DELTA PROPERTY FUND LIMITED

GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED
28 FEBRUARY 2025

FOCUSING ON THE FUNDAMENTALS

DELTA
PROPERTY FUND

Welcome to Delta Property Fund's 2025

Annual Financial Statements

This report demonstrates our commitment to transparency and accountability, and provides a comprehensive overview of our performance against strategy, governance and business activities, showcasing our commitment to sustainable returns and responsible business practices.

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SALIENT FEATURES

▲ R721.4m
Net Operating Income
10.3%
FY24: R653.9m

▼ 31.9%
Vacancy Rate*
1.5%
FY24: 33.4%

▲ 59.5%
Covenant LTV
0.1%
FY24: 59.4%

14.7 months

Weighted average lease expiry

0.6 months

FY24: 15.3 months

47.8%

Cost-to-Income

1.8%

FY24: 49.6%

1.4 times

Interest cover ratio

0.1 times

FY24: 1.3 times

* The vacancy rate excluding non-core properties held for sale is 18.4%

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. These financial statements comprise the statements of financial position as at 28 February 2025 and the statements of profit or loss and other comprehensive income, changes in equity and cashflows for the year then ended, and material accounting policies and the notes to the financial statements, prepared in accordance with IFRS® Accounting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board and the requirements of the Companies Act. The consolidated and separate annual financial statements are based upon appropriate accounting policies consistently applied throughout the Group and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have assessed the ability of the Group and Company to continue as a going concern and believe that the Group and Company will be a going concern in the year ahead, despite that a material uncertainty exists.

The consolidated and separate annual financial statements have been audited by an independent auditing firm, KPMG Incorporated, who have been given unrestricted access to all financial records and related data. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unmodified audit report is presented on pages 19 to 26.

The consolidated and separate annual financial statements set out on pages 27 to 103, and the supplementary information set out on pages 104 to 120, which have been prepared on the going concern basis were approved by the Board of Directors (Board) on 23 May 2025 and signed on their behalf by:

Sibongile Masinga
Chief Executive Officer
27 May 2025

Zwelifikile Mhlontlo
Chief Financial Officer
27 May 2025

Chief Executive Officer and Chief Financial Officer
Responsibility Statement

Each of the directors, whose names are stated below, hereby confirm that:

a) The consolidated and separate annual financial statements set out on pages 27 to 103, fairly present in all material respects the financial position, financial performance and cash flows of Delta Property Fund Limited (Delta or Group or Company) and its consolidated subsidiaries in terms of IFRS Accounting Standards;

b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated and separate annual financial statements false or misleading;

c) Internal financial controls have been put in place to ensure that material information relating to Delta and its consolidated subsidiaries have been provided to effectively prepare the consolidated and separate annual financial statements of Delta;

d) The internal financial controls are adequate and effective and can be relied upon in compiling the consolidated and separate annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

e) Where we are not satisfied, we have disclosed to the Audit Committee and the auditor any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and

f) We are not aware of any fraud involving directors.

Sibongile Masinga
Chief Executive Officer
27 May 2025

Zwelifikile Mhlontlo
Chief Financial Officer
27 May 2025

Declaration by
Company Secretary

In terms of section 88(2)(e) of the Companies Act, 71 of 2008 of South Africa, I certify that to the best of my knowledge and belief, that Delta has lodged all returns required in terms of the Companies Act, 71 of 2008, with the Registrar of Companies for the financial year ended 28 February 2025 and that the returns are true, correct and up to date.

Vasta Mhlongo
Company Secretary
27 May 2025

Directors' Report

The directors have pleasure in presenting the directors' report, which forms part of the consolidated and separate annual financial statements of Delta for the year ended 28 February 2025 ("the reporting period" or "the period" or "FY25").

INTRODUCTION

This report provides details of the Group's financial performance for FY25. The areas of focus for this period have been the meeting of debt covenant requirements, signing new leases and ensuring lease renewals, disposal of non-core properties as well as improving rental income collection. The Group continues to make headway in critical aspects of financial performance, including but not limited to prudent debt management, disposal of non-core properties, maximising working capital and improving operating income.

COMPANY PROFILE

The Group owns a portfolio of 83 properties valued at R6.4bn at year end, with geographic diversification and presence in all nine provinces of South Africa. Delta's portfolio of 781 568m² gross lettable area (GLA), offers rental space to government, parastatals and private sector tenants. A significant number of properties are strategically located and have easy access to street level retail offerings. Delta's strategy is aimed at achieving maximum return on capital, consistent with a diversified risk-managed real estate investment portfolio.

GOVERNANCE

The Board of directors ("Board") is a unitary board with ultimate responsibility for the performance of the Group, ensuring sound and effective corporate governance practices. The Board is committed to and applies the King IV Code of Corporate Governance and continues to embed the six capitals (financial, manufactured, human, intellectual, natural, and social and relationship) in the organisation's business processes and operations.

FINANCIAL PERFORMANCE

The Group continued to demonstrate resilience in a challenging operating environment, reducing its loss before taxation to R72.2m from R74.6m in the prior year. This improvement was driven by stable revenue, ongoing cost optimisation, and strategic property disposals. These efforts also supported stronger operational performance, with net operating income increasing to R721.4m from R653.9m in FY24. The loss for the year, was mainly due to higher fair value adjustment loss on Grit shares, compounded by no dividend received from Grit Real Estate Income Group Limited ("Grit)" compared to R10.2m received in the prior year and the higher Expected Credit Loss (ECL) of R25.5m (FY24: R2.6m). The Group has managed to stabilise the fair value adjustment loss on investment properties compared to prior years, the fair value adjustment loss in the current year is mainly as a result of properties disposed of through auctions, which accounted for R134.0m of the R178.4m. The Group's underlying performance remains sound, supported by disciplined cost control, stable operating income, strategic asset management, and long-term value creation amid ongoing challenging market conditions.

Key highlights of the Group's financial performance are detailed below.

Revenue

Revenue, excluding straight-line rental income accrual, has remained relatively stable with a marginal decrease of 2% compared to the prior year. This decrease is primarily attributed to rental reversions and the vacancy of the SARS Bellville building, which has a GLA of 16 005m² and became vacant in the third quarter of the financial year.

The weighted average rental across the portfolio declined to R106.4/m² from R114.6/m² in the prior year, primarily due to rental reversions. The Group anticipates continued lease income rebasing, as over 200 000m² of its leases are on month-to-month and are in the process of being renewed into longer-term agreements at prevailing market-related rates.

Utilities recoveries increased by R14.1m compared to the prior year, highlighting the Group's successful efforts in improving cost recovery processes. This increase reflects management's ongoing focus on enhancing operational efficiencies and effectively recovering utility costs from tenants, which is expected to continue strengthening the Group's financial performance.

Property operating and administrative expenses

Property operating expenses decreased by 12.8%, from R483.9m to R422.0m. This decrease is primarily due to a reduction in assessment rates, following the successful challenge of municipal property valuations as part of the Group's cost optimisation efforts. Further savings were as a result of cost containment measures, including supplier changes, contract renegotiations, and the disposal of non-core properties.

Administrative expenses increased by 5.4%, from R96.6m to R101.7m. This increase is mainly driven by inflationary pressures and higher legal costs due to ongoing legacy litigation.

Directors' Report cont.

Dividend income and other income

There has been no dividend income from the investment in Grit during the reporting period, compared to dividend income of R10.2m recognised in FY24. The dividend received for FY24 was applied directly to the Group's debt facility, thus reducing overall debt exposure.

Other income amounted to R19.5m (FY24: R31.7m), primarily comprising recoveries of tenant reinstatement costs from vacated tenants.

Fair value adjustments

In line with the Group's accounting policy, the property portfolio was independently valued by external valuers as at 28 February 2025, resulting in a fair value adjustment loss of R174.7m (FY24: R175.0m). The Group's fair value loss has remained stable in the current year compared to last year. This year's fair value adjustment loss is mainly attributable to investment properties sold by way of auction, this loss accounted for R134.0m.

A fair value adjustment loss of R43.6m (FY24: R30.3m) was recognised on the Group's investment in listed securities, attributed to a decline in Grit's share price. The decline reflects Grit's weak financial performance, suspension of dividends, and increased balance sheet risk. Grit reported a sharp drop in distributable earnings, along with valuation write-downs of income-generating assets, which further impacted investor confidence.

Expected Credit Losses (ECL)

The current year's ECL is R25.5m (FY24: R2.6m). The increase is mainly attributable to the increase in trade debtors, see commentary under collections and receivables.

Finance costs and finance income

Finance costs remain a significant component of the Statement of Comprehensive Income, amounting to R463.0m (FY24: R484.2m). The year-on-year decrease is primarily attributable to debt capital repayments through amortisation, the application of proceeds from property disposals towards debt reduction, and a marginal decline in interest rates.

Finance income declined to R2.6m (FY24: R10.5m), due to lower average cash balances.

Taxation

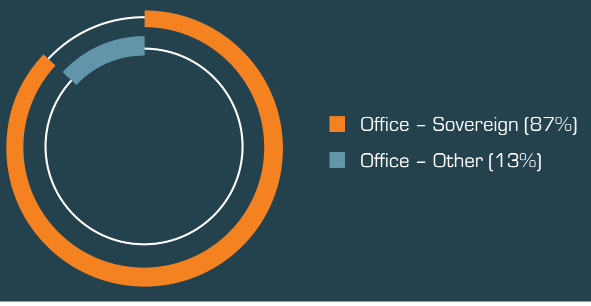
The total taxation for the year, including deferred tax, amounted to R32.0m (FY24: R3.0m). The tax saving in the prior year was as a result of the write-off of interest receivable from the subsidiaries by the holding company. These amounts were considered non-recoverable and written off as bad debts, leading to a reduction in the prior year's tax charge.

Cash and cash equivalents

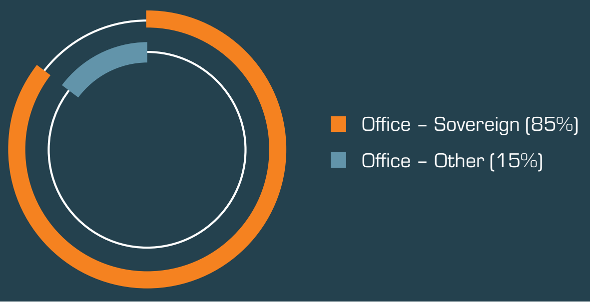
The cash generated during the period amounted to R578.9m, comprising R565.4m from operations, R2.6m in interest income, and R10.9m in net proceeds from property disposals. These funds were applied towards finance costs of R446.4m, taxation of R28.7m, net capital expenditure of R44.6m, lease liability settlements of R3.9m, and net debt repayments of R92.9m. Due to these outflows, the Group maintained lower average cash balances during the period, which necessitated the utilisation of its revolving credit facility to support ongoing liquidity requirements.

The segmental and geographic breakdown of the portfolio at the reporting date was as follows:

SECTORIAL SPLIT
OCCUPANCY GLA (%)



SECTORIAL SPLIT
RENTAL INCOME (%)



** The significant variance in the sectorial split between FY24 and FY25 is largely driven by changes in tenant composition. Several key buildings shifted from Office - Other to Office Sovereign tenants. Furthermore, the disposal of six office assets contributed to the rebalancing across sectors.*

Directors' Report cont.

PROPERTY PORTFOLIO

Delta's property portfolio consists of 83 (FY24: 89) properties with a total investment value of R6.4bn (FY24: R6.7bn), including non-current assets held for sale, and a GLA of 781 569m² (FY24: 823 350m²).

LETTING

During the reporting period, Delta renewed 79 leases, comprising a total GLA of 110 723m², at a weighted average lease term of 2.4 years. In addition, new leases were concluded for a GLA of 22 068m², with a weighted average lease term of 3.1 years.

Portfolio vacancies improved, decreasing from 33.4% in FY24 to 31.9% as at 28 February 2025. This improvement is primarily due to the disposal of six non-core properties with a combined GLA of 41 782m² and the conclusion of new lease agreements.

The WALE decreased from 15.3 months to 14.7 months, mainly as a result of certain leases reaching expiry and transitioning to month-to-month arrangements. The Group remains committed to securing longer-term lease agreements to support the long-term stability and sustainability of the portfolio.

COLLECTIONS AND RECEIVABLES

As at 28 February 2025, trade receivables increased to R155.2m (FY24: R87.9m); a result of delayed payments from some of the key clients. The average collection rate for the period was 95.1% of billings, compared to 101.5% in the prior year.

A total provision for bad debts of R61.0m was recognised at year-end (FY24: R56.5m), representing approximately 40% of trade receivables. The ECL for the year amounted to R25.5m (FY24: R2.6m), attributable to increased accounts receivable compared to the prior year.

Management remains confident in the recoverability of these balances and anticipates a positive resolution in the short to medium term.

DISPOSALS

Delta has continued to dispose of non-core and largely vacant properties, as part of its ongoing portfolio optimisation strategy. This strategic initiative aims to reduce the Group's overall vacancy rate, improve the cost-to-income ratio, and lower operational costs associated with holding vacant assets such as security and municipal charges. Upon successful disposal of all properties earmarked for sale, the Group's LTV ratio is expected to improve to below 50% over the medium to long term.

During the reporting period, six properties with a combined fair value of R154.9m and GLA of 41 782m² were transferred for a total gross consideration of R158.0m. Subsequent to year-end, a further four properties with a fair value of R32.2m and GLA of 9 673m² were transferred for a gross consideration of R33.1m. In addition, eight properties with a combined fair value of R249.5m have been disposed for a total gross consideration of R214.8m and are pending transfer within the next six months.

The fair value adjustment loss recognised includes the impact of both independent valuations and auction sale prices. The auction process was utilised on selected disposals to enable the efficient disposal of underperforming assets, particularly those with high vacancies and limited upside potential. This exit strategy is expected to reduce ongoing holding costs, decrease vacancies, and improve overall portfolio performance and profitability.

Despite the fair value losses associated with these disposals, the Group remains confident in the trajectory of the property market and anticipates stabilisation of property values in the short to medium term.

Directors' Report cont.

Transferred properties:

PROPERTY	TRANSFER DATE	GLA (M²)	FAIR VALUE (R'000)	GROSS SELLING PRICE (R'000)
Properties transferred within the year:				
Smartxchange	Apr-24	13 677	46 000	46 000
Sediba, Fountain & VLU	Apr-24	10 947	26 100	27 150
Cape Road	May-24	5 135	33 000	33 000
5/7 Elliot	Sep-24	2 300	6 160	4 348
Trustfontein	Sep-24	6 369	10 900	15 000
North Ridge Road	Nov-24	3 354	32 750	32 500
		41 782	**154 910**	**157 998**

PROPERTY	TRANSFER DATE	GLA (M²)	FAIR VALUE (R'000)	GROSS SELLING PRICE (R'000)
Properties transferred post year end:				
Thuto House	Apr-25	2 111	16 000	16 000
Anchor House	Apr-25	2 645	5 000	5 750
Protea Coin Pretoria[1]	May-25	2 090	2 890	2 800
Stats House[1]	May-25	2 827	8 307	8 500
		9 673	**32 197**	**33 050**

PROPERTY	EXPECTED TRANSFER DATE	GLA (M²)	FAIR VALUE (R'000)	GROSS SELLING PRICE (R'000)
Disposals concluded but not yet transferred:				
Du Toitspan	May-25	9 485	28 000	28 000
Unisa House[1]	May-25	10 055	19 010	18 500
In 2 Fruit[1]	May-25	11 177	10 850	10 800
Pine Parkade[1]	May-25	2 986	22 700	23 000
Die Meendt	Jun-25	3 705	20 500	20 500
Beacon Hill[1]	Jul-25	13 648	13 000	13 000
88 Field Street	Sep-25	21 793	93 830	76 000
Chambers of Change	Sep-25	7 915	41 650	25 000
		80 764	**249 540**	**214 800**

[1] *These properties were disposed through an auction.*

Directors' Report cont.

CAPITAL EXPENDITURE (CAPEX)

Capex on the property portfolio to retain existing tenants remains a key focal point. During the reporting period, capex amounted to R46.8m (FY24: R47.5m). The expenditure was funded from operating cash apart from R2.2m, which was funded by a debt facility specifically earmarked for capital projects at Poyntons. The capital expenditure related mainly to tenant installations, HVAC, lifts and renovations with the majority of the spend at the following properties: Shell House - R4.7m, Delta Towers - R4.2m, Poyntons - R3.8m, 2 Devonshire Place - R3.7m, The Marine - R3.3m and R27.1m over the remainder of the properties.

FUNDING

During the reporting period, the Group successfully renewed maturing debt facilities with its funders. These included Nedbank (extended to 7 April 2025 and subsequently to 7 April 2026), Standard Bank (to 31 May 2026), Bank of China (to 31 December 2026), and State Bank of India (to 7 June 2027). The Group also consolidated three Investec facilities into a single facility, which was renewed to 7 March 2027. In line with its capital management strategy, the Group continues to engage with its lenders regarding more favourable pricing, extending debt maturities, and restructuring amortisation profiles. The short-term objective remains to achieve a debt maturity profile of between two and three years.

Total interest-bearing debt declined to R3.9bn (FY24: R4.0bn). Capital repayments for the year amounted to R237.5m (FY24: R183.1m), funded by R140.5m proceeds received on the disposal of Sediba, VLU Fountain, Smartxchange, Cape Road, 5/7 Elliot, and Trustfontein properties, R4.1m from the Grit dividend accrued in FY24, and R92.9m from amortisation payments. The Group also maintained revolving credit facilities of R64.3m, of which R41.3m had been drawn at year-end.

Finance costs decreased to R463.0m (FY24: R484.2m), primarily as a result of capital repayments and interest rate cuts. Despite two interest rate reductions of 25 basis points each by the South African Reserve Bank (effective 19 September 2024 and 31 January 2025), finance costs remain high. The likelihood of further cuts in the short term is low due to ongoing geopolitical uncertainties. The weighted average cost of funding for the period was 11.2% (FY24: 11.4%). The Group's ICR improved slightly to 1.4 times, and the covenant LTV ratio deteriorated marginally from 59.4% to 59.5%.

Directors' Report cont.

DIVIDEND

Delta's SA REIT Funds from Operations ("FFO") per share for FY25 amounted to 15.1 cents (FY24: 18.7 cents). The decrease is primarily due to a higher ECL provision compared to the prior year. Following the required solvency and liquidity assessment in terms of Section 46 of the Companies Act, which considered the Group's cash flow forecasts, anticipated working capital needs, capital expenditure commitments, and contracted tenant installations related to lease renewals. The Board has resolved not to declare a dividend for FY25 (FY24: Nil).

LEGAL MATTERS

The Group is currently dealing with the following legal matters:

- A judgment was granted in favour of Delta, declaring the former executives delinquent in terms of the Companies Act. The affected former executives filed an appeal against the judgment, which was dismissed with costs after year-end. The parties have one month from the judgment date, 11 April 2025, to lodge a further appeal with the Supreme Court.
- The liquidators of Somnipoint (Pty) Ltd have instituted a legal claim against Delta. Delta is defending the matter, which is still in its preliminary stages. Pleadings have been exchanged, but the matter is not yet trial-ready.
- The Group is engaged in ongoing legal proceedings to recover rental arrears and outstanding utility charges from the eThekwini Property Fund, the City of Tshwane, and the Eastern Cape Provincial Government. These matters remain ongoing as at the reporting date.

GOING CONCERN

Litigation against Educor, the counterparty to an outstanding vendor loan, has been placed on hold. While Educor has demonstrated improved compliance, historical financial instability raises uncertainty regarding the recoverability of the loan. The Group continues to monitor developments and may reassess legal action should Educor's financial position materially improve.

The Board has carried out a review of the going concern assessment of the Group, as disclosed in the going concern note to the financial statements. Having considered the solvency and liquidity and the cash flow projections, the Board concluded that the Group is in a financial position to meet its cash requirements for the foreseeable future and accordingly is able to continue trading as a going concern, despite there being a material uncertainty about the Group's ability to continue as a going concern (refer to note 37 to the financial statements for further details).

EVENTS AFTER REPORTING PERIOD

Refer to note 36 to the financial statements for disclosure regarding events after the reporting period.

DIRECTORATE

At the date of this report, Delta has a unitary Board consisting of seven directors in total, two executive directors and five non-executive directors, four of whom are independent. The Board has only one non-executive director who is not independent, being the chairman, and to ensure that the Board continues to act and exercise their minds independently in their roles on the Board and respective committees, a lead independent director has been appointed.

Appointments:

- Mr Brett Dylan Copans - appointed 10 April 2024
- Mr Solly Mboweni - appointed 26 June 2024
- Mr Thomas (Tshepo) Matlala - appointed 26 June 2024

Retirements:

- Ms Davina Nodumo Motau - retirement 01 June 2024
- Mr Mfundiso Johnson Njeke - retirement 29 August 2024

Directors in office at the date of this report are as follows:

- Ms Phumzile Langeni – Chairman*
- Ms Sibongile Masinga – CEO
- Mr Zwelifikile Mhlontlo – CFO
- Mr Brett Dylan Copans*
- Mr Thomas (Tshepo) Matlala
- Mr Solly Mboweni
- Mrs Sindiswa Victoria Zilwa

** See note 36 for changes relating to these Board members.*

Directors' emoluments and interests

Refer to note 33 to the financial statements for disclosure regarding directors' emoluments and interests.

Service contracts

The executive directors have service contracts with the Company which include a three-month notice period. The non-executive directors sign a formal letter of appointment on acceptance of their Board position.

Directors' Report cont.

INDEPENDENT AUDITORS

KPMG Incorporated were reappointed as the independent auditors of the Group.

COMPANY SECRETARY AND REGISTERED OFFICE

Advocate Vasta Mhlongo is the Company Secretary. The address of the Company Secretary is that of the Company's registered office, which is Silver Stream Office Park, 10 Muswell Road South, Bryanston, Johannesburg, 2021.

SPECIAL RESOLUTIONS

No additional special resolutions were passed during FY25 other than those passed at Delta's AGM held on 29 August 2024.

BASIS OF PREPARATION

The annual financial statements for the year ended 28 February 2025 have been prepared in accordance with IFRS® Accounting Standards (IFRS Accounting Standards), the Financial Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, JSE Listings Requirements and the South African Companies Act.

PROSPECTS

The South African listed property sector delivered a strong performance in December 2024 and the first quarter of the 2025 calendar year. However, despite these gains, the sector continues to trade at a notable discount to average net asset value levels. Encouragingly, sector fundamentals have strengthened when compared to the pre-COVID-19 period, indicating a more resilient foundation for long-term recovery. That said, the sector remains influenced by interest rate dynamics, which continue to affect share price performance, investor sentiment, and access to capital.

The operating environment remains complex, with ongoing cost pressures driven by above-inflation increases in municipal rates and electricity tariffs, along with the need to maintain water and energy supply contingencies. Given the low-growth environment, rental pressures may persist, especially in oversupplied nodes. Nonetheless, these challenges are being actively managed as the sector adapts and evolves.

The Group remains confident in the sector's medium-term trajectory. The macroeconomic outlook includes improving business sentiment, enhanced policy clarity particularly within the property sector and easing inflationary pressures, all of which are expected to create a supportive operating environment. These external tailwinds, combined with the Group's disciplined and focused execution of its strategic priorities, are anticipated to unlock value for the Group.

Looking ahead, the benefits of key strategic initiatives, including the disposal of non-core properties, we believe, will result in the right sizing of operating costs and a strengthening balance sheet. Ongoing efforts to improve lease renewals, reduce vacancies, and optimise cost structures are expected to continue to contribute positively to financial performance.

Supported by an improving macroeconomic climate, the Group is well-positioned to continue its recovery trajectory. A marked improvement in operational and financial performance is anticipated over the medium term, underpinned by continued sectoral recovery, enhanced stakeholder engagement, and a return to a more balanced risk-return environment positioning the Group for sustainable long-term value creation.

The prospects outlined above have not been audited, reviewed, or reported on by the Group's independent external auditors.

Audit Committee Report

ROLE AND MANDATE

The committee's primary objective is the provision to the Board of additional assurance regarding the efficacy and reliability of the financial information used by the directors in the discharge of their duties. The committee has and will continue to assist the Board to ensure that adequate and appropriate financial and operating controls are in place, that significant business, financial and other risks have been identified and are being suitably managed, and that satisfactory standards of governance, reporting and compliance are in operation.

The Audit Committee is an independent statutory committee.

MEETINGS

The committee had four meetings and one combined meeting with the Board prior to the end of the financial year.

The number of meetings held during the year and attendance thereof was as follows:

MEMBER/ INVITEE	AUDIT COMMITTEE
Mrs S Zilwa (Chairman)	5/5
Mr MJN Njeke (Member) - retirement 29 August 2024	3/3
Ms D Motau (Member) - retirement 01 June 2024	1/2
Mr BD Copans (Member) - appointment 10 April 2024	5/5
Mr S Mboweni (Member) - appointment 26 June 2024	3/3

COMMITTEE COMPOSITION

The committee consists of three independent non-executive directors. Members are appointed by the shareholders of the Company at each AGM, on the recommendation of the Nomination Committee and the Board.

At the date of this report, the Audit Committee comprises the following directors:

DIRECTOR	PERIOD SERVED
Mrs S Zilwa (Chairman)	1 June 2023 - current
Mr BD Copans (Member)	10 April 2024 - current*
Mr S Mboweni (Member)	26 June 2024 - current

** Mr BD Copans has resigned from the Board and the Committee effective 31 May 2025.*

The CEO, CFO and senior financial management and representatives from the external and internal auditors attend the committee meetings by invitation. The internal and external auditors have unrestricted access to the committee and chairman.

ACTIVITIES AND AREAS OF FOCUS DURING THE YEAR

In the execution of its statutory duties relating to the financial year under review, the Audit Committee carried out its duties by reviewing the following on a quarterly basis:

- Internal audit reports
- External audit reports
- Financial management reports

Audit Committee Report cont.

- Key financial, property and operational metrics driving the business and decision making
- Tax governance and compliance as well as tax opinions
- Annual returns
- Litigation reports
- Nomination and recommendation of external auditors for re-appointment as external auditor of the Group under section 90 of the Companies Act; a registered auditor who, in the opinion of the committee, is independent
- Made submissions to the Board on any matter concerning the Company's accounting policies, financial controls, records and reporting
- Reviewed the effectiveness of the internal financial controls
- Monitored compliance with REIT requirements, in accordance with the JSE Listings Requirements.

Furthermore, the committee is satisfied:

- with the independence of the external auditor;
- with the terms, nature, scope, quality and proposed fee of the external auditor for the financial year ended 28 February 2025;
- with the consolidated and separate financial statements and the accounting policies implemented, as well as the significant matters considered in the preparation thereof and have recommended the consolidated and separate financial statements for approval to the Board;
- with the Group continuing as a going concern;
- that it has considered the findings of the JSE's report on proactive monitoring of financial statements;
- that the Group's Chief Financial Officer, Mr Zwelifikile Mhlontlo has the appropriate expertise and experience to meet his responsibilities in that position as required by the JSE;
- that the finance function was adequately staffed with qualified human resources during the financial year;
- with the independence and effectiveness of the internal audit function;
- with the effectiveness of collaboration between the external auditor and internal auditor;
- with the integrity of the integrated annual report of the prior year and that it addresses all material issues and fairly presents the integrated performance of the organisation.

Regulatory compliance

The audit committee confirms that internal financial procedures and controls are adequate and are effective and can be relied upon in compiling the consolidated and separate annual financial statements of Delta. The audit committee also confirms that internal financial controls are in place to ensure that material information relating to Delta and its consolidated subsidiaries are adequately effective for reliance in the preparation of the consolidated and separate annual financial statements of Delta.

External audit

Based on processes followed by the committee and assurances received from the external auditor, nothing has come to our attention regarding the independence of the external auditor.

The committee has requested that the auditor provide it with any decision letters and explanations issued by IRBA or any other regulator and any summaries relating to monitoring procedures and deficiencies issued by the audit firm's quality control reviewers.

The committee requested from KPMG Incorporated (KPMG) the information contained in paragraph 3.84(g)(ii) of the JSE Listings Requirements to assess suitability for the appointment of KPMG and the designated individual partner.

The committee follows a comprehensive process to discuss and assess all audit findings. The committee noted the following matters set out in the independent auditor's report, which were carefully considered by the committee:

- The valuation of investment property has been identified as a key audit matter for the 28 February 2025 reporting period; and
- The emphasis of matter resulting from going concern uncertainty has been fully dealt with in the going concern commentary in the Directors' report going concern section included below and in note 37 in the consolidated and separate financial statements.

Internal audit

The committee oversees the internal audit function which is performed by Forvis Mazars.

The committee approved a revised three-year rolling internal audit plan with an enhanced focus on key risk areas identified by the Group during a risk assessment process. Mr. Muren Naidoo, Director: Internal Audit and Risk Control at Mazars, has fulfilled the role of Chief Audit Executive (CAE). The CAE is invited to participate in all the Audit Committee meetings, as well as participate in the annual detailed risk workshop held by the Risk and Compliance Committee.

Audit Committee Report

Going concern

The committee reviewed the going concern assessment of the Group and Company, as disclosed in the going concern note in the financial statements and concurred with management's assessment that the financial statements for the Group and Company be prepared on the going concern basis.

The committee considered the following aspects in reviewing the going concern assessment:

- The liquidity and solvency tests as required by the Companies Act.
- That the Company and Group are able to generate sufficient cash flows to meet its obligations for the following 12 months.
- That the forecast cash flow projections for the 2026 financial year are based on a detailed assessment and with reasonable assumptions applied.
- That management has engaged in consultation with the principal senior funders of the Group particularly with regard to interest-bearing borrowings and facilities with a short tenure.
- The Group and Company reported a net loss of R104.2m and R123.8m for the 2025 year, respectively. This loss is mainly attributed to the revaluation of investment property and investment in listed securities to their fair value.
- The Group and Company's total assets of R6.6bn and R6.5bn exceed the total liabilities by R2.4bn and R2.4bn at 28 February 2025, respectively.
- The Group had a Covenant LTV ratio of 59.5% in comparison to 59.4% in the prior year These ratios have exceeded the covenants set by the lenders of 50%. The Group and Company had an interest cover ratio of 1.4 and 1.4 times respectively in comparison to 1.3 and 1.3 times in the prior year. The Group and Company's interest cover ratio is below the covenants set by the lenders of 2.0 times.
- The Group's and Company's current liabilities of R2.8bn and R2.8bn respectively, exceeded its current assets (including non-current assets held-for-sale) by R1.6bn and R1.7bn respectively. This is mainly due to the structural tenure of the Group's funding facilities and as such the ability of the Group and Company to meet its obligations to lenders in the short term will be constrained. Management has engaged with lenders in this regard, refer to Directors' report for further details.

The strategy of the Fund is to continue to be the landlord of choice to its tenants. The Company's cash flow is carefully monitored to ensure the optimal use of available cash. The committee and the directors have satisfied themselves that the Group continues to enjoy the support of its funders and thus is expected to have adequate resources to continue its operations in the foreseeable future and meet its obligations as they fall due. Facilities are renewed on a rolling basis as they reach maturity. The committee recognises the material uncertainty relating to the sale of non-core assets, the extension of facilities by lenders, and lease renewals. These unforeseen events or conditions may affect the execution of the business plans of the Group and Company which may cast significant doubt on the Group and Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

COMMITTEE PERFORMANCE

The committee assesses its performance every two years to determine whether or not it has delivered on its mandate and continuously enhanced its contribution to the Board. The assessment takes the form of a questionnaire, by way of a self-assessment and peer review, which is independently completed by each member of the committee.

The Company Secretary then collates and presents the results of the assessment to the Nominations Committee.

KEY FOCUS AREAS FOR FY 2026

The committee's continued key focus areas for the next financial year include the following:

- Continued going concern review and assessment.
- Monitoring debt reduction strategy.
- Monitoring of funding covenants and continued improvement towards lender requirements.
- Capital Structure review.

On behalf of the Committee

Mrs S Zilwa
Chairman of Committee
23 May 2025

Independent Auditor's Report

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Independent Auditor's Report

To the shareholders of Delta Property Fund Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Delta Property Fund Limited (the Group and Company) set out on pages 27 to 107, which comprise the statements of financial position as at 28 February 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, material accounting policy information, notes to the consolidated and separate financial statements and the SA REIT disclosures.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Delta Property Fund Limited as at 28 February 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Independent Auditor's Report

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Final materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group	Company
Overall materiality	R 50 100 000, which is 0.76% of total assets.	R 50 000 000 which is 0.77% of total assets.
Rationale for benchmark applied	We chose total assets as the benchmark because in our view, it is the benchmark that is most appropriate as Delta Property Fund Limited is a Real Estate Investment Trust (REIT). Investors typically invest in REITs as an indirect means of investing into property. Therefore, total assets best reflect the primary focus of the users of the consolidated and separate financial statements. We chose 0.76% for Group and 0.77% for Company which is consistent with quantitative materiality thresholds used within the REIT industry and is based on our professional judgement after consideration of qualitative factors that impact both the Group and Company.	

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which further audit procedures to perform at these components to address those risks. Our judgement included assessing the size of the components, nature of assets, liabilities and transactions within the components as well as specific risks.

In total, we identified 1 component, which is the Company, at which further audit procedures were performed on the entire financial information of the component, because audit evidence needed to be obtained on all or a significant proportion of the component's financial information.

The Group engagement team performed audit procedures over the component (the Company), and performed an analysis at an aggregated group level on the remaining financial information, taking into consideration the Group's operational structure and existence of common information systems.

Material uncertainty related to going concern

We draw attention to note 37 in the consolidated and separate financial statements, which indicates that the Group and Company incurred a net loss of R104.2 million and R123.8 million respectively during the year ended 28 February 2025 and, as of that date, the Group and Company's current liabilities exceeded its current assets by R1.6 billion and R1.7 billion respectively. As stated in note 37, these events or conditions, along with other matters as set forth in note 37, indicate that a material uncertainty exists that may cast significant doubt on the Group and Company's ability to continue as a

Independent Auditor's Report

going concern. Our opinion is not modified in respect of this matter.

In terms of the EAR Rule, we have evaluated management's assessment of the Group and Company's ability to continue as a going concern as follows:

- Analysing the cash flow forecasts prepared up until 31 May 2026 by:
    - Evaluating the appropriateness of the underlying data and inputs used to generate the cash flow forecasts for consistency with other information tested by us, our understanding of the Group and Company's intentions, and the accuracy of past forecasts and implementation of initiatives;
    - Assessing the reasonability of managements assumptions used in determining the monthly forecasted cash flows, for the Group and Company and for each investment property; and
    - Challenging of managements budgets and forecasts which support the going concern assumptions by evaluating the feasibility of the Group and Company's plans to manage liquidity, including the quantum and timing of cash flows from disposal of assets and repayment of debt facilities.
- We inspected the correspondence with existing lenders to understand the financing options available to the Group and Company as a result of the renegotiation of existing debt facilitates and assess the level of associated uncertainty resulting from the covenants set by the lenders.
- Performing a sensitivity analysis of the operational cash flow forecasts excluding disposals, to determine how long management can service its operational costs and interest repayments without relying on the proceeds from disposal.
- Evaluating the Group and Company's going concern disclosures in the consolidated and separate financial statements against the requirements of IAS 1, *Presentation of Financial Statements,* based on our understanding of the events and conditions that have given rise to the material uncertainty.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matter and these are included below.

Independent Auditor's Report

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Valuation of investment property

(This key audit matter applies to the consolidated and separate financial statements)

Material accounting policies note 1.3 Investment property, 1.4 Non-current assets held-for-sale and 1.12 Significant judgements and estimation uncertainties
Note 3: Investment property
Note 13: Non-current assets held-for-sale
Note 31: Fair value hierarchy

Key audit matter	How the matter was addressed in our audit
Investment property, including properties classified as non-current assets held-for-sale, presents a significant portion of assets as they constitute 97% of the total assets of the Group and 94% of the total assets of the Company. These investment properties are measured at fair value. An independent panel of external valuers are appointed to conduct the Group and Company's year-end market valuations. The valuations involve making significant judgements and assumptions such as expected market rental growth, expected expense growth, vacancy period, discount rate and market capitalisation rate. The independent valuations were performed using the discounted cash flow method and the income capitalisation method or a combination of both methods. These methods are based on open market values with consideration given to future earnings potential and applying an appropriate discount rate to the property. The valuation of investment property is classified as level 3 on the fair value hierarchy, which indicates there is estimation uncertainty involved based on the inputs used in the valuation. Our audit focused on the valuation of investment property due to the significance of its value on the consolidated and separate financial statements, the significance of the judgements and estimation uncertainty involved in determination of the valuations and the additional work effort required by the audit team, together with our own valuation specialist. Accordingly, the valuation of investment property is determined to be a key audit matter in respect of the consolidated and separate financial statements.	Our audit procedures included the following: • We evaluated the professional competence, capabilities and objectivity of the independent external valuers engaged by the Group and Company to determine the fair value of the properties by assessing their professional qualifications, experience and independence. • We tested a sample of data inputs used in the independent valuations, including actual and projected operating expenses, and evaluated historical performance against actual performance for reasonableness. • We assessed the accuracy of rental revenue used in determination of the fair value of the properties by selecting a sample of tenants per property and inspecting that a lease contract exists for the tenant and the details per the contract are accurately recorded. • We evaluated the adequacy and completeness of the disclosures in accordance with IAS 40, *Investment property* (IAS 40), IFRS 13, *Fair value measurement* (IFRS 13) and IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* (IFRS 5). With the assistance of our own valuation specialist: • We performed inquiries to obtain an understanding from the independent external valuers of the valuation process and

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Valuation of investment property (This key audit matter applies to the consolidated and separate financial statements) Material accounting policies note 1.3 Investment property, 1.4 Non-current assets held-for-sale and 1.12 Significant judgements and estimation uncertainties Note 3: Investment property Note 13: Non-current assets held-for-sale Note 31: Fair value hierarchy	
Key audit matter	How the matter was addressed in our audit
	methodologies adopted, the significant assumptions used, and critical judgements applied in the valuation process. • We compared the valuation techniques used by the independent valuers against the requirements of IAS 40 and IFRS 13 and industry practices to confirm that the methodology used was appropriate. • We assessed the reasonability of the following significant inputs and assumptions used in the discounted cash flows valuation and income capitalisation method by comparing the inputs to observable market related data: o Expected market rental growth o Expected expense growth o Vacancy period o Market capitalisation rates o Discount rates • We compared the property valuations recorded in the financial statements to the valuation ranges determined by our valuation specialist and followed up with management on differences that were not within our acceptable range. The results of our procedures were satisfactory, and we considered the fair value of Investment property to be acceptable.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Delta Property Fund Limited consolidated and separate financial statements for the year ended 28 February 2025", which includes the Declaration by Company Secretary, the Directors' Report and the Audit Committee Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Report, which is

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expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's **Report**

KPMG

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

Independent Auditor's Report

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In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Delta Property Fund Limited for three years.

Disclosure of fee-related matters

In terms of the EAR Rule, we disclose the following fee-related matters:

Categories of services	Amount
Financial statement audit	R 4 169 000

KPMG Inc.
Registered Auditor

Signed by:
KPMG Inc.
4522B7AFD440406...

Per Z.A. Beseti
Chartered Accountant (SA)
Registered Auditor
Director
28 May 2025

Statements of Financial Position

As at 28 February 2025

Figures in R'000	Notes	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Assets					
Non-current assets					
Investment property		5 380 209	5 357 988	5 218 629	5 186 388
Fair value of investment property	3	5 313 816	5 294 521	5 152 902	5 123 023
Straight line rental income accrual	4	66 393	63 467	65 727	63 365
Property, plant and equipment	5	1 441	3 848	1 374	8 900
Investment in subsidiaries	6	-	-	62 274	62 274
Investment in listed security	7	34 422	80 636	34 422	80 636
Loan due from subsidiaries	8	-	-	116 880	145 042
Total non-current assets		**5 416 072**	**5 442 472**	**5 433 579**	**5 483 240**
Current assets					
Trade and other receivables	10	155 396	107 423	146 855	106 866
Derivative financial instruments	11	-	636	-	634
Cash and cash equivalents	12	6 194	15 555	6 187	15 543
Current assets		**161 590**	**123 614**	**153 042**	**123 043**
Non-current assets held-for-sale	13	1 009 490	1 310 645	938 890	1 238 146
Total current assets		**1 171 080**	**1 434 259**	**1 091 932**	**1 361 189**
Total assets		**6 587 152**	**6 876 731**	**6 525 511**	**6 844 429**
Equity and liabilities					
Equity					
Share capital	14	4 868 462	4 868 462	4 868 462	4 868 462
Accumulated loss		(2 451 689)	(2 347 478)	(2 502 936)	(2 379 106)
Total equity		**2 416 773**	**2 520 984**	**2 365 526**	**2 489 356**
Liabilities					
Non-current liabilities					
Interest-bearing borrowings	15	1 372 062	540 447	1 372 062	540 447
Lease liabilities	16	16 628	14 614	7 974	8 593
Deferred taxation liability	17	2 597	2 805	2 597	2 805
Total non-current liabilities		**1 391 287**	**557 866**	**1 382 633**	**551 845**

Statements of Financial Position cont.

For the year ended 28 February 2025

Figures in R'000	Notes	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Current liabilities					
Interest-bearing borrowings	15	2 449 290	3 468 549	2 449 290	3 468 549
Interest accrual on interest-bearing borrowings	15	36 359	33 664	36 359	33 664
Lease liabilities	16	5 762	11 686	2 386	9 871
Trade and other payables	19	180 732	175 424	177 657	175 221
Current tax payable	20	21 219	13 942	21 735	17 122
Loans from subsidiaries	8	-	-	4 205	4 205
Bank overdraft	12	85 730	94 616	85 720	94 596
Total current liabilities		**2 779 092**	**3 797 881**	**2 777 352**	**3 803 228**
Total liabilities		**4 170 379**	**4 355 747**	**4 159 985**	**4 355 073**
Total equity and liabilities		**6 587 152**	**6 876 731**	**6 525 511**	**6 844 429**

Statements of
Profit or Loss and Other Comprehensive Income

For the year ended 28 February 2025

		GROUP		COMPANY	
Figures in R'000	**Notes**	2025	2024	2025	2024
Rental income	21	1 140 419	1 162 617	1 125 720	1 154 557
Straight line rental income accrual	4	3 002	(24 866)	2 470	(24 979)
Revenue		**1 143 421**	**1 137 751**	**1 128 190**	**1 129 578**
Property operating expenses		(422 014)	(483 870)	(412 668)	(491 073)
Net operating income		**721 407**	**653 881**	**715 522**	**638 505**
Other income		19 455	31 749	14 270	31 824
Dividend income		-	10 168	-	10 168
(Loss)/gain on foreign exchange movements		(2 910)	19 698	(2 910)	19 698
Administration expenses		(101 732)	(96 564)	(106 039)	(74 449)
Fair value adjustments	22	(222 504)	(217 190)	(209 994)	(227 582)
Investment property and non-current assets held-for-sale		(178 286)	(180 098)	(165 778)	(190 490)
Finanical instruments		(44 218)	(37 092)	(44 216)	(37 092)
ECL provisions		(25 535)	(2 552)	(43 198)	(178 765)
Profit from operations	23	**388 181**	**399 190**	**367 651**	**219 399**
Finance income	24	2 630	10 483	2 618	10 583
Finance costs	25	(463 005)	(484 226)	(461 988)	(488 086)
Loss before taxation		**(72 194)**	**(74 553)**	**(91 719)**	**(258 104)**
Taxation	26	(32 017)	(3 021)	(32 111)	(3 984)
Loss for the year		**(104 211)**	**(77 574)**	**(123 830)**	**(262 088)**
Other comprehensive loss					
Total comprehensive loss for the year					
Loss for the year attributable to:		**(104 211)**	**(77 574)**	**(123 830)**	**(262 088)**
Owners of Parent		(104 211)	(66 482)	(123 830)	(262 088)
Non-controlling interest		-	(11 092)	-	-
		(104 211)	**(77 574)**	**(123 830)**	**(262 088)**
Basic and diluted loss per share					
Basic and diluted loss per share (cents)	27	(14.6)	(9.3)		

Statements of

Changes in Equity - Group

For the year ended 28 February 2025

Figures in R'000	SHARE CAPITAL	ACCUMULATED LOSS	ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Balance at 1 March 2023	4 868 461	(2 237 667)	2 630 794	(32 237)	**2 598 557**
Total comprehensive loss for the year	-	(66 482)	(66 482)	(11 092)	**(77 574)**
Issue of share capital	1	-	1	-	**1**
Derecognition of non-controling interest	-	(43 329)	(43 329)	43 329	**-**
Balance at 29 February 2024	**4 868 462**	**(2 347 478)**	**2 520 984**	**-**	**2 520 984**
Changes in equity					
Total comprehensive loss for the year	-	(104 211)	(104 211)	-	**(104 211)**
Balance at 28 February 2025	**4 868 462**	**(2 451 689)**	**2 416 773**	**-**	**2 416 773**
Note	14				

Statements of

Changes in Equity - Company

For the year ended 28 February 2025

Figures in R'000	ISSUED CAPITAL	ACCUMULATED LOSS	TOTAL
Balance at 1 March 2023	4 868 461	(2 117 018)	**2 751 443**
Total comprehensive loss for the year	-	(262 088)	**(262 088)**
Issue of share capital	1	-	**1**
Balance at 29 February 2024	**4 868 462**	**(2 379 106)**	**2 489 356**
Changes in equity			
Total comprehensive loss for the year	-	(123 830)	**(123 830)**
Balance at 28 February 2025	**4 868 462**	**(2 502 936)**	**2 365 526**

Statements of Cash Flows

For the year ended 28 February 2025

Figures in R'000	Notes	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Cash flows from operating activities					
Cash generated from operations	28	565 366	658 906	560 231	662 731
Finance costs paid		(446 438)	(474 807)	(445 420)	(474 566)
Finance income received	24	2 630	10 483	2 618	10 583
Taxation paid		(28 709)	(84 802)	(28 658)	(84 802)
Taxation received		2 513	-	-	-
Net cash flows from operating activities		**95 362**	**109 780**	**88 771**	**113 946**
Cash flows from investing activities					
Acquisition of property, plant and equipment		(288)	(24)	(230)	-
Capital expenditure on investment property and non-current assets held- for-sale^		(44 601)	(36 651)	(44 601)	(35 291)
Proceeds from disposal of investment property*		10 883	13 462	10 882	13 462
Loans advanced to subsidiaries		-	-	(5 401)	(4 895)
Repayment of loans due from subsidiaries		-	-	16 122	-
Net cash flows from investing activities		**(34 006)**	**(23 213)**	**(23 228)**	**(26 724)**
Cash flows from financing activities					
Repayment of lease liabilities		(3 910)	(5 189)	(8 104)	(3 951)
Repayment of interest-bearing borrowings*		(92 920)	(103 185)	(92 920)	(103 185)
Advance of interest-bearing borrowings		35 000	13 000	35 000	13 000
Net cash flows from financing activities		**(61 830)**	**(95 374)**	**(66 024)**	**(94 136)**
Net movement in cash and cash equivalents		(474)	(8 807)	(481)	(6 914)
Cash at beginning of the the year		(79 061)	(70 254)	(79 053)	(72 139)
Total cash at the end of the year	12	**(79 535)**	**(79 061)**	**(79 534)**	**(79 053)**

** Total debt repayments during the year amounted to R237.5m (FY24: R183.1m), comprising scheduled principal repayments of R92.9m, R140.5m in proceeds from property disposals applied directly to the debt facility, and a R4.1m dividend received from Grit which was similarly allocated. The latter two items are treated as non-cash movements for purposes of the Statement of cash flows. The total consideration received from the disposal of non-core properties was R156.9m, of which R140.5m was utilised to reduce outstanding debt. After deducting selling costs of R5.5m, the net cash inflow to the Group amounted to R10.9m.*

^ Capital expenditure during the year related to existing properties. R40.0m was spent on investment properties (excluding R2.2m funded through a debt facility specifically earmarked for capital projects at Poyntons), and R4.6m was incurred on non-current assets classified as held-for-sale.

Material
Accounting Policies

For the year ended 28 February 2025

1. PRESENTATION OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The financial statements for the year ended 28 February 2025 have been prepared in accordance with IFRS® Accounting Standards (IFRS Accounting Standards), the Financial Pronouncements,, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, JSE Listings Requirements and the Companies Act of South Africa.

The financial statements are prepared on the historic cost basis, except for investment property and certain financial instruments which are carried at fair value and incorporate the principal accounting policies set out below.

Material accounting policies are consistent with those applied in the prior year with the exception of the accounting policies adopted in the current year, refer to note 2.1. The financial statements are prepared on a going concern basis. They are presented in rand and all values are rounded to the nearest thousand (R'000) except where otherwise indicated.

1.1 Basis of consolidation

The Group financial statements incorporate the annual financial statements of the Company and all entities which are controlled by the Company.

The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of the subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. On acquisition, the Group recognises the subsidiary's identifiable assets, liabilities and contingent liabilities at fair value.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

1.2 Investment in subsidiaries

Subsidiaries are entities over which the Company has the ability to control the financial and operating activities so as to obtain benefit from the activities. In the separate financial statements of the Company, investments in subsidiaries are carried at cost less any accumulated impairment.

1.3 Investment property

Investment property consists of land and buildings and installed equipment held to earn rental income for the long term and subsequent capital appreciation. Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the Company and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost, including transaction costs and subsequently at fair value with any change therein recognised in profit or loss. Cost includes initial costs, costs incurred subsequently to extend or refurbish investment property, as well as the cost of any development rights.

Initial direct costs incurred in negotiating and arranging operating leases are capitalised to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

Investment properties are valued at financial year-end, unless circumstances have materially changed during the period, that indicate a material change from the previous valuation and are adjusted to fair value as at the reporting date. Valuations are done annually for the entire property portfolio by external independent valuers on the open market value basis and the valuers use either the discounted cash flow method or the capitalisation of net income method or a combination of the methods.

Material Accounting Policies cont.

For the year ended 28 February 2025

The discounted cash flow model generates a net present value for each property by discounting forecast future cash flows and a residual value at the end of the cash flow projection period by the discount rate of each property. The residual value is calculated by capitalising the net income forecast for the 12-month period immediately following the final year of the cash flow at the exit capitalisation rate. The discount rate applied by each valuator is determined by adding a growth rate per property, based on forecast market-related rental increases, to the determined capitalisation rate per property. The discount rate is then tested for reasonableness by benchmarking the rate against recent comparable sales and surveys prepared by the Morgan Stanley Capital International Index (MSCI) and the South African Property Owners Association (SAPOA). The capitalisation rate is dependent on a number of factors such as location, the condition of the property, current market conditions, the lease covenants and the risk inherent in the property and is also tested for reasonableness by benchmarking against comparable recent sales and surveys prepared by MSCI/SAPOA.

The capitalisation approach determines the net normalised annual income of the property, assuming the property is fully let at market-related rentals and market escalations, with an allowance made for vacancies (where applicable). Market related operating expenses are subtracted resulting in a net annual income, which is then capitalised into perpetuity at a market- related rate. The capitalisation rate is best determined, where possible, by referring to market transactions of comparable properties as it is based on information derived from market analysis. The capitalisation rate must consider the prevailing interest rate. The higher the interest rate, the better return an investor will require. Similarly, risk is another factor that will influence the capitalisation rate. The higher the risk factor, the better the return an investor will require. The risk inherent to income-producing properties is the degree of certainty that the income stream will be realised despite the uncertainty of the future.

Any gain or loss arising from a change in fair value is included in profit or loss for the period in which the fair value adjustments arises.

Gains and losses on the disposal of investment properties are recognised in profit or loss as fair value adjustments and are calculated as the difference between the proceeds received and the carrying value of the property.

1.4 Non-current assets held-for-sale

A non-current asset or a disposal Group comprising assets and liabilities is classified as held-for- sale if it is expected that its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and the sale is highly probable to occur within one year. When a disposal is not concluded within a year, the Group re-assesses whether the disposal is still likely to occur within the year, the reassessment includes testing whether:

- Management is still committed to the sale of the assets based on the strategy and ALICO's approval;
- The asset is being actively marketed, CBRE-X and other marketing platforms are used to market the properties;
- An active program to find a buyer has been initiated, the marketing of the properties on the above platforms represents an initiation to find a buyer;
- Sale will be completed within one year of the classification date, accepted offers or offers that are acceptable are used to confirm whether the sale will be completed within one year; and
- There's no significant changes to the plan that might impact the sale. Based on the results of the assessment adjustments are made where relevant, being a transfer to/from non-current assets held-for-sale. The same considerations are conducted for all properties that are earmarked for disposal.

Where the Group is committed to a sale plan involving the loss of control of a subsidiary, it classifies all the assets and liabilities of that subsidiary as held-for-sale when the criteria set out above and detailed in IFRS 5: Non-current Assets Held-for- Sale and Discontinued Operations are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal Groups held-for-sale are measured at the lower of their carrying amount and fair value less costs of disposal, with any impairment losses recognised in profit or loss. However, certain items, such as financial assets within the scope of IFRS 9: Financial Instruments, deferred tax assets and investment property, continue to be measured in accordance with the Group's accounting policies.

Assets classified as held-for-sale are not depreciated or amortised, and any equity accounted investee, or a portion thereof is no longer equity-accounted. Non-current assets held-for-sale are presented separately from other assets and liabilities on the statement of financial position. Prior periods are not reclassified.

Material
Accounting Policies cont.

For the year ended 28 February 2025

1.5 Financial instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. IFRS 9 specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items.

Financial asset

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured at amortised cost; or
- Those to be measured subsequently at fair value through profit or loss

The classification is based on the business model for managing the asset and the asset's contractual cash flow characteristics as follows:

- Amortised cost – a financial asset is measured at amortised cost if both of the following conditions are met:
  - the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Fair value through profit or loss (FVTPL) – any financial assets that are not held at amortised cost are measured at fair value through profit or loss. All affected financial assets are only reclassified when the business model for managing financial assets changes.

(ii) Recognition and derecognition

Financial assets are recognised when the Group becomes a party to the contractual provisions of the arrangement. Regular purchases and sales of financial assets are recognised on the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets:

- Financial assets at amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest is measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Financial assets at FVTPL: Assets that do not meet the criteria for amortised cost are measured at FVTPL. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss in the period in which it arises.

(iv) Impairment

At each reporting date, the Group recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost. For trade receivables, the Group applies the simplified impairment approach, and therefore measures the loss allowance at an amount equal to lifetime ECLs. Loss allowances for all other receivables, inter-Company and related party loans were valued based on the risk of the counterparty under the general approach.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that Delta expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The Group assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortised cost.

The methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Material Accounting Policies cont.

For the year ended 28 February 2025

Significant increase in credit risk

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are not at default stage.

Trade receivables

For trade receivables, the Group applies the simplified approach permitted by IFRS 9: Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade receivables are generally collected within 30 days of invoice, which are standard credit terms. A specific provision is made for all debtors in the following circumstances where:

- A debtor has vacated and is in arrears.
- Legal action has been taken and the assessment of recovering the debt is doubtful.
- Debtors that are active and in arrears greater than 90 days. The ECL (general) provision is applied to all remaining balances that are not subject to a specific provision.

The expected loss rates are based on the payment profiles of trade receivables and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the tenants to settle the receivable. Such forward looking information would include:

- changes in economic, regulatory, technological and environmental factors (such as industry outlook, GDP, employment and politics); and
- external market indicators.

Default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficult having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Group considers trade and other receivables to be unrecoverable and are derecognised (written off) when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor.

Loan receivables

Loan receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less ECL. The Group holds the loan receivables with the objective to collect the contractual cash flows.

Material Accounting Policies cont.

For the year ended 28 February 2025

Investment in listed investments

At initial recognition, the Group recognises equity instruments at fair value. After initial recognition, changes in fair value are recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss as investment income when the Group's right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents are recognised initially at fair value and include cash on hand, deposits held at call with financial institutions, and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in cash and cash equivalents for the purposes of the statement of cash flows where they form an integral part of the Group's cash management and are repayable on demand. In such cases, the overdraft fluctuates regularly with cash receipts and payments. The Group's overdraft facility is used to meet working capital requirements in the ordinary course of business, with all incoming funds automatically applied against the overdraft balance. As such, the overdraft is considered an integral part of the Group's cash management. Bank overdrafts are presented separately under current liabilities in the consolidated statement of financial position.

Financial liabilities

The Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract. All financial liabilities are initially recognised at fair value minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are subsequently measured at amortised cost, unless the Group opted to measure a liability at FVTPL.

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings denominated in a foreign currency are recognised on the transaction date at the ruling rand equivalent spot rate. The carrying amount is then translated to the rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

Financial liabilities included in trade and other payables are recognised initially at fair value plus transaction costs, if any, and subsequently measured at amortised cost using the effective interest method. If the due date of the liability is less than one year, discounting is omitted.

Derivative financial assets and liabilities are classified as financial assets or liabilities at FVTPL. Derivative financial assets and liabilities comprise mainly interest rate swaps for hedging purposes (economic hedge). Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered into. They are measured initially and subsequently at fair value; transaction costs are included directly in finance costs. Gains or losses on derivatives are recognised in profit or loss in changes in fair values of financial instruments. The Group does not apply hedge accounting in accordance with IFRS 9.

1.6 Taxation

Current taxation

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognised outside profit or loss (either in other comprehensive income or directly in equity).

The charge for current taxation includes expected tax payable or receivable on the taxable income or loss for the year and any adjustment for taxation payable or receivable in respect of prior years. Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (or recovered from) the taxation authorities, using the taxation rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation

Deferred taxation is recognised using the balance sheet liability method for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognised for:

- Temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries and jointly controlled entities, to the extent that it is probable that the temporary differences will not reverse in the foreseeable future;
- Temporary differences arising on the initial recognition of an asset or liability in a transaction that at the time of the transaction does not give rise to equal taxable and deductible temporary differences;
- Deferred tax assets in respect of assessed losses, unless it is probable that future taxable profits will be available against which the losses can be utilised.

Deferred tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply to the period when the related asset is realised or the liability is settled.

Material
Accounting Policies cont.

For the year ended 28 February 2025

1.7 Leases

The Group as a lessor

As a lessor, the Group classifies its leases as operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Properties leased to third parties under operating leases are included in investment properties in the statement of financial position.

The Group provides certain incentives for the lessee to enter into lease agreements. Initial periods of the lease term may be agreed to be rent-free or at a reduced rent. All incentives are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of the payments.

Initial direct costs incurred in negotiating and arranging operating leases are capitalised to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Rental income (net of any incentives given to lessees) is recognised on a straight-lining basis over the lease term.

The Group as a lessee

At initial recognition The ROU asset is measured at its cost, which includes:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date (less any lease incentives received).
- Any initial direct costs incurred by the Group. The lease liability is measured at the present value of future lease payments at commencement date, which are expected to be paid over the lease term.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives.
- Variable lease payments that depend on an index or rate, initially measured at the applicable index or rate at the lease commencement date.
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option, or the penalty payable on the exercise of a termination option unless the Group is reasonably certain not to exercise the option.
- Any amounts expected to be payable under residual value guarantees.

The Group's variable lease payments are not dependent on an index or a rate. As such, these lease payments are not included in the measurement of the lease liability.

The Group recognises the lease payments associated with short-term leases and leases for which the underlying asset is of low value as an expense on the accrual basis of accounting. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the investment properties used in the Group's leasing activities. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms and conditions.

Subsequent measurement

The Group measures the ROU assets that meet the definition of investment property using the fair value model applied to its investment property accounting policy (refer to note 5: Investment property), consequently no depreciation is recognised over the land lease.

Depreciation for ROU assets recognised as property, plant and equipment is charged over the term of the lease agreement.

The lease liability is measured as follows:

- Increasing the carrying amount to reflect interest on the lease liability.

Material Accounting Policies cont.

For the year ended 28 February 2025

- Reducing the carrying amount to reflect the lease payments made.
- Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Where the Group is exposed to potential future increases in variable lease payments based on an index or rate, these are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the ROU asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1.8 Share capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction in equity from the proceeds.

1.9 Income

Revenue recognition

Revenue includes contractual rental income, non-gross lettable income, tenant installations, parking income, operating cost recovery and investment income.

Income received in advance shall be separately presented as part of trade and other payables. As per IFRS 16: Leases, rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

As per IFRS 15: Revenue from Contracts with Customers, revenue from service and property management charges is recognised in the accounting period in which control of the services is passed to the customer, which is when the service is rendered over time. For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Some property management contracts may include multiple elements of service that are provided to tenants. The Group assesses whether individual elements of service in the contract are separate performance obligations. Where the contracts include multiple performance obligations and/or lease and non-lease components, the transaction price will be allocated to each performance obligation (lease and non-lease component) based on the relative standalone selling prices. Where these selling prices are not directly observable, they are estimated based on an expected cost-plus margin. In the case of fixed price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers, which are not for distinct services. This consideration may include discounts, trade allowances, rebates and amounts collected on behalf of third parties. For arrangements that include deferred payment terms that exceed 12 months, the Group adjusts the transaction price for the financing component, with the impact recognised as interest income using the effective interest rate method over the period of the financing.

A receivable is recognised when services are provided and control passes to the customer, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. When the Group acts as an agent, the commission rather than gross income is recorded as revenue.

The Group pays lease commissions in order to secure certain contracts; these lease commissions are assessed to be an incremental cost of obtaining a contract. For lease commissions paid in relation to revenue contracts, which are for a period greater than one year, the lease commissions is capitalised as an other non-current asset and amortised over the period of the revenue contract to which it relates.

Operating expenses

Property operating expenses comprise of utility charges, assessment rates, cleaning, insurance, security, repairs and maintenance and direct property related expenses.

Material
Accounting Policies cont.

For the year ended 28 February 2025

Finance income

Interest earned on cash invested with financial institutions is recognised as it accrues using the effective interest method.

Dividend income

Dividends are recognised, in profit or loss, when the Group's right to receive payment has been established.

1.10 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

The Group determines and presents operating segments based on information that is provided internally to the Executive Management Committee (Exco) and to the Board of directors. The Exco reviews internal management reports of each segment monthly, while the Board reviews internal management reports in respect of each segment at least quarterly.

The operations are arranged into three business segments: Office-Sovereign, Office-Other and Head Office. The property classification is a function of the majority of tenants occupying the premises.

1.11 Earnings, headline earnings and SA REIT funds from operations (previously distributable earnings) per share, SA REIT net asset value and SA REIT loan to value

Earnings per share are calculated based on the weighted average number of shares in issue for the year and profit attributable to shareholders. Headline earnings per share are calculated in terms of the requirements set out in Circular 01/2023 issued by SAICA. SA REIT funds from operations (previously distributable earnings) per share, SA REIT net asset value and SA REIT loan to value are calculated based on the recommendation provided by the SA REIT's best practice guideline. These measures are Non- IFRS Financial Information and has been compiled to provide investors with performance metrics that are commonly used in the industry to enable direct comparison with South African Real Estate Investment Trusts.

1.12 Significant judgements and estimation uncertainties

Estimates and assumptions are an integral part of financial reporting and as such have an impact on the amounts reported for the Group's income, expenses, assets and liabilities. Judgements are opinions and decisions about substance, facts and circumstances relating to a transaction and event. Estimates in these areas are based on historical experience and reasonable expectations relating to future events.

Investment property valuations

The valuation of investment properties requires judgement in determination of the future cash flows and appropriate discount rates. Refer to note 3.

Impairment of trade and other receivables

Management assesses impairments of trade and other receivables on an ongoing basis. See policy note 1.7 (iv) above and notes 11, 12 and 13. In determining the recoverability of the trade receivables, judgement on the current economic environment is taken into account.

The following indicators are especially assessed:

- Actual or expected significant adverse changes in business
- Financial or economic conditions that are expected to cause a significant change to the tenants' ability to meet its rental obligations.

Operating segments

Judgement is applied in aggregating the operating segments within the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. The Group identifies and presents operating segments based on the information that is provided internally to the Exco. An operating segment's operational results are reviewed regularly by the Exco to make decisions about resources to be allocated to the segments and assess its performance for which discrete financial information is available.

The Group comprises three segments, namely, Office -Sovereign, Office-Other and Head Office.

Material
Accounting Policies cont.

For the year ended 28 February 2025

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group applies all applicable IFRS as issued by the International Accounting Standards Board in preparation of the financial statements. Consequently, all IFRS statements that were effective at the date of issuing these financial statements, and are relevant to the Group's operations, have been applied.

Standards and Interpretations effective and adopted in the current year

At the date of authorisation of these financial statements for the year ended 28 February 2025, the following IFRSs were adopted:

Non-current Liabilities with Covenants and Classification of liabilities as current or non-current

The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

The Group has considered the potenitial impact of its outstanding liabilities and the presentation of its financial statements. It has considered whether it has an enforceable right to defer payment or not. Where there has been breaches in covenants of long-term loan arrangements on or before the end of the reporting period with the effect that the liability becomes payable on demand, the liability is classified as current unless a waiver has been obtained as at the reporting date from lenders that the liability is not payable within twelve months from the end of the reporting period. If such a waiver is only obtained after the reporting date, but before the authorization of the financial statements, the liability is still presented as current.

Disclosure of supplier finance arrangements (Amendments to IAS 7 & IFRS 17)

The amendments introduce new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendments include requirements for sale and leaseback transactions to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Material
Accounting Policies cont.

For the year ended 28 February 2025

The IAS 1 amendment is the only amendment that had a material impact during the current financial year. At the date of authorisation of these financial statements, the following applicable standards were in issue but not yet effective:

IFRS	DESCRIPTION	EFFECTIVE DATE	IMPACT ON FINANCIAL STATEMENTS
IAS 21	**Lack of Exchangeability** The amendment requires companies to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. It contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. It requires an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.	Annual periods beginning on or after 1 January 2025	Not expected to materially impact the Group.
IFRS 9 and IFRS 7	**Presentation and Disclosure in Financial Statements** IFRS 9 amendments The amendments provides guidance for when a financial liability should be derecognised when it is settled by electonic payment. The liability is discharged should there be no ability to withdraw payment and the settlement risk associated with the electronic payment is insignificant. Additionally, guidance is given to help an entity assess whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement and to clarify the characteristics of contractually linked instruments. The amendments also specify that transactions that contain multiple debt instruments are not automatically contracts with multiple contractually linked instruments, and so they must be carefully assessed before a final determination is made. IFRS 7 amendments The amendments to IFRS 7 add new required disclosures for any investments in equity instruments designated at fair value through other comprehensive income. When there are contractual terms that could change the contractual cash flows based on the outcome of a contingent event not directly related to basic lending risk, an entity must now disclose certain information surrounding the related contingent event as well as possible changes to cash flows and the gross carrying value and amortised cost of the related financial asset or liability.	Annual periods beginning on or after 1 January 2026	Not expected to materially impact the Group.
IFRS 18	**Presentation and Disclosures in Financial Statements** IFRS 18 is a new accounting standard that replaces parts of IAS 1 and introduces a revised structure and new requirements for the presentation and disclosure of financial statements. It aims to improve transparency, comparability, and usefulness of financial information, especially around performance reporting.	Annual periods beginning on or after 1 January 2027	The potential impact has not yet been assessed.
IFRS 19	**Subsidiaries without public accountability: Disclosures** The amendment specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS® Accounting Standards.	Annual periods beginning on or after 1 January 2027	No impact for the Group is expected

Notes to the Financial Statements

For the year ended 28 February 2025

3. INVESTMENT PROPERTY

Figures in R'000	Notes	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Carrying amount					
Cost		6 479 243	7 175 243	6 131 770	6 829 864
Fair value adjustments		(1 165 427)	(1 880 722)	(978 868)	(1 706 841)
Balance at the end of the year		**5 313 816**	**5 294 521**	**5 152 902**	**5 123 023**
Movements for the year					
Balance at the beginning of the year		5 294 521	6 006 973	5 123 023	5 817 748
Capital expenditure		42 212	43 610	42 156	42 390
Fair value adjustments		71 922	(88 300)	82 562	(98 258)
Transfer to non-current assets held-for-sale	13	(94 839)	(653 836)	(94 839)	(638 857)
Right-of-use adjustment#		-	(13 926)	-	-
Balance at the end of the year		**5 313 816**	**5 294 521**	**5 152 902**	**5 123 023**
Reconciliation to valuations					
Fair value of investment property		5 313 816	5 294 521	5 152 902	5 123 023
Straight-line rental income accrual	4	66 393	63 467	65 727	63 365
Valuations at the end of the year		**5 380 209**	**5 357 988**	**5 218 629**	**5 186 388**

 # Represents a write down of the right of use asset for Block G, the lease was initially recognised with initial rental payments of R6.50 per GLA, however the provisions of the lease allows a lower rental amount if a tenant is government. The right of use asset and liability have been adjusted to reflect the lower amount as per the lease agreement considering that the current tenant is a government entity.

Notes to the
Financial Statements cont.

For the year ended 28 February 2025

Investment property including non-current assets held-for-sale of R6.4bn has been encumbered as security for interest-bearing borrowings (refer note 15) as follows:

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Standard Bank of South Africa				
Investment property pledged as security	1 089 995	795 692	1 051 295	795 692
Investment property held-for-sale pledged as security	74 100	342 160	74 100	342 160
	1 164 095	**1 137 852**	**1 125 395**	**1 137 852**
Facilities	(630 923)	(637 930)	(630 923)	(637 930)
Nedbank Limited*				
Investment property pledged as security	3 615 843	3 923 096	3 492 964	3 923 096
Investment property held-for-sale pledged as security	629 020	540 965	629 020	540 965
	4 244 863	**4 464 061**	**4 121 984**	**4 464 061**
Facilities	(2 629 605)	(2 737 468)	(2 629 605)	(2 737 468)
Bank of China#				
Facilities	(66 235)	(96 780)	(66 235)	(96 780)
Investec Limited				
Investment property pledged as security	674 370	639 200	674 370	639 200
Investment property held-for-sale pledged as security	306 370	427 520	235 770	427 520
	980 740	**1 066 720**	**910 140**	**1 066 720**
Facilities	(532 267)	(573 901)	(532 267)	(573 901)

* *Included in the Nedbank facility are loans syndicated to State Bank of India and Bank of China. These funders share in the Nedbank security pool.*

\# *Bank of China, in addition to the syndicated loan, provide a direct facility to the Group. The security over this facility is included in the Nedbank security pool.*

Investment property valuation

A detailed register of investment property owned by the Group is available for inspection by shareholders at the registered office of the Company. Investment property is leased to tenants on an operating lease basis for a fixed term period with fixed annual rental escalations.

An independent panel of external valuers is appointed annually to perform fair value assessments of the Group's investment properties. The Group supplies the valuers with relevant property data and other necessary information to support the valuation process. In conducting their assessments, the valuers apply current market-based assumptions, including those relating to risks in rental income streams. Once completed, the valuations undergo internal review and are presented across various forums within the Group. The Asset, Liability and Investment Committee, a sub-committee of the Board, then reviews and recommends the valuations to the Board for final consideration and approval.

Notes to the Financial Statements cont.

For the year ended 28 February 2025

The valuers have recent experience valuing properties in both the relevant geographic location and the relevant property category.

All the valuers are registered valuers in terms of Section 19 of the Property Valuers Professional Act (Act No 47 of 2000). The independent valuers are as follows:

COMPANY NAME	LEAD VALUER	QUALIFICATION OF VALUER
DNA Knight Frank	Hendrik JP Fouché	Professional Valuer (without restrictions), ND Real Estate (Property Valuation), NHD
Realworx Property Valuations	Stanton Alberts	Professional Associate Valuer (without restrictions)
Real Insight	Theuns Behrens	NDip (Prop Val), Professional Associate Valuer (without restrictions)
CBRE Excellerate	Riaan Fourie (Senior Valuer)	MSc Real Estate, Professional Associated Valuer, RICS Registered Valuer

Properties allocated to valuers are rotated every three years.

The independent valuations were performed using the discounted cash flow and income capitalisation methodology. These methods are based on open market values with consideration given to future earnings potential and applying an appropriate discount rate to the property.

Notes to the Financial Statements cont.

For the year ended 28 February 2025

At the reporting date, the key assumptions and unobservable inputs used in determining fair value were in the following ranges for the Group's portfolio of properties:

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
All sectors				
Expected market rental growth	2.5% - 5.5%	2.0% - 6.0%	2.5 - 5.5%	2.0% - 6.0%
Expected expense growth	7.0%	7.0%	7.0%	7.0%
Vacancy period	0 - 24 months	0 -18 months	0 - 24 months	0 - 18 months
Office – sovereign				
Number of properties	56	73	56	73
Discount rate	13.5% - 16.5%	14.0% - 17.0%	13.5% - 16.5%	14.0% - 17.0%
Market capitalisation rate	9.5% - 13.5%	9.25% - 14.5%	9.5% - 13.5%	9.25% - 14.5%
Office – other				
Number of properties	27	16	27	16
Discount rate	14.25% - 17.25%	14.0% - 17.0%	14.25% - 17.25%	14.0% - 17.0%
Market capitalisation rate	10.25% - 13.75%	8.75% - 13.5%	10.25% - 13.75%	8.75% - 13.5%

The fair value adjustments on investment property (refer to note 22), which are excluded from the calculation of SA REIT funds from operations, are included in profit and loss and categorised as level 3 under the fair value hierarchy (refer to note 31) based on the inputs to the valuation technique used. Capital commitments are set out in note 32.

The valuations of the investment properties are sensitive to changes in the unobservable inputs used. A change to one of the unobservable inputs, while holding the other inputs constant, would affect the fair value of investment property and fair value adjustment in profit or loss as follows:

Notes to the Financial Statements cont.

For the year ended 28 February 2025

		GROUP		COMPANY	
Figures in R'000	% CHANGE	2025	2024	2025	2024
Increase in discount rate	0.25	(108 400)	(106 700)	(104 400)	(102 600)
Decrease in discount rate	0.25	112 200	110 200	108 100	106 000
Increase in market capitalisation rate	0.25	(141 200)	(142 200)	(135 900)	(139 900)
Decrease in market capitalisation rate	0.25	147 700	148 600	142 200	143 100

The Group's leasehold land held as lessee meets the definition of investment property per IAS 40 and is subsequently measured at fair value. An average growth rate of 4% was applied across the portfolio, a small variation of the market rental growth does not materially impact the valuation.

The fair value of investment property held by the Group as leasehold land reflects expected cash flows including variable lease payments that are expected to become payable.

IFRS 16 requires a lessor to disclose information about how it manages its risk associated with any rights that it retains in leased assets. Residual value risk is the possibility that investment property can only be resold or re-leased at a price below its residual value. The Group manages such risk by performing independent valuations annually, as disclosed above, which considers risks in the assessment of fair market value. Accordingly, the independent valuation exercise performed mitigates the residual risk associated with investment property.

Notes to the Financial Statements cont.

For the year ended 28 February 2025

4. STRAIGHT-LINE RENTAL INCOME ACCRUAL

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Investment property				
Balance at beginning of the year	63 467	66 098	63 365	66 023
Straight-line lease adjustment for the year	2 926	(19 895)	2 362	(19 958)
Transfer to non-current assets held-for-sale	-	17 264	-	17 300
Balance at the end of the year	**66 393**	**63 467**	**65 727**	**63 365**
Non-current assets held-for-sale				
Balance at beginning of the year	3 600	25 835	3 514	25 835
Straight-line lease adjustment for the year	76	(4 971)	106	(5 021)
Straight-line lease non-current asset held-for-sale	996	(3 983)	1 026	(4 033)
Disposal properties straight-line lease adjustment for the year	(920)	(988)	(920)	(988)
Transfer to non-current assets held-for-sale	-	(17 264)	-	(17 300)
Balance at the end of the year	**3 676**	**3 600**	**3 620**	**3 514**
Total straight-line adjustment for the year	**3 002**	**(24 866)**	**2 470**	**(24 979)**

Notes to the Financial Statements cont.

For the year ended 28 February 2025

5. PROPERTY PLANT AND EQUIPMENT

Figures in R'000	MOTOR VEHICLES	FURNITURE AND FITTINGS	COMPUTER EQUIPMENT	RIGHT-OF-USE ASSET	TOTAL
Group - 2025					
Carrying amount					
Cost	1 368	3 918	3 286	15 349	**23 921**
Accumulated depreciation	(1 170)	(3 609)	(2 958)	(14 743)	**(22 480)**
Balance at the end of the year	**198**	**309**	**328**	**606**	**1 441**
Balance at beginning of the year	**416**	**344**	**302**	**2 786**	**3 848**
Movements for the year:					
Additions	-	-	230	58	**288**
Depreciation	(218)	(35)	(204)	(2 238)	**(2 695)**
Scrapping	-	-	-	-	**-**
Balance at the end of the year	**198**	**309**	**328**	**606**	**1 441**
Group - 2024					
Carrying amount					
Cost	1 368	3 918	3 056	15 291	23 633
Accumulated depreciation	(952)	(3 574)	(2 754)	(12 505)	(19 785)
Balance at the end of the year	**416**	**344**	**302**	**2 786**	**3 848**
Balance at beginning of the year	**634**	**372**	**659**	**5 805**	**7 470**
Movements for the year:					
Additions from acquisitions	-	-	24	-	24
Depreciation	(218)	(28)	(339)	(3 019)	(3 604)
Scrapping	-	-	(42)	-	(42)
Balance at the end of the year	**416**	**344**	**302**	**2 786**	**3 848**

Notes to the
Financial Statements cont.

For the year ended 28 February 2025

Figures in R'000	MOTOR VEHICLES	FURNITURE AND FITTINGS	COMPUTER EQUIPMENT	RIGHT-OF-USE ASSET	TOTAL
Company - 2025					
Carrying amount					
Cost	769	3 918	3 198	10 860	18 745
Accumulated depreciation	(571)	(3 612)	(2 874)	(10 314)	(17 371)
Balance at the end of the year	**198**	**306**	**324**	**546**	**1 374**
Balance at beginning of the year	**416**	**341**	**308**	**7 835**	**8 900**
Movements for the year:					
Additions	-	-	230	-	230
Depreciation	(218)	(35)	(214)	(7 289)	(7 756)
Scrapping	-	-	-	-	-
Balance at the end of the year	**198**	**306**	**324**	**546**	**1 374**
Company - 2024					
Carrying amount					
Cost	769	3 918	2 968	10 860	18 515
Accumulated depreciation	(353)	(3 577)	(2 660)	(3 025)	(9 615)
Balance at the end of the year	**416**	**341**	**308**	**7 835**	**8 900**
Balance at beginning of the year	**-**	**372**	**149**	**1 174**	**1 695**
Movements for the year:					
Additions*	489	-	325	9 299	10 113
Depreciation	(73)	(31)	(166)	(2 638)	(2 908)
Balance at the end of the year	**416**	**341**	**308**	**7 835**	**8 900**

** Right-of-use asset mainly relates to the lease between the holding company and Redefine over Silver Stream Office Park (refer to note 16). In the prior year, the internalisation of DPAM resulted in the lease in DPAM to be ceded to Delta Property Fund Limited with the same terms of the original lease. The other additions related to the assets that were transferred from DPAM to DPF, the carrying amount of the assets was determined to be their fair value and represented the additions as disclosed above.*

Notes to the Financial Statements cont.

For the year ended 28 February 2025

6. INVESTMENT IN SUBSIDIARIES

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
NAME OF SUBSIDIARY	**SHAREHOLDING**		**CARRYING AMOUNT^**	
Choice Decisions 300 Proprietary Limited#^	100	100	-	-
Hendisa Investments Proprietary Limited#^	100	100	-	-
Atterbury Parkdev Consortium Proprietary Limited#^	100	100	-	-
Phamog Properties Proprietary Limited#^	100	100	-	-
Hestitrix Proprietary Limited^	100	100	-	-
K2014000273 Proprietary Limited^	100	100	-	-
277 Vermeulen Street Properties Proprietary Limited	100	100	62 273	62 273
Delta Property Asset Management Proprietary Limited^	100	100	1	1
			62 274	**62 274**

 # During 2015, these subsidiaries distributed their respective investment properties to Delta as in specie distributions in terms of section 23K of the Income Tax Act prior to their anticipated liquidation. Delta is in the process of deregistering these subsidiaries in terms of section 47 of the Income Tax Act and all four entities have been placed in voluntary liquidation.

^ The investments in these subsidiaries are held at a nominal value of R100 each, with the exception of DPAM which was acquired from the DPAM Employee Benefit Trust ("Trust"). On 31 August 2023, Delta acquired all of the issued ordinary shares in DPAM from the Trust for a purchase consideration of R1 000 worth of Delta shares.

Hestitrix is the owner of Block G, K2014000273 is the owner of Capital Towers and 277 Vermeulen Street is the owner of Regents Place.

The carrying amount for 277 Vermeulen Street relates to the acquisition of the property known as Regents Place in the entity.

6.1 Interest in joint operation

The Company and Redefine Properties Limited entered into a co-ownership agreement (50:50) with joint control in respect of Building 3 located in Silver Stream Office Park in Bryanston. This co- ownership is classified as a joint operation in terms of IFRS 11 and the Group recognises its 50% proportionate share of the assets, liabilities, income and expenses of the entity.

The portion of the rental paid for the Silver Stream property to the joint operation is eliminated against the rental income received by the Company.

Below are the summarised financial results pertaining to Delta's 50% interest in the property.

Notes to the Financial Statements cont.

For the year ended 28 February 2025

Figures in R'000	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Silver Stream Office Park - 50% Share				
Rental income	8 156	8 754	8 156	8 754
Property expenses	(2 319)	(2 770)	(2 319)	(2 770)
Net property income	**5 837**	**5 984**	**5 837**	**5 984**
Investment property value*	**40 900**	**39 153**	**40 900**	**39 153**

** The investment property value is included in note 3.*

7. INVESTMENT IN LISTED SECURITY

Figures in R'000	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Grit Real Estate Income Group Limited	34 422	80 636	34 422	80 636
Reconciliation of investment in Grit				
Balance at the beginning of the year	80 636	91 267	80 636	91 267
Current year fair value adjustment	(43 582)	(30 329)	(43 582)	(30 329)
Unrealised foreign exchange gain	(2 632)	19 698	(2 632)	19 698
Balance at the end of the year	**34 422**	**80 636**	**34 422**	**80 636**
Share information				
GBP/ZAR	23.15	24.65	23.15	24.65
Share price	0.10	0.22	0.10	0.22
Dividends per share	-	0.04	-	0.04
Dividend income (R000's)	-	10 168	-	10 168
Percentage holding (%)	3.0	3.0	3.0	3.0
Number of shares held	14 869 210	14 869 210	14 869 210	14 869 210
Number of Grit shares in issue	495 092 339	495 092 339	495 092 339	495 092 339

Grit is an African-focused property income fund listed on the Stock Exchange of Mauritius (SEM) and London Stock Exchange (LSE). All dividends received from Grit are applied in settlement of the Investec facilities. Delta's shareholding was moved from SEM to LSE and as at 28 February 2025 the shares were tradeable on the LSE.

The changes in fair value of this investment are recognised in profit and loss according to the requirements of IFRS 9. This investment is categorised as level 1 under the fair value hierarchy in note 30.

Notes to the Financial Statements cont.

For the year ended 28 February 2025

8. LOAN DUE FROM/(TO) SUBSIDIARIES

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
277 Vermeulen Street Properties Proprietary Limited*	-	-	17 930	20 565
K2014000273 Proprietary Limited*#	-	-	158 409	177 755
Hestitrix Proprietary Limited*#	-	-	213 966	230 320
	-	**-**	**390 305**	**428 640**
Expected credit loss allowance	-	-	(273 425)	(283 598)
Balance at the end of the year			**116 880**	**145 042**
Choice Decisions 300 Proprietary Limited	-	-	(2 177)	(2 177)
Hendisa Investments Proprietary Limited	-	-	(15)	(15)
Atterbury Parkdev Consortium Proprietary Limited	-	-	(1 917)	(1 917)
Phamog Properties Proprietary Limited	-	-	(96)	(96)
Balance at the end of the year	**-**	**-**	**(4 205)**	**(4 205)**
Non-current assets	-	-	116 880	145 042
Current liabilities	-	-	(4 205)	(4 205)
	-	**-**	**112 675**	**140 837**

** Loans are secured by investment property.*

 # The loan with K2014000273 and Hestitrix has been impaired to the extent of its total assets less external liabilities.

Loans to wholly owned subsidiaries bear interest at a fixed rate of 7.5% (2024: 7.5%) and are repayable within 30 years from November 2012. A decision has been taken to curtail interest charges on the interGroup loans due to the negative financial positions of the subsidiaries and as a result the interest for the current financial year and the preceding financial year has been written off. The loans receivable have been subordinated.

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Financial Statements cont.
For the year ended 28 February 2025

9. LOANS RECEIVABLES

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Property Holdings Proprietary Limited ("Educor")	16 751	16 751	16 751	16 751
Somnipoint	20 988	20 988	20 988	20 988
DPAM Employee Benefit Trust	-	689	-	689
	37 739	**38 428**	**37 739**	**38 428**
Expected credit loss allowance	(37 739)	(37 739)	(37 739)	(37 739)
Loan written off	-	(689)	-	(689)
	-	-	-	-

Educor Property Holdings Proprietary Limited ("Educor")

This vendor loan arose on the sale of a portfolio of assets comprising 1 and 3 Ferreira Street, Damelin House and Presidia to the Educor Holdings Group. The total transaction value was for a consideration of R208m with a vendor loan of R46m. This vendor loan includes interest accrued at the ruling prime overdraft rate plus 2% and was repayable by the end of May 2019. The Group commenced litigation in 2020 for the recovery of the amount outstanding. Litigation with Educor has been placed on hold following their provisional reinstatement in August 2024 and subsequent full registration by the Department of Higher Education and Training post year end. This followed a period of deregistration due to non-compliance with financial reporting requirements. While Educor has since met the conditions for reinstatement, including improved reporting and compliance standards, the Group remains cautious due to Educor's prior financial instability and operational challenges. As a result, the prospects for recovering the outstanding vendor loan remain uncertain. The Group will continue to monitor Educor's financial position and may resume legal proceedings should there be a material and sustained improvement in their financial stability.

The credit risk on the loan due from Educor remained on Stage 3 based on the performance assessment. The impairment has been increased to fully impair the vendor loan receivable.

Somnipoint

During the 2015 financial, year Delta entered into an option agreement with Somnipoint to acquire the asset held in Somnipoint (known as Absa Towers). A R40m refundable deposit was paid to Somnipoint. The asset (Absa Towers) was presented to the Investment Committee which was subsequently declined. The deposit was not refunded. A loan Agreement was subsequently entered into for the repayment of the R40m. Repayments were made against the loan overtime until FY20. The asset held in Somnipoint was disposed and as a result the loan was impaired. The Group instituted legal proceedings to recover the amounts due from Somnipoint and during FY25, the Group withdrew its claim considering that the company is under liquidation.

The credit risk on the loan due from Somnipoint remained on Stage 3 based on the performance assessment. The loan has been fully impaired.

DPAM Employee Benefit Trust

Due to the acquisition of DPAM, the loan receivable by DPAM from the Trust was transferred to Delta. The trust is insolvent as it relied on support from DPAM, in anticipation of the dissolution of the trust the receivable amount was written off in the prior year.

Notes to the Financial Statements cont.

For the year ended 28 February 2025

10. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Trade receivables at amortised cost	**94 213**	**31 440**	**86 801**	**30 759**
Trade receivables	155 224	87 908	147 477	87 042
Expected credit loss allowance	(61 011)	(56 468)	(60 676)	(56 283)
Amounts due from vendors^	8 424	3 062	8 424	3 062
Other receivables at amortised cost**	87	18 074	(154)	18 419
Deposits paid	23 691	24 428	23 457	24 194
Accrued income*	28 981	30 419	28 327	30 432
	155 396	**107 423**	**146 855**	**106 866**

^ Includes receivables relating rates clearance certificates.

** Relates to municipal recoveries.*

*** Includes insurance claims receivable.*

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9:

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
At amortised cost	146 972	104 000	138 431	103 443
Non-financial instruments#	8 424	3 423	8 424	3 423
	155 396	**107 423**	**146 855**	**106 866**

Notes to the
Financial Statements cont.

For the year ended 28 February 2025

Movement in expected credit loss allowance – trade receivables

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Balance at the beginning of year	(56 468)	(79 702)	(56 283)	(79 599)
Bad debts written off	19 960	22 764	18 909	22 483
Movement in allowance	(24 503)	470	(23 302)	833
Balance at the end of the year	**(61 011)**	**(56 468)**	**(60 676)**	**(56 283)**

Trade receivables have been assessed in terms of IFRS 9 simplified approach, which entailed formulating a matrix provision that applied historical performance (bad debt write-offs applied to appropriate Groupings of receivables based on shared credit risk characteristics) over a three-year period as well as forward looking economic and company-specific risk assessments such as: credit rating, public debt % of GDP, economic growth, political risk and property sector outlook. Risks were weighted against low/ medium/high assessment, resulting in a cumulative ECL risk percentage which has been applied to trade receivables net of VAT and any security held.

 # Includes rates clearance paid in advance.

11. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Standard Bank of South Africa Limited	-	636	-	634
	-	**636**	**-**	**634**
Non-current assets	-	-	-	-
Current assets	-	636	-	634
	-	**636**	**-**	**634**

Interest rate swap – future cash flows are discounted using the Johannesburg Interbank Agreed Rate ("JIBAR") swap curve.

The prior year asset related to swap instruments, all of which have expired with the last one maturing in March 2024.

Notes to the Financial Statements cont.

For the year ended 28 February 2025

12. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Unrestricted cash balances	6 194	15 555	6 187	15 543
Bank overdraft utilised	(85 730)	(94 616)	(85 720)	(94 596)
	(79 536)	**(79 061)**	**(79 533)**	**(79 053)**
Current assets	6 194	15 555	6 187	15 543
Current liabilities	(85 730)	(94 616)	(85 720)	(94 596)
	(79 536)	**(79 061)**	**(79 533)**	**(79 053)**

Cash and cash equivalents comprise cash on hand and balances held with financial institutions, net of bank overdrafts where applicable. These are available for use by the Group in the ordinary course of business.

There were no amounts of cash and cash equivalents that were restricted in use at year-end. No tenant receipts held at year-end were ringfenced or contractually restricted for specific purposes.

The Group has available working capital facilities with Standard Bank of South Africa Limited of R45m and Nedbank Limited of R50m totalling R95 million (2024: R95 million), bearing interest at prime less 1% and prime respectively. In addition, there are revolving credit facilities with Nedbank and Standard bank of R54.3m and R10m respectively. As at year-end, R41.5m of the Revolving Facilities had been utilised.

The Group holds its cash balances with reputable financial institutions that have strong credit ratings, and the associated credit risk is considered to be low. As a result, there's no ECL allowance raised on the cash.

Bank rating

Nedbank Baa3

Standard Bank Ba2

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For the year ended 28 February 2025

13. NON-CURRENT ASSETS HELD-FOR-SALE

		GROUP		COMPANY	
Figures in R'000	Notes	2025	2024	2025	2024
Carrying Amount					
Cost		2 374 675	1 993 884	2 302 398	1 921 608
Fair value adjustments		(1 368 861)	(686 839)	(1 367 129)	(686 976)
Balance at the end of the year		**1 005 814**	**1 307 045**	**935 269**	**1 234 632**
Movement for the year					
Balance at the beginning of the year		**1 307 045**	**813 135**	**1 234 632**	**756 135**
Capital expenditure		4 609	3 860	4 609	3 860
Fair value adjustments		(246 649)	(86 697)	(244 781)	(87 131)
Transfer from investment property		94 839	653 836	94 839	638 857
Disposals		(154 030)	(86 143)	(154 030)	(86 143)
Right-of-use adjustments#		-	9 054	-	9 054
Balance at the end of the year		**1 005 814**	**1 307 045**	**935 269**	**1 234 632**
Reconciliation to valuations					
Fair value of non-current assets held-for-sale		1 005 814	1 307 045	935 269	1 234 632
Straight-line rental income accrual		3 676	3 600	3 621	3 514
Valuation at the end of the year		**1 009 490**	**1 310 645**	**938 890**	**1 238 146**

Represents an addition of the right of use for Pine Parkade.

Notes to the Financial Statements cont.

For the year ended 28 February 2025

Valuation assumptions and unobservable inputs for Non-current assets held for sale are the same and have been included in note 3, with the exception of properties where sale agreements have been signed as in such circumstances, agreed sales price are used as fair value. The following properties have been classified as non-current assets held-for-sale:

PROPERTY	LOCATION	GLA
101 de Korte	Gauteng	6 610
Du Toitspan	Northen Cape	9 485
88 Field Street	KwaZulu Natal	21 793
Anchor House	Free State	2 645
Beacon Hill	Eastern Cape	13 648
Chambers of Change*	Gauteng	7 915
Commission House	Gauteng	6 011
Die Meendt Building*	North West	3 705
Hatfield Forum East	Gauteng	6 390
In 2 Fruit	Gauteng	11 177
Isivuno House*	Gauteng	23 694
Nosa*	Gauteng	3 770
Old Mutual Building	Free State	3 055
Parkmore	Gauteng	2 812
Pine Parkade*	KwaZulu Natal	2 986
Protea Coin - PTA*	Gauteng	2 090
SARS Kimberley	Northern Cape	2 950
SARS Springs	Gauteng	1 922
Strucktura - 539 Church Street	Gauteng	4 488
Thuto House (old Cooper House)	Free State	2 111
277 Vermeulen Street (Pty) Ltd - Regents Place*	Gauteng	10 289
African Life Building	Free State	8 567
Bestmed Building (36 Hamilton Road)*	Gauteng	3 684
Campus Building	Northern Cape	4 700
Domitek	Free State	1 729
Fairweather Corner	Free State	5 968
SARS Belville (Sable Centre)*	Western Cape	17 309
Unisa House	Gauteng	10 055
Stats House	Mpumalanga	2 827

** These properties were held for sale in the prior year, however, they remain as held for sale in the current year as they meet the IFRS 5 criteria based on the reassessment peformed at year end which indicate that these will be disposed within 12 months as the Group has received acceptable offers. Some of the properties have signed sale agreements and are in the process of being transferred.*

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For the year ended 28 February 2025

The Group has analysed the property portfolio and broken it down into core and non-core properties. The difficult economic environment has proven to be a challenge in disposing the earmarked properties, however, as part of the continuing effort to accelerate the execution of the disposal programme. The Group also had three auctions to facilitate the disposal of underperforming properties within the portfolio, particularly those with high vacancy rates and limited prospects for improvement.

The investment properties classified as held-for-sale are those in respect of which the economic benefits will be recovered through sale rather than through continuing use. Disposal proceeds will be applied against debt and capital investment into the core portfolio.

Non-current assets held-for-sale have been pledged as security for interest-bearing borrowings per note 15 and were measured at fair value at financial year-end in terms of IAS 40. The fair value adjustments on investment property, which are excluded from the calculation of distributable earnings, are included in profit and loss and categorised as level 3 under the fair value hierarchy in note 30 based on the inputs to the valuation technique used.

The Group is committed to the disposal of non-current assets held-for-sale and envisage conclusion of sale agreements within 12 months following financial year-end.

The requirements of IFRS 5 have been met in appropriately classifying these assets as held-for-sale.

14. SHARE CAPITAL

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Authorised				
3 000 000 000 ordinary shares of no-par value	-	-	-	-
Issued	4 868 462	4 868 462	4 868 462	4 868 462
Ordinary shares of no-par value	**4 868 462**	**4 868 462**	**4 868 462**	**4 868 462**
Share reconciliation				
Shares outstanding - beginning of the period	714 237 410	714 229 718	714 237 410	714 229 718
Issued during the year	-	7 692	-	7 692
Shares outstanding - end of the year	**714 237 410**	**714 237 410**	**714 237 410**	**714 237 410**

There were no new shares issued in the current reporting period. The unissued shares are under the control of the directors. This authority remains in force until the next AGM of the Company. In the previous reporting period, Delta allotted and issued 7 692 ordinary shares to DPAM Employee Benefit Trust for a purchase consideration of R1 000 worth of Delta shares as settlement for the purchase of DPAM.

Notes to the Financial Statements cont.

For the year ended 28 February 2025

15. INTEREST-BEARING BORROWINGS

	INTEREST RATE %	MATURITY	GROUP		COMPANY	
			2025	2024	2025	2024
Nedbank Facilities			**2 629 605**	**2 737 468**	**2 629 605**	**2 737 468**
Nedbank	3m JIBAR + 3.0%	07 Apr 2025	978 401	1 074 918	978 401	1 074 918
Nedbank	3m JIBAR + 3.0%	07 Apr 2025	458 800	459 100	458 800	459 100
Nedbank	3m JIBAR + 3.0%	07 Apr 2025	358 209	352 072	358 209	352 072
Nedbank	3m JIBAR + 3.0%	07 Apr 2025	150 971	151 067	150 971	151 067
Nedbank	3m JIBAR + 3.0%	07 Apr 2025	150 971	151 070	150 971	151 070
Nedbank	3m JIBAR + 3.0%	07 Apr 2025	125 097	125 179	125 097	125 179
Nedbank	3m JIBAR + 3.0%	07 Apr 2025	124 399	124 480	124 399	124 480
Nedbank	3m JIBAR + 3.0%	07 Apr 2025	76 534	74 405	76 534	74 405
Nedbank[$]	3m JIBAR + 3.75%	07 Jun 2027	122 707	147 795	122 707	147 795
Nedbank[^]	3m JIBAR + 1.97%	31 Dec 2026	41 735	64 382	41 735	64 382
Nedbank[@]	3m JIBAR + 3.5%	07 Apr 2025	41 781	13 000	41 781	13 000
Standard Bank Facilities			**630 923**	**637 930**	**630 923**	**637 930**
Standard Bank	3m JIBAR + 2.5%	31 May 2026	532 381	525 658	532 381	525 658
Standard Bank	Prime - 0.5%	31 May 2026	98 542	112 272	98 542	112 272
Investec Facilities			**532 267**	**573 901**	**532 267**	**573 901**
Investec	Prime	07 Mar 2027	32 775	67 987	32 775	67 987
Investec	Prime	07 Mar 2027	382 602	384 040	382 602	384 040
Investec	Prime	07 Mar 2027	116 890	121 874	116 890	121 874
Other Facilities			**66 235**	**96 780**	**66 235**	**96 780**
Bank of China	3m JIBAR + 2.5%	31 Dec 2026	66 235	96 780	66 235	96 780
			3 859 030	**4 046 079**	**3 859 030**	**4 046 079**
Fees			(1 319)	(3 419)	(1 319)	(3 419)
			3 857 711	**4 042 660**	**3 857 711**	**4 042 660**

[@] This is a revolving credit facility, the total facility is R54.3m.

^ The facility is a syndicated loan shared with Bank of China.

[$] The facility is a syndicated loan shared with State Bank of India.

Notes to the
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For the year ended 28 February 2025

For all financial instruments carried at amortised cost interest is market related, therefore the amortised cost approximates the fair value.

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Non-current liabilities	**1 372 062**	**540 447**	**1 372 062**	**540 447**
Non-current portion of interest-bearing borrowings	1 372 062	540 447	1 372 062	540 447
Current liabilities	**2 485 649**	**3 502 213**	**2 485 649**	**3 502 213**
Current portion of interest-bearing borrowings	2 449 290	3 468 549	2 449 290	3 468 549
Interest accrual on interest-bearing borrowings	36 359	33 664	36 359	33 664
	3 857 711	**4 042 660**	**3 857 711**	**4 042 660**

Interest-bearing borrowings are secured over investment properties (refer to note 3), non-current assets held-for-sale (refer to note 13) and Investment in listed security (refer note 7) with a carrying value of R6.4bn (2024: R6.7bn).

The Group has made significant progress in extending and refinancing its debt facilities, as follows:

- Bank of China extended its facility when it fell due on 25 Janaury 2025 to 31 December 2026.
- Nedbank extended its facilities which fell due on 7 April 2025 to 7 April 2026 post year end.
- State Bank of India extended its facility when it fell due on 7 June 2024 to 7 June 2027.
- Standard Bank extended its facility when it fell due on 31 November 2024 to 31 May 2026.
- Investec consolidated three facilities and extended them to 7 March 2027.

The Group's strategy is to continue to dispose non-core properties and use proceeds to repay debt with the objective of restoring the loan-to-value and interest cover covenants to levels compliant with funding agreements.The Group's funders continue to be supportive and negotiations continue to be positive and transparent.

Due to JIBAR's shortcoming in not reflecting the cost at which banks fund themselves in the market, contracts linked to JIBAR or Prime will be switched to compounded-in-arrears South African Rand Overnight Index Average (ZARONIA) rates. The Reserve Bank's reference interest rate reform transition to ZARONIA has been indicated as a target date of June 2025 for moving to a "no new JIBAR" contracts norm in the SA market. The impact of the change of Delta's borrowing rate from JIBAR to ZARONIA cannot be quantified as yet.

Notes to the Financial Statements cont.

For the year ended 28 February 2025

16. LEASE LIABILITIES

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Investment property	21 431	21 578	9 401	10 088
Property, plant and equipment	959	4 722	959	8 376
Balance at the end of the year	**22 390**	**26 300**	**10 360**	**18 464**
Reconciliation of lease liability				
Balance at the beginning of the year	26 300	34 134	18 464	3 061
Addition to lease liability	58	7 267	-	16 566
Repayment of lease liability including interest	(6 453)	(5 189)	(9 746)	(3 951)
Accrued interest	2 485	(1 581)	1 642	2 788
Other movements#	-	(8 331)	-	-
Balance at the end of the year	**22 390**	**26 300**	**10 360**	**18 464**
Non-current liabilities	16 628	14 614	7 974	8 593
Current liabilities	5 762	11 686	2 386	9 871
	22 390	**26 300**	**10 360**	**18 464**

Other movements represent a write down of the lease liabilitiy for Block G, the lease was initially recognised with initial rental payments of R6.50 per GLA, however the provisions of the lease allows a lower rental amount if a tenant is a government. The right of use asset and liabilitiy have been adjusted to reflect the lower amount as per the lease agreement considering that the current tenant is a government entity.

The Group has leasehold land as investment property at Capital Towers, Block G, Treasury House and Pine Parkade. The lease liabilities on leasehold land have been disclosed separately from investment properties and non-current assets held-for-sale during the current year.

Lease liabilities have been measured at the present value of the lease payments discounted using the Group's incremental borrowing rate. The Group amortises lease liabilities over the remaining lease term by recognising an interest expense in the statement of profit or loss and repayment of capital in the statement of cash flows.

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For the year ended 28 February 2025

The lease expiry dates are as follows:

- Block G – 1 November 2030
- Capital Towers – 1 March 2028^
- Pine Parkade – 29 February 2032
- Treasury House – 31 July 2025
- Silver Stream Office - Building 3 – 28 February 2025*

^ The provisions of the lease has an option for renewal for a further 25 years over 5 renewals periods. Capital Towers is a property earmarked for sale hence management's intention is to extend the lease for only one renewal period. The right of use asset is only for a period of 5 years. The future cash flows to which Delta is potentially exposed to from the extension options for Capital Towers is R69.4m

** The lease has been renewed for a further 5 years to 28 February 2030 following its expiry.*

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Lease Maturity Analysis				
Lease payments payable as lessee				
- Year one	6 363	11 686	2 988	9 871
- Year two	3 881	3 979	1 684	1 982
- Year three	3 683	3 822	1 267	1 626
- Year four	2 903	3 683	1 356	1 267
- Year five	3 052	2 903	1 451	1 356
- Later than five years	4 658	7 709	3 214	4 666
Total undiscounted cash flows	**24 540**	**33 782**	**11 960**	**20 768**

Notes to the Financial Statements cont.

For the year ended 28 February 2025

17. DEFERRED TAXATION

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Deferred tax liability	2 597	2 805	2 597	2 805
	2 597	**2 805**	**2 597**	**2 805**
Reconciliation of deferred taxation				
Leased assets	2 958	4 910	2 958	4 910
Leased liabilities	(3 118)	(5 131)	(3 118)	(5 131)
Operating Lease	18 733	18 056	18 733	18 056
Provisions	(11 103)	(10 110)	(11 103)	(10 110)
Income received in advance	(9 143)	(9 231)	(9 143)	(9 231)
Future expenditure	4 270	4 311	4 270	4 311
Deferred tax liability	**2 597**	**2 805**	**2 597**	**2 805**

Profit/loss reconciliation of deferred taxation				
Opening balance	**2 805**	**8 688**	**2 805**	**8 688**
Leased assets	(1 952)	820	(1 952)	820
Leased liabilities	2 013	(1 219)	2 013	(1 219)
Operating Lease	677	18 056	677	18 056
Provisions	(993)	(23 105)	(993)	(23 105)
Income received in advance	88	(771)	88	(771)
Future expenditure allowance	(41)	336	(41)	336
Deferred tax liability	**2 597**	**2 805**	**2 597**	**2 805**

The Company has no assessed loss and therefore no deferred taxation asset is recognised on any tax losses.

In South Africa, capital gains taxation is not applicable on the sale of investment property and shares in a REIT or property company, in terms of Section 25BB of the Income Tax Act applicable to REITs. Consequently, no deferred tax was raised on the fair value adjustments recognised in respect of investment property.

Allowances relating to immovable property can no longer be claimed by a REIT and if a REIT sells immovable property, any allowances claimed on properties prior to becoming a REIT will be recouped. To the extent that taxation is payable in future as a result of no qualifying distribution being paid, a deferred taxation was raised on temporary differences calculated on items such as the straight-line rental income accrual.

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For the year ended 28 February 2025

18. OTHER FINANCIAL LIABILITIES

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Financial guarantee liability	-	-	-	-
Reconciliation of financial guarantee liability				
Liability at the beginning of year	-	3 330	-	3 330
Derecognition of guarantee	-	(3 330)	-	(3 330)
Balance at the end of the year	**-**	**-**	**-**	**-**

The negotiations were concluded in the previous year to release Delta from the guarantee which was provided to Investec Bank Limited (Investec) in respect of the debt obligations of Freedom Property Fund SARL and Grit Property Holdings Limited for the lower of EUR30m or 58% of the outstanding debt of Grit to Investec were successfully concluded. The guarantee provision of R3.3m was derecognised in the prior year.

19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Trade payables	43 923	41 037	40 566	38 983
Income received in advance	33 928	34 191	33 863	34 191
Accrued expenses	61 078	66 569	60 164	65 607
Provision for audit fees	5 125	4 000	4 375	4 000
Tenant deposits	18 923	17 698	18 774	17 508
Value added tax	17 755	11 929	19 915	14 932
	180 732	**175 424**	**177 657**	**175 221**

Notes to the Financial Statements cont.

For the year ended 28 February 2025

20. TAXATION PAID

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Taxation payable at the beginning of the year	13 942	89 767	17 122	92 053
Current tax for the year recognised in profit or loss	32 225	12 313	32 319	12 478
Under/ (over) provision - prior years	-	(3 409)	-	(2 611)
Net SARS interest and penalties	1 248	7 225	952	7 156
Tax paid including SARS penalties and interest*	**(26 196)**	**(91 954)**	**(28 658)**	**(91 954)**
Tax paid	(27 763)	(84 802)	(27 706)	(84 802)
SARS refund	2 513	-	-	-
SARS penalties and interest	(946)	(7 152)	(952)	(7 152)
Taxation payable at the end of the year	**21 219**	**13 942**	**21 735**	**17 122**

Section 25BB of the Income Tax Act provides for the flow-through principle whereby investors are subject to tax on income received from the REIT and the REIT is taxed on the taxable income retained at the standard corporate rate. Due to the retention of distributable earnings, the Group has paid provisional tax and provided for the necessary tax obligation at the standard corporate tax rate of 27%. Refer to note 26.

** Tax paid includes R0.9m (FY24: R7.2m) interest paid on the arrear tax arrangement which is included in finance cost paid in the statements of cash flows.*

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Financial Statements cont.
For the year ended 28 February 2025

21. RENTAL INCOME

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Revenue from contracts with tenants	**1 140 180**	**1 148 280**	**1 125 486**	**1 140 220**
Contractual rental income	828 345	847 920	817 855	845 506
Recoveries	216 713	202 607	213 852	197 746
Storage	18 094	18 306	17 909	18 131
Parking*	74 139	75 663	73 040	75 179
Antennae	2 889	3 784	2 830	3 658
Other revenue	**239**	**14 337**	**234**	**14 337**
Turnover rental	45	39	45	39
Signage	3	(422)	2	(422)
Casual parking	191	14 720	187	14 720
	1 140 419	**1 162 617**	**1 125 720**	**1 154 557**

Rental income comprises gross rental income and recoveries from tenants net of value added tax. Recoveries includes recoveries for utility charges, marketing expenses, insurance expenses and operating cost expenses.

** Casual parking revenue declined by R14.5m in FY2025, mainly due to once-off and structural changes. These included the absence of notional billing recognised in the prior year and a R7.8m reversal of a historical accrual which has been assessed as irrecoverable. These non-recurring items do not reflect underlying operational performance.*

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Lease Maturity Analysis				
Operating Lease payments receivable as lessor				
- Year one	420 035	368 188	409 727	366 517
- Year two	190 994	255 009	182 066	254 298
- Year three	139 983	127 829	139 054	127 618
- Year four	79 417	102 841	79 417	102 647
- Year five	44 453	52 082	44 453	52 082
- Later than five years	43 920	72 728	43 920	72 728
	918 802	**978 677**	**898 637**	**975 890**

Notes to the Financial Statements cont.

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Minimum lease payments receivable comprises contractual rental income due in terms of signed lease agreements on investment property. This excludes the straight-line rental income accrual adjustments.

22. FAIR VALUE ADJUSTMENTS

		GROUP		COMPANY	
Figures in R'000	Notes	2025	2024	2025	2024
Investment property and non-current assets held-for-sale	3,13	(174 727)	(174 997)	(162 219)	(185 389)
Fair value adjustment on property disposals		(3 559)	(5 101)	(3 559)	(5 101)
Investment in listed security	7	(43 582)	(30 329)	(43 582)	(30 329)
Derivative financial instruments	11	(636)	(6 763)	(634)	(6 763)
		(222 504)	**(217 190)**	**(209 994)**	**(227 582)**

23. PROFIT FROM OPERATIONS

		GROUP		COMPANY	
Figures in R'000	Notes	2025	2024	2025	2024
Profit from operations is stated after recognising:					
Dividend income from listed investment	24	-	10 168	-	10 168
Profit from operations is stated after charging:					
Depreciation of property, plant and eqipment	5	2 695	3 604	7 756	2 908
Fair value adjustments	22	222 504	217 190	209 994	227 582
ECL provisions		25 535	2 551	43 198	178 765
Municipal expenses		291 944	335 469	286 015	328 367
Service contracts		78 717	85 993	76 157	83 854
Repairs and maintenance		24 991	27 611	24 626	27 288
Asset management fees		-	-	-	7 489
Property management services		-	484	-	10 565
Directors' emoluments	33	13 257	12 953	13 257	12 953
Employee benefit expenses		44 754	39 311	44 754	14 729
Commissions		1 738	1 295	1 738	1 066
External audit fees		4 198	4 190	3 488	4 564
Internal audit fees		1 555	961	1 555	961

Notes to the Financial Statements cont.

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24. INVESTMENT INCOME

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Dividend income				
Dividend income from listed investment	-	10 168	-	10 168
	-	**10 168**	**-**	**10 168**
Finance income				
Bank and cash	139	340	139	340
Trade receivables (tenants)	1 855	121	1 845	221
Interest rate swaps	636	10 022	634	10 022
	2 630	**10 483**	**2 618**	**10 583**

25. FINANCE COSTS

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Interest-bearing borrowings	435 425	460 739	435 425	460 739
Debt structuring fees amortised	12 922	6 898	12 922	6 898
Interest on lease liabilities*	2 485	(1 581)	1 642	2 788
Bank interest	9 176	6 566	9 176	6 566
SARS interest	1 177	7 527	1 177	7 259
Other	1 820	4 077	1 646	3 836
	463 005	**484 226**	**461 988**	**488 086**

** The negative interest in the prior year on lease liability is as a result of the adjustment of the lease liability see note 16.*

Notes to the Financial Statements cont.

For the year ended 28 February 2025

26. TAXATION

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Major components of the tax expense				
Current tax expense	32 225	12 313	32 319	12 478
Under provision - prior years	-	(3 409)	-	(2 611)
	32 225	**8 904**	**32 319**	**9 867**
Deferred tax	(208)	(5 883)	(208)	(5 883)
	32 017	**3 021**	**32 111**	**3 984**
Reconciliation of the current tax expense				
Reconciliation between accounting loss and tax expense:				
Accounting loss before tax	(72 194)	(74 553)	(91 719)	(258 104)
Tax at the application tax rate of 27%	(19 492)	(20 129)	(24 764)	(69 688)
Tax effect of adjustments on taxable income:				
Fair Value Movement	60 706	58 641	57 410	61 447
ECL Provision movement	1 506	(5 457)	(915)	17 720
Non-taxable income - dividend received	-	(712)	-	(712)
Non-taxable income - other	(3 423)	(11 359)	(2 061)	(11 359)
Non-deductible expenditure - legal, structuring fees and interest	3 846	4 382	3 798	4 193
Other provisions	1 099	412	897	644
Doubtful debt allowance	(491)	2 509	(474)	2 863
Income received in advance	(71)	465	(88)	772
Future expenditure	33	(217)	41	(360)
Straight-line lease adjustments	(825)	6 715	(677)	6 746
Pre-paid expenses	(785)	(180)	(785)	(186)
Net lease liabilities	(542)	(1 013)	(63)	398
Under provision - prior years	-	(3 409)	-	(2 611)
Assessed loss utilized*	(9 336)	(21 744)	-	-
Tax expense	**32 225**	**8 904**	**32 319**	**9 867**

The Company did not distribute dividends for the year ending February 2025 and 2024.

** A deferred tax due to assessed losses is not recognised in the subsidiary companies as there's no future taxable income against which they will be utilised. The Group has R48.9m (FY24: R65.6m) in assessed losses.*

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For the year ended 28 February 2025

27. EARNINGS AND HEADLINE EARNINGS

	GROUP	
Figures in R'000	2025	2024
Loss attributable to owners of the parent	(104 211)	(66 482)
Change in fair values of investment property and non-current assets held-for-sale	178 286	180 098
Headline earnings attributable to owners of the parent	**74 075**	**113 616**
Shares in issue at the beginning of the year	714 237 410	714 229 718
Number of shares in issue at end of the year	714 237 410	714 237 410
Weighted average number of shares in issue	714 237 410	714 233 564
Basic and diluted loss and headline earnings per share (cents)		
Basic and diluted loss per share	(14.6)	(9.3)
Basic and diluted headline earnings per share	10.4	15.9

The Group has no material dilutionary instruments in issue.

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28. CASH GENERATED FROM OPERATIONS

		GROUP		COMPANY	
Figures in R'000	Notes	2025	2024	2025	2024
Loss before taxation		**(72 194)**	**(74 553)**	**(91 719)**	**(258 104)**
Adjustments for: non-cash items and other reconciling items					
Depreciation of property, plant and equipment	5	2 695	3 604	7 756	2 908
Unrealised foreign exchange gains and losses		2 632	(19 698)	2 632	(19 698)
Dividend income from listed investment		-	(10 168)	-	(10 168)
Finance income	24	(2 630)	(10 483)	(2 618)	(10 583)
Finance costs	25	463 005	484 226	461 988	488 086
Fair value adjustments	22	222 504	217 190	209 994	227 582
ECL allowances		25 535	2 552	43 198	178 765
Straight-line rental income accrual	4	(3 002)	24 866	(2 470)	24 979
Scrapping		-	42	-	-
Tenant installation amortisation		2 446	10 341	2 440	9 673
Operating profit before working capital changes		**640 991**	**627 919**	**631 201**	**633 440**
Changes in working capital:		**(75 625)**	**30 987**	**(70 970)**	**29 291**
(Increase)/decrease in trade and other receivables	10	(80 933)	64 192	(70 706)	47 416
(Increase)/decrease in trade and other payables	19	5 308	(33 205)	(264)	(18 125)
Cash generated from operations		**565 366**	**658 906**	**560 231**	**662 731**

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For the year ended 28 February 2025

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

GROUP (R'000) 2025	INTEREST BEARING BORROWINGS	BANK OVERDRAFT	LEASE LIABILITIES	OTHER FINANCIAL LIABILITIES	TOTAL
Balance at the beginning of the year	4 042 660	94 616	26 300	-	**4 163 576**
Cash flows:					
– Repayment	(92 920)	(8 886)	(3 910)	-	**(105 716)**
– Proceeds	35 000	-	-	-	**35 000**
Non-cash:					
– Additions	2 164	-	-	-	**2 164**
– Interest charges	2 695	-	-	-	**2 695**
– Fees capitalised	12 645	-	-	-	**12 645**
– Reduction of facilities*	(144 533)	-	-	-	**(144 533)**
Balance at the end of the year	**3 857 711**	**85 730**	**22 390**	**-**	**3 965 831**

GROUP (R'000) 2024	INTEREST BEARING BORROWINGS	BANK OVERDRAFT	LEASE LIABILITIES	OTHER FINANCIAL LIABILITIES	TOTAL
Balance at the beginning of the year	4 193 997	77 274	34 134	3 330	**4 308 735**
Cash flows:					
– Repayment	(103 185)	-	(5 189)	-	**(108 374)**
– Proceeds	13 000	17 342	-	-	**30 342**
Non-cash:					**-**
– ECL adjustment	-	-	-	(3 330)	**(3 330)**
– Additions	10 819	-	(1 064)	-	**9 755**
– Interest charges	4 300	-	(1 581)	-	**2 719**
– Fees capitalised	3 688	-	-	-	**3 688**
– Reduction of facilities*	(79 959)	-	-	-	**(79 959)**
Balance at the end of the year	**4 042 660**	**94 616**	**26 300**	**-**	**4 163 576**

** Grit dividend and proceeds from the sale of properties were paid directly to the bank.*

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COMPANY (R'000) 2025	INTEREST BEARING BORROWINGS	BANK OVERDRAFT	LEASE LIABILITIES	OTHER FINANCIAL LIABILITIES	TOTAL
Balance at the beginning of the year	4 042 660	94 596	18 464	-	**4 155 720**
Cash flows:					
– Repayment	(92 920)	(8 876)	(8 104)	-	**(109 900)**
– Proceeds	35 000	-	-	-	**35 000**
Non-cash:					
– Additions	2 164	-	-	-	**2 164**
– Interest charges	2 695	-	-	-	**2 695**
– Fees capitalised	12 645	-	-	-	**12 645**
– Reduction of facilities*	(144 533)	-	-	-	**(144 533)**
Balance at the end of the year	**3 857 711**	**85 720**	**10 360**	**-**	**3 953 791**

COMPANY (R'000) 2024	INTEREST BEARING BORROWINGS	BANK OVERDRAFT	LEASE LIABILITIES	OTHER FINANCIAL LIABILITIES	TOTAL
Balance at the beginning of the year	4 193 997	77 274	3 061	3 330	**4 277 662**
Cash flows:					
– Repayment	(103 185)	-	(3 951)	-	**(107 136)**
– Proceeds	13 000	17 322	-	-	**30 322**
Non-cash:					
– ECL adjustment	-	-	-	(3 330)	**(3 330)**
– Additions	10 819	-	16 566	-	**27 385**
– Interest charges	4 300	-	2 788	-	**7 088**
– Fees capitalised	3 688	-	-	-	**3 688**
– Reduction of facilities*	(79 959)	-	-	-	**(79 959)**
Balance at the end of the year	**4 042 660**	**94 596**	**18 464**	**-**	**4 155 720**

** Grit dividend and proceeds from the sale of properties were paid directly to the bank.*

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For the year ended 28 February 2025

30. FINANCIAL INSTRUMENTS CATEGORIES

FINANCIAL ASSETS (FIGURES R'000)	AT AMORTISED COST	AT FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Year ended 28 February 2025 - Group			
Investment in listed security	-	34 422	34 422
Trade and other receivables (excluding non-financial instruments)	146 972	-	146 972
Cash and cash equivalents	6 194	-	6 194
	153 166	**34 422**	**187 588**

FINANCIAL ASSETS (FIGURES R'000)	AT AMORTISED COST	AT FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Year ended 28 February 2024 - Group			
Investment in listed security	-	80 636	80 636
Derivative financial instruments	-	636	636
Trade and other receivables (excluding non-financial instruments)	104 000	-	104 000
Cash and cash equivalents	15 555	-	15 555
	119 555	**81 272**	**200 827**

FINANCIAL ASSETS (FIGURES R'000)	AT AMORTISED COST	AT FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Year ended 28 February 2025 - Company			
Investment in listed security	-	34 422	34 422
Loan due from subsisdiaries	116 880	-	116 880
Trade and other receivables (excluding non-financial instruments)	138 431	-	138 431
Cash and cash equivalents	6 187	-	6 187
	261 498	**34 422**	**295 920**

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FINANCIAL ASSETS (FIGURES R'000)	AT AMORTISED COST	AT FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Year ended 28 February 2024 - Company			
Investment in listed security	-	80 636	80 636
Derivative financial instruments	-	634	634
Loan due from subsisdiaries	145 042	-	145 042
Trade and other receivables (excluding non-financial instruments)	103 443	-	103 443
Cash and cash equivalents	15 543	-	15 543
	264 028	**81 270**	**345 298**

FINANCIAL LIABILITIES (FIGURES R'000)	AT AMORTISED COST	AT FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Year ended 28 February 2025 - Group			
Interest-bearing borrowings (including interest accrual)	3 857 711	-	3 857 711
Trade and other payables (excluding non-financial instruments)	129 049	-	129 049
Lease liability	22 390	-	22 390
Bank overdraft	85 730	-	85 730
	4 094 880	**-**	**4 094 880**

FINANCIAL LIABILITIES (FIGURES R'000)	AT AMORTISED COST	AT FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Year ended 28 February 2024 - Group			
Interest-bearing borrowings (including interest accrual)	4 042 660	-	4 042 660
Trade and other payables (excluding non-financial instruments)	129 304	-	129 304
Grit gaurantee liability	-	-	-
Lease liability	26 300	-	26 300
Bank overdraft	94 616	-	94 616
	4 292 880	**-**	**4 292 880**

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FINANCIAL LIABILITIES (FIGURES R'000)	AT AMORTISED COST	AT FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Year ended 28 February 2025 - Company			
Interest-bearing borrowings (including interest accrual)	3 857 711	-	3 857 711
Trade and other payables (excluding non-financial instruments)	123 880	-	123 880
Loans from subsidiaries	4 205	-	4 205
Lease liability	10 360	-	10 360
Bank overdraft	85 720	-	85 720
	4 081 876	**-**	**4 081 876**

FINANCIAL LIABILITIES (FIGURES R'000)	AT AMORTISED COST	AT FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Year ended 28 February 2024 - Company			
Interest-bearing borrowings (including interest accrual)	4 042 660	-	4 042 660
Trade and other payables (excluding non-financial instruments)	141 030	-	141 030
Loan from subsidiaries	4 205	-	4 205
Lease liability	18 464	-	18 464
Grit gaurantee liability	-	-	-
Bank overdraft	94 596	-	94 596
	4 300 955	**-**	**4 300 955**

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For the year ended 28 February 2025

31. FAIR VALUE HIERARCHY

IFRS 13 requires that an entity disclose, for each class of financial instrument and investment property measured at fair value, the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety.

The fair value hierarchy reflects the significance of the inputs used in making fair value measurements.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Figures in R'000	Notes	LEVEL 1	LEVEL 2	LEVEL 3	FAIR VALUE
Year ended 28 February 2025 - Group					
Investment property	3	-	-	5 380 209	5 380 209
Investment in listed security	7	34 422	-	-	34 422
Non-current assets held-for-sale*	13	-	-	1 009 490	1 009 490
		34 422	**-**	**6 389 699**	**6 424 121**

LEVEL 3 RECONCILIATION (FIGURES R'000)	Notes	BALANCE AT THE BEGINNING OF THE YEAR	ADDITIONS/ (DISPOSALS)	PROFIT/LOSS IN LOSS FOR THE YEAR	BALANCE AT THE END OF THE YEAR
Assets					
Investment properties	3	5 357 988	(52 627)	74 848	5 380 209
Non-current assets held-for-sale	13	1 310 645	(51 023)	(250 132)	1 009 490
		6 668 633	**(103 650)**	**(175 284)**	**6 389 699**

** Ten of the properties held for sale were valued based on the contract selling prices with the purchasers.*

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Figures in R'000	Notes	LEVEL 1	LEVEL 2	LEVEL 3	FAIR VALUE
Year ended 28 February 2024 - Group					
Investment property	3	-	-	5 357 988	5 357 988
Investment in listed security	7	80 636	-	-	80 636
Derivative financial instruments	11	-	636	-	636
Non-current assets held-for-sale	13	-	-	1 310 645	1 310 645
		80 636	**636**	**6 668 633**	**6 749 905**

LEVEL 3 RECONCILIATION Figures in R'000	Notes	BALANCE AT THE BEGINNING OF THE YEAR	ADDITIONS/ (DISPOSALS)	LOSS IN PROFIT OR LOSS FOR THE YEAR	BALANCE AT THE END OF THE YEAR
Assets					
Investment properties	3	6 073 071	(626 783)	(88 300)	5 357 988
Non-current assets held-for-sale	13	838 970	563 473	(91 798)	1 310 645
		6 912 041	**(63 310)**	**(180 098)**	**6 668 633**

32. COMMITMENTS

	GROUP		COMPANY	
Figures in R'000	2025	2024	2025	2024
Capital Commitments				
Approved and committed	-	-	-	-
Approved and not yet committed	59 710	60 000	59 710	60 000
	59 710	**60 000**	**59 710**	**60 000**

Notes to the Financial Statements cont.

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33. RELATED PARTIES

Parties are considered related if one party has the ability to exercise control or significant influence over the other party in making financial or operational decisions. All related party transactions were conducted at arm's length. However, due to the deteriorating financial position of certain subsidiaries, interest on loans advanced to them has been curtailed and, in some instances, written off as bad debt.

NATURE OF RELATIONSHIP	RELATED PARTY
Subsidiaries	277 Vermeulen Street Properties Proprietary Limited
	Atterbury Parkdev Consortium Proprietary Limited
	Choice Decisions 300 Proprietary Limited
	Delta Property Asset Management ("DPAM")
	Hendisa Investments Proprietary Limited
	Hestitrix Proprietary Limited
	K2014000273 Proprietary Limited
	Phamog Properties Proprietary Limited
Board of Directors	S Masinga – Chief Executive Officer
	Z Mhlontlo – Chief Financial Officer
	P Langeni – Chairman*
	BD Copans*
	T Matlala*
	S Mboweni*
	SV Zilwa*
Common directors	Afropulse Group Proprietary Limited
	Cornwall Crescent Proprietary Limited
Parent	Cornwall Crescent Proprietary Limited
Ultimate Holder	Afropulse Group Proprietary Limited

** Non-executives.*

Notes to the Financial Statements cont.

For the year ended 28 February 2025

33.1 Remuneration paid to directors

2025					
NAME	FEES PAID	SALARY	RETIREMENT BENEFITS	STI *	TOTAL REMUNERATION
S Masinga	-	4 513	-	898	5 411
Z Mhlontlo	-	3 562	186	365	4 113
P Langeni	1 043	-	-	-	1 043
Brett Copans (Appointed 10 April 2024)	541	-	-	-	541
T Matlala (Appointed 26 June 2024)	383	-	-	-	383
Solly Mboweni (Appointed 26 June 2024)	451	-	-	-	451
DN Motau (Retired 01 June 2024)	162	-	-	-	162
MJN Njeke (Retired 29 August 2024)	343	-	-	-	343
S Zilwa	810	-	-	-	810
Total compensation paid to directors	**3 733**	**8 075**	**186**	**1 263**	**13 257**

** R1.3m was awarded as short-term incentive ("STI") for 2024 and paid in July 2024.*

Ms S Masinga and Mr Z Mhlontlo are directors of the subsidiaries of Delta and no further remuneration is paid for services rendered as directors of those entities.

The Group operates a full value performance unit plan, under which rights are granted annually to executives based on key performance areas (KPAs). These rights vest on the third anniversary of the grant date, subject to the achievement of predetermined performance conditions. Although the award may be settled in shares or cash at the discretion of the Board, the plan is accounted for as equity-settled in accordance with IFRS 2 – Share-based Payment.

During the current year, a Long-Term Incentive ("LTI") award relating to the 2025 performance cycle was approved. As at reporting date, the performance metrics and fair value determination are still under consideration. Accordingly, no expense has been recognised in respect of the 2025 LTI award in the current period. Once finalised, the fair value of the awards expected to vest will be amortised over the vesting period in accordance with the Group's accounting policy.

The Short-Term Incentive ("STI") for the 2025 financial year is under review by the Remuneration Committee and has not been finalised.

Notes to the Financial Statements cont.

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2024					
NAME	**FEES PAID**	**SALARY**	**RETIREMENT BENEFITS**	**OTHER BENEFITS**	**TOTAL REMUNERATION**
S Masinga	-	4 452	-	-	4 452
Z Mhlontlo (Appointed 18 July 2023)	-	2 114	125	21	2 260
M de Lange (Resigned 25 July 2023)	-	1 432	75	408	1 915
P Langeni	1 031	-	-	-	1 031
MJN Njeke	724	-	-	-	724
S Zilwa (Appointed 01 June 2023)	465	-	-	-	465
A Phakathi (Appointed 16 October 2023, resigned 23 February 2024)	193	-	-	-	193
DN Motau	647	-	-	-	647
MCR Rampheri# (Resigned 30 August 2023)	1 110	-	-	-	1 110
P Stock (Resigned 30 June 2023)	156	-	-	-	156
	4 326	**7 998**	**200**	**429**	**12 953**

Ms S Masinga and Mr Z Mhlontlo are directors of the subsidiaries of Delta and no further remuneration is paid for services rendered as directors of those entities.

 # Mr MC Rampheri's fees include consulting fees of R900 000.

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	DIRECT BENEFIRICAL HOLDINGS	INDIRECT BENEFICIAL HOLDINGS	TOTAL 2025	DIRECT BENEFIRICAL HOLDINGS	INDIRECT BENEFICIAL HOLDINGS	TOTAL 2024
Executive directors						
S Masinga[1]	-	11 452 193	**11 452 193**	-	11 164 943	**11 164 943**
Non-executive directors						
P Langeni[1]	500 000	11 453 090	**11 953 090**	500 000	11 164 943	**11 664 943**
DN Motau	1 860	-	**1 860**	1 860	-	**1 860**
	501 860	**22 905 283**	**23 407 143**	**501 860**	**22 329 886**	**22 831 746**

[1] *As part of a B-BBEE transaction, Cornwall Crescent Proprietary Limited ("Cornwall"), purchased Delta shares from Redefine Properties Limited (off market) utilising a vendor loan. All of the shares held by Cornwall are held under guarantee for the facility. The number of shares held by Cornwall per the share register is 162 043 079. Afropulse Group Proprietary Limited is a shareholder of Cornwall with Ms S Masinga and Ms P Langeni being shareholders of Afropulse Group.*

There have been no changes to the holdings disclosed above from year end to the date of approval of these annual financial statements.

Notes to the Financial Statements cont.

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33.2 Related party transactions and balances

RELATED PARTY	TRANSACTION/BALANCE	GROUP		COMPANY	
Figures in R'000		2025	2024	2025	2024
Transactions eliminated at Group					
Atterbury Parkdev Consortium	Loans payable	-	-	(1 917)	(1 917)
Choice Decisions 300	Loans payable	-	-	(2 177)	(2 177)
Hendisa Investments	Loans payable	-	-	(15)	(15)
Phamog Properties	Loans payable	-	-	(96)	(96)
K2014000273	Loans receivable^#	-	-	158 409	177 755
277 Vermeulen Street Properties	Loans receivable^#	-	-	17 930	20 565
Hestitrix	Loans receivable^#	-	-	213 966	230 320
DPAM	Trade and other receivables	-	-	-	(264)
	Trade and other payables	-	-	-	9
	Asset management fees paid	-	-	654	(7 489)
	Property management fees paid	-	-	(91)	(10 565)
	Recoveries and letting commission	-	-	-	(11 001)

TRANSACTIONS NOT ELIMINATED AT GROUP		GROUP		COMPANY	
Figures in R'000		2025	2024	2025	2024
Afropulse	Secondment Fee – Executive	(5 411)	(4 452)	(5 411)	(4 452)

^ Expected credit losses of R273.4m has been recognised, see note 8.

 # Interest on subsidiary loans has been curtailed due to the negative financial position of the subsidiaries.

Notes to the Financial Statements cont.

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34. FINANCIAL RISK MANAGEMENT

The Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Risk and Compliance Committee reviews management's compliance with the Group's risk policies and procedures and assesses the adequacy of the risk management framework. The committee reports regularly to the Board of directors.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

The Group has exposure to liquidity, market and credit risk from its use of financial instruments, which consist primarily of deposits with banks, interest-bearing liabilities, trade and other receivables and trade and other payables.

34.1 Market risk

34.1.1 Currency risk

The Group and Company is exposed to currency risk through the investment in Grit shares, which is denominated in Great British Pound (GBP). The shares have been valued at an exchange rate of R23.15 (2024: R24.65) at year-end with a pound exposure of GBP 1 449 748 (FY24: GBP 3 271 237). The exposure to currency risk is minimal as the Group is in the process of disposing the Grit investment.

A reasonably possible change of R1 in the exchange rate at the reporting date would have increased /(decreased) equity and profit and loss by the amounts shown below:

CURRENCY RISK SENSITIVITY ANALYSIS (Figures in R'000)	CHANGE ZAR	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Increase in exchange rate	R1.00	1 450	3 271	1 450	3 271
Decrease in exchange rate	R1.00	(1 450)	(3 271)	(1 450)	(3 271)

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34.1.2 Interest rate risk

The Group and Company are exposed to interest rate risk arising from variable rate cash balances, receivables, and interest-bearing borrowings. To manage this risk, the Group historically utilised interest rate swaps to fix the interest rates on a portion of its borrowings. During the prior financial year, the majority of these interest rate swaps matured and were not renewed, as the prevailing fixed rates were considered unreasonably high. Consequently, management deferred entering into new hedging arrangements until such time as hedging costs are more favourable and the economic benefit to the Group is clear. The Group continues to actively monitor its exposure to interest rate fluctuations. In the current declining interest rate environment, the short-term exposure is considered minimal.

The all-in weighted average cost of interest-bearing borrowings is 11.2% (FY24: 11.4%). This has reduced from prior due to lower interest rates in the current financial year.

A reasonably possible change of 1% in the interest rates at the reporting date would have increased /(decreased) equity and profit and loss by the amounts shown below:

INTEREST RATE SENSITIVITY ANALYSIS (Figures in R'000)	CHANGE	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Increase in interest rate	1.00%	(58 197)	(41 036)	(58 197)	(41 036)
Decrease in interest rate	1.00%	22 725	41 036	22 725	41 036

34.1.3 Equity price risk

The Group and Company is exposed to equity securities price risk through its investment in a listed property security held by the Group and classified on the Group statement of financial position as an investment in Grit. Equity investments are held for strategic purposes and the Group does not actively trade these instruments. Delta aims to sell its holding in Grit to manage the risk that its currently exposed to.

A reasonably possible change of 10% in the share price at the reporting date would have increased /(decreased) equity and profit and loss by the amounts shown below:

EQUITY PRICE SENSITIVITY ANALYSIS (Figures in R'000)	CHANGE IN PRICE	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Increase in share price	10.00%	3 356	8 064	3 356	8 064
Decrease in share price	10.00%	(3 356)	(8 064)	(3 356)	(8 064)

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34.2 Credit risk

Credit risk is the risk of financial loss to the Group or Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from loans to related parties, loan receivable, trade receivables, cash and cash equivalents and other financial assets.

The Group and Company are exposed to credit risk arising primarily from rental income, with a significant concentration of revenue derived from a single tenant, namely DPWI. This concentration presents a heightened credit risk, which is managed through ongoing engagement to ensure lease compliance and timeous collection. The Group is focused on reducing this concentration over time through tenant diversification.

FINANCIAL INSTRUMENTS (Figures in R'000)	Notes	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
		-	**-**	**116 880**	**145 042**
Loans due from subsidiaries		-	-	390 305	428 640
ECL allowance		-	-	(273 425)	(283 598)
		-	**-**	**-**	**-**
Loan receivable		37 739	37 739	37 739	37 739
ECL allowance		(37 739)	(37 739)	(37 739)	(37 739)
	10	**146 972**	**104 000**	**138 431**	**103 443**
Trade and other receivables		207 983	160 468	199 107	159 726
ECL allowance		(61 011)	(56 468)	(60 676)	(56 283)
Cash and cash equivalents		6 194	15 555	6 187	15 543

34.2.1 Credit risk management

Loans and other receivables

The credit risk attached to loans due from subsidiaries, loans due from related parties, loan receivable and other receivables were assessed in terms of the general approach per IFRS 9.

The Group assesses on a forward-looking basis the expected credit losses associated with loans and other receivable carried at amortised cost. This entails the assessment of credit risk since initial recognition, probability of default (PD), loss given default (LGD) and exposure at default (EAD) [i.e. PD x LGD x EAD = ECL].

The credit risk is measured by assessing the status of performance during the financial year i.e. performing (stage 1) – loans whose credit risk is in line with original expectations; underperforming (stage 2) – loans for which a significant increase in credit risk has occurred compared to original expectations i.e. a significant increase in credit risk is presumed if interest and/or principal payments are 90 days past due; and non-performing (stage 3) – interest and/or principal repayments are 120 days past due or it becomes probable a customer will enter business rescue or bankruptcy. This assessment summarises the credit risk and how the expected credit loss (ECL) provision is determined for each of those categories.

Notes to the Financial Statements cont.

For the year ended 28 February 2025

Loans and other receivables are segmented into counterparty type (i.e. income generating property entity and corporate, contractual property income) which assists with risk assessment. The probability of a loan defaulting has been determined using historical data up to 36 months from inception together with other pertinent information that is available. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

CATEGORY	DEFINITION OF CATEGORY	RECOGNITION OF ECL PROVISION
Performing	Loans whose credit risk is in line with original expectations	12-month expected credit losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1)
Underperforming	Loans for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal payments are 90 days past due	Lifetime expected losses (stage 2)
Non-performing	Interest and/or principal repayments are 120 days past due or it becomes probable a customer will enter business rescue or bankruptcy	Lifetime expected losses (stage 3)

Loans due from subsidiaries and loans receivable

The credit risk associated with 277 Vermeulen Street Properties Proprietary Limited has remained elevated in the current year and continues to be classified as Stage 3. This is due to the subsidiary's income-generating property remaining 81.4% vacant, indicating a persistent risk of default. Similarly, there has been a sustained significant credit risk (Stage 3) for K2014000273 Proprietary Limited as the property remains 100% vacant, further heightening the risk of default.

The loan owing by Hestitrix Proprietary Limited remains classified as Stage 3 under IFRS 9, indicating a continued significant credit risk. This classification persists despite a 5% increase in the property's fair value compared to the prior year. Management notes a substantial improvement in the property's vacancy rate, which declined from 70% in the previous year to 14% in the current reporting period. This improvement reflects enhanced tenant retention and stronger market demand. While encouraging, the asset remains subject to elevated credit risk, and management continues to implement measures aimed at further mitigating this risk and ensuring financial sustainability.

Notes to the Financial Statements cont.

For the year ended 28 February 2025

The Company raised an ECL provision based on the assessment below.

At 28 February 2025, the exposure to credit risk for loans due from connected parties by counterparty was as follows:

The following table presents an analysis of the credit quality of loans due from subsidiaries. It indicates 12-month ECL or lifetime ECL allowance as well as credit-impaired.

	2025		2024	
COMPANY (Figures in R'000)	**LOAN BALANCE**	**LIFETIME ECL**	**LOAN BALANCE**	**LIFETIME ECL**
277 Vermeulen Street Properties Proprietary Limited	17 930	14 420	20 565	15 332
Hestitrix Proprietary Limited	213 966	113 705	230 320	135 242
K2014000273 Proprietary Limited	158 409	145 300	177 755	133 024
Gross carrying amount	**390 305**	**273 425**	**428 640**	**283 598**
Loss allowance	(273 425)	-	(283 598)	-
Carrying amount	**116 880**	**273 425**	**145 042**	**283 598**

The movement in the allowance for impairment for loans due from subsidiaries during the year was as follows:

Figures in R'000	2025	2024
Balance as at 1 March	283 598	237 197
Net remeasurement of loss allowance	(10 173)	46 401
Balance at 28 February	**273 425**	**283 598**

Notes to the Financial Statements cont.

For the year ended 28 February 2025

The following table provides an explanation of how significant changes in the gross carrying amount of financial instruments during the period contributed to changes in loss allowance.

COMPANY (FIGURES IN R'000)	OPENING BALANCE	2025 IMPACT: DECREASE			CLOSING BALANCE
		STAGE 1	STAGE 2	STAGE 3	
Decrease in loans advanced for the year					
277 Vermeulen Street Properties Proprietary Limited	20 565	-	-	(2 635)	**17 930**
Hestitrix Proprietary Limited	230 320	-	-	(16 354)	**213 966**
K2014000273 Proprietary Limited	177 755	-	-	(19 346)	**158 409**
	428 640	**-**	**-**	**(38 335)**	**390 305**

COMPANY (Figures in R'000)	OPENING BALANCE	2024 IMPACT: INCREASE/(DECREASE)			CLOSING BALANCE
		STAGE 1	STAGE 2	STAGE 3	
Increase/(decrease) in loans advanced for the year					
277 Vermeulen Street Properties Proprietary Limited	20 532	-	-	33	**20 565**
Hestitrix Proprietary Limited	267 482	-	-	(37 162)	**230 320**
K2014000273 Proprietary Limited	216 915	-	-	(39 160)	**177 755**
Delta Property Asset Management ("DPAM")	40 346	-	-	(40 346)	**-**
	545 275	**-**	**-**	**(116 635)**	**428 640**

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Financial Statements cont.
For the year ended 28 February 2025

The Company raised an ECL provision based on the assessment below:
All loans are located within South Africa

2025	PERFORMANCE CATEGORY	GROSS CARRYING AMOUNT R'000	PROBABILITY OF DEFAULT (PD)	LOSS GIVEN DEFAULT (LGD)	EXPECTED CREDIT LOSS (ECL)
Counterparty					
277 Vermeulen Street Properties Proprietary Limited	Non - performing	17 930	100.0%	80.4%	80.4%
Hestitrix Proprietary Limited	Non - performing	213 966	100.0%	53.1%	53.1%
K2014000273 Proprietary Limited	Non - performing	158 409	100.0%	79.9%	79.9%
		390 305			

EXPECTED CREDIT LOSS ALLOWANCE	PERFORMING	UNDER PERFORMING	NON PERFORMING	TOTAL
Balance at the beginning of the year	-	-	283 598	**283 598**
Current year ECL provision	-	-	(10 173)	**(10 173)**
Balance at the end of the year	**-**	**-**	**273 425**	**273 425**

2024	PERFORMANCE CATEGORY	GROSS CARRYING AMOUNT R'000	PROBABILITY OF DEFAULT (PD)	LOSS GIVEN DEFAULT (LGD)	EXPECTED CREDIT LOSS (ECL)
Counterparty					
277 Vermeulen Street Properties Proprietary Limited	Non - performing	20 565	100.0%	74.6%	74.6%
Hestitrix Proprietary Limited	Non - performing	230 320	100.0%	58.7%	58.7%
K2014000273 Proprietary Limited	Non - performing	177 755	100.0%	74.8%	74.8%
		428 640			

EXPECTED CREDIT LOSS ALLOWANCE	PERFORMING	UNDER PERFORMING	NON PERFORMING	TOTAL
Balance at the beginning of the year	-	204 197	33 000	**237 197**
Current year ECL provision	-	(204 197)	250 598	**46 401**
Balance at the end of the year	**-**	**-**	**283 598**	**283 598**

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For the year ended 28 February 2025

2025	PERFORMANCE CATEGORY	GROSS CARRYING AMOUNT R'000	PROBABILITY OF DEFAULT (PD)	LOSS GIVEN DEFAULT (LGD)	EXPECTED CREDIT LOSS (ECL)
Counterparty					
Somnipoint	Non-performing	20 988	100%	100%	(20 988)
Educor	Non-performing	16 751	100%	100%	(16 751)
		37 739			**(37 739)**

EXPECTED CREDIT LOSS ALLOWANCE	PERFORMING	UNDER PERFORMING	NON PERFORMING	TOTAL
Balance at the beginning of the year	-	-	37 738	**37 738**
Current year ECL provision	-	-	1	**1**
Balance at the end of the year	**-**	**-**	**37 739**	**37 739**

2024	PERFORMANCE CATEGORY	GROSS CARRYING AMOUNT R'000	PROBABILITY OF DEFAULT (PD)	LOSS GIVEN DEFAULT (LGD)	EXPECTED CREDIT LOSS (ECL)
Counterparty					
Somnipoint	Non-performing	20 988	100%	100%	20 988
Educor	Non-performing	16 751	100%	100%	16 751
		37 739			**37 739**

EXPECTED CREDIT LOSS ALLOWANCE	PERFORMING	UNDER PERFORMING	NON PERFORMING	TOTAL
Balance at the beginning of the year	-	-	32 075	**32 075**
Current year ECL provision	-	-	5 663	**5 663**
Balance at the end of the year	**-**	**-**	**37 738**	**37 738**

Trade receivables

Credit risk arises from the risk that a tenant may default or not meet its obligations timeously. Management has established a credit policy under which each new tenant is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered, which include in certain cases the provision of a deposit. The financial position of the tenants is monitored on an ongoing basis. Allowance is made for specific doubtful debts and credit risk is therefore limited to the carrying amount of the financial assets at financial year-end. There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

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For the year ended 28 February 2025

Trade receivables was assessed in terms of IFRS 9 simplified approach, which entailed formulating a matrix that applied historical performance (bad debt write offs applied to appropriate Groupings of receivables based on shared credit risk characteristics) over a three-year period to forward looking economic and company-specific risk assessments (credit rating, public debt % of GDP, economic growth, political risk, property sector outlook). Risks were weighted against low/medium/high assessment, resulting in a cumulative ECL risk percentage which was applied to trade receivables net of specific doubtful debt allowances. An expected credit loss allowance of R61.0 million was raised in terms of IFRS 9.

GROUP 2025	CURRENT	30 DAYS	60 DAYS	90 DAYS AND ABOVE	TOTAL
Gross trade receivables (R'000)*	37 860	24 041	12 519	80 804	155 224
Expected loss %	13.4%	11.9%	13.1%	63.7%	
Expected credit loss (R'000)	(5 058)	(2 858)	(1 638)	(31 195)	(40 749)
Expected credit loss allowance specifically identified (R'000)	-	-	-	(20 262)	(20 262)
Net trade receivables (R'000)	**32 802**	**21 183**	**10 881**	**29 347**	**94 213**

** The Gross trade receivables includes accrued recoveries and excludes credit balances and VAT. Deposits received from tenants were appropriated.*

The trade receivables balance in respect of 90 days and above consists of various tenant categories, with 48% of this balance being to tenants that have been handed over. These tenants are classified as legal tenants and are each assigned a 100% Expected Credit Loss (ECL), which is reflected in the total ECL balance of R31.2 million.

The classification of these tenants as legal ensures that they remain in compliance with contractual obligations, while the high ECL reflects potential risks associated with the collectability of these outstanding balances. The split between tenant categories provides a detailed view of the risk exposure within the receivables portfolio.

A specific amount of R20.3 million is attributed to one Government tenant that is currently in dispute. This particular tenant's receivable has been identified separately due to the ongoing dispute, and its impairment has been recognized in the ECL balance.

The overall expected credit losses have increased in the current year compared to the prior year, primarily due to increase in trade receivables compared to prior year.

GROUP 2024	CURRENT	30 DAYS	60 DAYS	90 DAYS AND ABOVE	TOTAL
Gross trade receivables (R'000)*	21 940	14 819	10 269	71 350	**118 379**
Expected loss %	1.0%	0.2%	0.0%	3.3%	**-**
Expected credit loss (R'000)	(214)	(33)	(2)	(2 373)	**(2 622)**
Net trade receivables (R'000)	**21 726**	**14 786**	**10 267**	**68 977**	**115 757**
Expected credit loss allowance specifically identified (R'000)	(158)	(13)	-	(56 297)	**(56 468)**

The movement in the allowance for impairment for trade and other receivables during the year was as follows:

GROUP (R'000)	GROUP 2025	GROUP 2024
Balance as at 1 March	56 468	79 702
Net remeasurement of loss allowance	4 543	(23 234)
– Utilised	(19 960)	(22 763)
– Raised/Reversed	24 503	(471)
Balance as at year end	**61 011**	**56 468**

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For the year ended 28 February 2025

COMPANY 2025	CURRENT	30 DAYS	60 DAYS	90 DAYS AND ABOVE	TOTAL
Gross trade receivables (R'000)*	37 806	23 880	12 378	73 413	147 477
Expected loss %	13.3%	11.9%	13.1%	69.7%	-
Expected credit loss (R'000)	(5 026)	(2 842)	(1 623)	(30 923)	(40 414)
Expected credit loss allowance specifically identified (R'000)	-	-	-	(20 262)	(20 262)
Net trade receivables (R'000)	**32 780**	**21 038**	**10 755**	**22 228**	**86 801**

** The Gross trade receivables includes accrued recoveries and excludes credit balances and VAT. Deposits received from tenants were appropriated.*

COMPANY 2024	CURRENT	30 DAYS	60 DAYS	90 DAYS AND ABOVE	TOTAL
Gross trade receivables (R'000)*	21 940	14 819	10 269	71 350	**118 378**
Expected loss %	1.0%	0.2%	0.0%	3.3%	**-**
Expected credit loss (R'000)	(214)	(33)	(2)	(2 373)	**(2 622)**
Net trade receivables (R'000)	**21 726**	**14 786**	**10 267**	**68 977**	**115 756**
Expected credit loss allowance specifically identified (R'000)	(159)	(13)	-	(56 111)	**(56 283)**

The movement in the allowance for impairment for trade and other receivables during the year was as follows:

COMPANY (R'000)	COMPANY 2025	COMPANY 2024
Balance as at 1 March	56 283	79 599
Net remeasurement of loss allowance	4 393	(23 316)
– Utilised	(18 909)	(22 482)
– Raised/Reversed	23 302	(834)
Balance as at year end	**60 676**	**56 283**

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Financial Statements cont.
For the year ended 28 February 2025

34.3 Liquidity risk

Liquidity risk is the risk that the Group would not be able to meet its financial obligations as they fall due in the normal course of business. The Group's approach to managing liquidity is to ensure that it has adequate funds available and seeks to borrow for longer terms at commercially viable cost of debt. Delta has a revolving credit facility of R54.3m with Nedbank and R10.0m with Standard Bank. This facility together with the overdraft facility and available positive cash (refer to note 12) will be utilised for the Group to meet its liabilities when they become due.

Cash reserves are monitored on a daily basis. The Group employs forward-looking liquidity management principles through the use of cash flow forecasting and scenario planning. The sale of assets is factored in when reviewing cash flow requirements.

The tables below set out the maturity analysis of the Group and Company's financial assets and liabilities based on the undiscounted contractual cash flows.

GROUP (R'000) 2025	INTEREST RATE % ^	LESS THAN ONE YEAR	ONE TO FIVE YEARS	TOTAL
Financial assets				
Trade and other receivables		146 972	-	**146 972**
Cash and cash equivalents	Prime	6 194	-	**6 194**
Derivative financial instruments		-	-	**-**
		153 166	**-**	**153 166**
Financial liabilities				
Interest-bearing borrowings*	11.2%	2 485 649	1 372 062	**3 857 711**
Trade and other payables#		129 049	-	**129 049**
Bank overdraft	Prime	85 730	-	**85 730**
Lease liabilities		6 363	18 177	**24 540**
		2 706 791	**1 390 239**	**4 097 030**

** Represents undiscounted future settlement of capital and interest.*

 # Excludes income received in advance and VAT.

^ Weighted average effective interest rate.

The Group monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

As described in note 15, the Group has facilities with Nedbank, Investec and Standard Bank, a syndicated loan shared with Bank of China and State Bank of India. Interest-bearing borrowings are secured by investment property (refer to note 3), non-current assets held-for-sale (refer to note 13) and Investment in listed security (refer note 7).

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The Group is exposed to liquidity risk arising from the mismatch between the maturity of financial assets and liabilities. The structural tenure of the Group's funding facilities is predominantly short term, increasing the risk that obligations may not be met as they fall due. Management's strategy to reduce debt through the disposal of non-core assets is intended to improve the loan-to-value and interest cover covenants. However, there is a risk that the timing and quantum of disposal proceeds may be insufficient to meet short-term liabilities.

To mitigate this risk, management continues to engage with lenders to extend the maturity profile of the Group's facilities to longer-term arrangements. Furthermore, the Group is exploring alternative sources of funding and maintaining close oversight of cash flow forecasts to ensure sufficient liquidity is available to meet operational and financing obligations.

GROUP (R'000) 2024	INTEREST RATE % ^	LESS THAN ONE YEAR	ONE TO FIVE YEARS	TOTAL
Financial assets				
Trade and other receivable (excluding VAT)		104 000	-	**104 000**
Cash and cash equivalents	Prime	15 555	-	**15 555**
Loan receivable		-	-	**-**
Derivative financial instruments	7.64%	636	-	**636**
		120 191	**-**	**120 191**
Financial liabilities				
Interest-bearing borrowings*	11.4%	3 502 213	540 447	**4 042 660**
Trade and other payables#		129 304	-	**129 304**
Financial guarantee liability		-	-	**-**
Bank overdraft	Prime	94 616	-	**94 616**
Lease liabilities		11 686	22 096	**33 782**
		3 737 819	**562 543**	**4 300 362**

COMPANY (R'000) 2025	INTEREST RATE % ^	LESS THAN ONE YEAR	ONE TO FIVE YEARS	TOTAL
Financial assets				
Trade and other receivable		138 431	-	**138 431**
Cash and cash equivalents	Prime	6 187	-	**6 187**
Loans to subsidiaries		116 880	-	**116 880**
Derivative financial instruments		-	-	**-**
		261 498	**-**	**261 498**
Financial liabilities				
Loans from subsidiaries		4 205	-	**4 205**
Interest-bearing borrowings*	11.2%	2 485 649	1 372 062	**3 857 711**
Trade and other payables#		123 880	-	**123 880**
Bank overdraft	Prime	85 720	-	**85 720**
Lease liabilities		2 988	8 972	**11 960**
		2 702 442	**1 381 034**	**4 083 476**

** Represents undiscounted future settlement of capital and interest.*

 # Excludes income received in advance and VAT.

^ Weighted average effective interest rate.

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COMPANY (R'000) 2024	INTEREST RATE % ^	LESS THAN ONE YEAR	ONE TO FIVE YEARS	TOTAL
Financial assets				
Trade and other receivable	-	103 443	-	**103 443**
Cash and cash equivalents	Prime	15 543	-	**15 543**
Loans to subsidiaries		145 042	-	**145 042**
Loan receivable		-	-	**-**
Derivative financial instruments	7.64%	634	-	**634**
		264 662	**-**	**264 662**
Financial liabilities				
Loans from subsidiaries		4 205	-	**4 205**
Interest-bearing borrowings*		3 502 213	540 447	**4 042 660**
Trade and other payables#		126 098	-	**126 098**
Financial guarantee liability		-	-	**-**
Lease liabilities		9 871	10 897	**20 768**
Bank overdraft	Prime	94 596	-	**94 596**
		3 736 983	**551 344**	**4 288 327**

** Represents undiscounted future settlement of capital and interest.*

 # Excludes income received in advance and VAT.

^ Weighted average effective interest rate.

Notes to the Financial Statements cont.

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35. CAPITAL MANAGEMENT

The Group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably. In order to effectively manage the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

		GROUP		COMPANY	
Figures in R'000	Notes	2025	2024	2025	2024
Gross debt*		3 843 742	4 035 296	3 831 712	4 027 460
Add Overdraft less cash and cash equivalents	12	79 536	79 061	79 533	79 053
Net debt	A	**3 923 278**	**4 114 357**	**3 911 245**	**4 106 513**
Total assets		6 587 152	6 873 878	6 525 511	6 844 429
Less cash and cash equivalents	12	(6 194)	(15 555)	(6 187)	(15 543)
Less trade and other receivables	10	(155 396)	(107 423)	(146 855)	(106 866)
Less derivative financial instruments		-	(636)	-	(634)
Carrying amount of property-related assets	B	**6 425 562**	**6 750 264**	**6 372 469**	**6 721 386**
Loan-to-value (%)	A/B	61.1	60.9	61.4	61.1

** Due to the working capital nature of interest accrual, gross debt excludes the interest accrual on interest bearing borrowings.*

Gross debt is the sum of all interest-bearing financial liabilities, whether through bank loans or any other means, and lease liabilities as reflected in the statement of financial position.

The Company is committed to reducing the current LTV and maintaining an LTV ratio for the Group of 50% of Delta's property portfolio including listed property securities and loans receivable. The Group's LTV ratio is above the bank covenants of 50% and yet remains above the JSE Listings Requirements of a REIT being a maximum of 60%. The high LTV is primarily due to the significant devaluation of the Group's investment properties, and it is expected to normalise over the short to medium term as market conditions improve and asset management initiatives take effect.

Notes to the Financial Statements cont.

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36. EVENTS AFTER THE REPORTING PERIOD

The subsequent events below were carefully assessed to ensure that all material events have been disclosed.

Transfer of the following properties was registered after the reporting period:

Thuto House	08 April 2025
Anchor House	07 April 2025
Protea Coin	02 May 2025
Stats House	20 May 2025

Changes to the Board

Brett Dylan Copans has resigned as an independent non – executive director to the Board of the Company (the Board) with effect from 31 May 2025. Phumzile Langeni, who has served as non-executive director and Chairman of the Board since 31 August 2020, has retired from the Board. Her resignation will take effect on 30 June 2025.

Extension of Nedbank Facilities

The Nedbank facilities were extended to 7 April 2026.

37. GOING CONCERN

The Board believes that as of the date of this report, the going concern presumption is appropriate and accordingly the financial statements have been prepared on a going concern basis. The Board has based this assumption on the considerations more fully explained throughout this note.

The below factors cast doubt upon Delta's ability to continue as a going concern:

- The Group's current liabilities of R2.8bn exceed its current assets (including non-current assets held-for-sale) by R1.6bn (FY24: R2.4bn), and Company's current liabilities of R2.8bn exceed its current assets (including non-current assets held-for-sale) by R1.7bn (FY24: R2.4bn). This is mainly due to the structural tenure of the Group's funding facilities and as such the ability of the Group and Company to meet its obligations to lenders in the short term will be constrained, management continues to engage with the lenders in this regard;
- The Group reported a net loss of R104.2m (FY24: R77.6m) for the reporting period, and the Company reported a net loss of R123.8m (FY24: R262.1m), mainly attributed to the revaluation of investment properties and investment in listed securities to their fair values as well as the bad debt of interest written off on the loans due from subsidiaries. The stability in the fair value adjustments of the investment properties and decreased loss is an indication that the continuous execution of the strategic initiatives are yielding positive results. Management remains committed to portfolio optimisation through the divestiture of selected properties, prudent debt management, rigorous cost control measures, lease renewal and concerted efforts to reduce property vacancies, all aimed at bolstering profitability; and
- The Group and Company had a covenant LTV ratio of 59.5% (FY24: 59.4%) and 61.7% (FY24: 61.6%) respectively, these ratios have exceeded the covenants set by the lenders of 50%. The Group and Company had an interest cover ratio of 1.4 times (FY24: 1.3 times) and 1.4 times (FY24: 1.3 times), this is below the covenant set by the lenders of 2.0 times. ICR improved marginally from prior year while covenant LTV slightly deteriorated from prior year. On the successful sale of properties earmarked for disposal, as a result of repayment of debt facilities from the proceeds of these disposals LTV is expected to reduce below 50% and ICR improvement within the covenant levels.

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Solvency

The Group's total assets of R6.6bn exceeded its total liabilities by R2.4bn (FY24: R2.5bn) while the Company's total assets of R6.5bn exceeded its total liabilities by R2.4bn (FY24: R2.5bn).

Liquidity

In assessing the Group's and Company's liquidity, management prepared a cash flow forecast up until 31 May 2026, taking into consideration its turnaround strategy and other initiatives which, if successfully implemented, indicate that the Group and Company will have sufficient cash resources for the foreseeable future, which is defined as 12 months from the date of publishing these financial statements. Operational cash flows are strong and evident from the cash flow statement.

Cash flows and liquidity are monitored on a daily basis by management with oversight from the Board. The Group has considered a number of estimates, judgements and assumptions in performing the liquidity assessments, the most significant of which are listed and expanded upon below:

- Continued positive engagement and support from the Group's and Company's lenders including amending and extending repayment terms of facilities beyond scheduled maturity dates despite exceeding certain loan covenant ratios;
- Nedbank extended its facilities to 7 April 2025 and subsequently to 7 April 2026, Standard Bank to 31 May 2026, Bank of China to 31 December 2026, State Bank of India to 7 June 2027 and Investec facilities was renewed to 7 March 2027;
- The reduction in interest-bearing debt resulting from the disposal of non-core properties, with the related proceeds utilised to settle debt obligations, as disclosed the Statement of Cash Flows; and
- Reduction of vacancies to below existing levels and aligning vacancy rates within market norms.

Conclusion

The Board is of the view that given the positive cash generation and significant headroom in the fair value of the assets over the fair value of the liabilities, the Group and Company remains solvent as at 28 February 2025 and at the date of this report.

The Board acknowledges that execution of the business plans of the Group and Company are dependent on the sale of non-core assets and the extension of facilities by external lenders. Should the execution of the business plans of the Group and Company not materialise as planned, a material uncertainty exists, which may cast significant doubt on the Company and Group's ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the acknowledgement of the material uncertainty and having considered the validity of the principal assumptions set out above, the Board has concluded that the Group and Company is able to discharge its financial obligations in the normal course of business and that the going concern assumption is appropriate in the preparation of the financial statements.

Despite the going concern assumption above, having considered the solvency and liquidity test as well as the impact that any distribution will have on the cash position of the business, the Board has resolved not to declare a distribution.

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38. SEGMENT INFORMATION

General information

Management reviewed its reportable segments and as a result has aggregated the segments based on how business performance is internally monitored and resources are allocated. Following this review, the Group now has three reportable segments based on the type of property being Office-Sovereign, Office-Other and Head Office. This segmentation reflects the interrelated nature of the services provided and the similar economic characteristics across these property types. In instances where a property has more than one tenant, the classification is based on the tenant type occupying the majority of the property. For each strategic business segment, the entity's executive management team reviews internal management reports on a monthly basis. All operating segments are located in South Africa.

As permitted under IFRS 8 Operating Segments, the Group has elected not to disclose segment assets and liabilities. as the CODM no longer considers this information in assessing performance or allocating resources. Instead, management now assesses assets based on their strategic classification as either core or non-core, rather than allocating them to individual operating segments. Consequently, the presentation of segment assets and liabilities is no longer considered relevant to users of the financial statements.

In accordance with IFRS 8, the prior year segment information has been restated to reflect the revised segmentation. The previously reported segments have been consolidated and reorganized to align with the current structure, ensuring comparability and consistency of the segment information presented.

The accounting policies of the segments are the same as those applied in the Group. There were no inter-segment sales during the period.

The following summary describes the operations in each of the entity's reportable segments:

Revenue and property expenses

Figures in R'000	Rental income	Straight-lining	Property expenses	Net operating income
Year ended 28 February 2025				
Office-Sovereign	973 900	2 503	(307 082)	**669 321**
Office-Other	166 519	499	(114 932)	**52 086**
Head Office	-	-	-	**-**
	1 140 419	**3 002**	**(422 014)**	**721 407**
Year ended 29 February 2024				
Office-Sovereign	957 385	(10 133)	(347 602)	**599 650**
Office-Other	205 803	(13 751)	(154 424)	**37 628**
Head Office	(571)	(982)	18 156	**16 603**
	1 162 617	**(24 866)**	**(483 870)**	**653 881**

Notes to the Financial Statements cont.

For the year ended 28 February 2025

OTHER INCOMES AND EXPENSES

	Dividend and Other income	Fair value adjustments	ECL Provisions	(Loss)/gain on foreign exchange movements
Year ended 28 February 2025				
Office-Sovereign	4 690	20 451	(23 853)	-
Office-Other	14 765	(198 737)	36	-
Head Office	-	(44 218)	(1 718)	(2 910)
	19 455	**(222 504)**	**(25 535)**	**(2 910)**
Year ended 29 February 2024				
Office-Sovereign	23 084	(90 688)	40 214	-
Office-Other	5 937	(105 882)	45 845	-
Head Office	12 896	(20 620)	(88 611)	19 698
	41 917	**(217 190)**	**(2 552)**	**19 698**

	Administration expenses	Finance income	Finance costs	Taxation	Profit/ (loss) after tax
	(525)	475	(997)	-	**669 562**
	(260)	1 413	(1 203)	-	**(131 900)**
	(100 947)	742	(460 805)	(32 017)	**(641 873)**
	(101 732)	**2 630**	**(463 005)**	**(32 017)**	**(104 211)**
	(218)	(1 422)	(1 363)	164	**569 421**
	(44)	1 017	(1 688)	-	**(17 187)**
	(96 302)	10 888	(481 175)	(3 185)	**(629 808)**
	(96 564)	**10 483**	**(484 226)**	**(3 021)**	**(77 574)**

SA REIT
Disclosures

The second edition of the SA REIT Association's best practice recommendations was issued in November 2019 and is effective for reporting periods commencing on or after 1 January 2020.

The information set out below includes the calculation of SA REIT Funds from Operations (FFO), Funds from operations per share (FFOPS) and other non-IFRS information (collectively referred to as "Non-IFRS Financial Information"). Non-IFRS Financial Information constitutes non-IFRS measures and is pro forma financial information in terms of the JSE Listings Requirements.

Basis of preparation: Non-IFRS Financial information
The Non-IFRS Financial Information has been compiled to provide investors with performance metrics that are commonly used in the industry to enable direct comparison of South African Real Estate Investment Trusts. Due to its nature the Non-IFRS Financial Information may not fairly present the results of operations of the Group and Company.

The Directors are responsible for compiling the Non-IFRS Financial Information on the basis of the Applicable Criteria specified in the JSE Listings Requirements, including the JSE Guidance Letter: Presentation of pro forma financial information, dated 4 March 2010.

Figures in R'000	Notes	GROUP 2025	GROUP 2024
SA REIT FUNDS FROM OPERATIONS (SA REIT FFO)			
Loss for the year		(104 211)	(77 574)
Loss attributable to non-controlling interest (NCI)		-	11 092
Loss per IFRS statement of comprehensive income attributable to the parent	**A**	**(104 211)**	**(66 482)**
Adjusted for:			
Accounting Specific Adjustments			
Fair value adjustment to:		218 309	205 326
- Investment property including non-current assets held-for-sale		174 727	174 997
- Debt and equity instruments held at fair value		43 582	30 329
Straight-lining operating lease adjustments		(3 002)	24 866
Depreciation of property, plant and equipment (net NCI)		2 695	2 908
ECL Provision on loans and financial guarantee		-	3 023
Deferred tax movement recognised in profit or loss		(208)	(5 883)
	B	**217 794**	**230 240**

SA REIT
Disclosures cont.

Figures in R'000	Notes	GROUP 2025	GROUP 2024
Adjustments arising from investing activities Gains or losses on disposal of:			
Gains or losses on disposal of:			
Investment property and property, plant and equipment		3 559	5 101
	C	**3 559**	**5 101**
Foreign exchange and hedging activities			
Fair value adjustments on derivative financial instruments employed solely for hedging		636	6 763
Foreign exchange gains or losses relating to capital items – realised and unrealised		2 910	(19 698)
	D	**3 546**	**(12 935)**
Other adjustments:			
Income of capital nature (reinstatement costs recovered)		(12 724)	(22 367)
	E	**(12 724)**	**(22 367)**
SA REIT: A+B+C+D+E		**107 964**	**133 557**
Number of shares in issue ('000)		714 237	714 238
SA REIT funds from operations (SA REIT FFO) (cents)		**15.1**	**18.7**

Figures in R'000	GROUP 2025	GROUP 2024
SA REIT NET ASSET VALUE ("SA REIT NAV")		
Reported NAV attributable to the parent	2 416 773	2 520 984
Adjustments:		
- Fair value of derivative financial instruments	-	(636)
- Deferred tax	2 597	2 805
SA REIT NAV	**2 419 370**	**2 523 153**
Shares outstanding		
Number of shares in issue at period end (net of treasury shares)	714 237	714 238
Number of shares in issue	**714 237**	**714 238**
SA REIT NAV per equity share (Rand)	**3.4**	**3.5**

SA REIT
Disclosures cont.

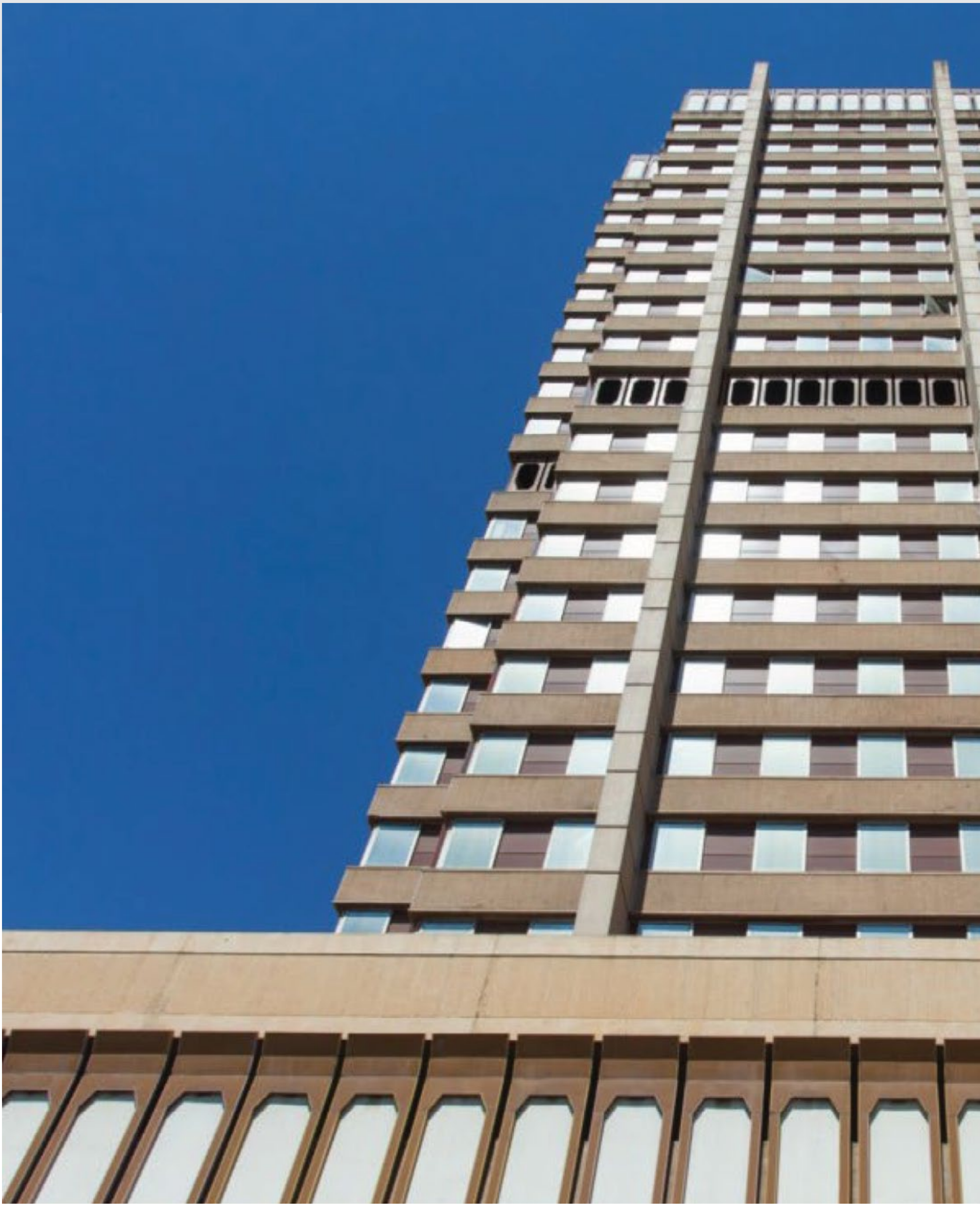
Figures in R'000	GROUP 2025	GROUP 2024
SA REIT LOAN-TO-VALUE ("SA REIT LTV")		
Gross debt	3 843 742	4 035 296
add:		
- Cash and Cash equivalents/overdraft	79 536	79 061
Net debt	**3 923 278**	**4 114 357**
Total assets as per statement of financial position	6 587 152	6 876 731
Less:		
- Cash and Cash equivalents	(6 194)	(15 555)
- Trade and other receivables	(155 396)	(107 423)
- Derivative financial instruments	-	(636)
Carrying amount of property-related assets	**6 425 562**	**6 753 117**
SA REIT LTV (%)	**61.1**	**60.9**

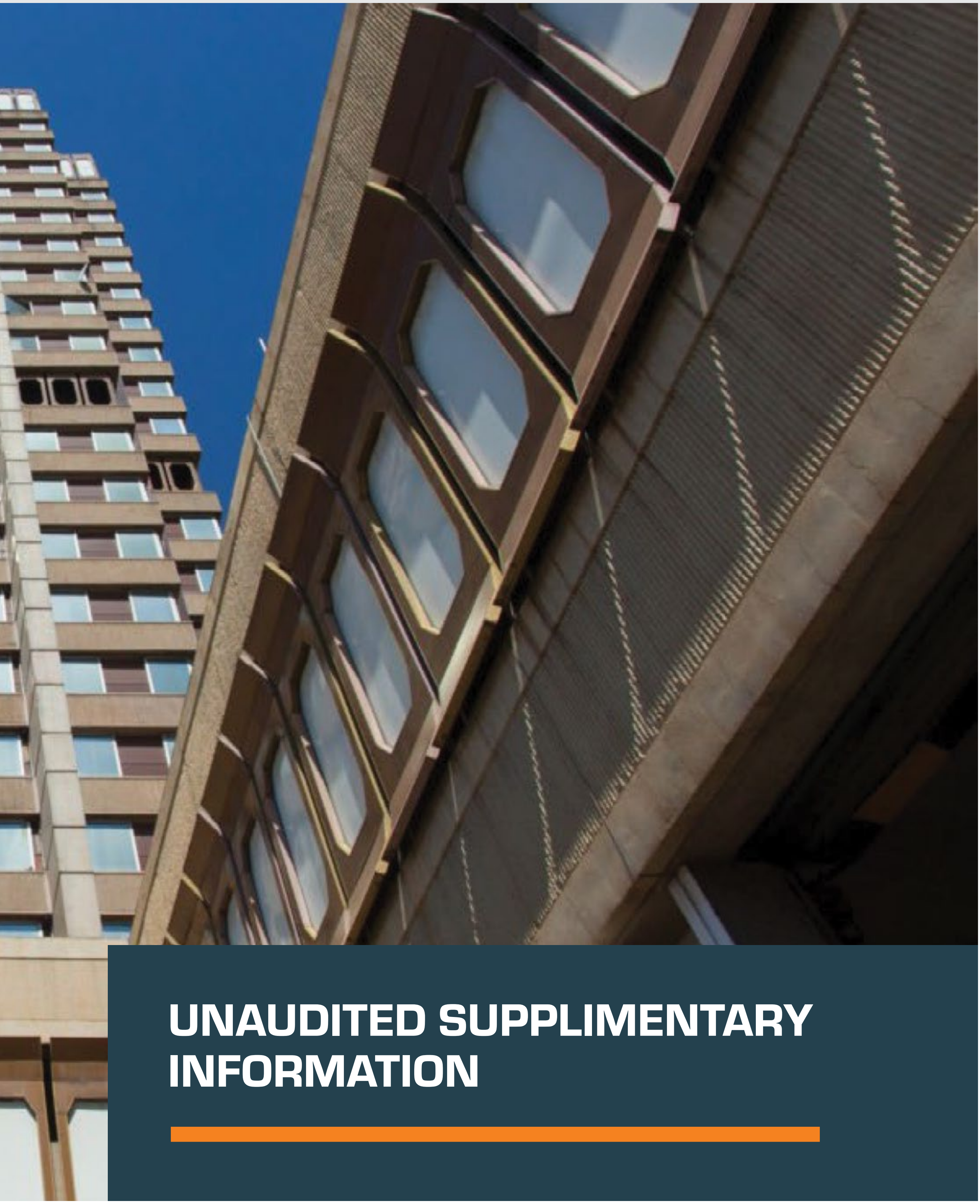
Figures in R'000	GROUP 2025	GROUP 2024
SA REIT COST-TO-INCOME RATIO		
Expenses		
Operating expenses per IFRS income statement (includes municipal expenses)	422 014	483 870
Bad debt expenses and ECL allowances associated with rental income	24 503	(471)
Administrative expenses per IFRS income statement	101 732	96 564
Less: Depreciation expense in relation to property, plant and equipment	(2 695)	(3 604)
Operating costs	**545 554**	**576 359**
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	923 706	960 010
Utility and operating recoveries per IFRS income statement	216 713	202 607
Gross rental income	**1 140 419**	**1 162 617**
SA REIT cost -to-income ratio (%)	**47.8**	**49.6**

SA REIT
Disclosures cont.

Figures in R'000	GROUP 2025	GROUP 2024
SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO		
Expenses		
Administrative expenses per IFRS income statement	101 732	96 564
Administrative costs	**101 732**	**96 564**
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	923 706	960 010
Utility and operating recoveries per IFRS income statement	216 713	202 607
Gross rental income	**1 140 419**	**1 162 617**
SA REIT administrative cost-to-income ratio (%)	**8.9**	**8.3**
SA REIT GLA VACANCY RATE		
GLA of vacant space	249 187	275 917
GLA of total property portfolio	781 568	823 350
SA REIT GLA vacancy rate (%)	**31.9**	**33.4**

Figures in R'000	GROUP 2025	GROUP 2024
WEIGHTED AVERAGE COST OF DEBT		
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	11.2	11.4
Fixed interest rate borrowings		
Weighted average fixed rate	-	6.0
All-in weighted average cost of debt	11.2	10.0

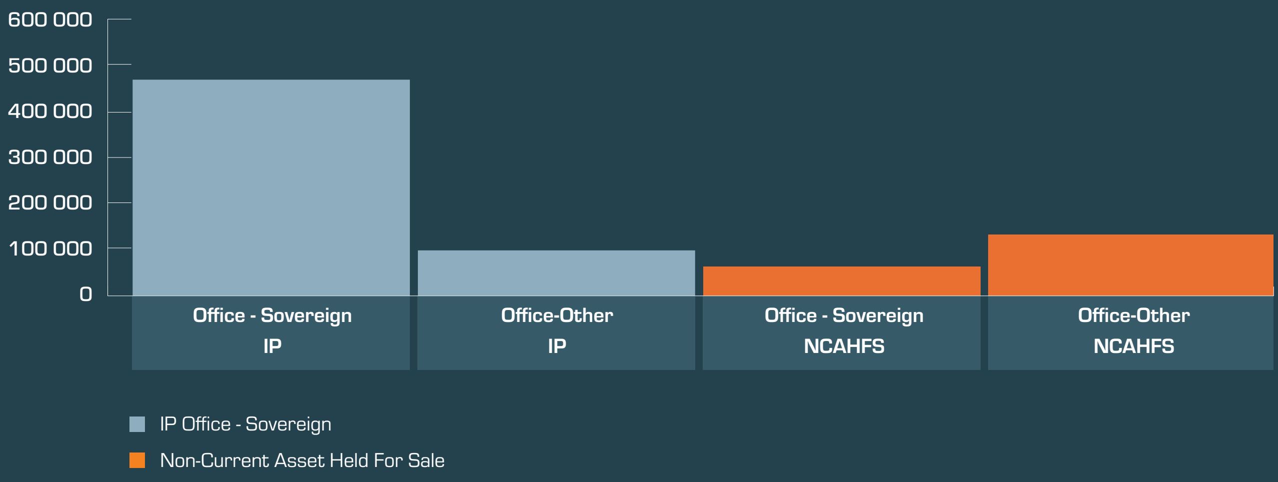




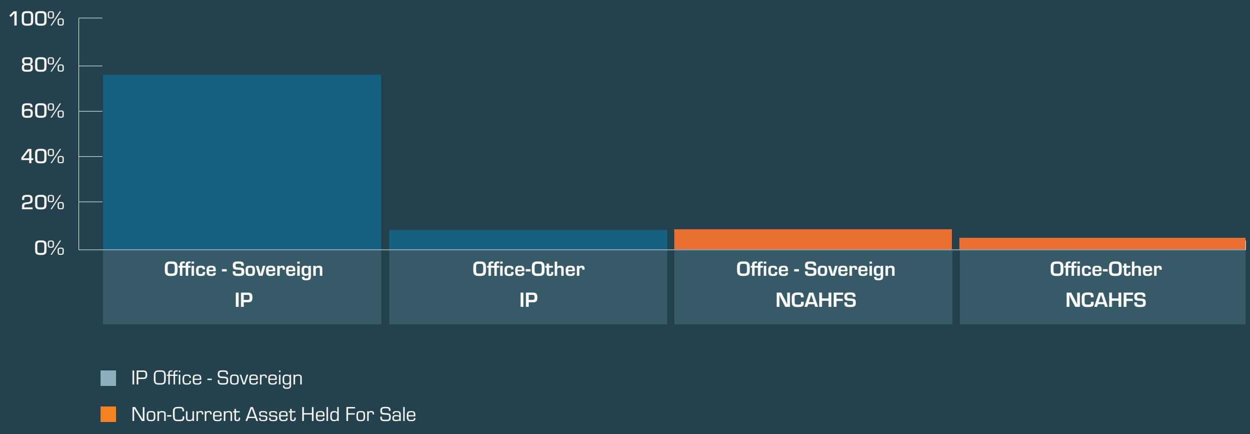
UNAUDITED SUPPLIMENTARY INFORMATION

Property
Statistics

GLA per Sector

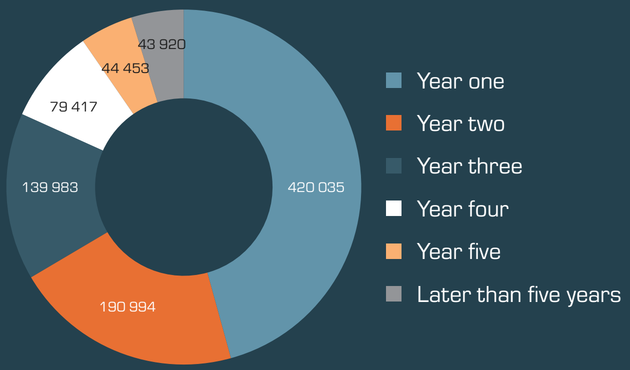


Revenue by Sector



Property Statistics

Revenue - Lease Expiry Profile



Vacancy Profile

VACANCY OF CORE PORTFOLIO	SECTORAL SPLIT	AVERAGE VACANCY
Portfolio excluding non-current assets held for sale		
IP	Office - Sovereign	12.4%
	Office-Other	47.3%
Vacancy of core portfolio		**18.4%**
NCAHFS	Office - Sovereign	30.7%
	Office-Other	88.1%
Vacancy of non-core portfolio		**70.0%**
Total portfolio vacancy		**31.9%**

Sum of Occupied Tenant Grade	
Tenant Profile	**(GLA)**
A	81.5%
B	4.9%
C	13.6%
Grand Total	**100.0%**

Tenants are classified as follows:

A: Large national, large listed, government and major franchisee tenants

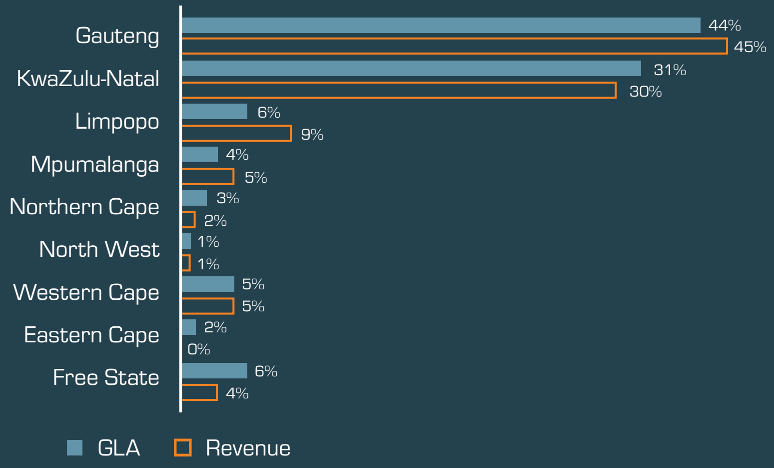
B: National tenants, listed tenants, franchisees

C: Other (192 tenants)

Delta regards "large and major" tenants in category A as blue-chip tenants

The average annualised property yield for the portfolio is 8.8%

Geographical Profile - GLA & Revenue



Weighted ave Escalations per Sector

Office - Sovereign	5.7%
Office-Other	6.0%

Weighted Ave Rental per square per Sector

Office - Sovereign	95.9
Office-Other	10.5

Property
Portfolio

For the year ended 28 February 2025

	Property Name	Physical Address	Province	
1	101 de Korte	101 De Korte Street, Braamfontein	Gauteng	
2	110 Hamilton	110 Hamilton Street, Pretoria	Gauteng	
3	13 Elliot	13 Elliot Street, Kimberley	Northern Cape	
4	17 Harrison Street Building & Kay Street Parkade	17 Harrison Street & Kat Street, Johannesburg	Gauteng	
5	2 Devonshire Place	2 Devonshire Place, Durban	Kwazulu-Natal	
6	22 & 24 George Lubbe - SAPS Vehicle Recovery	22 & 24 George Lubbe Street, Hamilton, Bloemfontein	Free State	
7	56 Barrack Street	56 Barrack Street, Cape Town	Western Cape	
8	88 Field Street	88 Field Street, Durban	Kwazulu-Natal	
9	ABSA United	64 Maitland Street, Bloemfontein	Free State	
10	African Life Building	Cnr St Andrew & Church Street, Bloemfontein	Free State	
11	Anchor House	63 Maitland Street, Bloemfontein	Free State	
12	Auditor General SA	32 Dimitri Crescent, Platinum Park, Polokwane	Limpopo	
13	Azmo Place	14 Thabo Mbeki St, Polokwane Central, Polokwane	Limpopo	
14	Beacon Hill	Corner of Hargreaves & Hockley Close, Buffalo Industrial Area, King Williams Town	Eastern Cape	
15	Beaconsfield Building	28 Central Road, Kimberley	Northern Cape	
16	Bestmed Building (36 Hamilton Road)	36 Hamilton Street, Arcadia	Gauteng	
17	Block G - Dti	Corner of Schoeman Street, Nelson Mandela Drive and Meintjies Street, Pretoria	Gauteng	
18	Campus Building	14 Abbitor Road, Kimberley	Northern Cape	
19	Capital Towers	121 Chief Albert Luthuli Road, Pietermaritzburg	KwaZulu-Natal	
20	CCMA House	192 Hans van Rensburg, Polokwane	Limpopo	
21	Chambers of Change	62-72 Pritchard Street, Johannesburg CBD	Gauteng	
22	CMH	196-206 West Street / 119 – 123 Proes Street, Durban	KwaZulu-Natal	
23	Commission House	566 Ziervogel Street, Pretoria	Gauteng	
24	Commissioner House	Rem Ext of Erf 10877, Bellville	Western Cape	
25	Continental Building - Delta	Corner Bosman and Visagie Street, Pretoria	Gauteng	
26	Defence Force (Old Pretoria Road)	16 Old Pretoria Road, Nelspruit	Mpumalanga	

	Description	Building Sector	Building GLA	Weighted average rental (Rand/m²)	Vacancy %
	7 Storey Office	Office - Other	6 610	-	100%
	6 Storey- Single Tenant Office	Office - Sovereign	4 511	331.11	-
	1 Storey Office	Office - Sovereign	4 400	18.35	66%
	12 Storey Office	Office - Other	12 379	14.89	94%
	5 Storey multi - tenanted office building	Office - Sovereign	8 122	102.97	19%
	1 Storey- Single Tenant Office	Office - Sovereign	6 200	56.21	-
	7 Storey Multi -Tenant Office	Office - Sovereign	4 309	109.40	2%
	27 Storey Multi -Tenant Office with high street retail	Office - Sovereign	21 793	90.82	34%
	7 Storey Multi -Tenant Office	Office - Other	6 129	106.78	6%
	5 Storey office building	Office - Other	8 567	19.71	76%
	6 Storey office building	Office - Other	2 645	-	93%
	2 Storey- Single Tenant Office	Office - Sovereign	2 130	131.25	-
	4 Storey- Single Tenant Office	Office - Sovereign	5 340	100.56	-
	3 Storey office building	Office - Other	13 648	-	100%
	Single storey complex of five office buildings	Office - Sovereign	5 801	57.12	40%
	3 Storey office building	Office - Other	3 684	-	100%
	4 Storey Multi -Tenant Office	Office - Sovereign	7 992	143.15	14%
	Single storey complex of nine office buildings	Office - Other	4 700	-	100%
	14 Storey Office	Office - Other	11 102	-	100%
	1 Storey- Single Tenant Office	Office - Sovereign	1 063	193.44	-
	4 adjacent multi- story buildings	Office - Other	7 915	41.68	77%
	Motor Showroom and Parkade	Office - Other	7 728	112.55	-
	5 Storey Single Tenant Office	Office - Sovereign	6 011	150.74	-
	5 Storey Multi -Tenant Office	Office - Sovereign	4 019	114.11	-
	10 Storey Single Tenant Office	Office - Sovereign	4 133	85.00	-
	1 storey single tenant office and industrial structure	Office - Sovereign	2 504	50.80	-

Property
Portfolio cont.

For the year ended 28 February 2025

	Property Name	Physical Address	Province	
27	Defence Force Head Quarters Nelspruit	8 Spruit Street, Nelspruit	Mpumalanga	
28	Defence Force Logistics - Nelspruit	15 – 17 Cruse Circle, Nelspruit	Mpumalanga	
29	Defence Force Transport - Nelspruit	2-4 Davie Street, Nelspruit	Mpumalanga	
30	Delta Heights	167 Andries Street, Pretoria	Gauteng	
31	Delta Towers	City block bounded by Doctor Pixley Kaseme Street, Dorothy Nyembe Street, Anton Lembede Street and Mercury Lane, Durban	KwaZulu-Natal	
32	Die Meendt Building	123 Peter Mokaba Street, Potchefstroom	North West	
33	Domitek	Cnr De Kaap & Ryk Street, CBD, Welkom	Free State	
34	Du Toitspan	95 Du Toitspan Street, Kimberley	Northern Cape	
35	Embassy Building	Corner Anton Lembede and Samora Machel Streets, Durban	KwaZulu-Natal	
36	Fairweather Corner	Cnr Brand & Murray Street, CBD, Kroonstad	Free State	
37	Goldman Street	18E & 20 Goldman Street, Florida	Gauteng	
38	Hallmark Building - Delta	233 Proes Street, Pretoria	Gauteng	
39	Harlequins Office Park - Delta	164 Totius Street, Groenkloof, Pretoria	Gauteng	
40	Hatfield Forum East	1077 Arcadia Street, Hatfield, Pretoria	Gauteng	
41	Hensa Towers	Corner Landros Mare and Rabie Streets, Polokwane	Limpopo	
42	Hollard House & Parkade	Cnr Sauer & Marshall Streets, Marshals Town	Gauteng	
43	In 2 Fruit	67 Middle Road, Barltett, Boksburg	Gauteng	
44	Isivuno House	135 Van der Walt Street, Pretoria	Gauteng	
45	Laboria	43 Maitland Street, Bloemfontein	Free State	
46	Lands Claim Court Nelspruit	30 Samora Machel Street, Nelspruit	Mpumalanga	
47	Liberty Towers	214 Dr Pixley Kaseme Street, Durban	Kwazulu-Natal	
48	Maneo Building	73 Biccard Street, Polokwane	Limpopo	
49	Mayors Walk	174 Mayors Walk, Pietermaritzburg	KwaZulu-Natal	
50	Military Hospital - Nelspruit	21 Bell Street, Nelspruit	Mpumalanga	
51	N P A Building - Cape Town	115 Buitengracht Street, Cape Town	Western Cape	
52	Nosa	508 Proes Street, Arcadia, Pretoria	Gauteng	
53	Old Mutual Building	27-29 Maitland Street, Bloemfontein	Free State	
54	Parkmore	142-144 4th Street, Parkmore	Gauteng	

Description	Building Sector	Building GLA	Weighted average rental (Rand/m²)	Vacancy %
4 Storey Single Tenant Office	Office - Sovereign	2 174	80.00	-
1 storey single tenant office and industrial structure	Office - Sovereign	2 430	95.86	-
2 storey single tenant office and industrial structure	Office - Sovereign	841	92.07	-
21 Storey Multi -Tenant Office with high street retail	Office - Sovereign	19 122	86.41	2%
33 Storey Multi -Tenant Office with ground floor retail	Office - Other	41 713	50.68	50%
4 Storey Single Tenant Office	Office - Sovereign	3 705	81.60	14%
4 Storey Single Tenant Office	Office - Sovereign	1 729	53.27	43%
13 Storey Multi -Tenant Office	Office - Sovereign	9 485	54.63	57%
29 Storey Multi -Tenant Office with high street retail	Office - Sovereign	32 723	79.04	14%
4 Storey Multi -Tenant Office	Office - Other	5 968	26.03	69%
3 Storey multi - tenant office	Office - Sovereign	6 531	91.32	8%
25 Storey Multi -Tenant Office with ground floor retail	Office - Sovereign	26 255	108.72	-
2 Storey Office	Office - Other	5 450	103.50	2%
6 Storey Multi -Tenant Office	Office - Sovereign	6 390	83.06	39%
8 Storey Single Tenant Office	Office - Sovereign	13 675	167.71	-
9 storey single tenant office linked to an 8 storey parkade structure	Office - Sovereign	10 415	99.67	4%
Single story industrial	Office - Other	11 177	-	100%
22 Storey Multi -Tenant Office with high street retail	Office - Other	23 694	18.03	92%
7 Storey Single Tenant Office	Office - Sovereign	3 995	77.01	-
5 Storey Single Tenant Office	Office - Sovereign	2 910	216.94	-
14 Storey Multi -Tenant Office with high street retail	Office - Sovereign	40 078	63.18	40%
4 Storey multi - tenant office	Office - Sovereign	1 951	69.97	44%
2 Storey multi - tenant office	Office - Sovereign	5 507	118.55	-
5 Storey Single Tenant Office	Office - Sovereign	3 000	80.00	-
4 Storey Single Tenant Office	Office - Sovereign	10 552	157.68	-
6 Storey Single Tenant Office	Office - Sovereign	3 770	140.41	-
5 Storey Office	Office - Other	3 055	30.93	59%
2 Storey office buildings	Office - Other	2 812	47.02	57%

Property
Portfolio cont.

For the year ended 28 February 2025

	Property Name	Physical Address	Province	
55	Phamoko Towers	37 Kerk Street, Polokwane	Limpopo	
56	Pine Parkade	260 Monty Naicker Road, Durban	Kwazulu-Natal	
57	Poyntons	Church Street, Pretoria	Gauteng	
58	Protea Coin - PTA	20 Vonkprop Street, Samcore Park, Silverton, Pretoria East	Gauteng	
59	Regents Place	277 Madiba Street (formerly Vermeulen Street), Pretoria	Gauteng	
60	SA Eagle	136 Maitland Street, Bloemfontein	Free State	
61	SAPS (Erf 4294 Nelspruit)	4 Ehmke Street and 9 Ferreira Street, Nelspruit	Mpumalanga	
62	SAPS Flying Squad Nelspruit.	19 Danie Joubert Street, White River	Mpumalanga	
63	SARS Belville (Sable Centre)	Corner of Voortrekker Road and Durban Road, Bellville, Cape Town	Western Cape	
64	SARS Kimberley	14-16 Bean Street and 6-10 Crossman Road, Kimberley	Northern Cape	
65	SARS Randburg	Corner Hill and Kent Street, Randburg	Gauteng	
66	SARS Springs	20 8th Street, Springs	Gauteng	
67	Servamus Building	15 -19 Bram fischer Road, Durban	KwaZulu-Natal	
68	Shell House	221 Smith Street, Durban	Kwazulu-Natal	
69	Shorburg	429 Church Street, Arcadia, Pretoria	Gauteng	
70	Silver Stream Office Park	10 Muswell Road South, Bryanston	Gauteng	
71	Sleepy Hollow - SARS	9 Armitage Road, Pietermaritzburg	KwaZulu-Natal	
72	Standard Bank Building - Nelspruit	29 Brown Street, Nelspruit	Mpumalanga	
73	Standard Bank Unisa	31 Brown Street, Nelspruit	Mpumalanga	
74	Stats House	11 Samora Machel Street, Nelspruit	Mpumalanga	
75	Strucktura - 539 Church Street	539 Church Street, Arcadia, Pretoria	Gauteng	
76	Temo Towers	67 Biccard Street, Polokwane	Limpopo	
77	The Forum Building - PTA	Bosman Street, Pretoria	Gauteng	
78	The Marine Building	22 Dorothy Nyembe (ex-Gardiner Street), Durban	KwaZulu-Natal	
79	Thuto House (old Cooper House)	155 St Andrews Street, Bloemfontein	Free State	
80	Tivoli	58 OR Tambo Street, Klerksdorp	North West	
81	Treasury House	145 Commercial Road, Pietermaritzburg	Kwazulu-Natal	
82	Unisa House	29 Rissik Street, Johannesburg	Gauteng	
83	Veritas Building	275 Volkstem Avenue, Pretoria	Gauteng	

	Description	Building Sector	Building GLA	Weighted average rental (Rand/m²)	Vacancy %
	7 Storey Single Tenant Office	Office - Sovereign	13 058	160.78	-
	7 Storey parking structure with retail	Office - Other	2 986	126.52	45%
	33 Storey Multi -Tenant Office with high street retail	Office - Sovereign	73 396	98.36	17%
	2 storey office and warehouse	Office - Other	2 090	-	100%
	14 Storey Multi -Tenant Office with high street retail	Office - Other	10 289	8.23	81%
	7 Storey Single Tenant Office	Office - Other	3 689	78.95	-
	7 Storey Single Tenant Office	Office - Sovereign	4 637	111.30	-
	1 Storey- Single Tenant Office	Office - Sovereign	1 125	80.00	-
	3 Storey Multi -Tenant Office with high street retail	Office - Other	17 309	10.95	92%
	2 Storey Single Tenant Office	Office - Sovereign	2 950	133.39	-
	4 Storey Single Tenant Office	Office - Other	8 496	-	31%
	2 Storey Single Tenant Office	Office - Sovereign	1 922	95.00	-
	22 Storey Multi -Tenant Office	Office - Sovereign	13 789	96.60	3%
	16 Storey Single Tenant Office	Office - Sovereign	13 828	80.00	-
	9 Storey Multi -Tenant Office	Office - Sovereign	14 015	105.10	32%
	2 Storey Multi -Tenant Office	Office - Other	2 333	-	-
	3 Storey Multi -Tenant Office	Office - Sovereign	6 360	117.76	8%
	4 Storey Multi -Tenant Office	Office - Sovereign	2 214	55.47	64%
	3 Storey Multi -Tenant Office	Office - Sovereign	5 589	84.63	33%
	4 Storey Office	Office - Other	2 827	56.01	63%
	7 Storey Office	Office - Sovereign	4 488	53.03	69%
	9 Storey Single -Tenant Office	Office - Sovereign	7 668	231.37	-
	6 Storey- Single Tenant Office	Office - Sovereign	35 905	298.24	2%
	21 Storey Multi -Tenant Office with ground floor retail	Office - Sovereign	24 676	72.37	28%
	6 Storey Single Tenant Office	Office - Sovereign	2 111	188.03	-
	5 Storey Single Tenant Office	Office - Sovereign	2 075	92.42	-
	10 Storey Multi -Tenant Office with high street retail	Office - Sovereign	8 874	147.89	1%
	10 Storey office building with high street retail	Office - Other	10 055	10.66	95%
	8 Storey Single Tenant Office	Office - Sovereign	8 272	189.48	-

Analysis of Ordinary Shareholders

As at 28 February 2025

Shareholder spread	NUMBER OF SHAREHOLDINGS	% OF TOTAL SHAREHOLDINGS	NUMBER OF SHARES	% OF ISSUED CAPITAL
1- 1 000	5 337	78.43%	549 792	0.08%
1 001 - 10 000	686	10.08%	2 673 311	0.37%
10 001 - 100 000	475	6.98%	17 643 731	2.47%
100 001 - 1 000 000	234	3.44%	85 269 330	11.94%
Over 1 000 000	73	1.07%	608 101 246	85.14%
Total	**6 805**	**100.00%**	**714 237 410**	**100.00%**

	NUMBER OF SHAREHOLDINGS	% OF TOTAL SHAREHOLDINGS	NUMBER OF SHARES	% OF ISSUED CAPITAL
Public shareholders	6 800	99.93%	667 407 740	93.44%
Non-public shareholders	5	0.07%	23 414 835	3.28%
Directors and associates of the Company (direct holdings)	2	0.03%	501 860	0.07%
Directors and associates of the Company (indirect holdings)	2	0.04%	22 905 283	3.21%
Share Schemes	1	0.01%	7 692	0.00%
Total	**6 805**	**100.00%**	**714 237 410**	**100.00%**

Beneficial Shareholders With A Holding Greater Than 3% Of The Issued Shares	NUMBER OF SHARES	% OF ISSUED CAPITAL
Cornwall Crescent	162 043 079	22.69%
Saxo Bank	119 385 391	16.72%
Nedbank Group	65 500 000	9.17%
Merchant West Investments	29 439 462	4.12%
Mr Lennard James Subrayadoo	22 232 845	3.11%
Total	**398 600 777**	**55.81%**

Fund Managers With A Holding Greater Than 3% of The Issued Shares	NUMBER OF SHARES	% OF ISSUED CAPITAL
Merchant West Investments	96 211 066	13.47%
Camissa Asset Management	32 230 916	4.51%
Total	**128 441 982**	**17.98%**

Market capitalisation	2025	2024
Total number of shareholdings	6 805	6 557
Total number of share in issue	714 237 410	714 237 410
Closing price 28 February	0.19	0.14
Market capitalisation at 28 February	**135 705 108**	**99 993 237**

Distribution of Shareholders	NUMBER OF SHAREHOLDINGS	% OF TOTAL SHAREHOLDINGS	NUMBER OF SHARES	% OF ISSUED CAPITAL
Assurance Companies	3	0.04%	1 631 452	0.23%
Close Corporations	23	0.34%	15 001 697	2.10%
Collective Investment Schemes	26	0.38%	127 916 466	17.91%
Control Accounts	1	0.01%	1	0.00%
Custodians	4	0.06%	120 786 413	0.14%
Foundation & Chairtable Funds	4	0.06%	1 018 931	0.02%
Investment Partnerships	5	0.07%	153 687	0.02%
Managed Funds	2	0.03%	37 700	0.01%
Private Companies	79	1.16%	213 333 441	29.87%
Retail Shareholders	6 540	96.11%	173 407 683	24.28%
Retirement Benefit Funds	27	0.40%	29 189 760	4.09%
Scrip Lending	1	0.01%	214	0.00%
Share Schemes	1	0.01%	7 692	0.00%
Stockbrokers & Nominees	5	0.07%	5 752 511	0.81%
Trusts	83	1.22%	25 787 762	3.61%
Unclaimed scrip	1	0.01%	212 000	0.03%
Total	6 805	100.00%	714 237 410	100.00%

DELTA
PROPERTY FUND