

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 LEXIS NEXIS BUILDING

Proposed disposal of Lexis Nexis Building

1. Introduction

Delta shareholders are hereby advised that the Company ("Seller") has entered into a sale of property agreement ("Agreement") with Icebolethu Funerals Proprietary Limited (the "Purchaser"), to dispose of its immovable property situated at 215 Peter Mokaba Road, Morningside, Durban, Kwazulu-Natal, which is more commonly known as "Lexis Nexis" (the "Property"), for a cash consideration of R37.375 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. Lexis Nexis is considered one such asset.

The net proceeds of R32.5 million will be utilised by the Company to reduce debt and the Loan to Value (LTV) by 0.2% from 60.9% to 60.7% and to reduce vacancy levels by 0.2% from 33.4% (as of 29 February 2024) to 33.2%.

3. Terms and conditions of the Disposal

3.1 Purchasers

The ultimate beneficial shareholders of the Purchaser are Sinenhlanhla Mcoyi, Asanda Mcoyi, Yandisa Mnyandu, Abusisiwe Ngweya, and Aphiwe Ngwenya. The Purchaser is not a 'related party' as defined in the JSE Limited ("JSE") Listings Requirements.

3.2 Effective date of 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 effected ("Transfer Date"), which date the Company anticipates will be approximately 30 September 2024.

3.3 Disposal Consideration

The Disposal Consideration payable for the Property by the Purchaser is R37.375 million inclusive of Value Added Tax at 15%, payable in cash, as follows:

- R1.6 million non-refundable deposit payable within 12 hours of joint signature of the Agreement (which has already been received) and;
- R35.775 million secured by way of guarantees, acceptable to the Seller, which guarantees shall be expressed as payable on the Transfer Date. The guarantees are to be delivered within forty-five 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:

- payment of a non-refundable deposit in accordance with paragraph 3.3 above;
- 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 Disposal 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 and;

- within 120 days after the Signature Date, the Seller and Purchaser have complied with the JSE Listings Requirements (insofar as may be applicable to the 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.

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

	Lexis Nexis
Location:	215 Peter Mokaba Road, Morningside, Durban, Kwazulu-Natal
Gross lettable area:	3 354m ²
Weighted average rental as at 29 February 2024 ¹ :	R0m ²
Net operating (loss)/income ¹ :	R(2.2 million)
Effective date of the Disposal:	On or about 30 September 2024, being the anticipated transfer date of the Property into the name of the Purchaser
Vacancy rate as at 29 February 2024: ¹	100%
Value of the Property ² :	R32.7 million
Sector:	Office - Other

Notes:

1. The weighted average rental, net operating income and vacancy rate in respect of the Property have been extracted from the Company's audited annual financial statements for the year ended 29 February 2024, which were prepared in terms of International Financial Reporting Standards and the Companies Act, 2008.
2. The valuation was performed as at 29 February 2024 by Riaan Fourie (CBRE) 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
11 June 2024

Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited