DELTA PROPERTY FUND

FOCUSING ON THE FUNDAMENTALS

RESULTS PRESENTATION

FOR THE YEAR ENDED
28 FEBRUARY 2025

Delta Towers, KwaZulu–Natal

AGENDA

Introduction

Operational Overview

Financial Results

Conclusion and way forward

Questions and Answers

INTRODUCTION

Sleepy Hollow, KwaZulu–Natal

COMPANY PROFILE

Delta is a sovereign underpinned South African domiciled Level 1 B-BBEE REIT.

Portfolio profile:

- A diversified portfolio of 83 properties, covering a Gross Lettable Area (GLA) of 781,569 m², valued at R6.4 billion, dispersed across all nine provinces of South Africa.

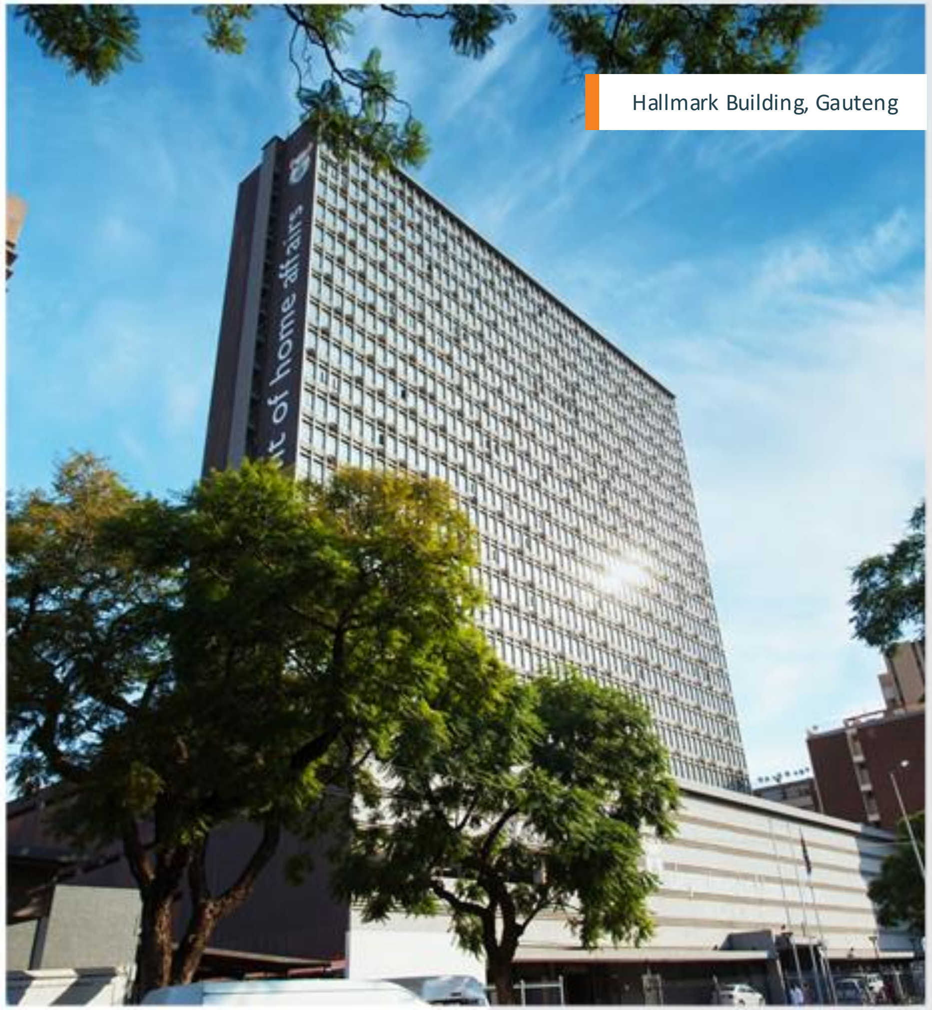
- GLA comprises 577 183m² of core and 204 385m² of non-core properties

- Primarily provides commercial office space to government departments, state-owned enterprises, and private sector tenants.

Located mainly in central business districts (CBDs) for greater accessibility to the general public.

The key focus areas for the year under review were:

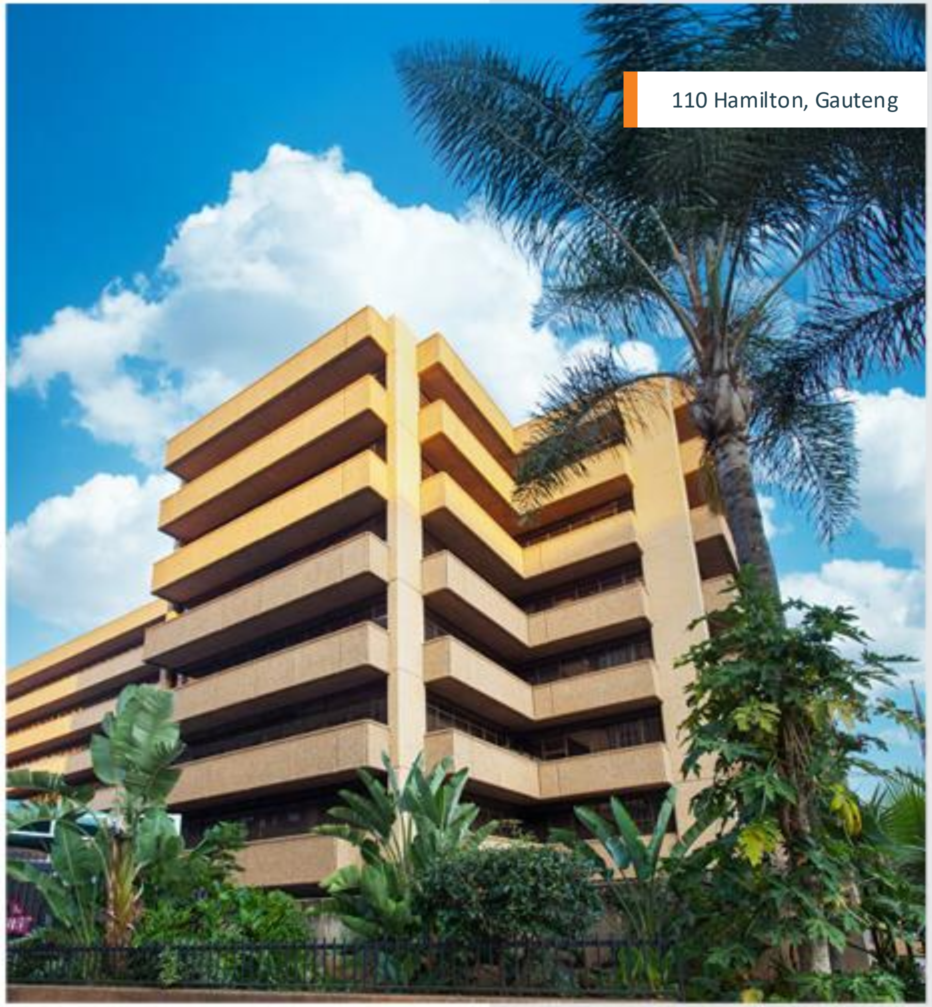
- Meeting debt covenant requirements
- Signing new leases and ensuring lease renewals
- Disposal of non-core properties
- Improving rental income collection



Hallmark Building, Gauteng

OPERATING CONTEXT

- Sector fundamentals are strengthening, indicating a more resilient foundation for long-term recovery
- Higher-for-longer interest rate environment expected, notwithstanding the positive impact of three rate cuts of 25 bps each since September 2024
- Ongoing cost pressures including above-inflation increases in municipal rates and electricity tariffs as well as inconsistencies in utility supply
- Competitive market conditions and rental pressures, compounded by lease reversions
- Continued implementation of the strategy, including the disposal of non-core properties. These will result in the right sizing of operating costs and a strengthening the balance sheet
- Business sentiment expected to continue improving on the back of policy clarity, particularly within the property sector and easing inflationary pressures
- Improvement in operational and financial performance is anticipated over the medium term, underpinned by continued sectoral recovery and a return to a more balanced risk-return investment thesis



110 Hamilton, Gauteng

OPERATIONAL HIGHLIGHTS

FY25 BUSINESS HIGHLIGHTS

Rental Income
R1.1bn
-1.9%
(FY24: R 1.2 bn)

Net Operating Income
R721.4m
10.3%
(FY24: R653.9 mil)

WALE
14.7 months
-0.6 months
(FY24: 15.3 months)

Portfolio Value
R6.4bn
3.0%
(FY24: R6.7 bn)

Property Disposals
R405.8m
(including properties not yet transferred)

Vacancy Rate
31.9%
1.5%
(FY24: 33.4%)

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

Liberty Towers, Gauteng

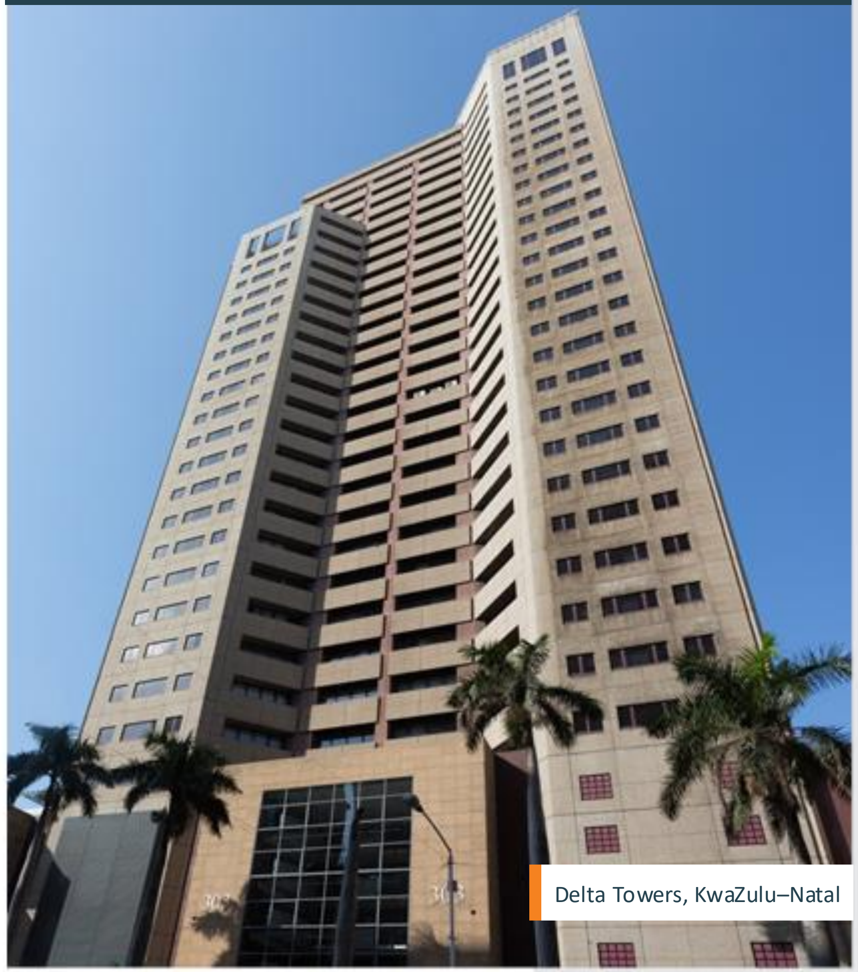
OPERATIONAL OVERVIEW

PORTFOLIO OVERVIEW

	Delta Portfolio (excluding classified as held for sale per IFRS 5)	Delta Portfolio (Assets classified as held-for-sale per IFRS 5)	Delta Portfolio Total
Portfolio Value (R'000)	5 380 209	1 0009 490	**6 389 999**
Number of properties	54	29	**83**
Portfolio LTV	59.5%	59.5%	**59.5%**
Portfolio ICR	1.7	0.2	**1.4 times**
Portfolio NOI (R'000)	657 999	63 408	**721 407**
Portfolio Vacancy Rate (%)	18.4%	70.0%	**31.9%**
Portfolio GLA m^2	577 183	204 385	**781 568**
GLA Occupied m^2	471 146	61 235	**532 381**
GLA Vacant m^2	106 037	143 150	**249 187**
Portfolio Occupancy Rate	81.6%	30.0%	**68.1%**

1. Of the 29 Non-Current Assets Held for Sale (NCAHFS) four assets have been transferred post year end and a further eight have been sold and are in the process of being transferred.

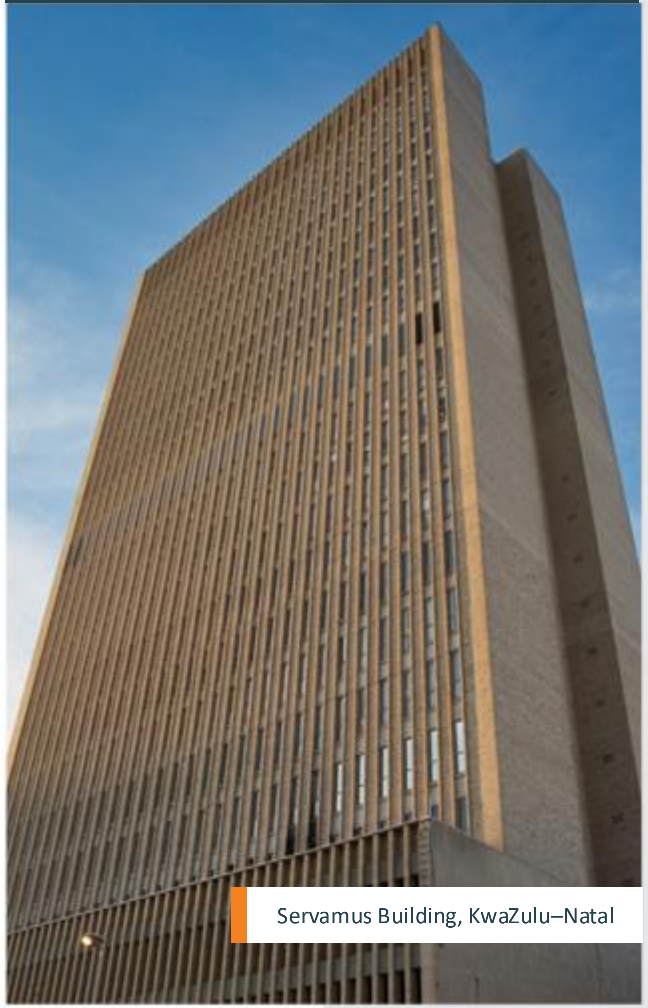
2. The interest cover ratio (ICR) is expected to continue to improve as disposal programme moves towards completion. The properties earmarked for disposal typically have an ICR which is well below the target of 2 times.



Delta Towers, KwaZulu–Natal

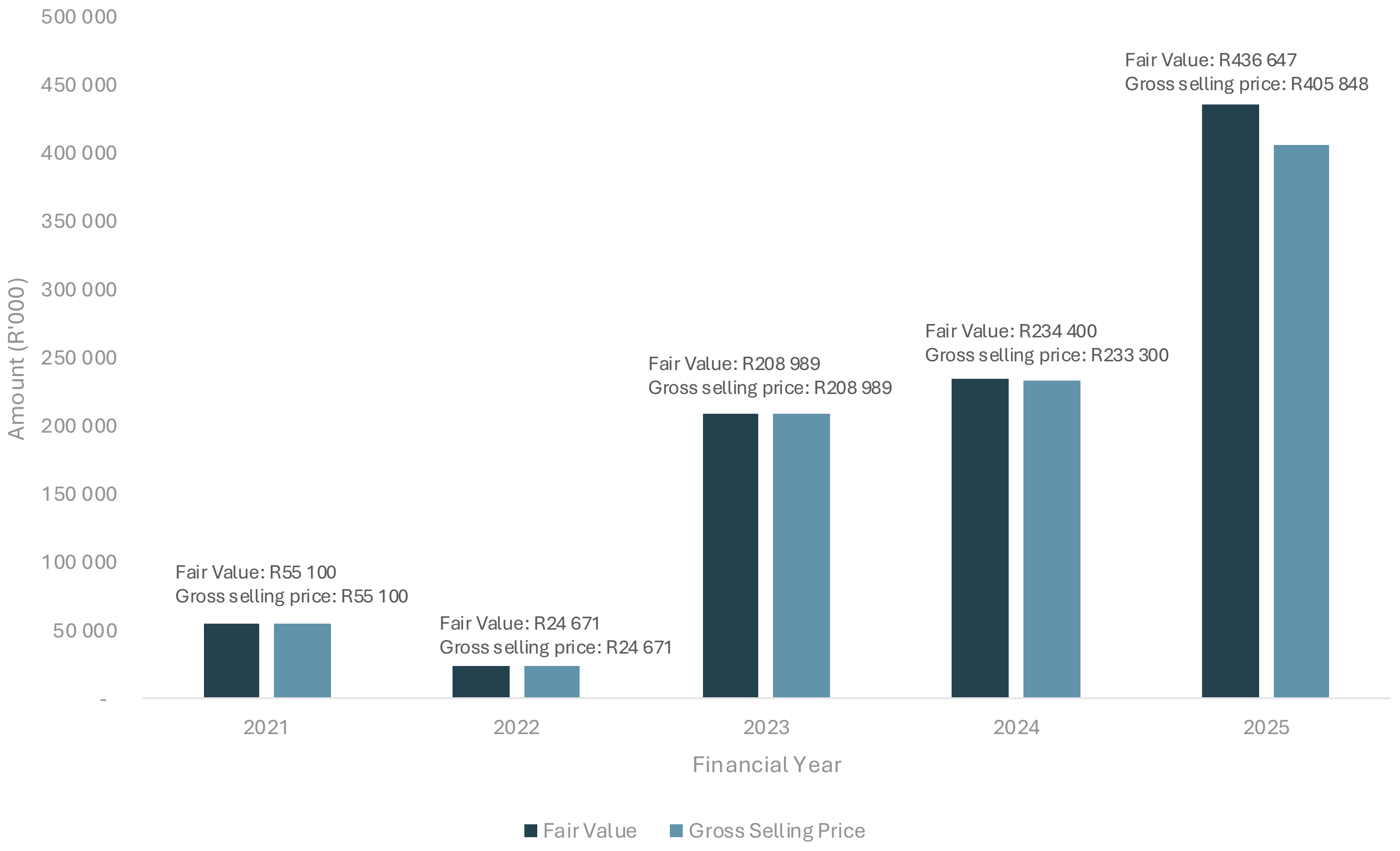
DISPOSAL OF PROPERTIES

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	Sept-24	2 300	6 160	4 348
Trustfontein	Sept-24	6 369	10 900	15 000
North Ridge Road	Nov-24	3 354	32 750	32 500
		41 782	**154 910**	**157 998**
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 (Rm)**	**Gross selling price (Rm)**
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	Sept-25	21 793	93 830	76 000
Chambers of Change	Sept-25	7 915	41 650	25 000
		80 764	**249 540**	**214 800**



Servamus Building, KwaZulu–Natal

PROGRESS ON PROPERTY DISPOSALS



FY25 gross selling price impacted by sale of properties on auction

Auditor General Building, Limpopo

CAPITAL ALLOCATION

REPAIRS AND MAINTENANCE (R'000)

R25.0 million spend in FY25 (FY24 R27.6 million)

Major Categories of Expenditure in FY25	FY2025	FY2024
Electrical	5,017	13,677
General Maintenance	4,553	10,947
Airconditioning	3,921	5,135
Lifts and Escalators	3,680	2,300
Plumbing	2,872	6,369
Fire Equipment and levy	2,524	3,354

CAPITAL EXPENDITURE (R'000)*

R46.8 million spend in FY25 (FY24 R47.5 million)

Properties with the Highest Capital Expenditure in FY25	FY2025
Tenant Upgrade/ Whitebox	24 077
Compliance	5 965
Lifts and Escalators	5 146
Waterproofing	4 764
HVAC	4 006

**This comprises capital expenditure on investment property.*

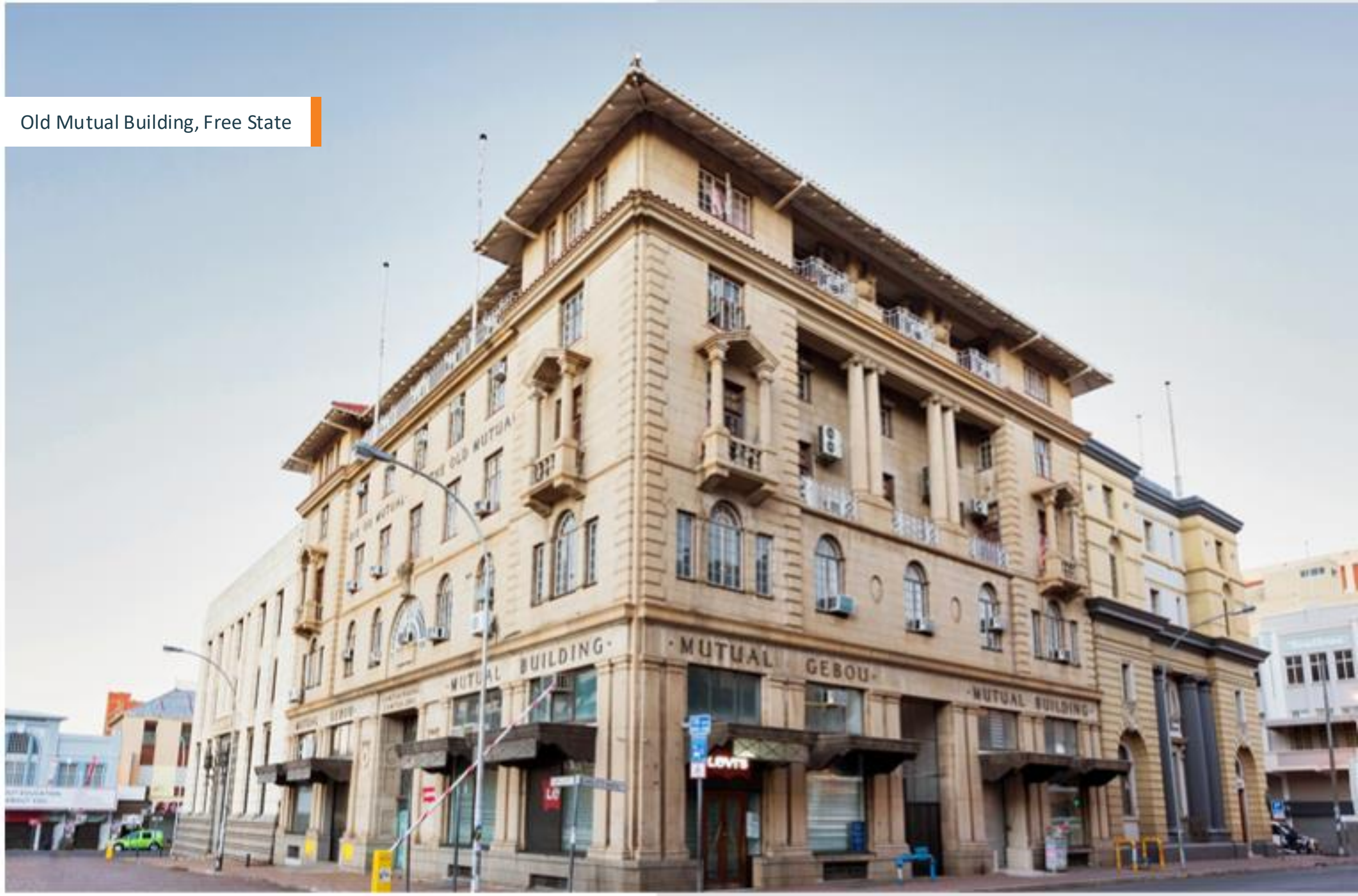
Amzo Place, Limpopo

LEASING ACTIVITY

	Number of leases	Total GLA (m²)	Tenant Category GLA (m²)			Sectoral Split GLA (m²)			Tenure (number of leases)		
			DPWI	Provincial	Other	Office	Retail	Industrial	12 months	12 -36 months	>36 months
Renewed Leases	79	110 723	28 196	7 963	74 564	104 945	5 778	-	23	45	11
New Leases	69	22 068	1	-	22 067	16 852	5 216	-	7	46	26
	148	**132 791**	**28 197**	**7 963**	**96 631**	**121 797**	**10 994**	**-**	**30**	**91**	**37**

UPDATE ON LEGAL MATTERS

- **Delinquency Matter**
- **Ethekwini Property Fund**
- **Orthotouch**



Old Mutual Building, Free State

Silverstream Office Park, Gauteng

FINANCIAL RESULTS

FINANCIAL HIGHLIGHTS

Regents Place, Gauteng

SA REIT LTV
61.1%
Feb 2024 60.9%

Renewal of debt facilities

Covenant LTV
59.5%
Feb 2024 59.4%

Cost to Income Ratio
47.9%
Feb 2024 49.6%

ICR
1.4 times
Feb 2024 1.3 times

FFO (cents)
15.1
Feb 2024 18.7 cents

WEIGHTED AVERAGE COST OF DEBT
11.2%
Feb 2024 11.4%

NAV per share (Rand)
3.4
Feb 2024 3.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Figures in R'000	FY2025	FY2024
Rental Income	1 140 419	1 162 617
Straight-line rental income accrual	3 002	(24 866)
Total Revenue	**1 143 421**	**1 137 751**
Property Operating Expenses	(422 014)	(483 870)
Net Operating Income	**721 407**	**653 881**
Other Income	19 455	31 749
Dividend Income	-	10 168
(Loss)/gain on foreign exchange movements	(2 910)	19 698
Administration expenses	(101 732)	(96 564)
Net Operating Profit	**636 220**	**618 932**
Fair value adjustments	(222 504)	(217 190)
Expected credit loss provisions	(25 535)	(2 552)
Profit from operations	**388 181**	**399 190**
Finance Costs	(463 005)	(484 226)
Finance Income	2 630	10 483
Loss before taxation	**(72 194)**	**(74 553)**
Taxation	(32 017)	(3 021)
Loss for the period	**(104 211)**	**(77 574)**
Other Comprehensive Income	-	-
Total Comprehensive loss for the period	**(104 211)**	**(77 574)**

NPA Cape Town, Western Cape

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in R'000	FY2025	FY2024
ASSETS		
Non-current Assets	**5 416 072**	**5 442 472**
Investment property	5 380 209	5 357 988
Investment in listed securities	34 422	80 636
Other non-current assets	1 441	3 848
Current Assets	**161 590**	**123 614**
Non-current Assets Held-for-sale	**1 009 490**	**1 310 645**
Total Assets	**6 587 152**	**6 876 731**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share Capital	4 868 462	4 868 462
Accumulated loss	(2 451 689)	(2 347 478)
Total Equity	**2 416 773**	**2 520 984**
Non-current Liabilities	**1 391 287**	**557 866**
Interest-bearing borrowings	1 372 062	540 447
Other non-current liabilities	19 225	17 419
Current Liabilities	**2 779 092**	**3 797 881**
Interest-bearing borrowings	2 449 290	3 468 549
Interest accrual on interest-bearing-borrowings*	36 359	33 664
Other current liabilities	293 443	295 668
Total Liabilities	**4 170 379**	**4 355 747**
Total Equity and Liabilities	**6 587 152**	**6 876 731**


Shell House, KwaZulu–Natal

KEY DEBT MANAGEMENT HIGHLIGHTS

	FY2025	FY2024
Undrawn cash facilities (R'000)	32 270	40 439
Investment property encumbered as security for debt (R'000)	6 389 699	6 668 633
Secured Debt (R'000)	3 857 711	4 042 660
All-in weighted average cost of debt	11.2%	11.4%

Successful renewal of maturing debt facilities:

1. Nedbank extended to 7 April 2025 and subsequently to 7 April 2026
2. Standard Bank renewed to 31 May 2026
3. Bank of China renewed to 31 December 2026
4. State Bank of India renewed to 7 June 2027
5. Consolidated three Investec facilities into a single facility, and renewed to 7 March 2027

Isivuno House, Gauteng

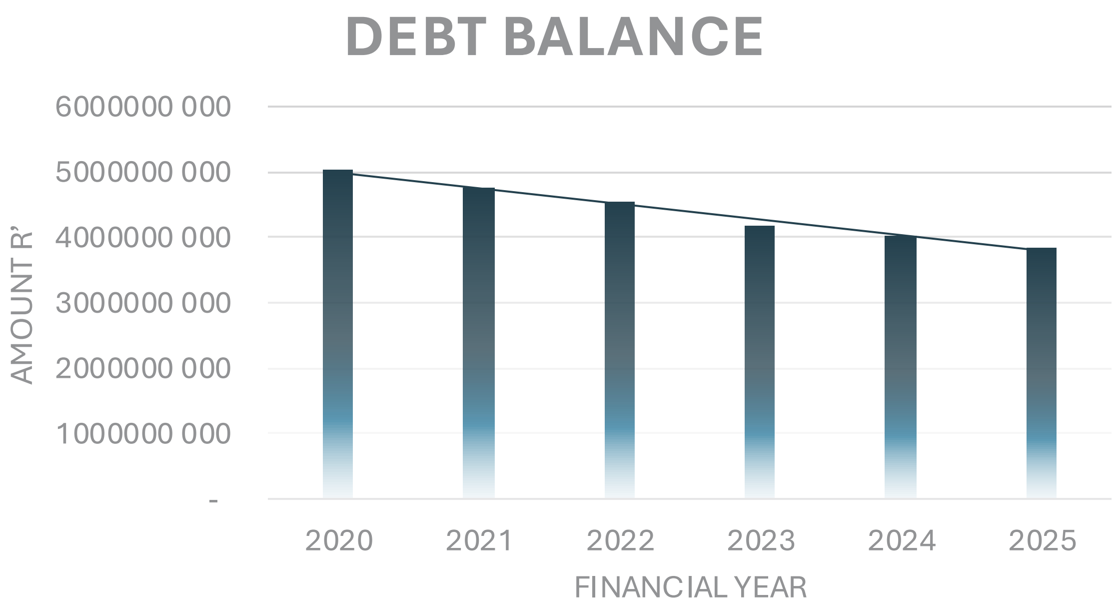
FY25 REDUCTION OF DEBT

	Debt (R'000)
Balance of Debt at February 2024	**4 042 660**
Movements for the year:	
Advance of interest-bearing borrowings	37 164
Net movement in interest accrued	2 695
Fees capitalised	12 645
Repayment of interest-bearing borrowings/Amortisation	(92 920)
Repayment of facilities*	(144 533)
Balance of Debt at February 2025	**3 857 711**

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

Harlequins Office Park, Gauteng

FY25 REDUCTION OF DEBT

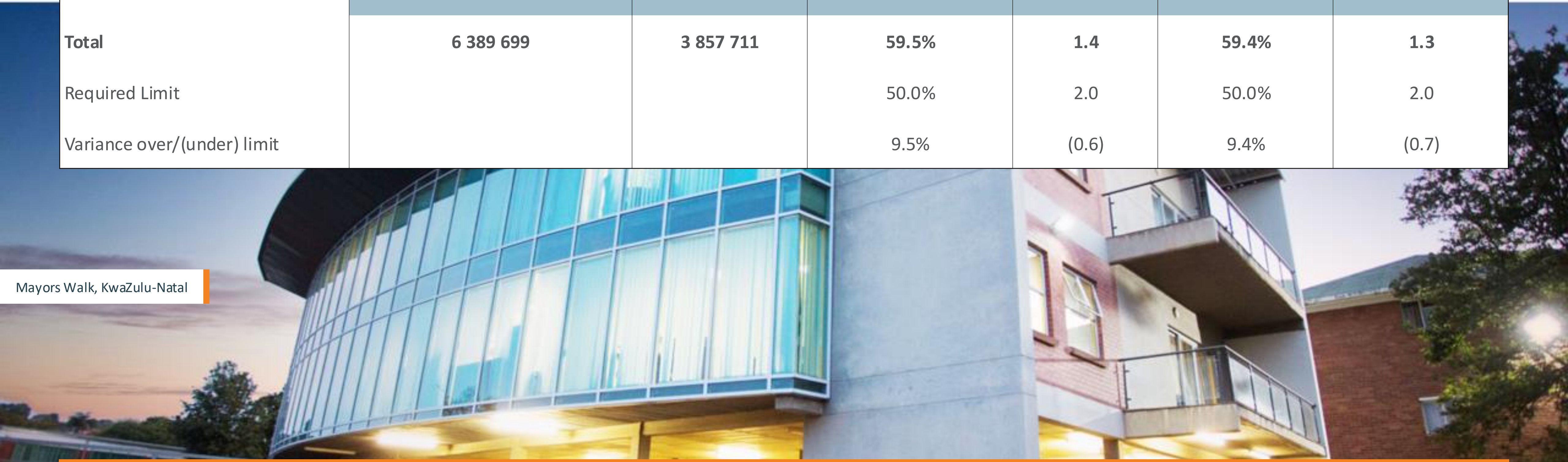


Debt repayment over the last 6 years totalling R1.2 billion

Block G, Gauteng

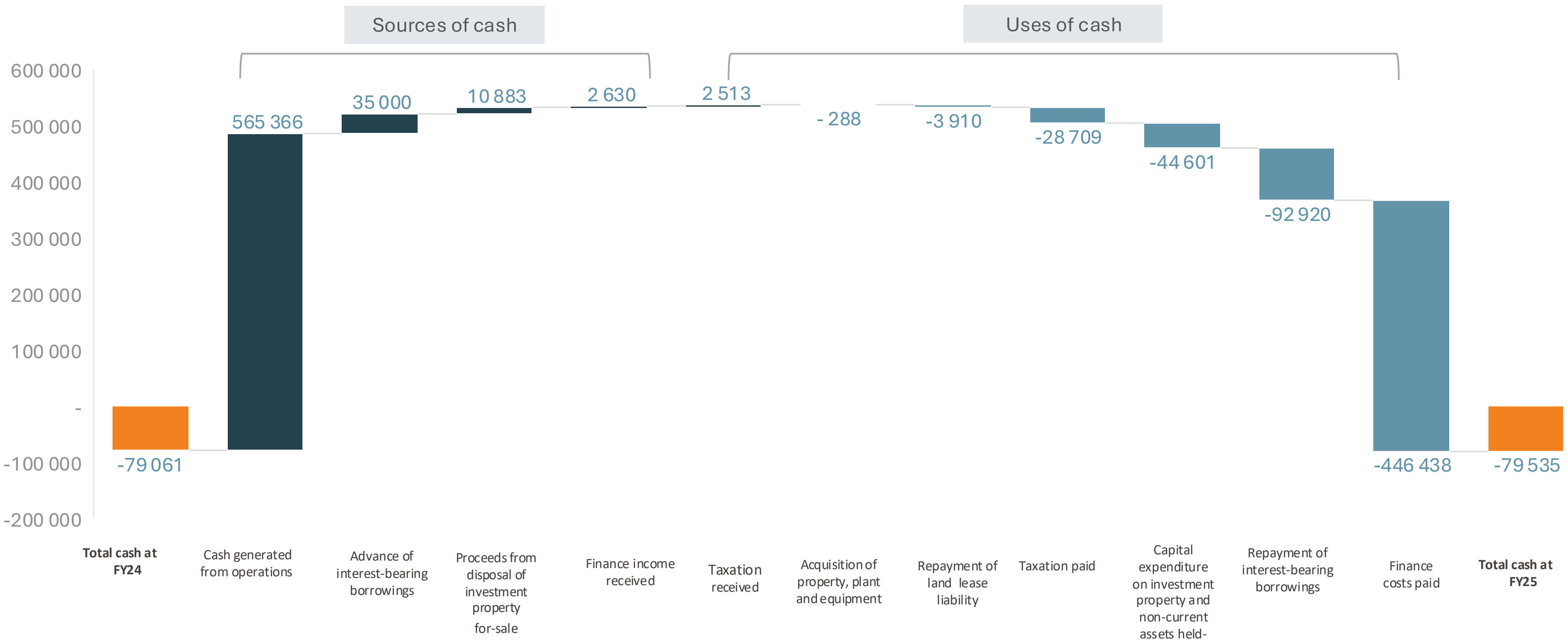
DEBT COVENANTS

	FY2025				FY2024	
	Investment Property and Investment in Listed Securities (R'000)	Debt (R'000)	LTV %	ICR times	LTV %	ICR times
Total	**6 389 699**	**3 857 711**	**59.5%**	**1.4**	**59.4%**	**1.3**
Required Limit			50.0%	2.0	50.0%	2.0
Variance over/(under) limit			9.5%	(0.6)	9.4%	(0.7)



Mayors Walk, KwaZulu-Natal

CASHFLOW BRIDGE (R'000)



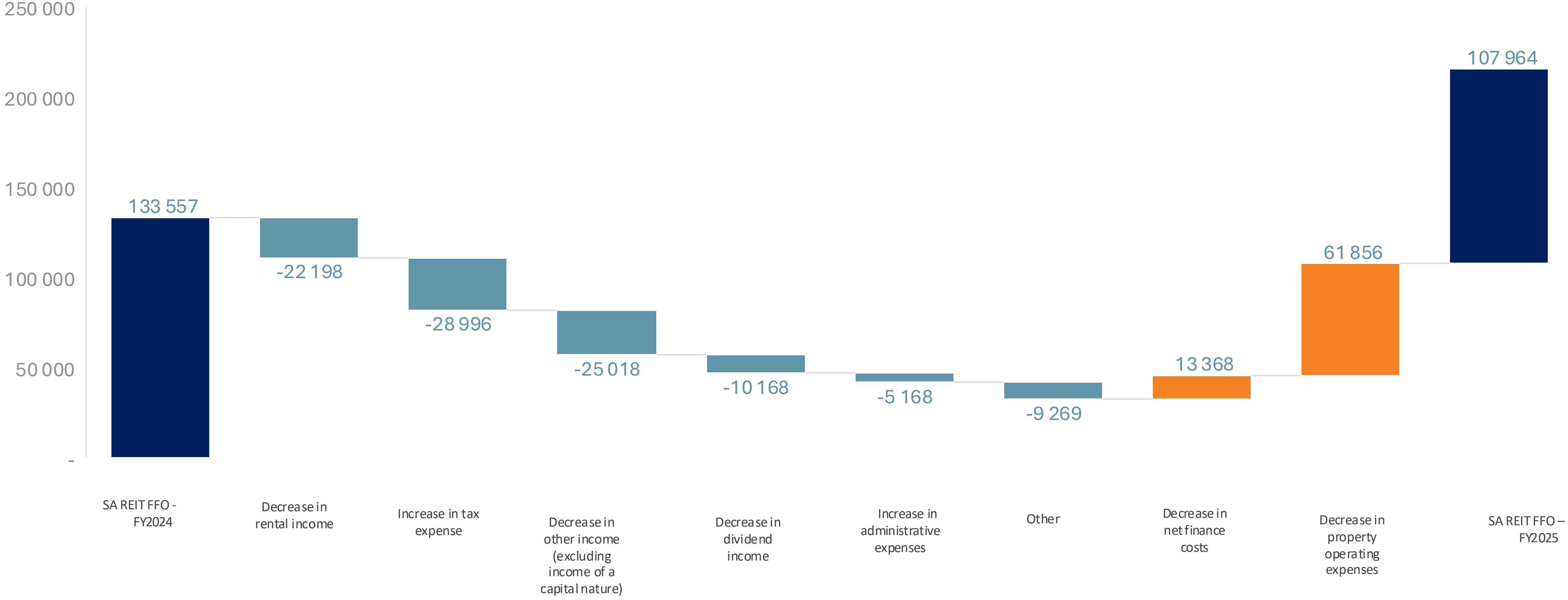
SA REIT FUNDS FROM OPERATIONS (R'000)

Figures in R'000		FY2025	FY2024
Loss per IFRS Statement of Comprehensive Income attributable to parent	**A**	**(104 211)**	**66 482**
Accounting specific adjustments:	**B**	**217 794**	**230 240**
Fair value adjustment on Investment Property		*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		2 695	2 908
ECL provision on loans and financial guarantees		-	3 023
Deferred tax movement recognised in profit and loss		(208)	(5 883)
Adjustment arising from investing activities	**C**	**3 559**	**5 101**
Foreign Exchange and Hedging Activities	**D**	**3 546**	**(12 935)**
Fair value adjustments on derivative financial instruments employed solely for hedging purposes		636	6 763
Foreign exchange gains or losses relating to capital items - realised and unrealised		2 910	(19 698)
Income of a capital nature	**E**	**(12 724)**	**(22 367)**
SA REIT Funds from operations A+B+C+D+E		**107 964**	**133 557**
Number of shares in issue		**714 237**	**714 237**
SA REIT Funds from Operations per share (cents)*		**15.1**	**18.7**

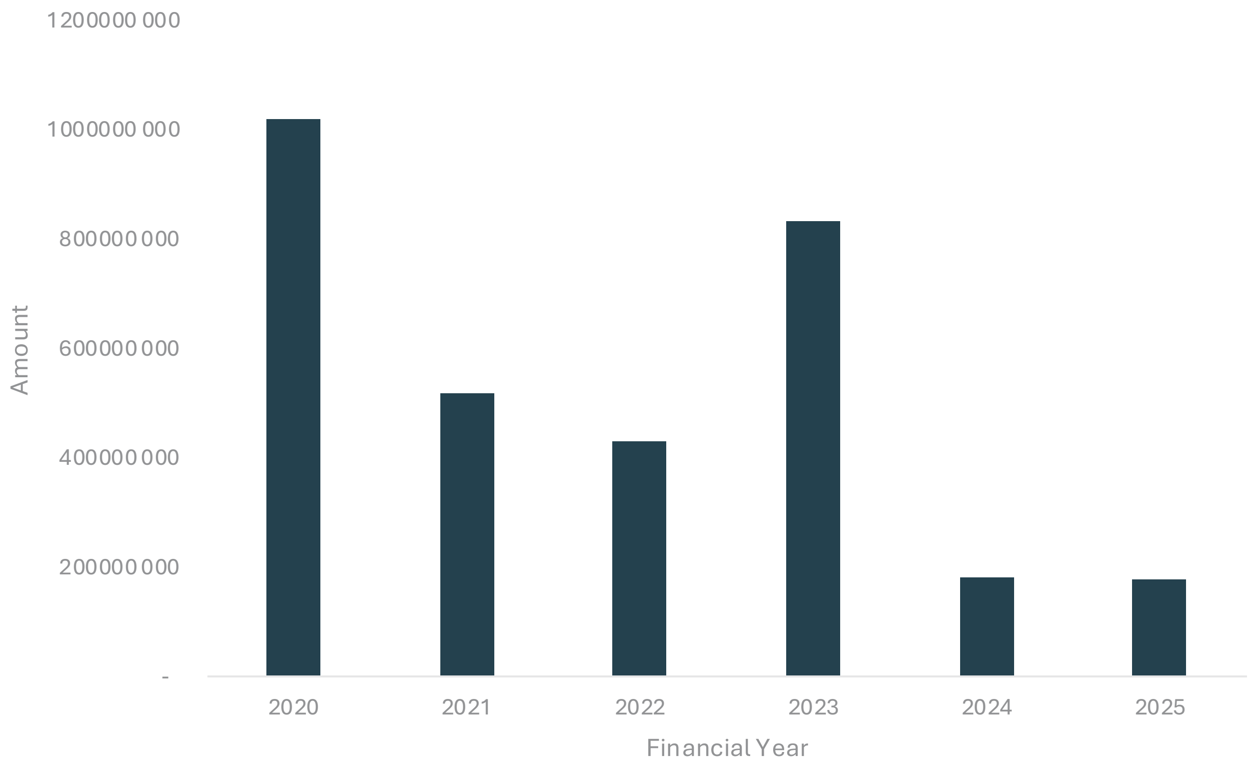
Hallmark Building, Gauteng

**The distributable income before taking into account taxation is 19.6 cents, compared to FY24: 19.1 cents .*

SA REIT FUNDS FROM OPERATIONS (FFO) BRIDGE (R'000)



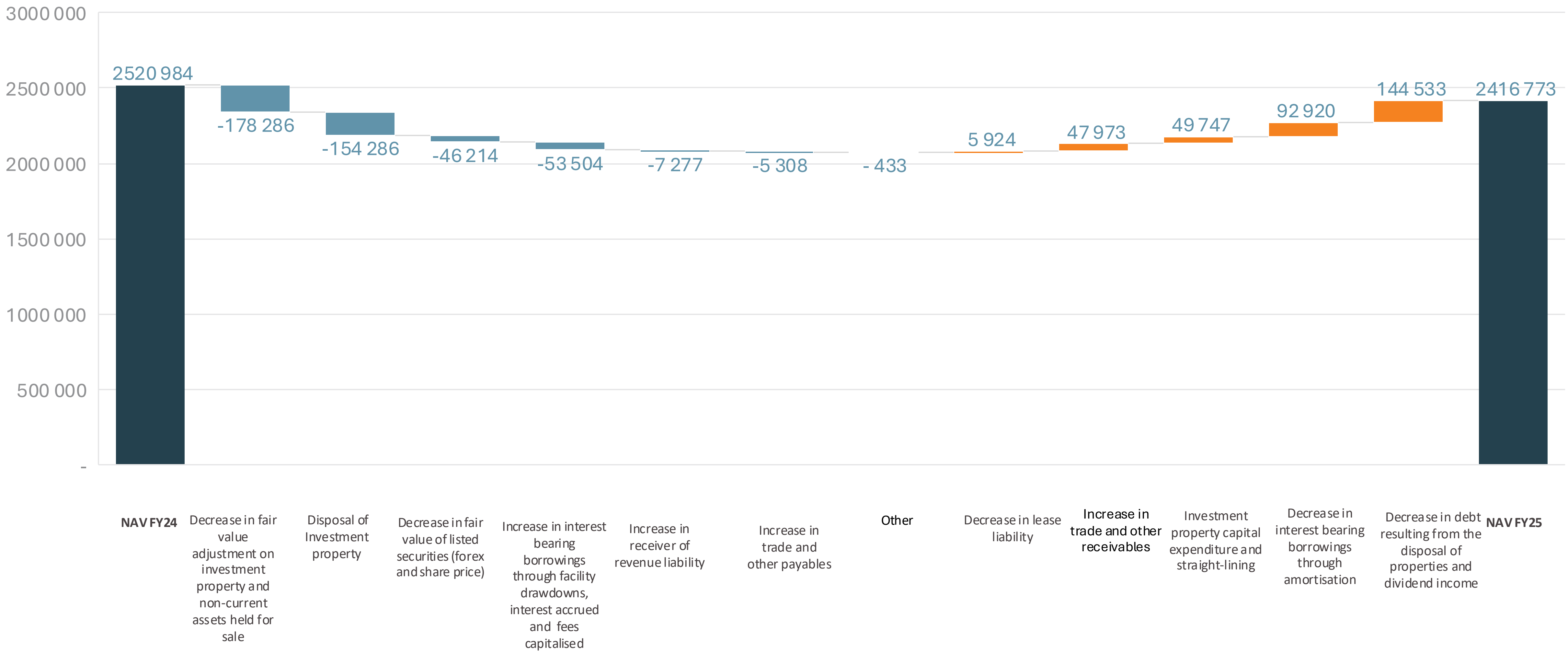
PORTFOLIO FAIR VALUE ADJUSTMENT LOSS/DEVALUATION



The above is reflective of the mark-down in portfolio fair value between 2020 and 2023, and stabilisation thereof in 2024 and 2025.

Delta Towers, KwaZulu–Natal

NET ASSET VALUE (NAV) BRIDGE (R'000)



Phamoko Towers, Gauteng

CONCLUSION AND WAY FORWARD

CONCLUSION AND WAY FORWARD

- Continuing to make significant progress in key aspects of financial performance, including but not limited to disposal of non-core properties, prudent debt management, managing costs, growing net operating income and enhancing leasing.

- Continued implementation of the strategy, including the disposal of non-core properties, 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.

By implementing these strategies, we will drive growth, ensure tenant satisfaction, and maintain a strong financial position that benefits shareholders.

The Marine Building, KwaZulu–Natal


101 de Korte, Gauteng

QUESTIONS AND ANSWERS