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## Interim results presentation

for the six months  
ended 30 June 2020

**Rebuilding for growth**



55.0% of comparative footcount returned at 30 June 2020



Rental relief and ongoing tenant support



People wellbeing and new ways of working prioritised



Strong balance sheet and liquidity



Providing Safe Spaces remains a priority



Interim distribution deferred due to uncertain outlook



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## Covid-19

### Uncertain recovery

CREATE  
TOMORROW





## Covid-19 recovery mainly tracked against:

### Footcount per centre on a weekly basis

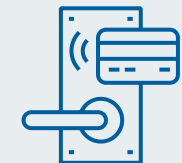


**Portfolio at 55%**  
of 2019 level at 30 June 2020

### Tenants trading as % of GLA

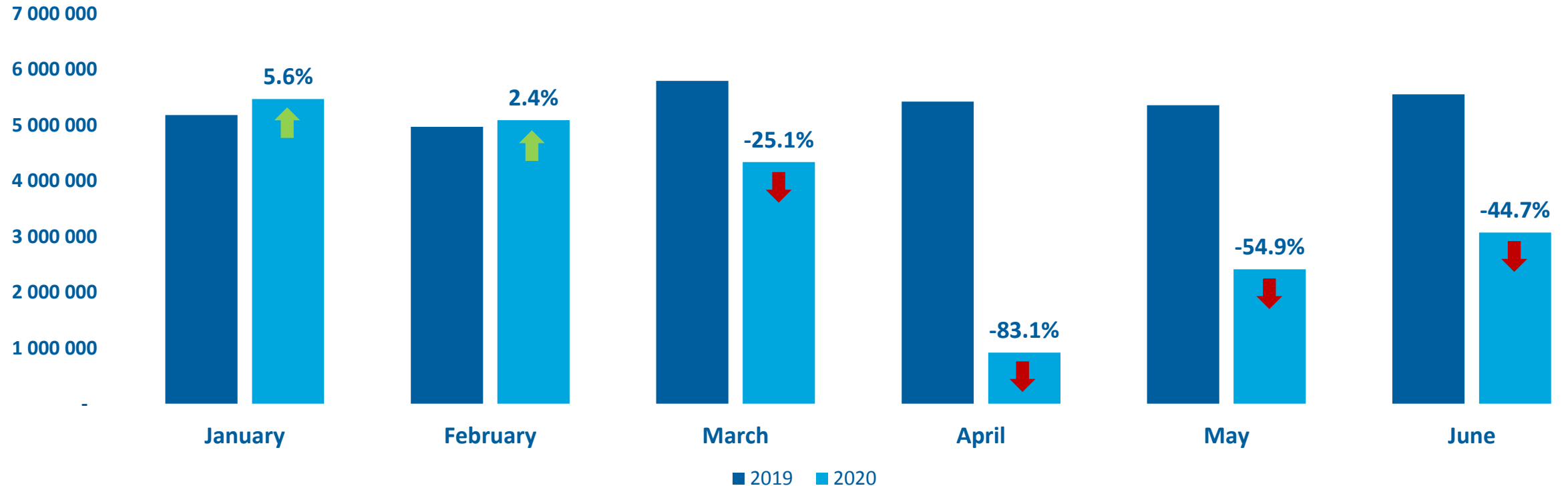


**85.4%**  
of total retail GLA trading at 30 June 2020



**Sandton Sun hotel**  
has re-opened

## Monthly footcount portfolio 2020

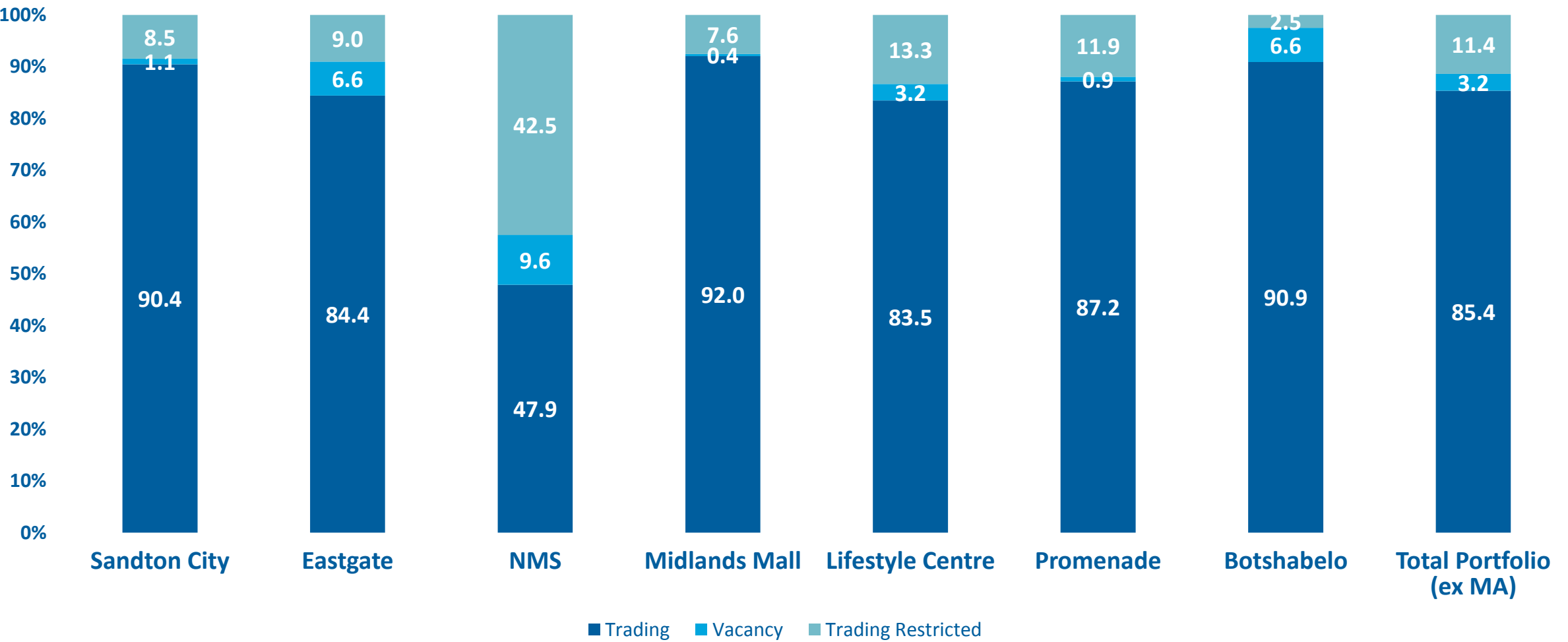


- Super regional malls have recovered to an average of 60-70% of 2019 levels.
- On a regional level, Midlands Mall has recovered well with over 75% of footcount returning and Promenade continues to show improvement. NMS and Midlands Lifestyle Centre have had a slower recovery due to their tenant mix being skewed to restaurants.
- Botshabelo's data shows that the virus has had little impact on the number of visitors to the mall.

**Note:** Footcount figures exclude Botshabelo Mall as Botshabelo does not have 2019 comparative figures.

# Trading tenants

Lockdown level 3 – trading tenants as a % of total GLA



Note: Excludes Melrose Arch.



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## Operational update

C R e A T E  
T O M O R R O W



## Portfolio

### GLA

Retail:	Office:	Specialised:
54%	34%	12%

### Value

R8.81bn

### Number of assets

17

Retail:	Office:	Hotels:	Other:
7	3	2	5

## Exposure

### NPI contribution

Retail:	Office:	Hotels:	Specialised:
79.9%	13.9%	1.4%	4.9%

### Top 10 tenants (Retail)

GLA:	Rent:
46.3%	35.4%

### Tenant exposure: Top 3 (Portfolio GLA)

Woolworths:	Edcon:	The Foschini Group:
4.9%	3.5%	3.0%



# Operating performance

8

Retail vacancy

3.5%

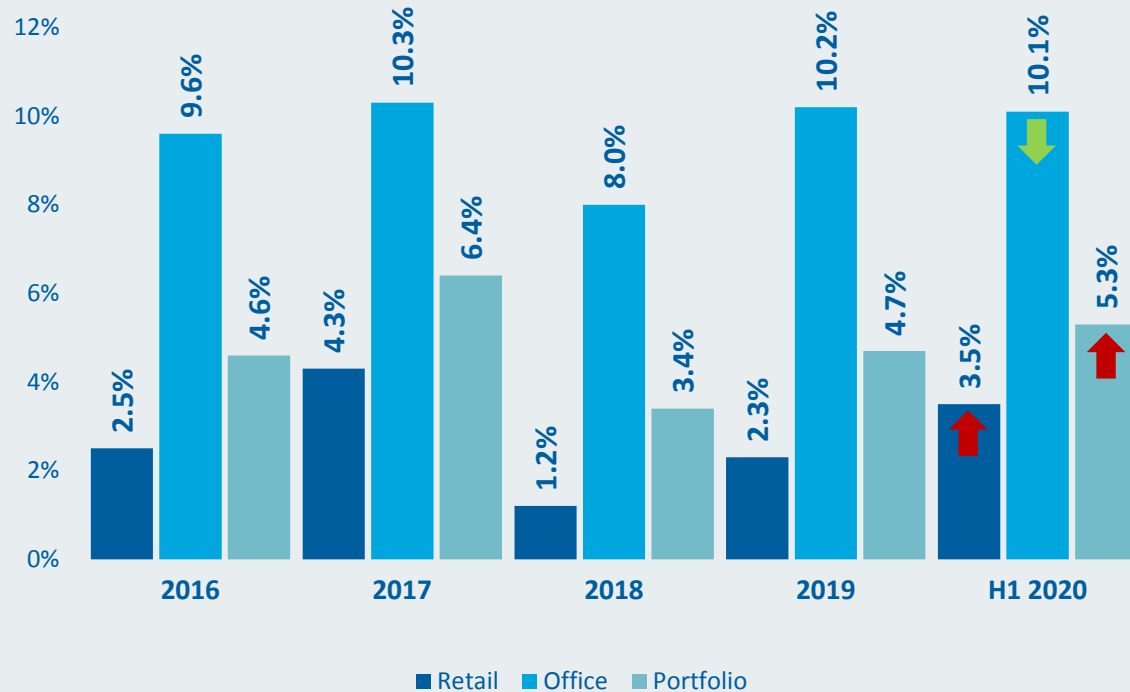
Sandton retail vacancy

1.1%

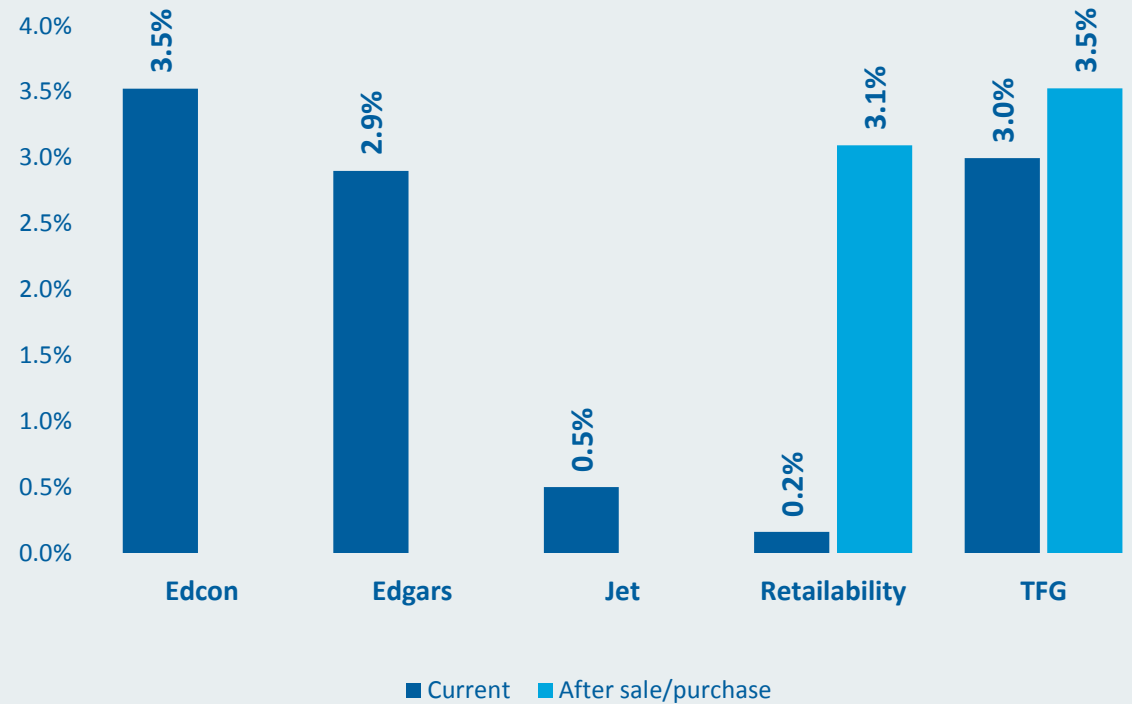
Office vacancy

10.1%

## Vacancy rate

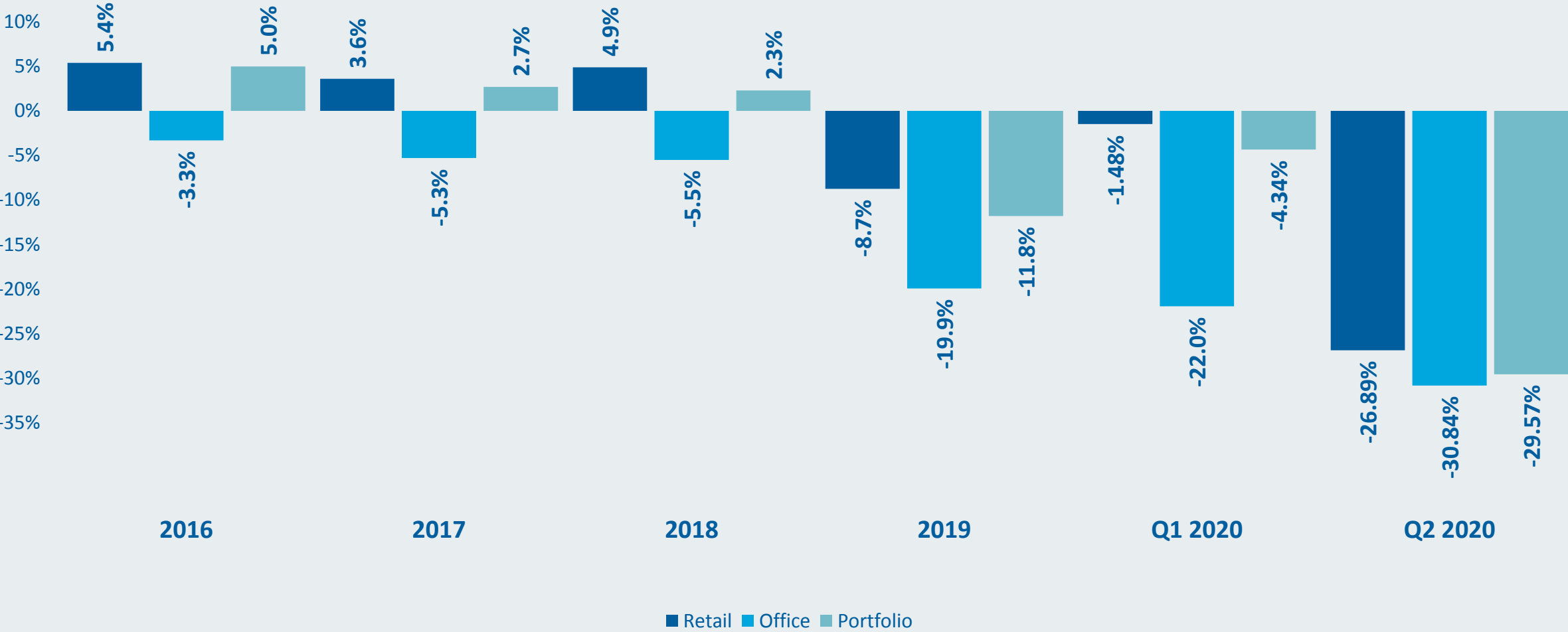


## Exposure after Edcon transaction



# Operating metrics

## Reversion rate



# Turnover and monthly trading density

Centre	Monthly average retail sales to March 2020 (pre-lockdown)	Apr 2020			May 2020		
		Turnover	% Growth vs. April 19	Monthly trading Density	Turnover	% Growth vs. May 2019	Monthly trading density
Sandton City totals	586 313 706	30 777 584	(94.66)	1 185	264 798 246	(52.29)	2 708
Eastgate totals	345 242 141	38 807 358	(88.73)	942	227 673 630	(31.17)	2 447
Nelson Mandela Square totals	66 784 927	365 242	(99.46)	243	4 975 941	(93.23)	1 733
Midlands Mall totals	153 565 344	15 673 034	(89.30)	799	104 452 153	(28.34)	2 424
Lifestyle Centre totals	21 691 603	6 535 381	(67.63)	2 029	13 486 719	(32.95)	1 275
Promenade totals	187 378 408	32 808 457	(81.50)	2 272	101 403 787	(46.58)	2 386
Botshabelo totals	46 609 697	25 127 544	(40.37)	3 701	52 599 442	9.57	3 216
Melrose Arch totals	67 074 371	5 450 434	(91.94)	742	23 122 038	(66.58)	1 259
Portfolio Full totals	1 474 660 196	155 545 035	(89.22)	1 295	792 511 955	(44.66)	2 441

**Note:** Lifestyle Centre commenced trade in April 2018. True annual comparisons from April 2020.



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## Financial results

Strong balance sheet  
and liquidity position

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# Statement of comprehensive income

For the six months ended 30 June 2020

R'000	Unaudited 30 Jun 2020	Unaudited 30 Jun 2019	Audited Dec 2019
Property portfolio revenue	400 263	475 626	999 189
Net (loss)/revenue from hotel operations	(810)	6 379	24 677
Property operating expenses including change in expected credit losses	(197 656)	(143 233)	(330 314)
<b>Net property income</b>	<b>201 797</b>	<b>338 772</b>	<b>693 552</b>
Revenue from contracts with customers	32 606	34 747	68 237
Other income	770	–	181
Operating costs	(53 053)	(44 183)	(93 156)
<b>Profit from operations</b>	<b>182 120</b>	<b>329 336</b>	<b>668 814</b>
Net interest expense	(78 430)	(70 598)	(145 048)
Net fair value adjustments	(1 509 501)	(14 527)	10 910
<b>(Loss)/profit before taxation</b>	<b>(1 405 811)</b>	<b>244 211</b>	<b>534 676</b>
Taxation	–	(57)	(185)
<b>Total comprehensive income/(loss)</b>	<b>(1 405 811)</b>	<b>244 154</b>	<b>534 491</b>
<b>Distributable income</b>	<b>133 124</b>	<b>266 270</b>	<b>548 981</b>
<b>Distributable income per share (cents)</b>	<b>14.65</b>	<b>29.31</b>	<b>60.43</b>



# Statement of financial position

13

As at 30 June 2020

R'000	Unaudited 30 Jun 2020	Unaudited 30 Jun 2019	Audited 31 Dec 2019
Non-current assets	8 689 614	10 223 391	10 163 254
Non-current asset held for sale	123 213	–	123 213
Current assets	441 591	337 190	386 907
<b>Total assets</b>	<b>9 254 418</b>	<b>10 560 581</b>	<b>10 673 374</b>
Non-current liabilities	1 910 964	1 000 950	1 695 000
Current liabilities	333 241	846 430	261 368
Trade and other payable	244 047	231 620	218 316
Financial instruments	61 495	14 024	16 891
Lease liabilities	824	2 850	1 995
Financial liabilities	26 875	597 936	24 166
<b>Total liabilities</b>	<b>2 244 205</b>	<b>1 847 380</b>	<b>1 956 368</b>
Capital	8 780 921	8 780 921	8 780 921
Retained surplus	140 497	273 636	290 081
Share-based payment reserve	23 147	–	18 240
Treasury shares	(62 386)	–	(39 205)
Mergers/capital reserve	(426 104)	(426 104)	(426 104)
Non-distributable reserve	(1 445 862)	84 748	93 073
<b>Total equity</b>	<b>7 010 213</b>	<b>8 713 201</b>	<b>8 717 006</b>
<b>Total equity and liabilities</b>	<b>9 254 418</b>	<b>10 560 581</b>	<b>10 673 374</b>

**66.4%**  
hedged currently

**8.11%**  
NACA  
(weighted average cost of debt)

**R339m**  
unutilised  
RCF facilities

**3.15 x**  
ICR

Term debt  
**R1.85bn**

**21.7%**  
Group LTV

## Maturity profile

2 year	27%
3 year	46%
4 year	27%

**2.34 years**  
average hedge expiry

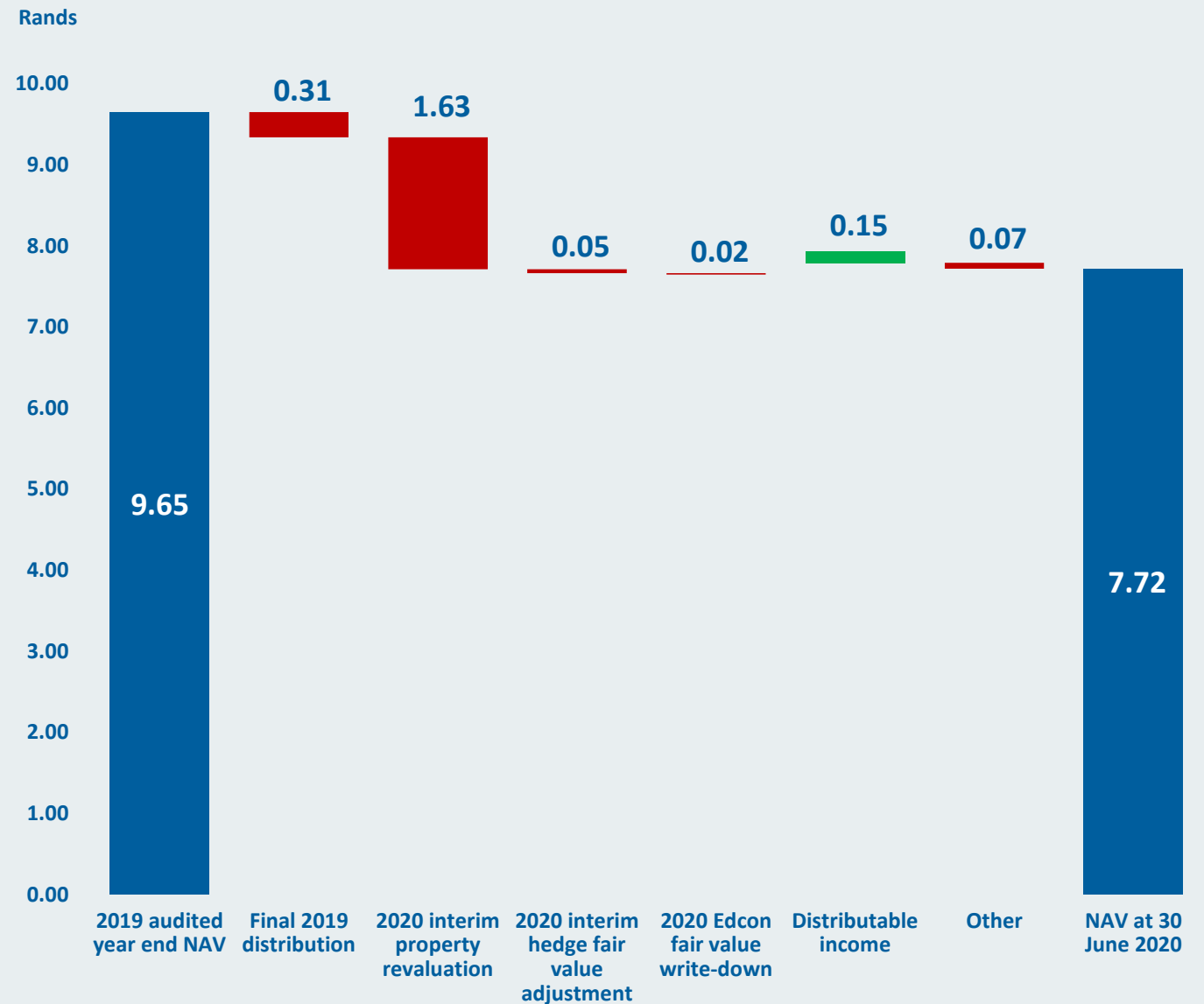
# NAV per share bridge

15

19.5% decrease in NAV from 30 June 2019

## Significant drivers of the property valuation decrease:

- Negative impact of Covid-19 on current year rentals and growth assumptions
- Higher vacancies
- Potential for negative reversions
- Time required to re-let vacant space
- Adjustments to exit cap rates and discount rates



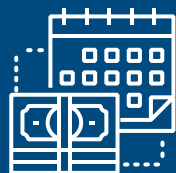
# Rent relief (for April, May and June 2020)

	Discount (Rm)	Rental (Rm)	Average discount (%)
Finalised	17.4	47.5	37
Agreed but not yet signed	12.0	35.1	34
Under negotiations	45.8	105.5	43
Total	75.2	188.1	40

**Note:** Above figures exclude the hotels and Melrose Arch and are at an L2D ownership level.

# Covid-19

## Financial implications



Board decision not to pay interim distribution due to uncertainty, but will consider paying final distribution that meets regulatory requirements



Property devaluation and earnings impact has resulted in LTV of 21.7% and group ICR of 3.15x at 30 June 2020

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Remain well within bank covenants



Sufficient cash reserves and R339 million of unutilised RCF facilities to cover business commitments as they fall due





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## Outlook for 2H20



**Smart  
Spaces**



**On-demand  
Spaces**



**Good  
Spaces**



**Inclusive  
Spaces**



**Immersive  
Spaces**



**Safe  
Spaces**





**Patrick Masithela**  
Chief Information  
Officer



## Smart Spaces



Amazon Web Services dashboard creates single view of all data sources



Roadmap in place to merge digital and physical retail



## Good Spaces



Eastgate 1MW solar project being commissioned



Green star rating submissions for malls



Net zero waste plans on track



## Safe Spaces



All Covid-19 safety measures implemented



**SAFE malls retail accreditation**

# Strategic value drivers – rebuilding for growth



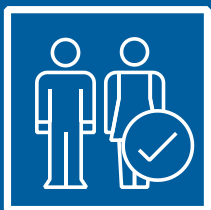
Customer  
Experience

Remains a solid focus by prioritising the execution of **Smart Spaces and Safe Spaces**



Tenant  
Experience

Carefully considered measures will continue to be implemented to **step forward together**



Employee  
Experience

Ongoing focus on the **wellbeing of all our people** and service providers



Capital and Risk  
management

Ruthlessly protecting the balance sheet to ensure the **preservation of capital**



Financial  
Outcome

Interim **distribution guidance** deferred given continued uncertainty



The Good  
We Do

Firmly committed to a sustainable execution of the strategy and **building tomorrow together**



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create  
TOMORROW



Thank you

Creators of  
experiential spaces





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## Annexures



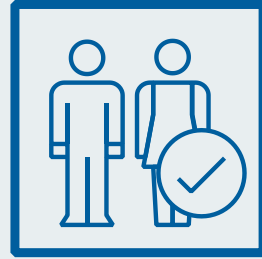




**Customer  
Experience**



**Tenant  
Experience**



**Employee  
Experience**



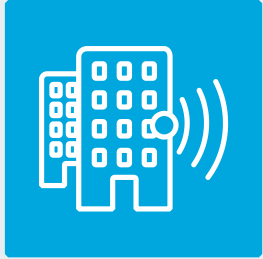
**Capital and Risk  
Management**



**Financial  
Outcome**



**The Good We Do**



Smart  
Spaces



On-demand  
Spaces



Good  
Spaces



Inclusive  
Spaces



Immersive  
Spaces



Safe Spaces



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# Sandton City Complex

RECYCLING STATION



**BeThe Change**  
see the difference



# Sandton City Complex

26

Retail	Jun 2020	Dec 2019	Jun 2019	Dec 2018
Average net rental (R/m <sup>2</sup> )	534	542	538	510
Vacancy (%)	1.1	0.4	0.6	0.4
Office				
Average net rental (R/m <sup>2</sup> )	162	152	159	141
Vacancy (%)	26.6	27.1	24.2	25.5
Trading density update (R/m <sup>2</sup> )	May 2020	Dec 2019	Jun 2019	Dec 2018
Centre	54 373	59 199	57 643	54 318
Growth (%) <sup>1</sup>	(4.5)	9.0	7.9	4.0
	Annual TD growth (%) May 2020	Annual TD growth (%) Dec 2019	Annual TD growth (%) Jun 2019	Annual TD growth (%) Dec 2018
Highest TD growth				
Grocery/supermarket	31.7	43.1	2.0	(5.2)
Accessories	24.9	25.5	0.3	(17.6)
Underwear/lingerie	22.5	7.4	10.4	8.5
Luxury brands	12.5	18.0	13.6	10.4
Repairs and cleaning	6.4	11.6	-2.1	(3.0)

1. Growth is based on trading density over a 12-month rolling period as per CLUR Report.

**Note:** April '20 and May '20 Trading Densities only for trading tenants and excludes those that were closed due to lockdown.

Asset Management Executive: Nikiwe Mkhabela





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# Eastgate Complex





<b>Complex (retail and office)</b>	<b>Jun 2020</b>	<b>Dec 2019</b>	<b>Jun 2019</b>	<b>Dec 2018</b>
Average net rental (R/m <sup>2</sup> )	369	374	360	368
Vacancy (%) – retail	6.6	3.6	3.1	1.0
Vacancy (%) – office	2.7	2.7	2.7	2.7
<b>Trading density update (R/m<sup>2</sup>)</b>	<b>May 2020</b>	<b>Dec 2019</b>	<b>Jun 2019</b>	<b>Dec 2018</b>
Centre	35 654	37 334	36 779	37 199
Growth (%) <sup>1</sup>	(3.4)	(0.5)	(0.9)	3.1
<b>Highest TD growth</b>	<b>Annual TD growth (%) May 2020</b>	<b>Annual TD growth (%) Dec 2019</b>	<b>Annual TD growth (%) Jun 2019</b>	<b>Annual TD growth (%) Dec 2018</b>
Bottle stores	55.4	6.2	5.2	(9.3)
Underwear/lingerie	43.2	31.5	8.1	14.7
Hairdressers	16.7	10.2	(5.5)	(12.1)
Electronics	15.3	4.3	(7.1)	(2.8)
Men's wear	5.2	7.9	2.1	(0.7)

1. Growth is based on trading density over a 12-month rolling period as per CLUR Report.

**Note:** April '20 and May '20 Trading Densities only for trading tenants and excludes those that were closed due to lockdown.

Asset Management Executive: Carmen Collison





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# Midlands Mall and Lifestyle Centre





# Midlands Mall and Lifestyle Centre

30

Midlands Mall retail	Jun 2020	Dec 2019	Jun 2019	Dec 2018
Average net rental (R/m <sup>2</sup> )	222	219	221	214
Vacancy (%)	0.4	0.0	1.4	1.9
Trading density update (R/m <sup>2</sup> )	May 2020	Dec 2019	Jun 2019	Dec 2018
Centre	35 689	37 778	38 290	38 148
Growth (%) <sup>1</sup>	(6.3)	(1.0)	(0.1)	(0.6)
Highest TD growth	Annual TD growth (%) May 2020	Annual TD growth (%) Dec 2019	Annual TD growth (%) Jun 2019	Annual TD growth (%) Dec 2018
Travel stores	29.0	19.0	(12.5)	(26.4)
Entertainment	13.1	17.6	10.4	2.9
Fast foods	12.0	18.9	15.9	5.0
Fashion jewellery	9.8	0.9	n/a	n/a
Children's wear	4.5	(23.4)	128.0	n/a
Lifestyle Centre retail	Jun 2020	Dec 2019	Jun 2019	Dec 2018
Average net rental (R/m <sup>2</sup> )	169	163	167	165
Vacancy (%)	3.2	1.3	5.5	7.2
Trading density update (R/m <sup>2</sup> )	May 2020	Dec 2019	Jun 2019	Dec 2018
Centre	18 293	17 629	17 518	18 665
Growth (%) <sup>1</sup>	4.3	n/a	n/a	n/a

1. Growth is based on trading density over a 12-month rolling period as per CLUR Report.

**Note:** April '20 and May '20 Trading Densities only for trading tenants and excludes those that were closed due to lockdown.

Asset Management Executive: Bharathi Kawal



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# Nelson Mandela Square





# Nelson Mandela Square

32

Retail	Jun 2020	Dec 2019	Jun 2019	Dec 2018
Average net rental (R/m <sup>2</sup> )	528	516	508	475
Vacancy (%)	9.6	9.0	9.5	0.9
Office				
Average net rental (R/m <sup>2</sup> )	137	107	112	108
Vacancy (%)	41.9	40.7	37.2	32.3
Trading density update (R/m <sup>2</sup> )	May 2020	Dec 2019	Jun 2019	Dec 2018
Centre	55 699	58 448	57 812	54 961
Growth (%) <sup>1</sup>	(3.0)	6.3	6.5	(1.3)
	Annual TD growth (%) May 2020	Annual TD growth (%) Dec 2019	Annual TD growth (%) Jun 2019	Annual TD growth (%) Dec 2018
Highest TD growth				
Repairs and cleaning	112.9	47.7	(2.1)	(25.4)
Hairdressers	73.2	102.3	11.1	(25.9)
Watches – high end	29.4	20.8	9.9	11.6
Underwear/lingerie	15.9	17.4	8.1	4.1
Fine jewellery – high end	11.1	15.7	(2.9)	(10.3)

1. Growth is based on trading density over a 12-month rolling period as per CLUR Report.

**Note:** April '20 and May '20 Trading Densities only for trading tenants and excludes those that were closed due to lockdown.

Asset Management Executive: Brian Unsted



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# Liberty Promenade





# Liberty Promenade

34

Retail	Jun 2020	Dec 2019	Jun 2019	Dec 2018
Average net rental (R/m <sup>2</sup> )	173	165	154	157
Vacancy (%)	0.9	0.5	1.1	0.7
Trading density update (R/m <sup>2</sup> )	May 2020	Dec 2019	Jun 2019	Dec 2018
Centre	40 731	41 270	41 064	40 399
Growth (%) <sup>1</sup>	0.2	2.2	2.8	1.9
Highest TD growth	Annual TD growth (%) May 2020	Annual TD growth (%) Dec 2019	Annual TD growth (%) Jun 2019	Annual TD growth (%) Dec 2018
Health and beauty <500m <sup>2</sup>	50.7	23.6	(1.3)	(8.0)
Children's wear	46.6	7.5	33.1	31.6
Cell phones	25.6	25.5	2.9	4.0
Men's wear	17.6	27.2	17.1	17.0
Second hand dealers	16.6	17.8	5.1	(13.8)

1. Growth is based on trading density over a 12-month rolling period as per CLUR Report.

**Note:** April '20 and May '20 Trading Densities only for trading tenants and excludes those that were closed due to lockdown.

Asset Management Executive: Brian Unsted



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# Botshabelo Mall



Retail	Jun 2020	Dec 2019	Jun 2019	Dec 2018
Average net rental (R/m <sup>2</sup> )	139	132	130	124
Vacancy (%)	6.6	5.2	4.6	5.8
Trading density update (R/m <sup>2</sup> )	May 2020	Dec 2019	Jun 2019	Dec 2018
Centre	35 311	33 457	31 421	29 308
Growth (%) <sup>1</sup>	13.4	14.2	11.2	10.0
Highest TD growth	Annual TD growth (%) May 2020	Annual TD growth (%) Dec 2019	Annual TD growth (%) Jun 2019	Annual TD growth (%) Dec 2018
Health and beauty >500m <sup>2</sup>	61.8	29.2	8.3	14.3
Specialised foods	47.6	63.1	46.6	18.0
Men's wear	24.9	36.4	22.7	11.5
Hardware stores	20.2	5.9	(9.2)	(5.8)
Speciality	19.7	16.4	23.3	37.8

1. Growth is based on trading density over a 12-month rolling period as per CLUR Report.

**Note:** April '20 and May '20 Trading Densities only for trading tenants and excludes those that were closed due to lockdown.

Asset Management Executive: Bharathi Kawal





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# Melrose Arch



Retail	Jun 2020	Dec 2019	Jun 2019	Dec 2018
Average net rental (R/m <sup>2</sup> )	238	226	244	235
Vacancy (%)	6.0	5.7	3.3	0.0
Office				
Average net rental (R/m <sup>2</sup> )	211	214	208	198
Vacancy (%)	7.3	6.5	4.3	4.4
Trading density update (R/m <sup>2</sup> )	May 2020	Dec 2019	Jun 2019	Dec 2018
Centre	27 229	29 905	28 295	26 417
Growth (%) <sup>1</sup>	(1.6)	13.2	3.5	(6.2)
Highest TD growth	Annual TD growth (%) May 2020	Annual TD growth (%) Dec 2019	Annual TD growth (%) Jun 2019	Annual TD growth (%) Dec 2018
Gym	22.1	112.6	157.1	n/a
Specialised foods	18.2	(4.3)	(18.6)	(23.4)
Children's wear	18.0	85.5	26.5	(3.8)
Department stores (>5k m <sup>2</sup> )	16.8	49.2	32.4	(2.1)
Cell phones	15.8	(3.8)	(23.4)	(24.3)

1. Growth is based on trading density over a 12-month rolling period as per CLUR Report.

**Note:** April '20 and May '20 Trading Densities only for trading tenants and excludes those that were closed due to lockdown.

Asset Management Executive: Carmen Collison





## Standard Bank Centre

GLA  
92 789m<sup>2</sup>

Vacancy  
0%



## Umhlanga Regional Head Office

GLA  
13 361m<sup>2</sup>

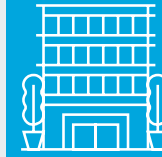
Vacancy  
3.4%



## Umhlanga Office Block

GLA  
6 991m<sup>2</sup>

Vacancy  
34.8%



## Century City<sup>1</sup>

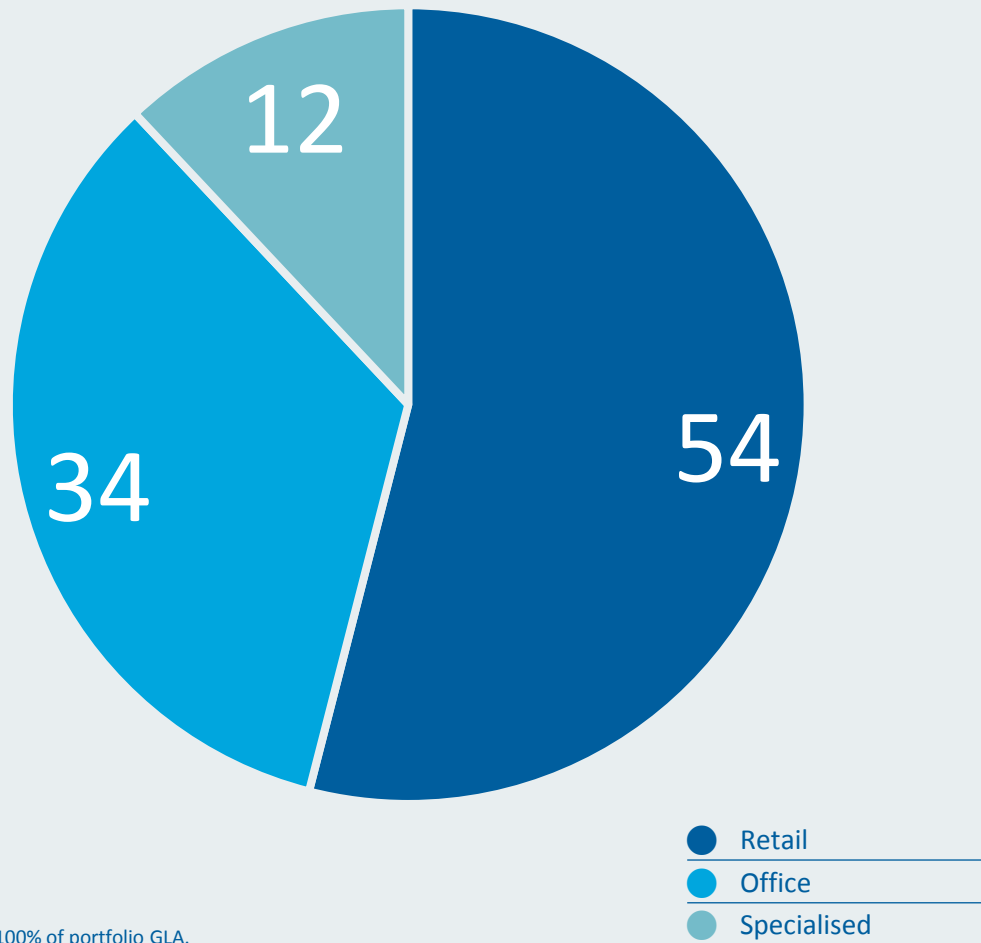
GLA  
18 224m<sup>2</sup>

Vacancy  
0%

1. Century City has been sold with transfer after 30 June 2020.

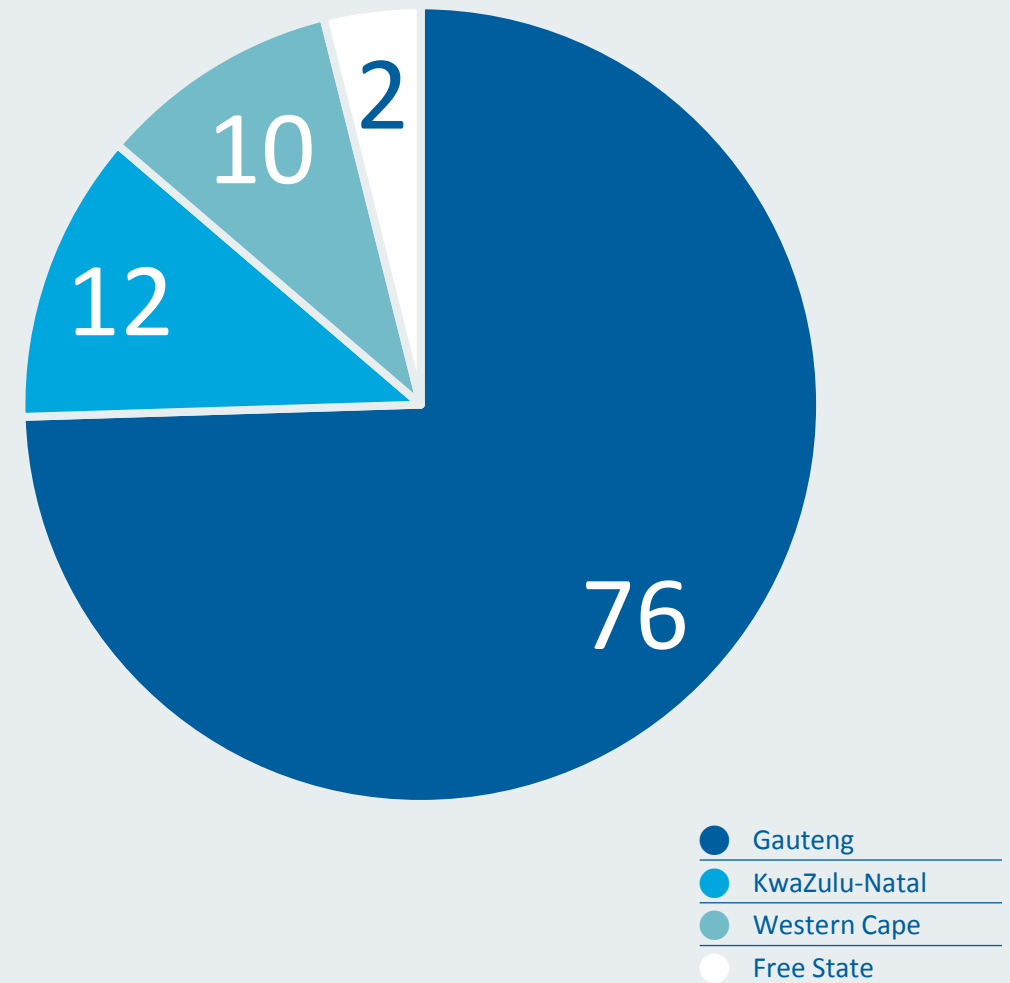
- Following the COVID-19 nationwide lockdown effected from 27 March 2020, Sandton Sun hotel, Intercontinental Towers and Garden Court were closed for operations.
- The co-owners and Tsogo Sun mutually agreed to suspend the leases rather than to enforce the force majeure provisions of the leases.
- Sandton Sun has partially opened for business travellers and it currently operates at an average of 10% daily occupancy rates. Sandton Garden Court opened for two weeks from the end of June to early July while the hotel was used as a quarantine site for a blue chip company. The hotel has subsequently been closed.
- The parties will mutually agree on the reinstatement of the leases when hotels are permitted to operate at optimal levels.

Sector composition by GLA (m<sup>2</sup>) at 30 June 2020

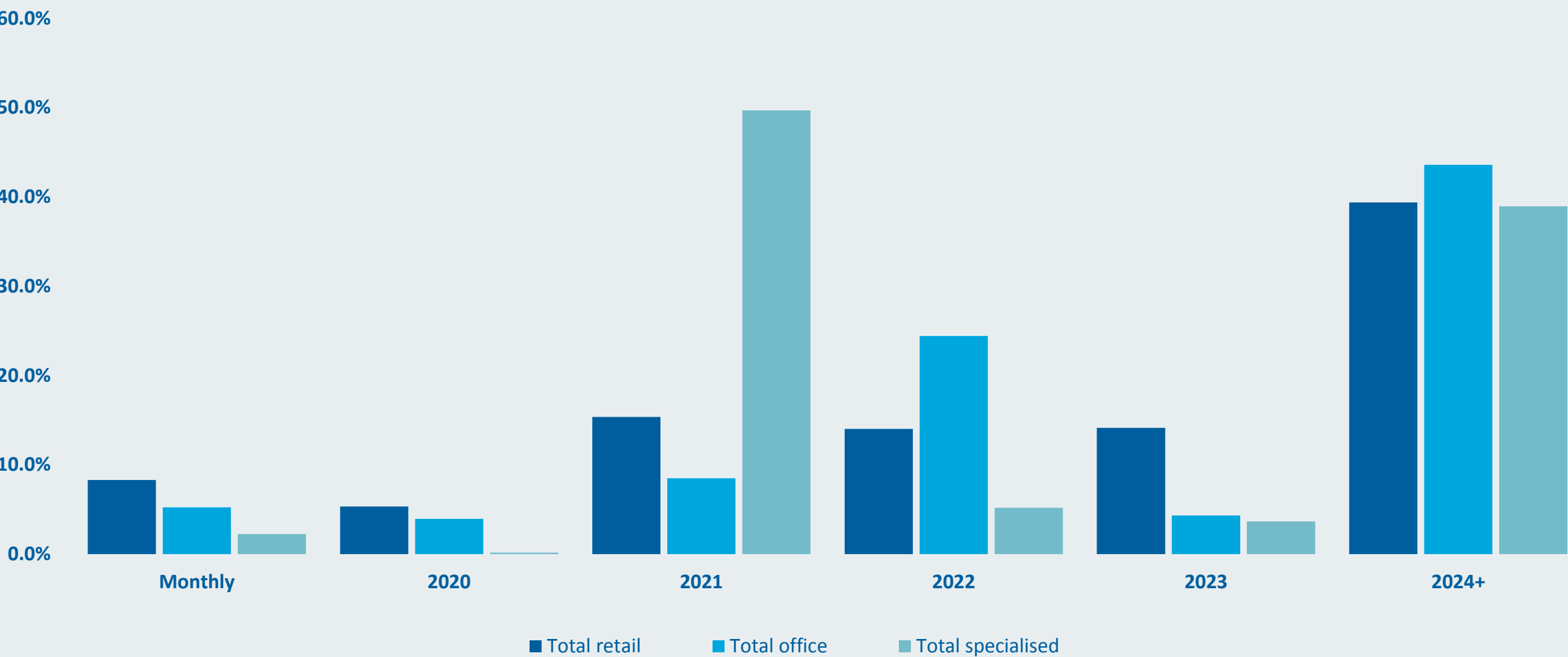


Note: Based on 100% of portfolio GLA.

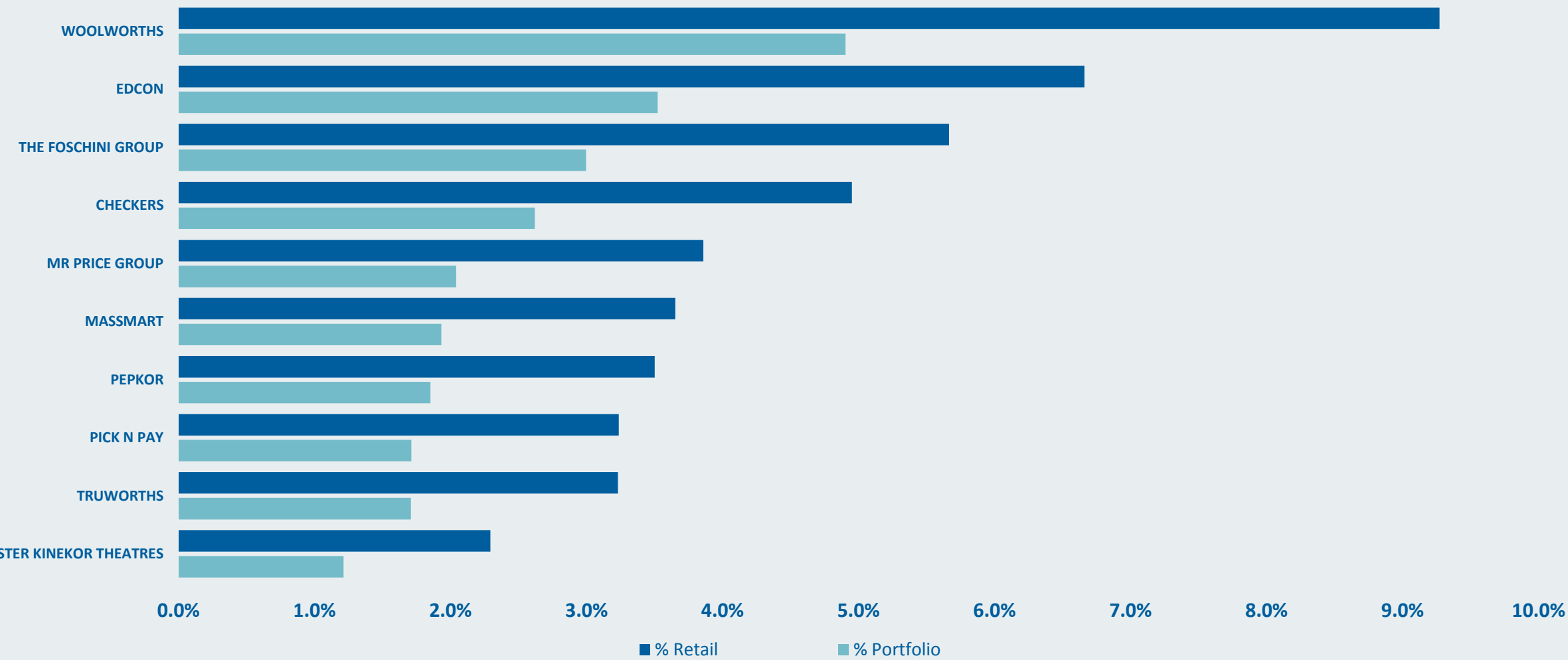
Geographic profile by GLA (m<sup>2</sup>) at 30 June 2020



Lease expiry profile by GLA (%)



## Retail exposure (% GLA)





# Average rental methodology

+

## Average net rental calculation:

- **Total rent** = basic rent + turnover rent.
- **Total leased GLA** = total building GLA – vacancies, over the 6 or 12 month period.

=

**Average net rent (R/m<sup>2</sup>) = total rent divided by total leased GLA.**



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