

## **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 DOMUS PROPERTY**

#### **1. Introduction**

Delta shareholders are hereby advised that the Company ("**Seller**") has entered into an agreement ("**Agreement**") with Pacificus Developments Proprietary Limited ("**Purchaser**"), represented by Panayiotis Alexander Michaletos, to dispose of the property located at 57 Kasteel Road, Lynnwood Glen, Pretoria, together with all buildings and improvements thereon, as more commonly known as "the Domus", including the rental enterprise conducted thereon (the "**Property**") for a consideration of R25 million ("**Disposal Consideration**") ("**Disposal**").

#### **2. Rationale and use of proceeds**

The Disposal is consistent with the Company's strategy to reduce its gearing. The proceeds of the Disposal will be used to repay existing debt facilities of the Company.

#### **3. Terms and conditions of the Disposal**

##### **3.1 Sale**

The Seller has agreed to sell, and the Purchaser has agreed to purchase the Property as a going concern and an income-earning activity, 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, which date the Company anticipates will be approximately 31 May 2021.

##### **3.2 Disposal Consideration**

The Disposal Consideration payable for the Property by the Purchaser is R25 million exclusive of VAT (at a rate of zero percent), payable in cash.

##### **3.3 Conditions precedent**

There are no outstanding conditions precedent in respect of the Agreement.

##### **3.4 Representations and warranties**

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

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

Location:	57 Kasteel Road, Lynnwood Glen, Pretoria
Gross lettable area:	5,454m <sup>2</sup>
Weighted average rental as at 31 August 2019:	R105.88/m <sup>2</sup>
Net operating income <sup>1</sup> :	R2,1 million
Original purchase price of the Property <sup>2</sup> :	R41,8 million
Effective date of acquisition of the Property:	01 April 2016
Value of the Property as at 31 August 2019 <sup>3</sup> :	R52 million

**Notes:**

1. The net operating income in respect of the Property has been extracted from the Company's results for the interim period ended 31 August 2019, which were prepared in terms of International Financial Reporting Standards. The net operating income achieved for the period from 1 March 2020 to 31 December 2020 was significantly less due to the large vacancy of 58.6%.
2. Includes any other expenditure incurred by the Company in connection with the acquisition of the Property.
3. The valuation was performed as at 31 August 2019 by Realworx Property Valuations, who is independent from the Company and registered as a professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000.
4. The financial information in this announcement is the responsibility of the directors of Delta and has not been reported on or reviewed by a reporting accountant.

**5. Categorisation**

Based on the last traded price per Delta ordinary share prior to its suspension on 15 December 2020, the Disposal is classified as a Category 2 transaction for the Company, which merely requires an announcement. However, the Company is requesting a ruling from the JSE to determine the Disposal's categorisation, given the Company's suspension, and will advise shareholders should this not be as aforementioned.

Johannesburg  
12 February 2020

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