

Liberty Two Degrees delivers strong performance

- **Distribution of 18.77 cents per share (7.4% growth on HY22)**
 - **Market leading trading performance with Sandton City's annual trading density reaching R78,800/sqm**
 - **Portfolio footcount up 9.1% on HY22**
 - **Retail occupancy of 97.1%**
 - **Net asset value per share increased by 0.8% to R7.59**
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31 July 2023- Liberty Two Degrees (L2D), the South African, precinct focused, retail-centred REIT, released its interim financial results for the period ending 30 June 2023. The portfolio's operational and financial metrics have continued to improve notwithstanding the backdrop of a muted domestic economic and operating environment.

Commenting on the results, Amelia Beattie, Chief Executive of L2D said; "L2D has generated a good operating performance during the first half of this financial year testament to our ongoing commitment to maintaining the quality of our assets.

We are also pleased to report a 100% distribution pay-out of 18.77cps for the 2023 interim period, an increase of 7.4% over the comparable prior period."

"Our retail portfolio has delivered market leading trading performance over the period," says Beattie. "The portfolio continues to show improved annual trading density, recording the highest densities to date in May 2023 at R51,664/m², or 13.0% growth compared to May 2022 – against a comparison benchmark of 10.1%. We also generated a 6.8% increase in turnover compared to HY22 and recorded a 9.1% growth in footcount compared to the same period - demonstrating unrivalled innovation and customer-centricity in our spaces."

In fact, all centres within the L2D portfolio continue to trade ahead of prior year trading densities except for Midlands Mall and Lifestyle Centre which generated additional turnover, in the comparative period, due to the closure of neighbouring centres affected by the KZN riots which have now opened.

From a leasing perspective demand for retail space in the portfolio remains strong supported by a quality portfolio of assets. Higher demand for space has resulted in an improved portfolio occupancy rate of 93.6% supported by stable and favourable retail occupancies and a higher office occupancy rate. Reversions on retail renewals have performed significantly better tracking at -0.3% for the first half of the 2023 financial year compared with -9.7% for the full year 2022.

"We remain focused on office leasing with the office occupancy improving to 82.1% at June 2023 compared to 80% in December 2022," adds Beattie.

"Net property income, excluding the impact of lease straight lining, grew by 8.2% over the period supported by the core retail portfolio and a recovery in the hospitality assets", says Barbara Makhubedu, Chief Financial Officer of L2D.

"Like most businesses in the sector, increased utility costs as well as increased periods of loadshedding remain a concern," adds Makhubedu. "However, we are pleased that cost containment has been managed well, with property operating costs only reflecting a 5% increase and head office operating costs increasing by only 2% compared to the previous year."

From an environmental perspective, L2D remains focused on driving its sustainability targets with continued progress across all pillars and bold Net-Zero 2030 targets.

We also refer to the announcement on 27 July 2023 where L2D announced that the Liberty Group, part of the Standard Bank Group, intends to buy-out the L2D minority shareholders. The transaction will consolidate the Group's commercial property interests, which are widely regarded as some of the most iconic in South Africa. The offer is to acquire the shares at R5.55, which is at a material premium of 46.4% to the volume-weighted average price at which L2D has been trading over the past 30-days prior to announcement. The consolidation is an important step in L2D's value creation journey where we aim to create experiential spaces to benefit future generations.

Beattie concludes; "There is no doubt that South Africa's macro-economic environment is, and continues to be, challenging and yet against this backdrop, our balance sheet remains strong with an LTV of 24.58%. We are encouraged that we were able to show good delivery against all key operational and financial metrics. L2D's strategy will remain focused on ensuring long-term sustainable growth and the transaction with Liberty is an important step in the value creation journey. We offer a unique experience that attracts tenants, customers, and visitors to our spaces, and we intend to continue driving exponential transformation throughout the property industry by fostering an inclusive and diverse working environment for our people."

Further requests for information can be directed to: investors@liberty2degrees.co.za

Notes to editors

About Liberty Two Degrees Limited

Liberty Two Degrees (L2D) is a South African precinct-focused, retail-centred REIT, first listed as a Collective Investment Scheme in Property (CISIP) on the Johannesburg Stock Exchange in December 2016. With effect from 1 November 2018, L2D was reconstituted as a corporate REIT to Liberty Two Degrees Limited. This better positions L2D for sustainable growth whilst unlocking shareholder value.

L2D's purpose is to continue to create experiential spaces that benefit generations, with a vision to be the leading South African, precinct-focused, retail-centred REIT. L2D's purpose and vision guide its strategy and underpin its everyday business activities.

About Liberty Two Degrees' portfolio

L2D has investments in a quality portfolio of iconic assets, these are:

- Johannesburg: Sandton City Complex; Eastgate Complex; and Nelson Mandela Square; Sandton Sun Hotel, the InterContinental Sandton Towers and the Garden Court Sandton City; and Melrose Arch precinct
- Cape Town: Liberty Promenade Shopping Centre; Century City Offices;
- KwaZulu-Natal: Liberty Centre Head Office and Umhlanga Ridge Office Park; Liberty Midlands Mall; John Ross Eco-Junction Estate; and
- Bloemfontein: Botshabelo Mall

L2D is focused on continuously improving the quality of its assets, introducing innovative and unique experiences that attract tenants, shoppers and visitors to its malls in order to create sustainable value for stakeholders. L2D aims to create spaces that provide a sense of community and go beyond the ordinary shopping experience.