

DELTA PROPERTY FUND LIMITED

(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")

PROPOSED DISPOSAL OF CAPE ROAD

Proposed disposal of Cape Road

1. Introduction

Delta shareholders are hereby advised that the Company ("Seller") has entered into a sale of letting enterprise agreement ("Agreement") with Slip Knot Investments 777 Proprietary Limited (the "Purchaser"), to dispose of its property situated at corner of CJ Langenhoven Drive and Cape Road, Port Elizabeth, Eastern Cape, including immovable and movable assets and as more commonly known as "Cape Road" (the "Property"), for a cash consideration of R33 million (the "Disposal Consideration") (the "Disposal").

2. Rationale and use of proceeds

As part of Delta's strategy, and the optimisation of the portfolio, it was agreed that the disposal of assets which were no longer strategic to the Company would be undertaken. Cape Road is considered one such asset.

The proceeds of R33 million will be utilised by the Company to reduce debt and the Loan to Value (LTV) by 0.2% from 61.4% to 61.2% and to reduce vacancy levels by 0.2% from 32.9% (as of 28 February 2023) to 32.7%.

3. Terms and conditions of the Disposal

3.1 Purchasers

The ultimate beneficial shareholder of the Purchaser is Jean Du Plessis. The Purchaser is not a 'related party' in terms of the JSE Limited ("JSE") Listings Requirements.

3.2 The Disposal

The Seller has agreed to sell, and the Purchaser has agreed to purchase the Property, with effect from, and inclusive, of the date on which the registration of transfer of the Property into the name of the Purchaser is affected, which date the Company anticipates will be approximately 15 March 2024.

3.3 Disposal Consideration

The Disposal Consideration payable for the Property by the Purchaser is R33 million inclusive of VAT at 0%, payable in cash, as follows:

- R1.65 million non-refundable deposit payable within 12 hours of joint signature of the Agreement (which has already been paid to Delta's conveyancers); and
- R31.35 million secured by way of guarantees, acceptable to the Seller, which guarantees shall be expressed as payable on registration of the transfer of the Property to the Purchaser. The guarantees are to be delivered within thirty days from the date of signature of the Agreement.

3.4 Conditions precedent

The Disposal is subject to the fulfilment of the following conditions precedent:

- within 10 business days of the signature date of the Agreement ("Signature Date"), the Purchaser shall have provided the Seller with a copy of the resolution of the board of directors of the Purchaser authorising the Purchaser to conclude the transaction on the terms and conditions of the Agreement;
- within 10 business days of the Signature Date, the board of directors of the Seller ("Board") shall have passed a resolution authorising the Seller to conclude the Disposal on the terms and conditions of the Agreement;

- within 60 days after the Signature Date (where applicable), the Seller has followed due process with regard to notification of the Disposal to those tenants under leases, which have the option, right of first refusal and/or right of pre-emption (“**Right of First Refusal**”) to acquire the Property and each such tenant has waived/or failed to exercise its Right of First Refusal within the time period provided for in the relevant lease;
- within 120 days after the Signature Date, the Seller and Purchaser have complied with the JSE Listings Requirements (insofar as may be applicable to this Agreement or to any party), obtained such consents and approvals required and have taken such corporate actions required to approve and ratify the entering into and implementation of the Agreement; and
- within 120 days after the Signature Date, to the extent necessary, any prior written approval required from the Competition Authorities has been obtained in respect of the implementation of the Disposal, in terms of the Competition Act, evidenced by the issue of a merger clearance certificate.

3.5 Representations and warranties

The Agreement contains representations and warranties by the parties in favour of one another which are standard for transactions of this nature.

4. Financial and property-related information in respect of the Property

	Cape Road
Location:	Corner of CJ Langenhoven Drive and Cape Road, Port Elizabeth, Eastern Cape
Gross lettable area:	5 135m ²
Weighted average rental as at 28 February 2023 ¹ :	R101.6/m ²
Net operating (loss)/income ¹ :	R1.02 million
Effective date of the Disposal:	On or about 15 March 2024, being the anticipated transfer date of the Property into the name of the Purchaser
Vacancy rate as at 28 February 2023: ¹	69.3%
Value of the Property ² :	R36.6 million
Sector:	Office - Government

Notes:

1. The weighted average rental, net operating income and vacancy rate in respect of the Property have been extracted from the Company’s annual financial statements for the period ended 28 February 2023, which were prepared in terms of International Financial Reporting Standards.
2. The valuation was performed as at 28 February 2023 by Stanton Alberts (Realworx) who is independent from the Company and registered as a professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000.
3. The financial information in this announcement is the responsibility of the Board and has not been reported on or reviewed by Delta’s auditors or a reporting accountant.

5. Categorisation

The Disposal is classified as a Category 2 transaction in terms of the JSE Listings Requirements. Accordingly, the Disposal is not subject to shareholder approval.

Johannesburg
23 November 2023

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