease term (years)	Estimated yield (%) <sup>s</sup>	Completion date
<b>Developments completed during FY2026 (YTD)</b>							
Bydgoszcz (Poland)	Hall C (phase 2) – Volcano	100	4 095	4 095	7	8,3*	Jul 2025
Eastport	Crusader Logistics 2	65	20 840	20 840	10 <sup>^</sup>	8,5	Aug 2025
Eastport	Liquor Runners	65	30 296	30 296	5	8,3 <sup>&amp;</sup>	Sep 2025
Stargard (Poland)	Hall E (phase 1) – Hine	100	5 700	5 700	10	7,5*	Dec 2025
Eastport	Teralco Logistics	65	12 996	12 996	3	8,5	Jan 2026
Bydgoszcz (Poland)	Hall C (phase 3) – Inter Cars	100	7 345	7 345	10	7,4*	May 2026
Bydgoszcz (Poland)	Hall C (phase 3) – Domitech	100	7 020	7 020	5	7,4*	Apr 2026
<b>Total</b>			<b>88 292</b>	<b>88 292</b>			
							<b>Estimated completion date</b>
<b>Currently under construction</b>							
Longlake	Suzuki	100	24 507	24 507	8	8,6	Jul 2026
Longlake	Speculative	100	18 982	-	-	8,5	Aug 2026
Zabrze (Poland)	Phase 3 - INNPRO	100	15 120	15 120	5	7,0	Aug 2026
Cornubia Ridge	Speculative	50,1	7 053	-	-	8,5	Mar 2027
<b>Total</b>			<b>65 662</b>	<b>39 627</b>			
<b>Total: 100% of developments</b>			<b>153 954</b>	<b>127 919</b>			

\* Yield shown in Euro.

<sup>s</sup> Development cost in this calculation includes cost of finance, internal project management fees and all other costs.

<sup>^</sup> Initial lease period is five years, with an option in favour of the landlord to extend for five years, which we intend to exercise.

<sup>&</sup> 8,5% effective yield achieved through a stepped lease agreement.

Our current South African development pipeline, excluding land options, comprises approximately 186 000m<sup>2</sup> of undeveloped GLA, of which 50 000m<sup>2</sup> is currently under construction and 136 000m<sup>2</sup> is available for future development. The total estimated value of the undeveloped GLA within the SA pipeline is approximately R2,6 billion (or R1,5 billion, excluding the Eastport North and South sites), with completion anticipated over the next three years.

The table below provides a summary of our logistics parks in South Africa:

Park	Ownership (%)	Total GLA (m <sup>2</sup> )	Currently under development		Let/under offer (m <sup>2</sup> )	Speculative/Unlet (m <sup>2</sup> )	Remaining GLA to be developed (m <sup>2</sup> )
			Completed developments (m <sup>2</sup> )	Available GLA for development (m <sup>2</sup> )			
Louwlandia	100	89 656	89 656	-	-	-	-
Eastport	65	318 911	286 517	32 394	-	-	32 394
Eastport - Pick n Pay	100	163 533	163 533	-	-	-	-
Longlake	100	99 003	55 514	43 489	24 507	18 982	-
Clairwood	100	297 528	266 716	30 812	-	-	30 812
Cornubia	50,1	110 296	56 463	53 833	-	7 053	46 780
Rivergate	100	44 071	18 214	25 857	-	-	25 857
<b>Sub-Total</b>		<b>1 122 998</b>	<b>936 613</b>	<b>186 385</b>	<b>24 507</b>	<b>26 035</b>	<b>135 843</b>
Eastport North (option)	65	150 000	-	150 000	-	-	150 000
<b>Total - SA logistics</b>		<b>1 272 998</b>	<b>936 613</b>	<b>336 385</b>	<b>24 507</b>	<b>26 035</b>	<b>285 843</b>

Our current CEE development pipeline, excluding land options, comprises approximately 228 000m<sup>2</sup> of undeveloped GLA, of which 15 000m<sup>2</sup> is currently under construction and 213 000m<sup>2</sup> is available for future development. The total estimated value of the undeveloped GLA within the CEE pipeline is approximately R2,4 billion, with completion anticipated over the next three years.

The table below provides a summary of our logistics parks in Central and Eastern Europe:

Park	Ownership (%)	Total GLA (m <sup>2</sup> )	Currently under development			
			Completed developments (m <sup>2</sup> )	Available GLA for development (m <sup>2</sup> )	Let/under offer (m <sup>2</sup> )	Speculative/unlet (m <sup>2</sup> )
Bydgoszcz	100	91 466	91 466	-	-	-
Stargard	100	100 866	47 979	52 887	-	52 877
Łódź	100	82 294	53 719	28 575	-	28 575
Zabrze	100	76 499	46 259	30 240	15 120	15 120
Gdańsk	100	105 989	50 916	55 073	-	55 073
Wrocław	100	76 011	76 011	-	-	-
Bucharest - ELI Park	100	50 140	50 140	-	-	-
Bucharest 2	80	61 000	-	61 000	-	61 000
<b>Total – CEE logistics</b>		<b>644 265</b>	<b>416 490</b>	<b>227 775</b>	<b>15 120</b>	<b>212 645</b>

## Retail

Our retail portfolio, predominantly commuter-oriented and focused on convenience shopping, remains defensively positioned. For the 12 months to 30 April 2026, like-for-like tenant turnover increased by 4,2% compared to the prior comparative period, with tenant sales growth continuing to outpace national consumer price inflation. The retail portfolio achieved a collection rate of 100% for the period from 1 July 2025 to 31 May 2026. Vacancies, by rental, remained low at 0,8% at 31 May 2026, underscoring stable demand and the continued strength of the portfolio.

We recently acquired a controlling stake of 51% in Balfour Mall. The 37 000m<sup>2</sup> suburban retail centre was acquired at a yield of approximately 10%, resulting in a total acquisition value for 100% of the centre of R175 million. The centre has a high vacancy of 45%, for which no value was attributed in the initial yield and price. This acquisition was concluded in partnership with local property developers, Consolidated Urban and Forever Young Capital, and reinforces Fortress' conviction in well-located, community-serving retail assets. Redevelopment plans for the mall are at an advanced stage, and further updates will be communicated in due course. Operating statistics relating to Balfour Mall have been excluded from all operating and statistics presented in this announcement.

Extensions and asset management initiatives remain a key focus, while we continue to explore new development opportunities in response to tenant demand in certain underserved markets.

Central Park Bloemfontein is undergoing a reconfiguration of the upper level to enhance foot traffic and tenancy, alongside improvements to the bus service offering. The centre has also achieved a 60% reduction in water consumption in ablution facilities following the introduction of Propelair toilets.

Sterkspruit Plaza will be further expanded by 2 500m<sup>2</sup>, with the introduction of two hardware stores increasing the centre's total GLA to 22 500m<sup>2</sup>.

Botlokwa Plaza's extension is progressing well and remains on schedule for completion in November 2026. Letting is at an advanced stage, with the introduction of 25 new shops and integrated sustainable energy and water solutions set to significantly enhance the overall shopping experience. The centre will expand by 8 700m<sup>2</sup> to a post-development GLA of 16 100m<sup>2</sup>.

The planned extension of Tzaneen Lifestyle Centre, in which Fortress holds a 25% interest, will add approximately 20 000m<sup>2</sup> of GLA and introduce Pick n Pay, Dis-Chem and a selection of fashion retailers. Earthworks are currently underway, with completion anticipated during the last quarter of 2027.

### ***Industrial and Inofort***

Vacancies in the industrial portfolio increased marginally from 8,6% at 31 December 2025 to 9,1% at 31 May 2026. Of the 23 461m<sup>2</sup> of industrial vacancies, 11 748m<sup>2</sup> comprises the office component of these properties, with the majority of this vacancy located in Isando. Well-located, smaller industrial units remain in demand and interest from potential purchasers for these, as well as the multi-user industrial parks is gaining momentum. The industrial and Inofort portfolio remain non-core.

### ***Office***

Rental vacancies across the office portfolio decreased from 25,7% at 31 December 2025 to 22,1% at 31 May 2026. The portfolio currently comprises 14 properties, of which two are classified as held for sale, with a combined book value of R681 million, representing less than 1,3% of total group assets. The office portfolio remains non-core.

### ***Vacancies***

Total vacancies, based on rental, decreased from 2,8% at 31 December 2025 to 2,3% at 31 May 2026.

<b>Sectoral vacancy</b>	<b>Based on rental</b>		<b>Based on GLA</b>	
	<b>May 2026<sup>#</sup></b>	<b>Dec 2025<sup>#</sup></b>	<b>May 2026</b>	<b>Dec 2025</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total</b>	<b>2,3</b>	<b>2,8</b>	<b>2,6</b>	<b>3,1</b>
Logistics – SA	1,4	0,3	1,4	0,3
Logistics – CEE	1,8	9,0	2,2	8,9
Retail <sup>&amp;</sup>	0,8	0,8	0,9	0,9
Industrial	9,1	8,6	7,9	7,5
Office	22,1	25,7	23,0	27,3
Other <sup>^</sup>	0,0	0,3	0,0	0,3

*Information based on Fortress' economic interest in wholly-owned and co-owned properties.*

<sup>#</sup> *Vacancy based on the gross rental (100% of GLA and value) of the building.*

<sup>^</sup> *Includes residential units and serviced apartment properties.*

<sup>&</sup> *Excluding Balfour Mall.*

## Direct property disposals

We continue to sell non-core properties, with total disposals for the FY2026 financial year-to-date amounting to R382,5 million against a corresponding book value of R362,4 million. The average yield achieved on disposals, excluding land, during this period was 8,3%.

Notwithstanding ongoing geopolitical uncertainty stemming from the conflict in the Gulf, the South African direct property market has demonstrated resilience and continues to exhibit strong competitive depth, underpinned by consistent participation from both investors and owner-occupiers.

The following properties have transferred since 30 June 2025:

<b>Property name</b>		<b>Sector</b>	<b>Net proceeds (R'000)</b>	<b>Book value Jun 2025 (R'000)</b>	<b>Transfer date</b>
Otto Volek Road Pinetown	*	Industrial	112 000	112 000	Oct 2025
Clovelly Business Park Midrand		Industrial	83 000	75 042	Oct 2025
Parc Nicol		Office	41 081	38 000	May 2026
8 Milkyway Avenue Linbro Park		Logistics	30 500	27 743	Feb 2026
100 Dekema Road Wadeville	#	Industrial	18 000	20 047	May 2026
560 Malcolm Moodie Crescent Jet Park		Industrial	17 500	15 780	Oct 2025
9 Milkyway Avenue Linbro Park		Logistics	14 600	12 629	Sep 2025
Greenbushes	*^	Land	12 803	12 803	Jul 2025
66 Kyalami Boulevard		Industrial	9 750	7 901	Feb 2026
Hilston Street Kya Sands		Industrial	9 500	9 496	Sep 2025
Greenbushes	*^	Land	7 217	7 217	Aug 2025
Lakeview Business Park 3		Industrial	6 000	4 854	Nov 2025
Lakeview Business Park 4		Industrial	5 900	4 772	Jan 2026
Lakeview Business Park 5		Industrial	5 800	5 205	Jan 2026
Montague Business Park	*^#	Land	4 513	4 513	Oct 2025
Wynberg Workshops Block B	*^#	Industrial	4 330	4 374	Aug 2025
<b>Total</b>			<b>382 494</b>	<b>362 376</b>	

\* Held for sale at 30 June 2025.

^ Portion of the property.

# Fortress' pro-rata share.

The following properties are currently held for sale, none of which have yet transferred:

<b>Property name</b>		<b>Sector</b>	<b>Net Proceeds (R'000)</b>	<b>Book value Jun 2025 (R'000)</b>
Mahogany Road		Logistics	126 000	103 952
Monyetla Office Park		Office	75 500	65 000
Eastport Logistics Park – Building 4 (Clippa)	#	Logistics	75 108	73 003
Lakeview Business Park 11		Industrial	22 000	18 493
17 Kosi Place Umgeni (leasehold)		Office	17 300	17 000
<b>Total</b>			<b>315 908</b>	<b>277 448</b>

# Fortress' pro-rata share.

## ***Energy and water solutions***

We remain firmly committed to expanding our solar photovoltaic (“solar PV”) capacity across our property portfolio. At present, we have 113 operational solar PV systems with a total installed capacity of 38,84MWac, an increase from 103 plants totalling 36,75MWac at 31 December 2025. We are currently on site with a further nine installations of which seven will be operational by 30 June 2026. This will take us to the target of having 120 installations totalling 40MWac completed by 30 June 2026. By 30 June 2027, our goal is to commission an additional eight plants, bringing the total number of installations to 130 and increasing overall capacity to 42MWac.

The ongoing roll-out of solar PV infrastructure has meaningfully increased our renewable energy generation. Between July 2025 and May 2026, we produced approximately 50,334MWh of solar energy, 26,6% more than the 39,765MWh generated during the same period in the previous year.

We have installed three battery energy storage systems totalling 1,95MWh, at one retail centre and at two logistics assets, to enhance our returns from the solar PV installations. Orders have been placed for a further seven installations (5,1MWh) at three retail and four logistics properties. We expect the first plants to be online by July 2026.

Further to the above, we are exploring several early-stage opportunities to utilise the expansive rooftop space of our logistics portfolio for additional solar PV installations to further enhance the income produced by our assets.

190 Propelair toilets have been installed across eight retail centres and our head office in Morningside. A further 104 toilets will be installed at seven retail assets. To date we have saved an estimated 14,29 million litres of water from these installations

## ***NEPI Rockcastle***

NEPI Rockcastle released its final results for the financial year ended 31 December 2025 on 24 February 2026 and subsequently released a comprehensive business update on 14 May 2026, both available on its website at [www.nepirockcastle.com](http://www.nepirockcastle.com). The current value of our investment in NEPI Rockcastle is approximately R14,4 billion.

## ***Funding, liquidity and treasury***

In March 2026, Fortress further strengthened its funding profile through the successful issuance of new R561 million three-year and R495 million five-year notes under the DMTN programme, both linked to 3-month JIBAR. In April 2026, following the successful bond auction concluded in March 2026, we raised a further R1,6 billion seven-year note under the DMTN programme in April 2026, the first listed property company in South Africa to issue a ZARONIA-referenced note.

In June 2026, Fortress cash settled a R380 million note maturing under the DMTN programme. We furthermore early-settled a R700 million RMB facility in May 2026. We secured new in-country, five-year debt funding of EUR32,4 million through BNP Paribas, further enhancing funding diversification and liquidity within the offshore platform.

Our hedging strategy remains consistent with that of previous periods and comprises approximately 80% caps and 20% swaps. This structure positions us to benefit from potential reductions in interest rates, given the higher proportion of caps, while still maintaining protection in the event of rate increases.

We remain fully compliant with the key performance indicators associated with our sustainability-linked notes, consistent with previous reporting periods, and we are on track to meet our June 2026 targets.

We maintain strong liquidity, with R7,6 billion in cash and available facilities. The Group’s financial position remains solid, with a loan-to-value ratio of approximately 38,8% at the date of this announcement, comfortably within all covenant thresholds and well positioned to repay expiring facilities of R905 million under the DMTN programme, maturing in August 2026.

We currently have a collar over 18,75 million NEPI Rockcastle shares. The put strikes range from R110 to R122, and call strikes range from R145 to R168 respectively, with maturities between August 2026 and March 2027. We retain the dividends on these shares as well as the risks and rewards of ownership.

## ***Outlook and guidance***

We reaffirm our distributable earnings forecast for FY2026 of at least R2 150 million, which translates into a forecast distribution of at least 176,48 cents per share for FY2026, compared to 162,44 cents per share for FY2025.

The Board further provides distributable earnings guidance for FY2027 of approximately R2 310 million, representing a 7,4% increase compared to FY2026 guidance.

This forecast is based on the following assumptions:

### ***Assumptions that the directors can influence***

- Our distributable earnings methodology will remain consistent with that of prior periods, as previously communicated;
- No material sales, or acquisitions, outside of our planned pipeline occur which necessitate a revision to this forecast; and
- Contractual escalations and market-related renewals will be achieved with no major change in vacancy rates.

### ***Assumptions that are outside the influence of the directors***

- NEPI Rockcastle maintains a 90% payout ratio and meets its published distributable earnings per share guidance for their financial year ending 31 December 2026;
- There is no unforeseen failure of material tenants in our portfolio;
- Tenants will be able to absorb the recovery of rising utility costs and municipal rates;
- There is no unforeseen material macroeconomic deterioration in the markets in which Fortress has exposure;
- There are no unforeseen adverse socio-political and geo-political events in the jurisdictions in which Fortress has exposure;
- There are no changes to current tax legislation in the jurisdictions in which the Company operates; and
- There are no changes to current interest rates by the European Central Bank or the South African Reserve Bank.

The FY2026 distributable earnings forecast and FY2027 distributable earnings guidance have been prepared in accordance with the Company's accounting policies and in compliance with IFRS. The forecasts have not been reviewed or reported on by Fortress' external auditor and are the responsibility of the board of directors.

10 June 2026

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Lead sponsor



Debt sponsor and joint equity sponsor

