

DELTA PROPERTY FUND
(Incorporated in the Republic of South Africa)
(Registration number 2002/005129/06)
JSE share code: DLT
ISIN: ZAE000194049
(Approved as a REIT by the JSE)
("Delta" or the "Company" or the "Group")

SHORT-FORM ANNOUNCEMENT

Reviewed condensed consolidated interim results for the six months ended 31 August 2020

Introduction

The results for the six months ended 31 August 2020 ("the Interim Results" or "the review period") mark a period of significant change for the Group. These include the appointment of new members to the board of directors ("the Board") to drive a step-change in the Group's performance, the appointment of a new interim executive leadership team, as well as two separate independent forensic investigations into irregularities which resulted in the withdrawal and re-issue of the financial statements for the year ended 29 February 2020 ("2020 Financial Statements").

Due to the 2020 Financial Statements having a bearing on and being as a comparative basis for the Company's Interim Results, the Company was not in a position to release the Interim Results within three months after the period end.

Reinstatement of trading in Delta shares

As a consequence of the withdrawal of the 2020 Financial Statements, the JSE suspended trading in the shares of Delta on 15 December 2020. Subsequent to the publication of the reissued 2020 Financial Statements and the publication of the Interim Results, the Board will approach the JSE Limited to reinstate the trading of Delta's shares on the main board of the exchange.

Operational overview

Despite corporate governance challenges, and significant macro-economic constraints as the country was subjected to COVID-19 (or "the pandemic") related hard economic lockdowns from 26 March 2020 until the easing of restrictions to alert level 3 on 1 June 2020, Delta's portfolio proved defensive, supported by its sovereign underpin.

Delta's distributable income per share amounts to 16.3 cents for the six months ended 31 August 2020 (31 August 2019: 30.33 cents per share). In performing the Solvency and Liquidity test conducted in terms of S46 of the Companies Act, which takes into consideration the working capital cash flow forecast, expected working capital requirements, capital expenditure requirements and contracted tenant installations relating to historic lease renewals, the Board resolved not to declare an interim distribution. In 2019, a dividend of 12.19 per share was declared.

	Reviewed six months ended 31 August 2020	Unaudited restated* six months ended 31 August 2019	% change
Financial results			
Revenue (R'000)	724 698	766 739	(5.5)
Basic and diluted earnings per share			
Basic and diluted (loss)/earnings per share (cents)	(12.68)	15.20	(183.4)
Basic and diluted headline (loss)/earnings per share (cents)	(9.63)	15.37	(162.7)
Distributable income per share (cents)	16.30	33.03	(46.9)
Dividends per share (cents)	-	12.19	(100.0)

Net asset value per share (cents) (excluding non-controlling interest) 540 712 (23.9)

* Certain comparative information has been restated, reclassified or represented, as a result of a correction of prior period errors (refer to the interim financial statements as published on the Group's website <https://www.deltafund.co.za/financials/>).

The contents of this short-form announcement are the responsibility of the board of directors of Delta. This short-form announcement is a condensed version of the full announcement in respect of the condensed reviewed interim Group results for the six months ended 31 August 2020 and do not contain full or complete details of the financial results. The auditors have issued a qualified review conclusion on the interim financial results. The auditors were unable to satisfy themselves regarding the completeness of related parties and related party balances. In addition, an emphasis of matter in respect of a material uncertainty related to going concern was raised. In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have previously identified a Reportable Irregularity in terms of the Auditing Profession Act, and accordingly have reported such matter to the Independent Regulatory Board for auditors. The matter pertaining to the reportable irregularity related to the fact that the Group had not prepared interim consolidated financial statements within three months of the interim reporting period, thereby contravening paragraph 3.15 of the JSE Listings Requirements. This reportable irregularity has been remedied with the issue of the interim financial results. The auditors' review conclusion is available for inspection at Delta's registered office. Any investment decisions made by investors and/or shareholders should be based on consideration of the full announcement as a whole and shareholders are encouraged to review the full announcement, which is available on the JSE website at <https://senspdf.jse.co.za/documents/2021/jse/isse/HLT/ie2020.pdf> and can be found on the Group's website <https://www.deltafund.co.za/financials/>. The full announcement is available for inspection at the registered office, during business hours, at no charge and any requests to the Company Secretary for copies will be dealt with by referring the requester to the appropriate link on the Company's public website under the Investor Relations tab. The information contained in this short form announcement has been extracted from the condensed reviewed interim Group results and has not been reviewed or reported on by Delta's auditor.

By order of the Board

P Langeni B Masinga
(Chairman) (Interim CEO)

31 May 2021

Directors: P Langeni~ (Chairman), B Masinga* (Interim CEO), M de Lange* (CFO), N Khan~, DN Motau^, MJN Njeke#, NN Afolayan^, MCR Rampheri^ * Executive; ^ Independent non-executive; ~ Non-executive; # Lead independent director

Registered office: Silver Stream Office Park, 10 Muswell Road South, Bryanston,
(Postnet Suite 210, Private Bag X21, Bryanston, 2021)

Transfer secretaries: Computershare Investor Services Proprietary Limited

Sponsor: Nedbank Corporate and Investment Banking, a division of Nedbank Limited

www.deltafund.co.za