



Consolidated unaudited interim results

for the six months ended 31 December 2024



FORTRESS

REAL ESTATE INVESTMENTS

Powering Growth

"Fortress is a real estate investment company with a portfolio of high-quality logistics and retail assets. We own a portfolio of logistics properties in South Africa and Central and Eastern Europe valued at R20,3 billion and a portfolio of retail properties of R10,7 billion, all located in South Africa. In addition, we hold approximately R16 billion in NEPI Rockcastle shares, which provides exposure to an outstanding retail portfolio in Central and Eastern Europe. Combined, these holdings provide shareholders with exposure to an approximately R50 billion real estate portfolio with a significant development pipeline, providing growth opportunities for the future.

We delivered a solid set of results for the six-month interim period ended 31 December 2024, with distributable earnings of 76,15 cents per share, which is 29,8% higher than the normalised distributable earnings per share for the previous corresponding six-month interim period ended 31 December 2023. The strategic shift into higher-growth and better-quality assets is bearing fruit, resulting in lower vacancy rates and improved like-for-like NOI growth across our core logistics and retail portfolios. We have seen a particularly good performance from our retail portfolio with 9,2% like-for-like NOI growth, stemming largely from recent and ongoing refurbishments and extensions, as well as the disposal of underperforming assets which were constraining growth.

Our logistics portfolio achieved like-for-like NOI growth of 4,7%. This portfolio continues to benefit from very low vacancies, due to limited new developments in the market, and increased demand for larger warehouses in secure logistics parks. The historical negative reversions in this portfolio, due to lease escalations being above the market rental growth for several years, have started to improve. We ascribe this partly to the rise in construction costs, which has necessitated an increase in asking rentals for new, prime logistics developments and which has buoyed much of the overall rental market.

The industrial portfolio, while remaining non-core, continued to outperform our expectations, with another strong period of growth. This portfolio includes the Inospace portfolio which has once again performed exceptionally well. This makes the sale of assets within our industrial portfolio more profitable and easier to achieve given the relative strength of this market segment.

Our strategic exit from the office sector made progress with the disposal of R259,2 million of office properties so far this financial year.

These assets were sold marginally above our most recent book values, with the proceeds recycled into our core asset portfolio. We currently have R897 million of office properties remaining, which represents only 1,6% of total assets.

We supported NEPI Rockcastle with their growth ambitions and participated in the accelerated bookbuild in October 2024 for an amount of EUR100 million. NEPI Rockcastle utilised the additional capital to acquire top-quality, dominant retail assets which are accretive, both from an earnings and a portfolio quality perspective. We believe that NEPI Rockcastle's future growth prospects are strong due to a superior-quality retail portfolio, presence in growth markets and a conservatively geared balance sheet.

In accordance with our commitment to drive total shareholder returns, we have again offered a portion of our investment in NEPI Rockcastle to our shareholders in lieu of a cash dividend for 1H2025."

Steven Brown, CEO

The ratios disclosed throughout this results announcement use the conventions and calculation methodology as per SA REIT Best Practice Recommendations, unless otherwise indicated, per Annexure 1. Ratios showing Fortress' economic interest in assets and liabilities and revenue and expenditure, presented as management accounts, are included in Annexure 2.

Refer to Annexure 3 for a glossary of terms used in this results announcement.

Highlights of 1H2025

Highlights of 1H2025 and to the date of this report include:

- Like-for-like NOI growth of 5,9% in our total portfolio;
- Disposals of non-core assets of R809,5 million at an overall premium to book value;
- Expansion in Poland with the acquisition of a 50 916m² logistics park in Gdańsk, together with additional land on which a further 56 000m² of GLA in logistics facilities can be developed;
- Lower overall portfolio vacancy of 3,1%, based on gross rental;
- EUR100 million invested in NEPI Rockcastle to support accretive acquisitions which enhances their dominant position in the CEE retail market; and
- FY2025 distributable guidance upgraded from R1,780 billion to R1,925 billion.

Nature of the business

Fortress is a real estate investment company with a focus on developing and letting premium-grade logistics real estate in South Africa and CEE, as well as growing our convenience and commuter-oriented retail portfolio. Fortress also holds, at the date of this report, a 16,3% interest in NEPI Rockcastle, the largest listed property company on the JSE, with a EUR8 billion portfolio across nine CEE countries.

At 31 December 2024, our property portfolio comprised the following:

Sector	Dec 2024		Jun 2024	
	Direct property portfolio by value R'billion*	As a % of total direct property assets	Direct property portfolio by value R'billion*	As a % of total direct property assets
Logistics – SA [^]	16,4	47,7	16,4	47,8
Logistics – CEE [®]	3,9	11,3	3,6	10,5
Logistics – total	20,3	59,0	20,0	58,3
Retail	10,7	31,1	10,7	31,2
Industrial	2,1	6,1	2,3	6,7
Office [§]	1,1	3,2	1,1	3,2
Other [#]	0,2	0,6	0,2	0,6
Total direct property portfolio	34,4	100,0	34,3	100,0

* Reflecting Fortress' economic interest in wholly-owned and co-owned properties.

[^] Includes landholdings and work-in-progress of R0,9 billion (Jun 2024: R1,1 billion).

[®] Includes development sites of R0,6 billion (Jun 2024: R0,5 billion).

[§] Includes development sites of R0,2 billion (Jun 2024: R0,2 billion).

[#] Comprises residential units and serviced apartment properties.

In addition to our property portfolio, our NEPI Rockcastle interest at 31 December 2024 was 16,3% and valued at R16 billion.

Listed portfolio	Dec 2024			Jun 2024		
	Number of shares	Fair value R'000	Effective holding %	Number of shares	Fair value R'000	Effective holding %
NEPI Rockcastle	115 827 114	15 982 986	16,3	107 981 399	14 185 519	16,3

Distributions

Fortress has a policy of distributing 100% of the Fortress-defined, post-tax distributable earnings on a semi-annual basis. The Fortress distribution methodology is generally more conservative than industry guidelines. Fortress remains a member of and utilises the reporting metrics of the SA REIT Association.

Summary of financial performance

	Dec 2024	Jun 2024	Dec 2023	Jun 2023
Dividend declared per FFA share (cents)			–	–
Dividend declared per FFB share (cents)				
– For the financial year		151,63		–
– For the six-month reporting period	76,15	70,19	81,44	–
Distributable earnings (R'000)				
– For the financial year		1 788 505		1 797 267
– For the six-month reporting period	917 095	835 637	952 868	996 320
Shares in issue at the end of the period				
– FFA	–	–	1 169 980 307	1 191 595 172
– FFB	1 204 291 830	1 192 801 293	1 010 923 806	1 093 213 028
– FFA shares held in treasury	–	–	–	26 861 996
– FFB shares held in treasury	–	2 264 400	–	87 536 353 [#]
SA REIT Best Practice disclosure				
SA REIT NAV per share [*]	R24,26	R23,85	R16,24	R14,85
SA REIT LTV (%)	39,9	38,2	34,2	35,9
SA REIT FFO (R'000)	878 117	1 957 364	949 041	2 188 936
IFRS accounting				
NAV per share [^]	R24,92	R25,09	R17,18	R15,82
TNAV per share [^]	R25,28	R25,19	R16,99	R15,25

[#] Excludes 64 197 790 FFB shares held by Fortress Empowerment 2 and Fortress Empowerment 4, which were consolidated and treated as treasury shares for IFRS purposes.

^{*} The SA REIT NAV per share is calculated as NAV, based on SA REIT BPR methodology, divided by all shares in issue, net of treasury shares and dilutive shares.

[^] The NAV and TNAV per share for IFRS accounting are calculated as the total NAV/TNAV per the IFRS statement of financial position divided by the aggregate number of FFA and FFB shares in issue, less shares held in treasury.

Distributable earnings

Distributable earnings amounted to R917,1 million for 1H2025, compared to R952,9 million for 1H2024. In 1H2024, we held an additional R7 billion of assets in the form of NEPI Rockcastle shares, which were utilised to settle the buy-back of Fortress shares, as approved in the scheme of arrangement implemented in February 2024 ("SOA"). This material change in our asset base renders the 1H2025 reporting period incomparable with 1H2024, due to the higher asset base in 1H2024. However, adjusting for this transaction, distributable earnings for 1H2025 increased by 33,6% compared to the normalised distributable earnings, adjusted for the effects of the SOA, for 1H2024. In line with our policy, the board has declared the full R917,1 million as a dividend for 1H2025, which amounts to 76,15 cents per FFB share.

Shareholders may further elect to receive the 1H2025 distribution in cash, as the default option, or in the form of NEPI Rockcastle shares held by Fortress in a ratio of 0,0069 NEPI Rockcastle shares for every FFB share held. Full details of the dividend alternative will be communicated to shareholders in due course.

NAV and TNAV

TNAV per share increased by 0,4% from R25,19 at 30 June 2024 to R25,28 at 31 December 2024.

The SA REIT NAV per share increased by 1,7% to R24,26 at 31 December 2024, compared to R23,85 at 30 June 2024. The SA REIT NAV per share is calculated as NAV, based on the SA REIT BPR methodology, divided by all shares in issue, net of treasury shares and dilutive shares and adjusted for certain items.

LTV ratio

The LTV ratio increased from 38,2% at 30 June 2024 to 39,9% at 31 December 2024. The higher LTV ratio was primarily as a result of the additional Euro-denominated debt incurred for a further EUR100 million investment in NEPI Rockcastle shares.

The information disclosed uses the SA REIT BPR calculation of LTV.

Energy and water solutions

We remain focused on the implementation of strategies and providing solutions to our tenants to ensure the highest level of energy security at reasonable prices. Failing infrastructure at municipal level remains a threat to energy security. Furthermore, double-digit growth in tariff inflation remains problematic in terms of energy affordability and increases pressure on operating expenses.

We are making meaningful progress with the implementation of our energy plan, comprising the installation of generators, rooftop solar PV plants and smart meters. We envisage adding batteries to the total solution, once financially feasible. Where viable, we integrate solar systems with diesel generators in an effort to reduce diesel costs. At present, 90% of our retail portfolio is connected to backup generators and our centres are able to trade when there is no grid supply or electricity.

Smart meters, water and electrical, have been installed at 76%, by GLA, of our retail portfolio and feasibility studies are being concluded on a further 12%, targeting a total coverage of 88% by 30 June 2025. These meters, coupled with IoT devices, form the backbone of a portfolio-wide utility management system, providing management oversight and near real-time data on energy consumption profiles, as well as the complete energy supply mix consisting of grid-supplied, solar PV and diesel-generated electricity. The same functionality is also applied to water, where we now have access to live data on water consumption profiles, allowing us to be more proactive in water management and leak detection.

We are in the process of implementing an electronic billing solution across the retail portfolio, allowing tenants continuous access to their consumption data. This system will increase billing transparency, build trust and allow our tenants to manage consumption better and therefore increase efficiencies.

Renewable energy

At 31 December 2024, we had 80 operational solar PV plants, including one in Poland and one in Romania, compared to 59 at 30 June 2024. We are currently on site with a further 10 plants, including one in Poland. Our aim is to have 98 operational plants by June 2025. Our installed capacity at 31 December 2024 was 29,81MWac compared to 22,17MWac at 30 June 2024. Our aim is to increase the installed capacity to 35MWac by 30 June 2025.

Wheeling

We expect to see energy flowing from our wheeling agreement with Discovery Green towards the end of 2026. This will reduce our exposure to Eskom cost increases and decrease our carbon footprint.

Water solutions

It is our strategy to have backup water available at our retail centres for two to three days, coupled with boreholes and purification plants. We currently have backup water tanks at 30 of our retail centres. We view this as a critical requirement in order to offer our tenants a functional space and our retail visitors a comfortable experience.

Furthermore, we are in the process of installing Propelair toilets at Evaton Mall and Weskus Mall and, if successful, we will expand this initiative to more of our centres.

For the office, logistics and industrial properties, we continue to add backup water supply solutions, given the imperative to step into the void left by failing municipalities.

Green building ratings

We are finalising various EDGE ratings at Eastport and Clairwood Logistics Parks.

We have received BREEAM "Excellent" certificates for seven properties in Poland, with a further three certifications in progress.

Direct property portfolio (South Africa)

Logistics portfolio (R15,5 billion asset value)

The vacancy in our logistics portfolio, based on GLA, decreased from 1,8% at 30 June 2024 to 1,5% at 31 December 2024. The vacancy remains low by historical standards and allows us to have a more selective tenanting approach and more flexibility in negotiating terms with new or existing tenants. The logistics portfolio had like-for-like NOI growth of 4,7% for 1H2025, with the most notable trend being that reversions on reletting and renewals are positive, which bodes well for the future of the portfolio.

We expect vacancies to remain low and are optimistic that reversions on the portfolio will be positive for the full year.

Logistics developments

(R900 million asset value)

Our logistics development strategy has been successful, having completed and delivered approximately R10 billion of new warehousing facilities, all of which are currently let. The future of our development business requires access to suitable land and we remain committed to a development focus, provided it can be done with limited initial capital outlay so that we retain flexibility with our capital.

The remaining development pipeline in South Africa is approximately 158 000m² of GLA, excluding the option on the Eastport North land.

The table below provides a summary of our logistics park developments in South Africa.

Logistics park	Fortress' ownership %	Total GLA for the park m ²	Completed developments (including sold developments) m ²	Available GLA for development m ²	Currently under development		Remaining GLA to be developed m ²
					Let/under offer m ²	Speculative/unlet m ²	
Louwleria	100	89 656	89 656	–	–	–	–
Eastport	65	319 213	222 305 [#]	96 908	51 541	13 063	32 304
Eastport – Pick n Pay	100	163 533	163 533	–	–	–	–
Longlake	100	96 562	55 631	40 931	–	–	40 931
Clairwood	100	297 528	266 716	30 812	–	–	30 812
Cornubia	50,1	110 296	56 463	53 833	–	–	53 833
Sub-total		1 076 788	854 304	222 484	51 541	13 063	157 880
Eastport North (option)	65	150 000	–	150 000	–	–	150 000
Total: SA		1 226 788	854 304	372 484	51 541	13 063	307 880

[#] Includes 84 004m² of GLA sold to Teraco.

The GLA information in the table changes between reporting periods as developments progress, buildings are completed, leases are entered into and areas are remeasured.

Eastport (R3,5 billion)

During 1H2025, we sold and transferred additional land to Teraco to expand their data centre at Eastport. We furthermore broke ground at Eastport on three new developments, two of which are pre-let to Crusader Logistics and Liquor Runners, measuring 19 970m² and 31 481m², respectively, with the third warehouse of 13 063m² being developed on a speculative basis. The demand for prime warehousing in this area is strong and it remains one of the key logistics nodes in South Africa. The option to acquire 65% of the 360 000m² site, on which approximately 150 000m² of GLA can be developed, to the north of Eastport remains in place for a further two years and there is positive tenant demand for this site.

Longlake (R773 million)

Enquiries for this park have increased and we are in the final stages of negotiating a 24 000m² pre-let development with an established global business. If this pre-let development is concluded, there will be one remaining site at Longlake on which we can develop approximately 18 500m². Once completed, the total Longlake park will be approximately 100 000m² of GLA.

Clairwood (R3,3 billion)

Clairwood remains one of our flagship assets. The existing park is fully let with only one remaining site on which we can develop approximately 31 000m² of GLA. Demand for space in the park is strong and we are in negotiations with a prospective tenant for a pre-let development on the last available portion.

Cornubia (R536 million)

Enquiries for new space in Cornubia have slowed and there are no active negotiations on additional developments at this site. We have approximately 54 000m² of GLA available for future development at this co-owned park, in which we have a 50,1% interest. Due to the slow progress, we impaired our carrying value by R50 million, given our current view on the timing of completing this development.

Retail

(R10,7 billion asset value)

Turnover figures for the 12 months to 31 December 2024 have increased by 4,3% compared to the prior corresponding period.

Retail trade has improved since October 2024, supported by stronger Black Friday, festive season and back-to-school periods compared to the same trading periods in the previous year.

Consumer spending preferences continue to be directed towards essential goods and services, evidenced through sales growth experienced by tenants who are exposed to the grocery, value fashion and the health and beauty segments. The electronics, fast food, restaurant, liquor and furniture categories have also experienced increased sales growth.

Our retail portfolio strategy is focused on commuter-oriented and convenience retail shopping centres, and this has proven to be defensive in an environment of low economic growth.

Turnover performance by portfolio is split as follows:

Portfolio split	Comparative turnover growth* %	Retail portfolio by value [^] %
Township centres	6,5	15,1
CBD centres	4,8	21,6
Suburban centres	3,4	39,4
Rural centres	4,3	23,9
Overall retail portfolio	4,3	100,0

* Growth rate for the 12-month period to 31 December 2024, over the 12-month period to 31 December 2023, on a like-for-like basis.

[^] Based on Fortress' economic interest in wholly-owned and co-owned retail properties.

The CBD portfolio turnover growth continues from previous reporting periods. This is a result of the positive performance of Park Central Shopping Centre and Mahikeng Station Boulevard Centre, following the improved tenant mix at both centres. The improvement at City Centre Mthatha was assisted by the newly opened Pedros and McDonald's. The new Spitz store at The Plaza (Mbombela) also performed above expectations.

Our four township centres continue to perform well and are all fully let, with grocery and value fashion retailers leading growth in this segment.

Trade within the rural portfolio is stable. In time, AbaQulusi Plaza and Kopano Shopping Centre, previously Morone Shopping Centre, will drive growth in this portfolio, as both are showing improved turnovers following the respective redevelopments.

The lower growth of the suburban category is attributed to the redevelopment at 204 Oxford Shopping Centre and Bloemfontein Value Mart during the period, which disrupted trade at these centres. This portfolio category was further impacted by vacancies at Pineslopes Shopping Centre towards the end of 2024. These vacancies have subsequently been filled and the new tenants are in their beneficial occupation period. Trade at 204 Oxford has improved following the completion of the redevelopment and the introduction of Woolworths Food Market. The suburban category should see improved trading when the Bloemfontein Value Mart project is complete and when the new tenants commence trading at Pineslopes Shopping Centre.

Vacancies and reversions

The retail portfolio vacancy, based on GLA, decreased to 1,1% at 31 December 2024 from 1,7% at 30 June 2024. The portfolio experienced strong like-for-like NOI growth of 9,2% which was a result of a reduction in vacancies, coupled with various cost-saving measures implemented.

Disposals and acquisitions

During 1H2025, we disposed of Paradise and Corner House and have furthermore received an offer for Midtown Mall in Rustenburg, which disposal is anticipated to be finalised before 30 June 2025.

Redevelopments and extensions

The construction work for the addition of 4 500m² at Sterkspruit Plaza is progressing well, with the new tenants anticipated to commence trading in April 2025. This extension will accommodate a new Boxer Supermarket and banks, including FNB and Absa.

Construction for the introduction of Shoprite at Bloemfontein Value Mart is also progressing well. This development will support the centre's convenience offering and add a food anchor tenant.

Direct property portfolio (CEE)

Logistics portfolio

(R3,9 billion asset value)

The CEE logistics assets have continued to perform well and our in-house development and leasing teams have excelled in managing large development projects throughout the process, from land acquisition to delivering and managing operational logistics parks. With total assets of EUR250 million and a capable in-country team, we believe that this platform has a strong base from which to grow.

In February 2025, we acquired a partially completed logistics park in Gdańsk, Poland. The port city of Gdańsk is home to the largest container port in the Baltic Sea. The existing income-producing GLA of 50 916m² was acquired at a current yield of 6,75% with a WAULT of 4,6 years. The adjacent land, on which a further 56 000m² of GLA can be developed, was acquired for a price of approximately EUR31/m², which is attractive for prime sites in the Gdańsk region. The property was acquired with existing bank debt in place of EUR15,5 million.

After certain deductions, the net acquisition cost was EUR26 million and funded entirely by the re-gearing of additional income-producing assets within the portfolio. The forecast NOI for the existing income-producing property is EUR2,95 million. We are targeting a development yield for phase 2 of 7,4%.

In Bydgoszcz, the development for MEDiVet has been completed and we continue to further develop Hall C to accommodate an existing tenant, Volcano, who wants to expand within the park. This will add another 4 225m² of GLA to Hall C, increasing the total size to 10 780m². Hall C could be expanded by a further 14 277m² and, once constructed, would then complete Bydgoszcz Logistics Park.

We are negotiating with two interested tenants for new developments at our Stargard Logistics Park, near Szczecin in Western Poland. The recently completed development for Vestas has resulted in suppliers of Vestas expressing interest for space within the park.

The completed development site in Łódź has one remaining warehouse of 29 000m² which can be developed after the completion of the 53 732m² initial development, which is fully let to Notino and Oriflame.

We continued developing phase 2 of Zabrze, which will be completed shortly and will measure 46 535m², with 11 675m² being on a speculative basis.

We have appointed advisors to source additional capital for our CEE logistics business, given the constraints we have from a capital perspective in growing this platform off our own balance sheet.

Office (including office developments)

(R1,1 billion asset value)

After 31 December 2024, we transferred a further three office properties for R155,5 million, reducing our total office portfolio to R897 million or 1,6% of our total assets. The ongoing shrinking of this portfolio, which carries high vacancies, will accelerate our earnings growth.

Industrial

(R2,1 billion asset value)

The industrial portfolio is benefitting from similar dynamics to the logistics portfolio. With the existing properties valued well below replacement cost, and a lack of new supply to the market, this has led to a lower market vacancy and strong demand for existing industrial space. Tenants in this portfolio are generally smaller and more cost-conscious. We have few remaining tenants who use these properties for manufacturing-related businesses. We have sold most of these properties or the tenancy has changed due to declining manufacturing activities across the country. The Inospace-managed portfolio increased NOI by 17% from 1H2024 to 1H2025. The good performance of the industrial portfolio bodes well for a profitable and quick exit of these non-core assets.

Vacancies

Total vacancies, measured as a percentage of GLA, decreased from 4,0% at 30 June 2024 to 3,7% at 31 December 2024.

Sectoral vacancy	Based on GLA Dec 2024 %	Based on GLA Jun 2024 %	Based on rental Dec 2024 [#] %	Based on rental Jun 2024 [#] %
Total	3,7	4,0	3,1	3,4
Logistics – SA	1,5	1,8	1,5	1,5
Retail	1,1	1,7	1,1	1,4
Logistics – CEE	1,6	3,7	1,4	3,5
Industrial	10,3	8,9	9,8	8,9
Office	26,6	25,2	25,5	24,3
Other [^]	–	–	–	–

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

[#] Vacancy based on the gross rental (100% of GLA and value) of the building.

[^] Comprises residential units and serviced apartment properties.

Weighted average lease expiry

The WALE per sector, based on GLA, was as follows:

	Based on GLA Dec 2024 years	Based on GLA Jun 2024 years
Total	4,1	4,0
Logistics – SA	4,9	4,9
Retail	3,3	3,3
Logistics – CEE	5,0	5,1
Industrial	1,9	1,9
Office	2,0	1,8
Other [^]	0,2	0,8

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

[^] Comprises residential units and serviced apartment properties.

Property disposals

The reduction in interest rates is assisting us in exiting our non-core portfolio and we have seen renewed interest and an increase in activity in the South African real estate market. We have disposed of R809,5 million of non-core assets at a 3,3% premium to our book values during 1H2025.

Of the R199,7 million held for sale at 31 December 2024, a total of R155,5 million has subsequently been transferred.

The following properties have transferred since 30 June 2024:

Property name	Sector	Net proceeds R'000	Book value Jun 2024 R'000	Transfer date
Eastport Logistics Park – Teraco Land*	Land	133 250	133 250	Jul 24
Fourways Office Park*	Office	103 700	103 700	Jul 24
Kimberley Junction*	Retail	97 000	97 000	Jul 24
1 Setchel Road Roodekop*	Industrial	96 250	96 250	Jul 24
49 Ayrshire Road Longmeadow	Logistics	62 500	52 233	Oct 24
Chemserve Spartan	Industrial	54 000	44 733	Oct 24
Paradise and Corner House	Retail	48 000	50 000	Dec 24
1105 Anvil Road Robertville	Industrial	28 050	28 123	Sep 24
35 Reedbuck Crescent*	Logistics	25 450	25 450	Jul 24
Milkyway Road Crown Mines*	Logistics	25 000	25 000	Aug 24
11 Reedbuck Crescent Corporate Park	Logistics	23 000	19 611	Nov 24
146 Serenade Road Rustivia*	Logistics	21 000	21 000	Aug 24
8 Field Street Wilbart	Industrial	17 500	14 645	Oct 24
1338 Staal Road Stormill	Industrial	16 000	15 397	Sep 24
9 Reedbuck Crescent*	Logistics	13 800	13 800	Aug 24
71 Tsessebe Crescent*	Logistics	13 000	13 000	Aug 24
45 Director Road (previously 741 Megawatt Road)	Logistics	13 000	11 820	Oct 24
32 Mandy Road	Industrial	9 335	9 600	Dec 24
66 Booysen Street	Industrial	5 781	6 311	Dec 24
Lakeview Business Park 1	Industrial	3 850	2 917	Sep 24
		809 466	783 840	

* Held for sale at 30 June 2024.

The following properties were held for sale at 31 December 2024:

Property name	Sector	Net proceeds R'000	Book value Jun 2024 R'000	Transfer date
Rutherford Estate Scott Street	Office	72 500	70 000	Jan 25
Hobart Square*	Office	43 000	43 000	Jan 25
Centurion Office Park*	Office	40 000	40 000	Jan 25
68 Galaxy Avenue Linbro Park	Logistics	27 000	23 930	–
Turnberry Fourways Golf Park	Office	11 580	10 000	–
Lakeview Business Park 7	Industrial	5 600	4 232	–
		199 680	191 162	

* Held for sale at 30 June 2024.

– Not yet transferred.

Environmental, social and governance

Environmental

We generated 20 918MWh of renewable energy during 1H2025, compared to 9 111MWh during 1H2024. We anticipate our renewable energy penetration percentage to increase from 10% at 30 June 2024 to 18% by 30 June 2025. We spent a total of R431,5 million on our solar programme to 31 December 2024, with a further R95,0 million committed. We estimate a further spend of R137,5 million to complete the solar roll-out, in addition to current approved projects.

Social

As part of Fortress' ESG strategy, we continue to invest in skills programmes that assist young adults and enterprise development that supports owners of small, medium and micro enterprises. Our solution-driven initiatives are scalable, sustainable and aligned to 10 of the 17 United Nations Sustainable Development Goals in South Africa.

Our current B-BBEE rating is Level 2.

Governance

Jan Potgieter retired from the board on 3 December 2024. As a result, the following change to the function of a director and changes to the Fortress board sub-committees were made:

- Herman Bosman was appointed as lead independent director of Fortress and member of the property and investment committee; and
- Jon Hillary was appointed as chairman of the property and investment committee.

Robin Lockhart-Ross, our current chairman, has announced his retirement from the Fortress board after seven years, effective 30 June 2025. Herman Bosman will take over as chairman, effective 1 July 2025. We wish to thank Robin for guiding the business through many challenges over his tenure as chairman and wish him well with his future endeavours.

Ina Lopion will retire as an independent non-executive director of Fortress, chairperson of the risk committee and member of the property and investment committee with effect from 30 June 2025. Ina has served on the board since January 2019. The board thanks Ina for her valuable contribution to the company and wishes her well with her future endeavours.

Currency derivatives

We employ currency derivatives to hedge income expected from NEPI Rockcastle, as noted in the table below. Apart from these forward exchange contracts, we have no other material foreign currency derivatives.

Income from our NEPI Rockcastle investment is hedged in line with the following policy:

- Hedge 100% of the income projected to be received in the following 12 months;
- Hedge 67% of the income projected to be received in months 13 to 24; and
- Hedge 33% of the income projected to be received in months 25 to 36.

In line with this policy, the following forward exchange contracts are in place:

Forward rate against Rand	EUR
Dec 2024	20,54
Jun 2025	21,34
Dec 2025	21,40
Jun 2026	22,93
Dec 2026	22,67
Jun 2027	22,62
Dec 2027	22,54

Funding and liquidity – South Africa

During 1H2025, we issued a total of R1 087 million under our DMTN programme, split into a three-year note of R429 million and a five-year note of R658 million. A maturing note of R200 million was repaid in October 2024.

We refinanced expiring facilities of R1 billion with RMB during November 2024. The new facilities are for tenors of three years (R350 million), four years (R350 million) and five years (R300 million). All the Libfin facilities, totalling R700 million, were repaid during November 2024.

A maturing R500 million facility with Absa was refinanced in December 2024 for a period of three years. In addition, a new five-year facility of R500 million from Absa was accepted. Two Standard Bank facilities totalling R477 million were refinanced for a further five years.

The collar facility, secured with existing NEPI Rockcastle shares, entered into in April 2024, was drawn down to acquire an additional EUR100 million of NEPI Rockcastle

shares in October 2024 at a weighted average fixed interest rate of 3,66%.

At the date of this report, we have approximately R3,9 billion available under our existing South African facilities.

Existing South African facilities

Facility expiry	Amount R'million	Average margin over three-month JIBAR %
Jun 2025	812	2,02
Jun 2026	3 056	1,83
Jun 2027	6 896	1,81
Jun 2028	5 350	1,77
Jun 2029	3 101	1,74
Jun 2030	1 935	1,54
	21 150	1,78

The table excludes the EUR100 million collar facility.

Expiry profile – DMTN

The expiry dates of notes and bonds in issuance under our unsecured DMTN programme, included in the facility expiry profile above, are as follows:

Repayment date	Financial year	Amount R'million
Feb 2025	Jun 2025	450
Jun 2026	Jun 2026	380
Aug 2026	Jun 2027	905
Nov 2026	Jun 2027	250
Feb 2027	Jun 2027	500
Apr 2027	Jun 2027	409
Aug 2027	Jun 2028	350
Oct 2027	Jun 2028	429
Nov 2027	Jun 2028	500
Jun 2028	Jun 2028	420
Aug 2028	Jun 2029	600
Apr 2029	Jun 2029	491
Oct 2029	Jun 2030	658
		6 342

The South African facility expiry profile and DMTN expiry profile are reflected as at the date of this report.

Interest rate hedging

At the date of this report, the following interest rate derivatives are in place in mitigation of South African Rand interest rate risk:

Interest rate swap expiry	Amount R'million	Average swap rate %
Jun 2025	555	7,67
Jun 2026	2 039	7,01
Jun 2027	1 416	7,03
Jun 2028	989	6,78
Total: Group	4 999	7,04
Less: Non-controlling interest portion	(316)	(0,03)
Total: Fortress' economic interest	4 683	7,01

Interest rate cap expiry	Amount R'million	Average cap rate %
Jun 2025	700	7,50
Jun 2026	563	5,11
Jun 2027	1 925	6,23
Jun 2028	3 462	6,94
Jun 2029	2 800	7,67
Jun 2030	300	8,23
Jun 2031	1 200	8,11
	10 950	7,11

The combined weighted average swap and cap maturity profile is 2,71 years and the combined weighted average swap and cap rate is 7,09%.

The all-in weighted average cost of local funding of Fortress at 31 December 2024 was 9,48% (Jun 2024: 9,74%), based on the SA REIT BPR calculation methodology.

Exposure to and hedging of variable interest rates	Group R'000
Interest-bearing borrowings	22 017 855
Loans to co-owners	(217 156)
Cash and cash equivalents	(1 924 650)
Capital commitments contracted for	959 115
Capital commitments approved, not contracted	376 846
Investment property held for sale	(199 680)
Estimated proceeds from disposal of assets*	(426 208)
	20 586 122
Interest rate derivatives (swaps/caps) – SA [®]	15 633 000
Interest rate derivatives (swaps/caps) – CEE [®]	1 878 755
Total interest rate derivatives (swaps/caps)	17 511 755
Percentage hedged (%)	85,1

Information based on Fortress' economic interest in assets and liabilities and interest rate hedging instruments.

[®] At the date of this report.

* Capital commitments include amounts to be spent to complete current developments. We have an established asset disposal programme, and in order to match capital commitments with proceeds from disposals, an assumption of asset sales is made for this purpose.

[®] Converted at the 31 December 2024 spot exchange rate of EUR/ZAR19,55.

Funding and liquidity – CEE

A new EUR10 million facility with a tenor of four years was entered into with Standard Bank Isle of Man during 1H2025, with a maturing Unicredit facility in Romania of EUR6 million being repaid. At 31 December 2024, our total Euro debt facilities for our CEE portfolio consist of EUR81 million, with an average margin over three-month EURIBOR of 2,29% and maturities in the 2026, 2028 and 2029 financial years.

After 31 December 2024, we entered into a new term loan facility of EUR57 million with ING, secured by a portfolio of logistics parks in CEE, two in Poland and one in Romania. The proceeds were used to settle the existing debt against these assets, a portion of the Standard Bank loan, as well as for the acquisition of the property in Gdańsk, Poland. The margin charged on the new debt over three-month EURIBOR is 2,25% and we have hedged 100% of the variable rate at a fixed base rate of 2,22% through an interest rate swap for a period of five years. The total interest charge on this debt of 4,47% for interest-only term debt, with no credit support from holding companies, is attractive. Following the latest acquisition and refinancing after 31 December 2024, the CEE portfolio has an LTV of approximately 45%.

Our foreign interest rate exposure is hedged through Euro interest rate swaps and caps of EUR50,1 million with an average expiry of 3,6 years at 31 December 2024. The weighted average hedge rate was 1,5% at 31 December 2024.

The all-in weighted average cost of total Euro-denominated debt at 31 December 2024 was 3,95% (Jun 2024: 4,81%) based on the SA REIT BPR methodology.

Subsequent to 31 December 2024, we entered into new Euro interest rate swaps with a nominal amount of EUR57 million, and terminated Euro interest rate swaps with a nominal amount of EUR11 million, with the effect that the combined weighted average Euro swap and cap maturity profile is 4,7 years and the combined weighted average Euro swap and cap rate is 2,11%.

Prospects

We previously communicated that our distributable earnings for the year ending 30 June 2025 would be approximately R1,780 billion. We revise this previous guidance to approximately R1,925 billion for FY2025, following better-than-expected operational results and a reduction in interest rates not previously forecast. Our forecast distributable earnings for FY2025 represent 159,84 cents per share, which is 24,0% higher than the normalised distributable earnings for FY2024. Further detail is presented in the table below.

	1H2024 (actual)	2H2024 (actual)	FY2024 (actual)	1H2025 (actual)	2H2025 (forecast)	FY2025 (revised forecast)	Annual change
Total distributable earnings (R'000)	952 868	835 637	1 788 505	917 095	1 007 905	1 925 000	7,6%
Shares in issue (net of treasury shares)	1 169 980 307	1 190 536 893	1 190 536 893	1 204 291 830	1 204 291 830	1 204 291 830	
Distributable earnings per share (cents)	81,44	70,19	151,63*	76,15	83,69	159,84	5,4%

* Sum of the 1H2024 and 2H2024 actual distributable earnings per share.

Normalisation adjustments	1H2024 (normalised)	2H2024 (actual)	FY2024 (normalised actual)	1H2025 (actual)	2H2025 (forecast)	FY2025 (revised forecast)	Annual change
Exclusion of dividend on 53 134 372 NEPI Rockcastle shares (R'000) received in September 2023*	(266 365)	–	(266 365)	–	–	–	
Adjusted total distributable earnings (R'000) (normalised for the effects of the SOA)	686 503	835 637	1 522 140	917 095	1 007 905	1 925 000	26,5%
Adjusted distributable earnings per share (cents) (normalised for the effects of the SOA)	58,68	70,19	128,87	76,15	83,69	159,84	24,0%

* The 53 134 372 NEPI Rockcastle shares were used to fund the buy-back of all the Fortress B ordinary shares in issue at the time of implementation of the SOA. The adjustment includes related foreign currency hedges on this income.

This forecast is based on the following assumptions:

Fortress-specific assumptions

- 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;
- There is no unforeseen failure of material tenants in our portfolio;
- Contractual escalations and market-related renewals will be achieved with no major change in vacancy rates; and
- Tenants will be able to absorb the recovery of rising utility costs and municipal rates.

Macroeconomic and regulatory assumptions

- There is no unforeseen material macroeconomic deterioration in the markets in which Fortress has exposure;
- There are no unforeseen adverse socio-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 forecast and normalisation adjustments, including the assumptions on which they are based and the financial information from which they have been prepared, are the responsibility of the directors of the company. The forecast and normalisation adjustments have not been reviewed or reported on by the company's external auditor.

By order of the board

Steven Brown
CEO

Ian Vorster
CFO

Johannesburg
27 February 2025

Consolidated statement of financial position

at 31 December 2024

	Unaudited Dec 2024 R'000	Audited Jun 2024 R'000	Unaudited Dec 2023 R'000
Assets			
Non-current assets	51 578 990	49 464 494	55 995 748
Investment property	32 175 133	31 740 049	29 711 725
Straight-lining of rental revenue adjustment	713 548	609 504	548 447
Investment property under development	1 633 488	1 657 755	3 344 886
Property	24 422	24 422	25 326
Investment in listed equity	15 982 986	–	–
Investment in and loans to associates	823 387	14 990 246	21 014 094
Staff scheme loans	–	–	77 834
Investment in BEE preference shares	–	–	455 806
Deferred tax	226 026	442 518	817 630
Current assets	3 231 353	3 514 839	1 627 995
Staff scheme loans	–	–	16 088
Trade and other receivables	1 306 175	1 326 412	1 344 357
Cash and cash equivalents	1 925 178	2 188 427	267 550
Non-current assets held for sale	199 680	611 450	482 124
Investment property and investment property under development held for sale	197 798	607 547	480 376
Straight-lining of rental revenue adjustment	1 882	3 903	1 748
Total assets	55 010 023	53 590 783	58 105 867
Equity and liabilities			
Total equity attributable to equity holders	30 010 030	29 865 807	36 363 959
Stated capital	36 679 018	36 679 208	44 307 010
Treasury shares	–	–	(776 151)
Currency translation reserve	353 038	631 081	717 426
Reserves	(7 022 026)	(7 444 482)	(7 884 326)
Non-controlling interests	198 154	199 430	184 855
Total equity	30 208 184	30 065 237	36 548 814
Total liabilities	24 801 839	23 525 546	21 557 053
Non-current liabilities	20 078 484	17 530 940	17 271 829
Interest-bearing borrowings	19 420 862	16 968 561	16 850 304
Deferred tax	657 622	562 379	421 525
Current liabilities	4 723 355	5 994 606	4 285 224
Trade and other payables	1 436 530	1 282 898	1 294 964
Income tax payable	82 214	109 346	142 492
Interest-bearing borrowings	3 204 611	4 602 362	2 847 768
Total equity and liabilities	55 010 023	53 590 783	58 105 867

Consolidated statement of comprehensive income

for the six months ended 31 December 2024

	Unaudited for the six months ended Dec 2024 R'000	Audited for the year ended Jun 2024 R'000	Unaudited for the six months ended Dec 2023 R'000
Recoveries and contractual rental revenue	2 252 260	4 270 852	2 091 042
Straight-lining of rental revenue adjustment	101 705	112 655	48 725
Revenue from direct property operations	2 353 965	4 383 507	2 139 767
Revenue from investments	580 281	–	–
Total revenue	2 934 246	4 383 507	2 139 767
Fair value (loss)/gain on investment property, investments and derivative financial instruments	(852 766)	597 539	174 237
Fair value gain on investment property	87 311	637 063	287 862
Adjustment resulting from straight-lining of rental revenue	(101 705)	(112 655)	(48 725)
Fair value (loss)/gain on investments	(662 899)	159 250	130 964
Fair value loss on derivative financial instruments	(175 473)	(86 119)	(195 864)
Property operating expenses	(909 153)	(1 764 773)	(891 419)
Administrative expenses	(137 060)	(238 357)	(123 142)
Reversal of impairment of staff scheme loans	–	6 831	10 899
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme	(86 459)	(93 791)	(73 769)
Reversal of impairment of investments in associates	1 388 641	2 520 182	2 370 332
Reclassification of foreign currency translation reserve on deemed disposal of associate	313 553	–	–
Foreign exchange (loss)/gain	(49 900)	13 401	6 428
Loss on sale of interest in associate	–	(63 908)	–
Income from associates	37 330	2 129 673	1 078 803
– Distributable	30 162	1 473 800	868 416
– Non-distributable	7 168	655 873	210 387

Consolidated statement of comprehensive income continued

for the six months ended 31 December 2024

	Unaudited for the six months ended Dec 2024 R'000	Audited for the year ended Jun 2024 R'000	Unaudited for the six months ended Dec 2023 R'000
Profit before net finance costs	2 638 432	7 490 304	4 692 136
Net finance costs	(904 647)	(1 806 186)	(897 967)
Finance income	57 993	58 275	23 225
– Interest on staff scheme and other interest received	57 993	58 275	23 225
Finance costs	(962 640)	(1 864 461)	(921 192)
– Interest on borrowings	(992 129)	(2 014 471)	(989 445)
– Capitalised interest	29 489	150 010	68 253
Profit before income tax	1 733 785	5 684 118	3 794 169
Income tax	(349 199)	(1 337 888)	(837 599)
Profit for the period	1 384 586	4 346 230	2 956 570
Other comprehensive income net of tax			
Exchange gain/(loss) on translation of associates and subsidiaries	35 510	(88 297)	(1 952)
Total comprehensive income for the period	1 420 096	4 257 933	2 954 618
Profit for the period attributable to:			
Equity holders of the company	1 383 762	4 332 680	2 960 885
Non-controlling interests	824	13 550	(4 315)
	1 384 586	4 346 230	2 956 570
Total comprehensive income for the period attributable to:			
Equity holders of the company	1 419 272	4 244 383	2 958 933
Non-controlling interests	824	13 550	(4 315)
	1 420 096	4 257 933	2 954 618
Basic earnings per FFA share (cents)	–	–	140,12
Basic earnings per FFB share (cents)	116,54	370,03	140,12
Diluted earnings per FFA share (cents)	–	–	139,06
Diluted earnings per FFB share (cents)	115,89	365,67	139,06

Consolidated statement of cash flows

for the six months ended 31 December 2024

	Unaudited for the six months ended Dec 2024 R'000	Audited for the year ended Jun 2024 R'000	Re-presented* Unaudited for the six months ended Dec 2023 R'000
Operating activities			
Cash generated from operations	1 701 154	3 113 210	1 270 488
Interest on staff scheme and other interest received	57 993	31 793	7 137
Interest on borrowings (excluding capitalised interest)	(932 948)	(1 884 238)	(914 189)
Dividends paid	(205 474)	(633 518)	(257)
Income tax paid	(66 199)	(49 179)	(36 658)
Cash inflow from operating activities	554 526	578 068	326 521
Investing activities			
Development and improvement of investment property	(771 000)	(2 300 340)	(1 402 768)
Capitalised interest paid on development of investment property	(29 489)	(150 010)	(68 253)
Acquisition of investment property	–	(500 000)	(500 000)
Proceeds from disposal of investment property	809 466	1 690 426	1 015 067
Acquisition of investment	(1 916 115)	–	–
Loan to associate repaid	18 670	38 429	21 073
Cash inflow from derivative financial instruments	–	–	11 756
Cash inflow/(outflow) from currency derivatives	13 857	(66 609)	–
Cash inflow from interest rate derivatives	87 307	133 415	–
Cash outflow from investing activities	(1 787 304)	(1 154 689)	(923 125)
Financing activities			
Interest-bearing borrowings raised and drawn*	4 076 701	3 914 664	2 509 716
Interest-bearing borrowings repaid*	(3 106 982)	(1 308 677)	(1 854 013)
Share issue costs/scheme arrangement capitalised costs	(190)	(49 390)	–
Cash inflow from financing activities	969 529	2 556 597	655 703
(Decrease)/increase in cash and cash equivalents	(263 249)	1 979 976	59 099
Cash and cash equivalents at the beginning of the period	2 188 427	208 451	208 451
Cash and cash equivalents at the end of the period	1 925 178	2 188 427	267 550
Cash and cash equivalents consist of:			
Current accounts	1 898 286	2 151 769	253 524
Restricted cash [#]	26 892	36 658	14 026

* The Dec 2023 column of the statement of cash flows has been re-presented to reflect gross movements in respect of interest-bearing borrowings in accordance with IAS 7.22-24. The statement of cash flows in the Dec 2023 financial statements previously reported the net movement thereon. Gross movements for this period are now disclosed as interest-bearing borrowings raised and drawn of R2 509 716 000 (cash inflow) and interest-bearing borrowings repaid of R1 854 013 000 (cash outflow), whereas previously this was disclosed as net interest-bearing borrowings raised of R655 703 000 (cash inflow). This re-presentation had no effect on the increase/(decrease) in the cash and cash equivalents for the Dec 2023 period.

[#] Relates to amounts placed in escrow for building contracts undertaken in CEE.

Consolidated statement of changes in equity

for the six months ended 31 December 2024

	Stated capital R'000	Treasury shares R'000	Currency translation reserve R'000	Reserves R'000	Equity attributable to equity holders R'000	Non-controlling interests R'000	Total equity R'000
GROUP							
Balance at 30 Jun 2023	45 571 743	(2 040 884)	719 378	(10 919 847)	33 330 390	189 427	33 519 817
Profit for the period				2 960 885	2 960 885	(4 315)	2 956 570
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme				55 233	55 233		55 233
Cancellation of FFA and FFB treasury shares	(1 264 733)	1 264 733			–		–
Additional equity reserves in associate through scrip election – NEPI Rockcastle N.V.				19 403	19 403		19 403
Exchange loss on translation of associate and subsidiaries			(1 952)		(1 952)		(1 952)
Dividends paid					–	(257)	(257)
Balance at 31 Dec 2023	44 307 010	(776 151)	717 426	(7 884 326)	36 363 959	184 855	36 548 814
Profit for the period				1 371 795	1 371 795	17 865	1 389 660
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme				20 022	20 022		20 022
Earnings distribution – scrip issue	322 002				322 002		322 002
Scheme of arrangement FFB repurchase	(7 900 414)	776 151			(7 124 263)		(7 124 263)
Scheme of arrangement capitalised costs	(49 390)				(49 390)		(49 390)
Exchange loss on translation of associate and subsidiaries			(86 345)		(86 345)		(86 345)
Dividends paid				(951 973)	(951 973)	(3 290)	(955 263)
Balance at 30 Jun 2024	36 679 208	–	631 081	(7 444 482)	29 865 807	199 430	30 065 237
Profit for the period				1 383 762	1 383 762	824	1 384 586
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme	(190)			86 459	86 269		86 269
Reclassification of foreign currency translation reserve on deemed disposal of associate			(313 553)		(313 553)		(313 553)
Exchange gain on translation of subsidiaries			35 510		35 510		35 510
Dividends paid				(1 047 765)	(1 047 765)	(2 100)	(1 049 865)
Balance at 31 Dec 2024	36 679 018	–	353 038	(7 022 026)	30 010 030	198 154	30 208 184

Notes

1. Preparation and accounting policies

The condensed unaudited consolidated interim financial statements for the six months ended 31 December 2024 have been prepared in accordance with and contain the information required by IAS 34: *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements, JSE Debt and Specialist Securities Requirements, SA REIT Association Best Practice Recommendations and the requirements of the Companies Act.

This report was compiled under the supervision of Ian Vorster CA(SA), the financial director and CFO of Fortress. The accounting policies applied in the preparation of the condensed unaudited consolidated interim financial statements are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements with the exception of new and revised standards which became effective during the period. Standards which became effective in the current reporting period had no material effect on previously reported results, nor on the condensed unaudited consolidated interim financial statements for the six months ended 31 December 2024.

The group's investment properties are valued externally by independent valuers at each financial year-end, other than investment properties under development. The fair value of investment properties under development is determined internally by the directors for year-end reporting periods, and is assumed to be the cost thereof, unless market factors indicate that the fair value of investment properties under development is materially different to the carrying value, in which case an internal valuation is performed, and investment properties under development are revalued to fair value.

Investment properties are not revalued for interim reporting purposes, other than by exception, based on a review by the directors of the portfolio of investment properties and investment properties under development to identify those properties where the value thereof is expected to have materially changed, due to market conditions and specific known factors. For those properties identified, internal or external valuations, as appropriate, are obtained or performed by the directors and those properties are revalued for interim reporting periods. Sold and held for sale properties are revalued to their net sales proceeds.

1. Preparation and accounting policies continued

In terms of IAS 40: *Investment Property* and IFRS 7: *Financial Instruments: Disclosures*, investment properties are measured at fair value and are categorised as a level 3 fair value measurement. The revaluation of investment properties requires judgement in the determination of future cash flows from leases and application of an appropriate capitalisation rate and discount rate. Key valuation assumptions and sensitivities applicable to year-end valuations are disclosed in the annual financial statements.

In terms of IFRS 9 and IFRS 7, the group's currency and interest rate derivatives, as well as the investment in BEE preference shares, are measured at fair value through profit or loss and are categorised as a level 2 fair value measurement. There were no transfers between levels 1, 2 and 3 during the period. The valuation methods applied are consistent with those applied in preparing the previous consolidated annual financial statements.

The investment in NEPI Rockcastle was previously accounted for as an investment in associate in terms of the equity method. IAS 28: *Investments in Associates and Joint Ventures* includes the rebuttable assumption that a holding of 20% or more in an entity is presumed to result in significant influence. While Fortress' investment in NEPI Rockcastle at 30 June 2024 of 16,34% was below 20%, significant influence over NEPI Rockcastle was assumed at the time, given its seat on the NEPI Rockcastle board and the significance of its individual shareholder voting bloc.

Fortress changed its strategy and intention regarding its investment in NEPI Rockcastle post year-end, evidenced by the board's decision to offer Fortress shareholders the option to receive NEPI Rockcastle shares as a dividend *in specie* in August 2024, resulting in a reduction in the investment in NEPI Rockcastle. This change necessitated a revision of Fortress' assessment of the accounting of NEPI Rockcastle in terms of IAS 28. Consequently, NEPI Rockcastle is now accounted for as a financial asset, carried at fair value, in terms of IFRS 9: *Financial Instruments* and is categorised as a level 1 fair value measurement.

These condensed unaudited consolidated interim financial statements for the period ended 31 December 2024 have not been audited or reviewed by Fortress' auditor.

2. Subsequent events

The directors are not aware of any other events subsequent to 31 December 2024, not arising in the normal course of business, which are likely to have a material effect on the financial information contained in this report, other than the following:

- Fortress raised EUR57 million of debt with ING for five years, with approximately EUR20 million used to repay the debt from Unicredit and BNP Paribas in January 2025;
- In February 2025, Fortress acquired a partially completed logistics park in Gdańsk, Poland. Refer to page 9 – Direct property portfolio (CEE) for further details thereon.

3. Lease expiry profile

Based on	Rentable area %	Contractual rental revenue %
Vacant	3,7	–
Jun 2025	13,4	11,1
Jun 2026	15,8	14,1
Jun 2027	14,3	13,2
Jun 2028	10,9	11,5
Jun 2029	11,1	11,9
> Jun 2029	30,8	38,2
Grand total	100,0	100,0

4. Segmental analysis

	Unaudited for the six months ended Dec 2024 R'000	Audited for the year ended Jun 2024 R'000	Unaudited for the six months ended Dec 2023 R'000
Total revenue			
Retail	782 854	1 493 857	719 727
Logistics – SA	1 051 431	1 832 101	890 891
Industrial	271 930	594 888	297 992
Offices	84 830	213 220	111 995
Other [#]	27 671	53 397	26 799
Logistics – CEE	135 249	196 044	92 363
Corporate	580 281	–	–
Total	2 934 246	4 383 507	2 139 767
Profit/(loss) after tax			
Retail	474 114	1 066 842	436 636
Logistics – SA	743 702	1 829 852	867 153
Industrial	122 005	243 940	146 369
Offices	37 715	(42 828)	(5 162)
Other [#]	19 700	40 346	11 652
Logistics – CEE	72 256	104 344	65 150
Corporate	(84 906)	1 103 734	1 434 772
Total	1 384 586	4 346 230	2 956 570
Total assets			
Retail	10 831 904	10 745 244	10 512 465
Logistics – SA	16 992 648	16 924 554	16 200 654
Industrial	2 782 046	3 011 572	3 259 194
Offices	1 120 871	1 236 204	1 565 975
Other [#]	355 268	355 555	351 048
Logistics – CEE	4 003 508	3 593 297	3 426 112
Corporate	18 923 778	17 724 357	22 790 419
Total	55 010 023	53 590 783	58 105 867

[#] Comprises residential units and serviced apartment properties.

5. Earnings and headline earnings per share

Reconciliation of profit for the period to headline (loss)/earnings

	Unaudited for the six months ended Dec 2024 R'000	Audited for the year ended Jun 2024 R'000	Unaudited for the six months ended Dec 2023 R'000
Basic earnings for the period attributable to equity holders	1 383 762	4 332 680	2 960 885
Adjusted for:	(1 385 446)	(2 915 685)	(2 339 262)
– Fair value loss/(gain) on investment property (including straight-lining adjustment)	14 394	(524 408)	(239 137)
– Current period income tax effects in respect of investment property	13 016	180 627	21 213
– Reversal of impairment of investment in associate	(1 388 641)	(2 520 182)	(2 370 332)
– Current period income tax effects in respect of investment in associate	299 946	544 359	511 992
– Fair value gain on investment property of associates	(13 531)	(785 651)	(315 581)
– Income tax effect	2 923	125 662	52 583
– Reclassification of foreign currency translation reserve on deemed disposal of associate	(313 553)	–	–
– Loss on sale of interest in associate	–	63 908	–
Headline (loss)/earnings	(1 684)	1 416 995	621 623

Basic earnings, diluted earnings, headline earnings and diluted headline earnings attributable to the FFA and FFB classes of ordinary shares, respectively, are determined as follows for purposes of calculating earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share.

For each of the FFA and FFB classes of shares:

- Any dividends paid in the relevant financial period are first allocated to the relevant class of shares;
- Thereafter, any residual basic earnings/(loss), diluted earnings/(loss), headline earnings/(loss) and diluted headline earnings/(loss) of the company, not yet allocated by way of dividends paid in the period, are allocated to each FFA and FFB share on a *pari passu* basis; and
- The application of IAS 33: *Earnings per Share*, paragraph A14, results in the allocation of earnings to each class of ordinary shares, firstly by the allocation of dividends paid in the financial period to a particular class of shares, and thereafter, by the allocation of residual earnings by the participation feature of each class of shares, as if all the profit or loss for the period had been distributed. The Fortress MOI provides that other than (i) a distribution of income, if declared; (ii) capital participation rights of redemption of the FFA shares; or (iii) capital participation rights on winding up of the company, the FFA and the FFB shares rank *pari passu*.

Therefore, in the absence of events i, ii and iii, the *pari passu* principle for each FFA share and each FFB share has been applied as the participation feature in the allocation of any residual earnings/(loss).

It should be noted that the resultant basic earnings, diluted earnings, headline earnings and diluted headline earnings attributable to FFA and FFB shares, calculated in accordance with IAS 33.A14, do not represent distributable earnings, nor the FFA dividend benchmark.

5. Earnings and headline earnings per share continued

Reconciliation of profit for the period to headline (loss)/earnings continued

Allocation of basic and headline earnings to FFA and FFB shares

	Unaudited for the six months ended Dec 2024 R'000	Audited for the year ended Jun 2024 R'000	Unaudited for the six months ended Dec 2023 R'000
Basic earnings for the period attributable to equity holders			
Dividends paid to FFA shareholders in the financial period	–	–	–
Residual basic earnings to be split <i>pari passu</i> per FFA and FFB share*	–	–	1 636 853
Total FFA basic earnings	–	–	1 636 853
Dividends paid to FFB shareholders in the financial period	–	952 868 [^]	–
Residual basic earnings to be split <i>pari passu</i> per FFA and FFB share*	1 383 762	3 379 812	1 324 032
Total FFB basic earnings	1 383 762	4 332 680	1 324 032
Total FFA and FFB basic earnings	1 383 762	4 332 680	2 960 885
Headline earnings for the period attributable to equity holders			
Dividends paid to FFA shareholders in the financial period	–	–	–
Residual headline earnings to be split <i>pari passu</i> per FFA and FFB share*	–	–	343 649
Total FFA headline earnings	–	–	343 649
Dividends paid to FFB shareholders in the financial period	–	952 868 [^]	–
Residual headline (loss)/earnings to be split <i>pari passu</i> per FFA and FFB share*	(1 684)	464 127	277 974
Total FFB headline earnings	(1 684)	1 416 995	277 974
Total FFA and FFB headline (loss)/earnings	(1 684)	1 416 995	621 623

[^] Interim dividend declared in 1H2024, paid in 2H2024.

* Residual value of earnings not distributed by way of a dividend is split on a *pari passu* basis between the total weighted average number of FFA shares and FFB shares in issue for the period.

5. Earnings and headline earnings per share continued

Allocation of diluted earnings and diluted headline earnings to FFA and FFB shares

	Unaudited for the six months ended Dec 2024 R'000	Audited for the year ended Jun 2024 R'000	Unaudited for the six months ended Dec 2023 R'000
Diluted earnings for the period attributable to equity holders			
Dividends paid to FFA shareholders in the financial period	–	–	–
Residual diluted earnings to be split <i>pari passu</i> per FFA and FFB share**	–	–	1 634 308
Total FFA diluted earnings	–	–	1 634 308
Dividends paid to FFB shareholders in the financial period	–	952 868 [^]	–
Residual diluted earnings to be split <i>pari passu</i> per FFA and FFB share**	1 383 762	3 379 812	1 326 577
Total FFB diluted earnings	1 383 762	4 332 680	1 326 577
Total FFA and FFB diluted earnings	1 383 762	4 332 680	2 960 885
Diluted headline earnings for the period attributable to equity holders			
Dividends paid to FFA shareholders in the financial period	–	–	–
Residual diluted headline earnings to be split <i>pari passu</i> per FFA and FFB share**	–	–	343 115
Total FFA diluted headline earnings	–	–	343 115
Dividends paid to FFB shareholders in the financial period	–	952 868 [^]	–
Residual diluted headline (loss)/earnings to be split <i>pari passu</i> per FFA and FFB share**	(1 684)	464 127	278 508
Total FFB diluted headline (loss)/earnings	(1 684)	1 416 995	278 508
Total FFA and FFB diluted headline (loss)/earnings	(1 684)	1 416 995	621 623

[^] Interim dividend declared in 1H2024, paid in 2H2024.

** Residual value of earnings not distributed by way of a dividend is split on a *pari passu* basis between the total diluted weighted average number of FFA shares and FFB shares in issue for the period.

5. Earnings and headline earnings per share continued

Basic earnings, diluted earnings, headline earnings and diluted headline earnings per share

	Unaudited for the six months ended Dec 2024 R'000	Audited for the year ended Jun 2024 R'000	Unaudited for the six months ended Dec 2023 R'000
Basic earnings per FFA share (cents)		–	140,12
Basic earnings per FFB share (cents)	116,54	370,03	140,12
Diluted earnings per FFA share (cents)		–	139,06
Diluted earnings per FFB share (cents)	115,89	365,67	139,06
Headline earnings per FFA share (cents)		–	29,42
Headline (loss)/earnings per FFB share (cents)	(0,14)	121,02	29,42
Diluted headline earnings per FFA share (cents)		–	29,19
Diluted headline (loss)/earnings per FFB share (cents)	(0,14)	119,59	29,19

5. Earnings and headline earnings per share continued

Weighted average number of shares

Basic earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share are based on the following weighted average shares in issue during the period:

	Unaudited for the six months ended Dec 2024 R'000	Audited for the year ended Jun 2024 R'000	Unaudited for the six months ended Dec 2023 R'000
Weighted average number of shares			
– FFA shares	–	–	1 168 193 577
– FFB shares	1 187 332 532	1 170 894 954	944 939 286
Total weighted average number of FFA and FFB shares used in basic and headline earnings per share calculations (applicable to the residual basic and headline earnings)	1 187 332 532	1 170 894 954	2 113 132 863
Diluted weighted average number of shares			
– FFA shares	–	–	1 175 280 101
– FFB shares	1 194 066 018	1 184 875 325	953 981 366
Total weighted average number of FFA and FFB shares used in diluted earnings and diluted headline earnings per share calculations (applicable to the residual diluted earnings and diluted headline earnings)	1 194 066 018	1 184 875 325	2 129 261 467
Reconciliation of weighted average number of shares – FFA shares			
Weighted average number of shares used in calculation of basic and headline earnings per share	–	–	1 168 193 577
CSP share scheme award – dilutive shares	–	–	7 086 524
Diluted weighted average number of shares used in calculation of diluted earnings and diluted headline earnings per share	–	–	1 175 280 101
Reconciliation of weighted average number of shares – FFB shares			
Weighted average number of shares used in calculation of basic and headline earnings per share	1 187 332 532	1 170 894 954	944 939 286
CSP share scheme award – dilutive shares	6 733 486	13 980 371	9 042 080
Diluted weighted average number of shares used in calculation of diluted earnings and diluted headline earnings per share	1 194 066 018	1 184 875 325	953 981 366

5. Earnings and headline earnings per share continued

Weighted average number of shares continued

Earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share are calculated on the following basis per IAS 33: *Earnings per Share*, paragraph A14, whereby the allocation of earnings to each class of ordinary shares in issue is firstly by the allocation of dividends paid in the financial period to a particular class of shares, and thereafter, by the allocation of residual earnings for a participation feature of each class of shares, as if all the profit or loss for the period had been distributed. The Fortress MOI provides that other than (i) a distribution of income, if declared; (ii) capital participation rights on redemption of the FFA shares; or (iii) capital participation rights on winding up of the company, the FFA and the FFB shares rank *pari passu*. Therefore, in the absence of events i, ii or iii, the *pari passu* principle for each FFA share and each FFB share has been applied as the participation feature in the allocation of any residual earnings/(loss).

In January 2024, shareholders approved the SOA, authorising the repurchase of all FFB shares in issue at the time and simultaneously the conversion of all FFA shares then in issue into FFB shares. Consequently, since implementation of the SOA in February 2024, there are only FFB shares in issue.

6. Reconciliation of profit for the period to amount available for distribution

	Unaudited for the six months ended Dec 2024 R'000	Audited for the year ended Jun 2024 R'000	Unaudited for the six months ended Dec 2023 R'000
Profit for the period	1 384 586	4 346 230	2 956 570
Fair value gain on investment property	(87 311)	(637 063)	(287 862)
Fair value loss/(gain) on investments	662 899	(159 250)	(130 964)
Fair value loss on derivative financial instruments	175 473	86 119	195 864
Reversal of impairment of staff scheme loans	–	(6 831)	(10 899)
Reversal of impairment of investments in associates	(1 388 641)	(2 520 182)	(2 370 332)
Reclassification of foreign currency translation reserve on deemed disposal of associate	(313 553)	–	–
Loss on sale of interest in associate	–	63 908	–
Non-distributable income from associates	(7 168)	(655 873)	(210 387)
Interest received on LTIP (reversed for IFRS 2 charge)	–	6 743	3 467
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme	86 459	93 791	73 769
Deferred tax	310 134	1 324 965	804 052
Dividend withholding tax	9 550	–	–
Non-controlling interests	(4 656)	(6 199)	356
Antecedent dividend	5 179	9 144	–
Unrealised exchange loss/(gain)	50 010	(14 245)	(6 941)
Realised exchange loss – capital	44	–	–
Staff scheme interest limitation	–	(37 811)	(19 555)
Foreign dividend hedging	13 857	(66 609)	(40 066)
Interest rate derivatives	49 722	111 678	64 049
Capitalised interest limitation	(29 489)	(150 010)	(68 253)
Amount available for distribution	917 095	1 788 505	952 868
Amount available for interim distribution – first income period	917 095	952 868	952 868
Amount available for final distribution – second income period	–	835 637	–
	917 095	1 788 505	952 868
Less: interim dividend declared	(917 095)	(952 868)	(952 868)
– FFA shares	–	–	–
– FFB shares	(917 095)	(952 868)	(952 868)
Less: final dividend declared	–	(835 637)	–
– FFA shares	–	–	–
– FFB shares	–	(835 637)	–
Amount available for distribution retained by Fortress	–	–	–

Annexure 1

SA REIT Best Practice disclosure

SA REIT FFO	Dec 2024 R'000	Jun 2024 R'000	Dec 2023 R'000
Profit for the period attributable to equity holders	1 383 762	4 332 680	2 960 885
Adjusted for:			
Accounting/specific adjustments:	(475 377)	(1 916 789)	(2 010 404)
Fair value adjustments to:			
– Investment property	14 394	(524 408)	(239 137)
– Fair value loss/(gain) on investments	662 899	(159 250)	(130 964)
– Reversal of impairment of staff scheme loans	–	(6 831)	(10 899)
– Reversal of impairment of investments in associate	(1 388 641)	(2 520 182)	(2 370 332)
– Deferred tax movement recognised in profit or loss	310 134	1 324 965	804 052
– Straight-lining operating lease adjustment	(101 705)	(112 655)	(48 725)
– Dividend accrual	27 542	81 572	(14 399)
Adjustments arising from investing activities:	–	63 908	–
– Loss on sale of interest in associate	–	63 908	–
Foreign exchange and hedging items:	(24 447)	116 943	212 906
– Fair value adjustments on derivative financial instruments employed solely for hedging purposes	63 579	45 069	23 983
– Reclassification of foreign currency translation reserve on deemed disposal of associate	(313 553)	–	–
– Adjustments to amounts recognised in profit or loss relating to derivative financial instruments	175 473	86 119	195 864
– Foreign exchange losses/(gains) relating to capital items – realised and unrealised	50 054	(14 245)	(6 941)
Other adjustments:	(5 821)	(639 378)	(214 346)
– Non-distributable income from associates	(7 168)	(655 873)	(210 387)
– Antecedent dividend	5 179	9 144	–
– Non-controlling interests in respect of the above adjustments	(3 832)	7 351	(3 959)
SA REIT FFO	878 117	1 957 364	949 041

SA REIT FFO	Dec 2024 R'000	Jun 2024 R'000	Dec 2023 R'000
Company-specific adjustments	38 978	(168 859)	3 827
– Interest received on LTIP (reversed for IFRS 2 charge)	–	6 743	3 467
– IFRS 2: <i>Share-based Payment</i> – employee incentive scheme	86 459	93 791	73 769
– Dividend accrual	(27 542)	(81 572)	14 399
– Dividend withholding tax	9 550	–	–
– Staff scheme interest limitation	–	(37 811)	(19 555)
– Capitalised interest	(29 489)	(150 010)	(68 253)
Fortress' amount available for distribution	917 095	1 788 505	952 868
Number of shares outstanding at the end of the period (net of treasury shares and LTIP Purchase Shares)	1 204 291 830	1 190 536 893	2 180 904 113
FFA	–	–	1 169 980 307
FFB	1 204 291 830	1 190 536 893	1 010 923 806 [#]

[#] Excludes 64 197 790 FFB shares held by Fortress Empowerment 2 and Fortress Empowerment 4, which are consolidated and treated as treasury shares for IFRS purposes.

SA REIT NAV	Dec 2024 R'000	Jun 2024 R'000	Dec 2023 R'000
Reported NAV attributable to the parent	30 010 030	29 865 807	36 363 959
Adjustments:			
– Dividend to be declared (net of treasury shares)	(917 095)	(835 637)	(952 868)
– Fair value of certain derivative financial instruments	(148 559)	(425 197)	(370 502)
– Deferred tax	431 596	119 861	(396 105)
SA REIT NAV	29 375 972	28 724 834	34 644 484
Shares outstanding			
Number of shares in issue at period-end (net of treasury shares)	1 204 291 830	1 190 536 893	2 116 706 323
Effect of dilutive instruments (options, convertibles and equity interests)	6 733 486	13 980 371	16 128 604
Dilutive number of shares in issue	1 211 025 316	1 204 517 264	2 132 834 927
SA REIT NAV per share (Rand)	24,26	23,85	16,24

SA REIT LTV	Dec 2024 R'000	Jun 2024 R'000	Dec 2023 R'000
Gross debt	22 625 473	21 570 923	19 698 072
Less:			
– Cash and cash equivalents	(1 925 178)	(2 188 427)	(267 550)
Less:			
– Derivative financial instruments	(148 559)	(425 197)	(370 502)
Net debt	20 551 736	18 957 299	19 060 020
Total assets per statement of financial position	55 010 023	53 590 783	58 105 867
Less:			
– Cash and cash equivalents	(1 925 178)	(2 188 427)	(267 550)
– Derivative financial assets	(508 808)	(693 141)	(626 185)
– Trade and other receivables	(797 367)	(633 271)	(718 172)
– Intangible assets – deferred tax asset	(226 026)	(442 518)	(817 630)
Carrying amount of property-related assets	51 552 644	49 633 426	55 676 330
SA REIT LTV (%)	39,87	38,19	34,23

SA REIT cost-to-income ratio	Dec 2024 R'000	Jun 2024 R'000	Dec 2023 R'000
Expenses			
Operating expenses per IFRS statement of comprehensive income (includes municipal expenses)	909 153	1 764 773	891 419
Administrative expenses per IFRS statement of comprehensive income	137 060	238 357	123 142
Operating costs	1 046 213	2 003 130	1 014 561
Rental income			
Contractual rental income per IFRS statement of comprehensive income (excluding straight-lining)	1 591 482	3 085 888	1 498 483
Utility and operating recoveries per IFRS statement of comprehensive income	660 778	1 184 964	592 559
Gross rental income	2 252 260	4 270 852	2 091 042
SA REIT cost-to-income ratio (%)	46,45	46,90	48,52
SA REIT administrative cost-to-income ratio	Dec 2024 R'000	Jun 2024 R'000	Dec 2023 R'000
Expenses			
Administrative expenses per IFRS statement of comprehensive income	137 060	238 357	123 142
Administrative costs	137 060	238 357	123 142
Rental income			
Contractual rental income per IFRS statement of comprehensive income (excluding straight-lining)	1 591 482	3 085 888	1 498 483
Utility and operating recoveries per IFRS statement of comprehensive income	660 778	1 184 964	592 559
Gross rental income	2 252 260	4 270 852	2 091 042
SA REIT administrative cost-to-income ratio (%)	6,09	5,58	5,89
SA REIT GLA vacancy rate	Dec 2024 m²	Jun 2024 m²	Dec 2023 m²
Gross lettable area of vacant space	104 391	117 823	119 239
Gross lettable area of total property portfolio	2 835 137	2 919 833	2 866 456
SA REIT GLA vacancy rate (%)	3,68	4,04	4,16

Weighted average cost of debt

Cost of debt – Rand-denominated	Dec 2024 %	Jun 2024 %	Dec 2023 %
<i>Variable interest rate borrowings</i>			
Floating reference rate plus weighted average margin	9,60	10,29	10,25
Pre-adjusted weighted average cost of debt	9,60	10,29	10,25
Adjustments			
Impact of interest rate derivatives	(0,68)	(1,13)	(1,12)
Amortised transaction costs imputed into the effective interest rate	0,56	0,58	0,52
All-in weighted average cost of debt*	9,48	9,74	9,65

* Calculated using the three-month JIBAR reference rate at 31 December and 30 June, respectively.

Cost of debt – Euro-denominated	Dec 2024 %	Jun 2024 %	Dec 2023 %
<i>Variable interest rate borrowings</i>			
Floating reference rate plus weighted average margin	4,92	6,06	6,29
<i>Fixed interest rate borrowings</i>			
Weighted average fixed rate	3,66	–	–
Pre-adjusted weighted average cost of debt	4,19	6,06	6,29
Adjustments			
Impact of interest rate derivatives	(0,24)	(1,25)	(1,79)
All-in weighted average cost of debt**	3,95	4,81	4,50

** Calculated using the three-month EURIBOR reference rate at 31 December and 30 June, respectively.

The SA REIT Best Practice disclosures constitute non-IFRS financial information and are considered to be *pro forma* financial information in terms of the JSE Listings Requirements.

The directors are responsible for compiling the SA REIT Best Practice disclosures on the basis of the applicable criteria specified in the JSE Listings Requirements.

Annexure 2

Management accounts

	Dec 2024	Jun 2024	Dec 2023
TNAV per share [^]	R25,23	R25,14	R16,69
NAV per share ^{^^}	R24,92	R25,09	R16,88
LTV ratio ^{**} (%)	39,6	38,5	34,0
Net property expense ratio (%)	21,5	24,2	25,3
Gross property expense ratio (%)	40,6	41,6	42,9
Net total expense ratio (%)	21,9	21,8	21,5
Gross total expense ratio (%)	37,0	35,3	34,6

[^] The TNAV per share is calculated as the total NAV after deducting intangible assets, divided by the aggregate number of FFB shares (Dec 2023: FFA and FFB shares) in issue, less shares held in treasury.

^{^^} The NAV per share is calculated as the total NAV divided by the aggregate number of FFB shares (Dec 2023: FFA and FFB shares) in issue, less shares held in treasury.

^{**} The LTV ratio is calculated by dividing the total interest-bearing borrowings adjusted for cash on hand by the total of investments in property, listed securities and loans advanced, and is based on management accounts information.

Basis of preparation

In order to provide information of relevance to investors, we present management accounts in addition to IFRS accounts. While the management accounts are based on the unaudited financial information for the six months ended 31 December 2024, these have been adjusted for the *pro forma* adjustments and therefore constitute *pro forma* financial information per the JSE Listings Requirements. The management accounts have been prepared on the following basis:

- The group's interest in Arbour Town, an associate, accounted for using the equity method for IFRS purposes is proportionately consolidated;
- The group's listed investment in NEPI Rockcastle was accounted for using the equity method for IFRS purposes in prior reporting periods. During 1H2025, accounting for the investment in NEPI Rockcastle changed from the equity method to that of a financial asset carried at fair value, effective 1 September 2024. Accordingly, this only affects the statement of comprehensive income for the difference in accounting treatment during 1H2025 and does not necessitate any adjustments to the statement of financial position; and
- The group accounts for its share of the assets, liabilities and results of partially-owned subsidiaries (Bridge, Cornubia, Mantraweb Residential, Inofort and The Prism) on a proportionately consolidated basis instead of consolidating them.

The *pro forma* financial information ("management accounts") has been prepared in terms of the JSE Listings Requirements and the SAICA Guide on *Pro Forma* Financial Information.

The *pro forma* information has not been reviewed or reported on by Fortress' external auditor.

Directors' responsibility statement

The preparation of the management accounts is the sole responsibility of the directors. These accounts have been prepared on the basis stated, for illustrative purposes only, to show the impact on the condensed unaudited consolidated statement of financial position and the condensed unaudited consolidated statement of comprehensive income.

Due to their nature, the management accounts may not fairly present the financial position, changes in equity and results of operations or cash flows of the group in terms of IFRS.

Management accounts adjustments

Adjustment 1

This adjustment proportionately consolidates the indirect investments in The Galleria and Arbour Crossing that are held through Arbour Town (Fortress has a 25% interest), accounted for using the equity method in terms of IFRS.

It effectively discloses the group's interest in the assets, liabilities and results of operations from these investments by disclosing the management accounts for the six months ended 31 December 2024 on a line-by-line basis.

This is a continuing adjustment for management accounts purposes.

Adjustment 2

All entries relating to accounting for our NEPI Rockcastle investment using the equity method are reversed.

This is a once-off adjustment for management accounts purposes, only affecting the statement of comprehensive income.

Adjustment 3

This adjustment proportionately consolidates the indirect investments in partially-owned subsidiaries (the indirect investments in Bridge, Cornubia, Mantraweb Residential, Inofort and The Prism) that are consolidated in terms of IFRS.

It uses the audited management accounts for the six months ended 31 December 2024 of Bridge, Cornubia, Mantraweb Residential, Inofort and The Prism to reverse the non-controlling interests to reflect the group's interest in the assets, liabilities and results of operations from these investments.

This is a continuing adjustment for management accounts purposes.

Summarised consolidated statement of financial position

	IFRS Dec 2024 R'000	Adj 1 Fair value accounting for investment in associate – Arbour Town Dec 2024 R'000	Adj 3 Proportionate consolidation of partially- owned subsidiaries Dec 2024 R'000	Management accounts Dec 2024 R'000
Assets				
Non-current assets	51 578 990	2 503	(866 964)	50 714 529
Investment property	32 175 133	802 894	(1 079 183)	31 898 844
Straight-lining of rental revenue adjustment	713 548	29 359	(3 532)	739 375
Investment property under development	1 633 488			1 633 488
Property	24 422			24 422
Investments in listed equity	15 982 986			15 982 986
Investment in and loans to associates	823 387	(823 387)		–
Deferred tax	226 026	(6 363)	(1 405)	218 258
Loans to co-owners	–		217 156	217 156
Current assets	3 231 353	7 810	(21 873)	3 217 290
Trade and other receivables	1 306 175	6 337	(19 872)	1 292 640
Cash and cash equivalents	1 925 178	1 473	(2 001)	1 924 650
Non-current assets held for sale	199 680	–	–	199 680
Investment property and investment property under development held for sale	197 798			197 798
Straight-lining of rental revenue adjustment	1 882			1 882
Total assets	55 010 023	10 313	(888 837)	54 131 499

	IFRS Dec 2024 R'000	Adj 1 Fair value accounting for investment in associate – Arbour Town Dec 2024 R'000	Adj 3 Proportionate consolidation of partially- owned subsidiaries Dec 2024 R'000	Management accounts Dec 2024 R'000
Equity and liabilities				
Total equity attributable to equity holders	30 010 030	–	–	30 010 030
Stated capital	36 679 018			36 679 018
Currency translation reserve	353 038			353 038
Reserves	(7 022 026)			(7 022 026)
Non-controlling interests	198 154		(198 154)	–
Total equity	30 208 184	–	(198 154)	30 010 030
Total liabilities	24 801 839	10 313	(690 683)	24 121 469
Non-current liabilities	20 078 484	–	(668 326)	19 410 158
Interest-bearing borrowings	19 420 862		(607 618)	18 813 244
Deferred tax	657 622		(60 708)	596 914
Current liabilities	4 723 355	10 313	(22 357)	4 711 311
Trade and other payables	1 436 530	10 313	(22 649)	1 424 194
Income tax payable	82 214		292	82 506
Interest-bearing borrowings	3 204 611			3 204 611
Total equity and liabilities	55 010 023	10 313	(888 837)	54 131 499
TNAV per share (Rand)	25,28			25,23
NAV per share (Rand)	24,92			24,92

Summarised consolidated statement of comprehensive income

	IFRS for the period ended Dec 2024 R'000	Adj 1 Fair value accounting for investment in associate – Arbour Town for the period ended Dec 2024 R'000	Adj 2 Fair value accounting for investment in associate – NEPI Rockcastle for the period ended Dec 2024 R'000	Adj 3 Proportionate consolidation of partially- owned subsidiaries for the period ended Dec 2024 R'000	Management accounts for the period ended Dec 2024 R'000
Recoveries and contractual rental revenue	2 252 260	57 937		(83 324)	2 226 873
Straight-lining of rental revenue adjustment	101 705	(957)		789	101 537
Revenue from direct property operations	2 353 965	56 980	–	(82 535)	2 328 410
Revenue from investments	580 281				580 281
Total revenue	2 934 246	56 980	–	(82 535)	2 908 691
Fair value (loss)/gain on investment property, investments and derivative financial instruments	(852 766)	14 488	1 388 641	1 382	551 745
Fair value gain on investment property	87 311	13 531			100 842
Adjustment resulting from straight-lining of rental revenue	(101 705)	957		(789)	(101 537)
Fair value (loss)/gain on investments	(662 899)		1 388 641		725 742
Fair value loss on derivative financial instruments	(175 473)			2 171	(173 302)
Property operating expenses	(909 153)	(27 730)		32 306	(904 577)
Administrative expenses	(137 060)	(138)		2 870	(134 328)
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme	(86 459)				(86 459)
Reversal of impairment of investment in associates	1 388 641		(1 388 641)		–
Reclassification of foreign currency translation reserve on deemed disposal of associate	313 553				313 553
Foreign exchange loss	(49 900)				(49 900)
Income from associates	37 330	(37 330)	–	–	–
– Distributable	30 162	(30 162)			–
– Non-distributable	7 168	(7 168)			–
Profit before net finance costs	2 638 432	6 270	–	(45 977)	2 598 725

Summarised consolidated statement of comprehensive income continued

	IFRS for the period ended Dec 2024 R'000	Adj 1 Fair value accounting for investment in associate – Arbour Town for the period ended Dec 2024 R'000	Adj 2 Fair value accounting for investment in associate – NEPI Rockcastle for the period ended Dec 2024 R'000	Adj 3 Proportionate consolidation of partially- owned subsidiaries for the period ended Dec 2024 R'000	Management accounts for the period ended Dec 2024 R'000
Profit before net finance costs	2 638 432	6 270	–	(45 977)	2 598 725
Net finance costs	(904 647)	93	–	43 360	(861 194)
Finance income	57 993	93		(25)	58 061
– Interest on staff scheme and other interest received	57 993	93		(25)	58 061
Finance costs	(962 640)	–	–	43 385	(919 255)
– Interest on borrowings	(992 129)			43 385	(948 744)
– Capitalised interest	29 489				29 489
Profit before income tax	1 733 785	6 363	–	(2 617)	1 737 531
Income tax	(349 199)	(6 363)		1 793	(353 769)
Profit for the year	1 384 586	–	–	(824)	1 383 762
Profit for the year attributable to:					
Equity holders of the company	1 383 762		–		1 383 762
Non-controlling interests	824			(824)	–
Profit for the year	1 384 586	–	–	(824)	1 383 762
Basic earnings per FFB share (cents)	116,54				116,54
Diluted earnings per FFB share (cents)	115,89				115,89
Headline earnings per FFB share (cents)	(0,14)				91,29
Diluted headline earnings per FFB share (cents)	(0,14)				90,78
Headline earnings					
Profit for the year attributable to equity holders	1 383 762				1 383 762
Adjusted for:	(1 385 446)				(299 842)
– Fair value loss on investment property (including straight-lining adjustment)	14 394				695
– Current year income tax effects in respect of investment property	13 016				13 016
– Reversal of impairment of investment in associate	(1 388 641)				
– Current year income tax effects in respect of investment in associate	299 946				
– Fair value gain on investment property of associates	(13 531)				
– Income tax effect	2 923				
– Reclassification of foreign currency translation reserve on deemed disposal of associate	(313 553)				(313 553)
Headline earnings	(1 684)				1 083 920

Glossary of terms

1H2024	Interim reporting period for the six months ended 31 December 2023
2H2024	Final reporting period for the six months ended 30 June 2024
1H2025	Interim reporting period for the six months ended 31 December 2024
2H2025	Final reporting period for the six months ending 30 June 2025
B-BBEE	Broad-based Black Economic Empowerment
Board	Board of directors of Fortress
BREEAM	Building Research Establishment Environmental Assessment Methodology
CBD	Central business district
CEE	Central and Eastern Europe
CEO	Chief executive officer
CFO	Chief financial officer
Clairwood	Clairwood Logistics Park, KwaZulu-Natal
Companies Act	Companies Act of South Africa, Act 71 of 2008
Cornubia	Cornubia Logistics Park, KwaZulu-Natal
CSP	Conditional Share Plan
DMTN programme	Domestic medium-term note programme
Eastport	Eastport Logistics Park, Gauteng
EDGE	Excellence in Design for Greater Efficiencies
ESG	Environmental, social and governance
EUR	Euro
EURIBOR	Euro Interbank Offered Rate
FFA or A share	Fortress A class share (JSE share code: FFA)
FFB or B share	Fortress B class share (JSE share code: FFB)
FFO	Funds from operations
Fortress or the company	Fortress Real Estate Investments Limited
Fortress Empowerment 2	Fortress Empowerment (RF) 2 Proprietary Limited

Fortress Empowerment 4	Fortress Empowerment (RF) 4 Proprietary Limited
FY2024	Financial year ended 30 June 2024
FY2025	Financial year ending 30 June 2025
GLA	Gross lettable area
IAS	International Accounting Standards
IFRS	IFRS® Accounting Standards as issued by the International Accounting Standards Board
IoT	Internet of Things
JIBAR	Johannesburg Interbank Average Rate
JSE	JSE Limited, the Johannesburg Stock Exchange
Longlake	Longlake Logistics Park, Gauteng
Louwlandia	Louwlandia Logistics Park, Gauteng
LTIP	Long-term Incentive Plan
LTV	Loan-to-value
m ²	Square metre
MOI	Memorandum of Incorporation
MWac	Megawatt, alternating current
MWh	Megawatt hours
NAV	Net asset value
NEPI Rockcastle	NEPI Rockcastle N.V.
NOI	Net operating income
REIT	Real Estate Investment Trust
SA	South Africa
SA REIT BPR	SA REIT Best Practice Recommendations
SAICA	South African Institute of Chartered Accountants
SOA	Scheme of arrangement as per the circular to shareholders dated 30 November 2023
Solar PV	Solar photovoltaic
TNAV	Tangible net asset value
WALE	Weighted average lease expiry
WAULT	Weighted average unexpired lease term
ZAR	South African Rand

Corporate information

Company details

Fortress Real Estate Investments Limited

Incorporated in the Republic of South Africa
 Registration number: 2009/016487/06
 JSE share code: FFB | ISIN: ZAE000248506
 LEI: 378900FE98E30F24D975
 Bond company code: FORI
 ("Fortress" or "the group" or "the company")

Block C, Cullinan Place
 Cullinan Close, Morningside, 2196
 (PO Box 138, Rivonia, 2128)

Directors

Robin Lockhart-Ross (*chairman*)
 Herman Bosman (*lead independent non-executive director*)
 Steven Brown*
 Thavanesan Chetty
 Jonathon Hillary
 Ina Lopion
 Susan Ludolph
 Vuso Majija*
 Nonhlanhla Mayisela
 Edwin Oblowitz
 Caswell Rampheri
 Ian Vorster*

* *Executive director*

Commercial bankers

The Standard Bank of South Africa Limited

(Registration number: 1962/000738/06)
 Corporate and Investment Banking
 7th Floor, 3 Simmonds Street, Johannesburg, 2001
 (PO Box 61029, Marshalltown, 2107)

Transfer secretaries

JSE Investor Services
Proprietary Limited

(Registration number: 2000/007239/07)
 One Exchange Square, Gwen Lane
 Sandown, Sandton, 2196
 (PO Box 4844, Johannesburg, 2000)

Lead sponsor

Java Capital Trustees and Sponsors
Proprietary Limited

(Registration number: 2006/005780/07)
 6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196
 (PO Box 522606, Saxonwold, 2132)

Joint equity sponsor and debt sponsor

Nedbank Limited, acting through
its Corporate and Investment
Banking Division

(Registration number: 1951/000009/06)
 3rd Floor, Corporate Place, Nedbank Sandton
 135 Rivonia Road, Sandton, 2196
 (PO Box 1144, Johannesburg, 2000)

Company secretary and
registered office

Tamlyn Stevens CA(SA)

Block C, Cullinan Place
 Cullinan Close, Morningside, 2196
 (PO Box 138, Rivonia, 2128)

External auditor

KPMG Inc.

KPMG Crescent
 85 Empire Road, Parktown, 2193
 (Private Bag 9, Parkview, 2122)

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