



two°degrees

**PRE-CLOSE
INVESTOR UPDATE
28 NOVEMBER 2022**

SUSTAINED RECOVERY IN OPERATIONAL METRICS

Portfolio performance continues to improve in the third quarter



Portfolio footcount year to date Sep 2022 improved by **29.6%** vs 2021 and **9.8%** vs. 2019

Notable recovery in average hotel occupancies



Retail annual trading density Sep 2022 improved by **18.6%** vs. 2021 and **12.1%** vs. 2019

Retail occupancy improved to **98.0%**



Driving real transformation



Strong balance sheet with LTV of **24.4%**
R850 million of term debt successfully refinanced



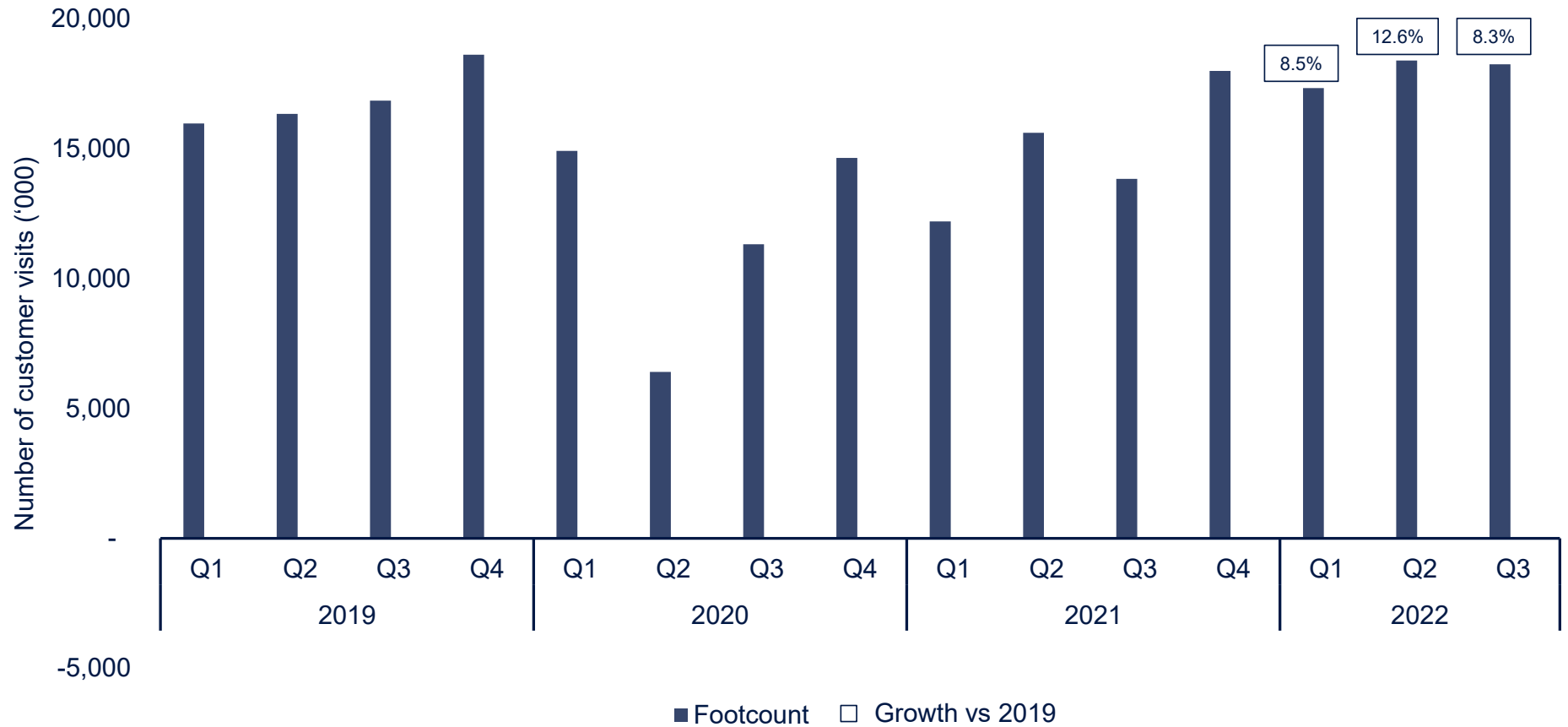
Remain on track to deliver the 2022 performance



Diverting 88% of waste from landfills as at end of September 2022
Maintained SHORE assessment ratings with Eastgate and Sandton Precinct receiving a world class "Platinum" status

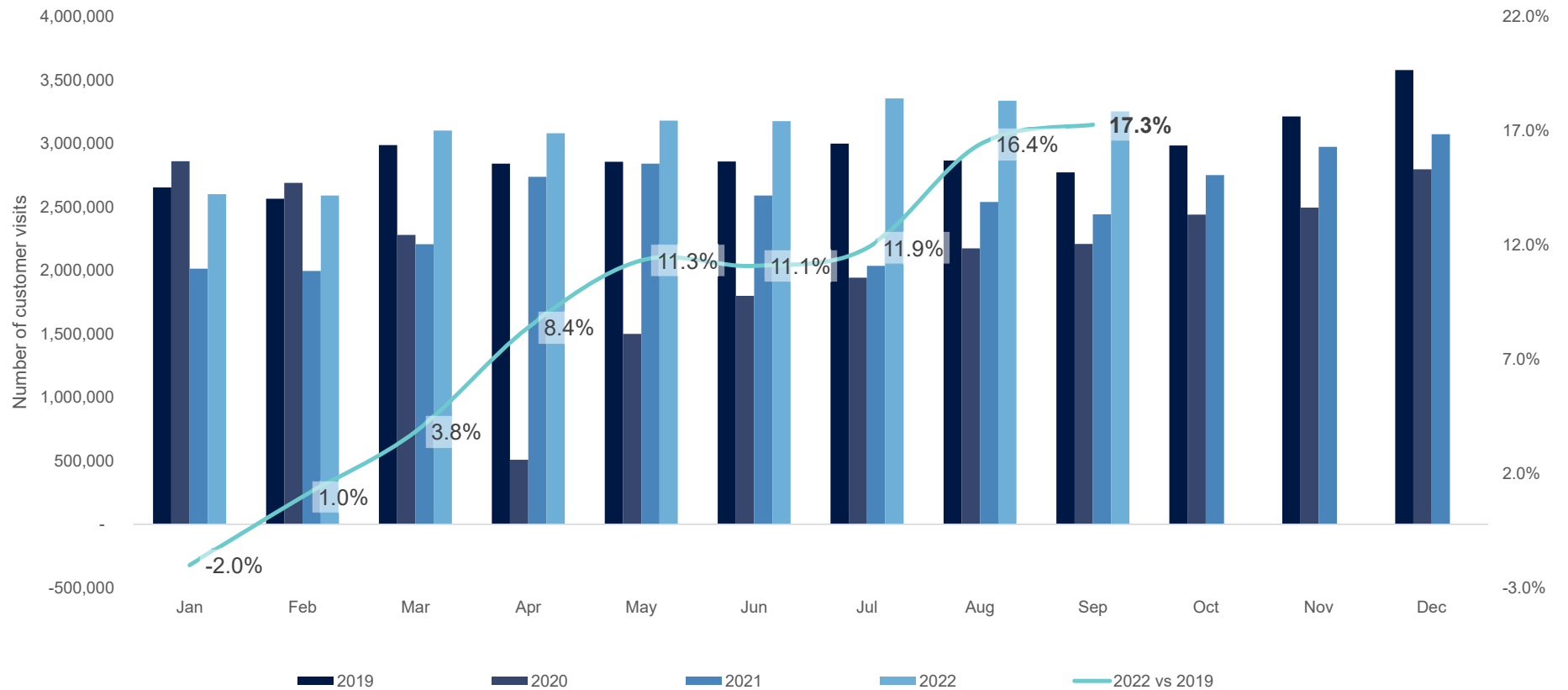
RETAIL – PORTFOLIO FOOTCOUNT TREND

Customers continue to visit our centres notwithstanding loadshedding



RETAIL – SUPER REGIONAL FOOTCOUNT TREND

Super Regional centres continue to show a strong recover after being hardest hit during Covid-19



HOSPITALITY

Improved occupancy levels at the hospitality assets

Sandton Sun
Occupancy for Oct 22

81.2%

Garden Court
Occupancy for Oct 22

70.5%

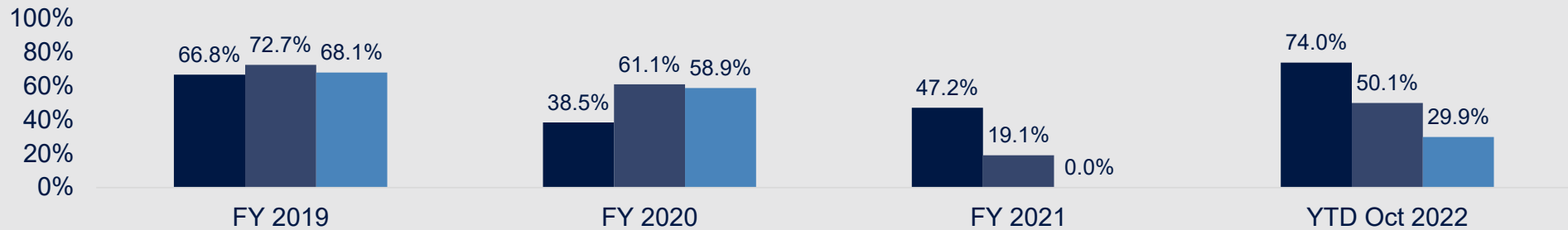
Sandton Towers
Occupancy for Oct 22

32.0%

Sandton
Convention Centre
Total events to date Oct 22

165

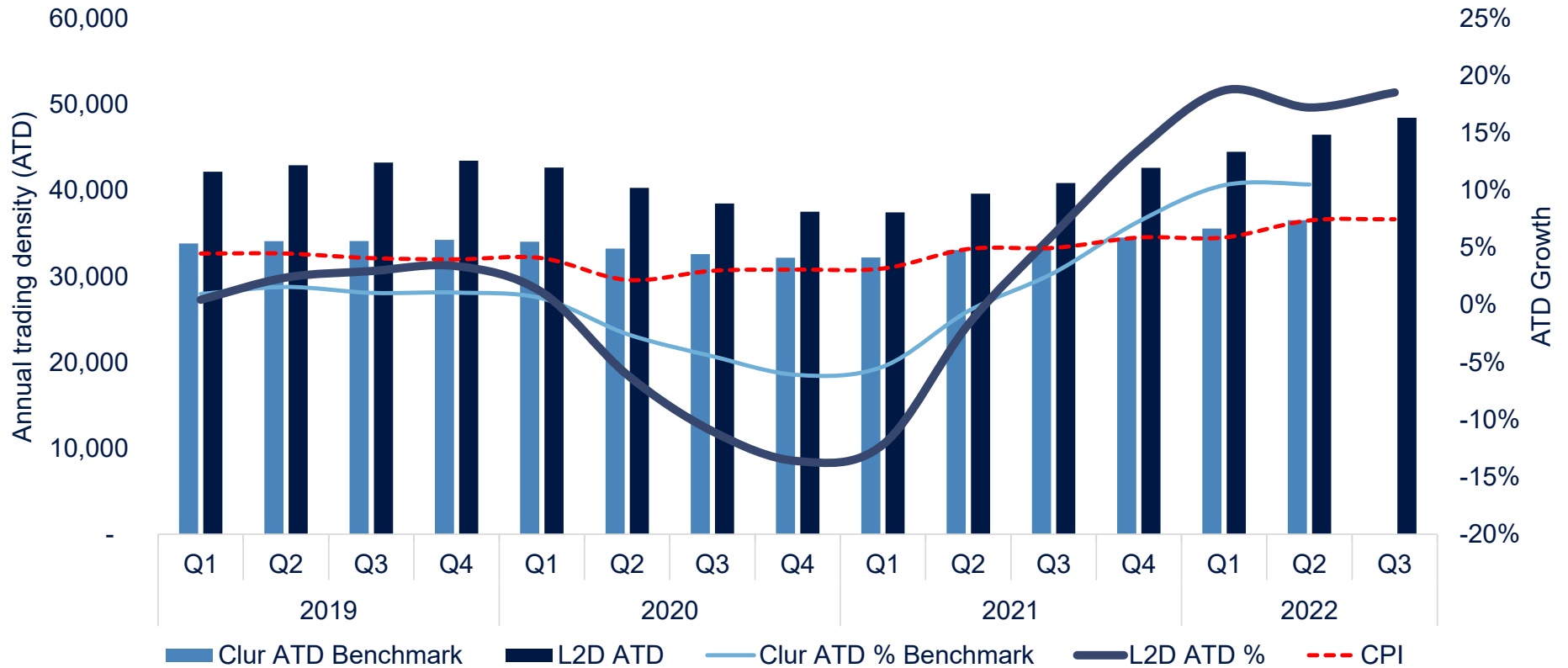
Average occupancy and RevPar based on trading months



■ Sandton Sun	R1,152	R558	R641	R1,350
■ Garden Court	R737	R643	R135	R453
■ Sandton Towers	R1,283	R1,101	-	R626

RETAIL – ANNUAL TRADING DENSITY

Portfolio trading density continues to achieve double digit growth



OCCUPANCY PROFILE

Leasing momentum has continued with retail occupancy at 98%

Portfolio occupancy

93.2%
93.9% (+pre lets)

(June 2022: 92.9%)

Retail occupancy

98.0%
98.3% (+pre lets)

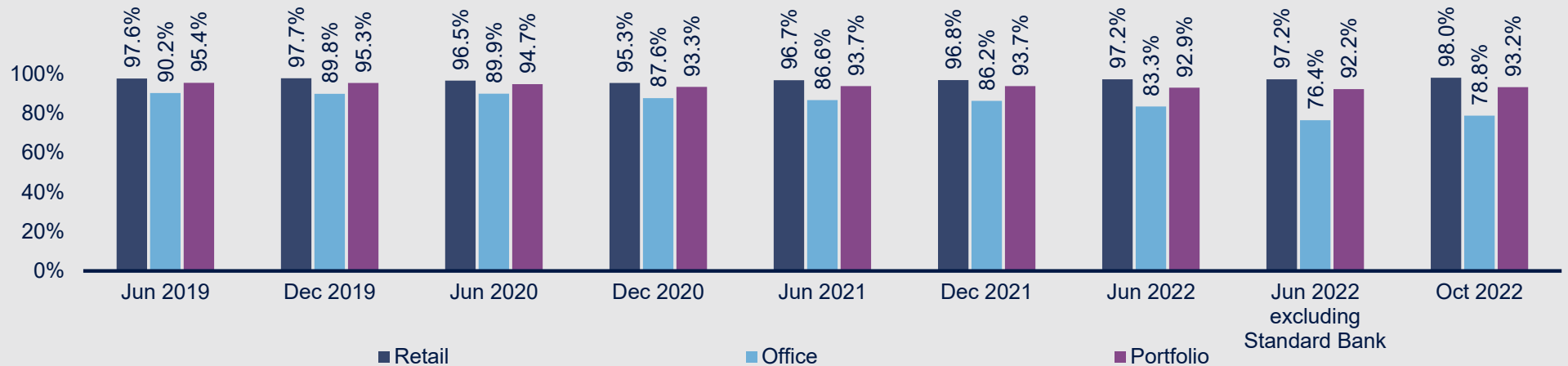
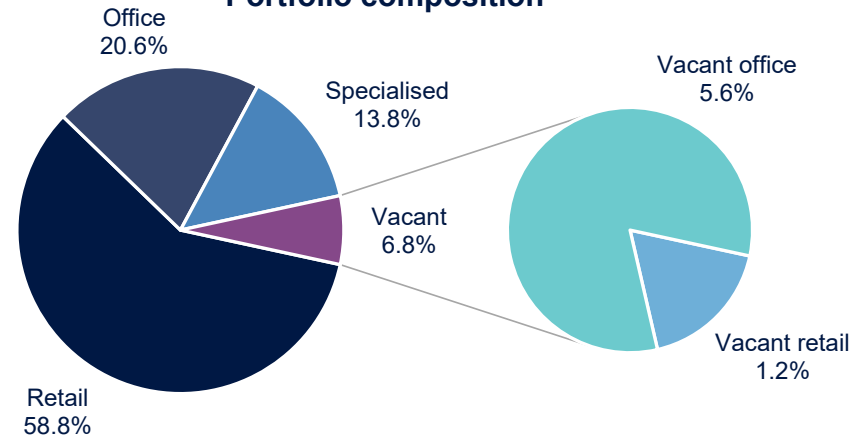
MSCI Q2 2022 94.2%
(June 2022: 97.2%)

Office occupancy

78.8%
80.5% (+pre lets)

MSCI Q3 2022 83.6%
(June 2022: 83.3%)

Portfolio composition



LEASING

Reducing reversions supported by improved trading performance

Total renewals and new deals

68,885m²

% Portfolio GLA

8.0%

Reversion renewals

-10.0%

Tenant retention

78.1%

Reversion trend



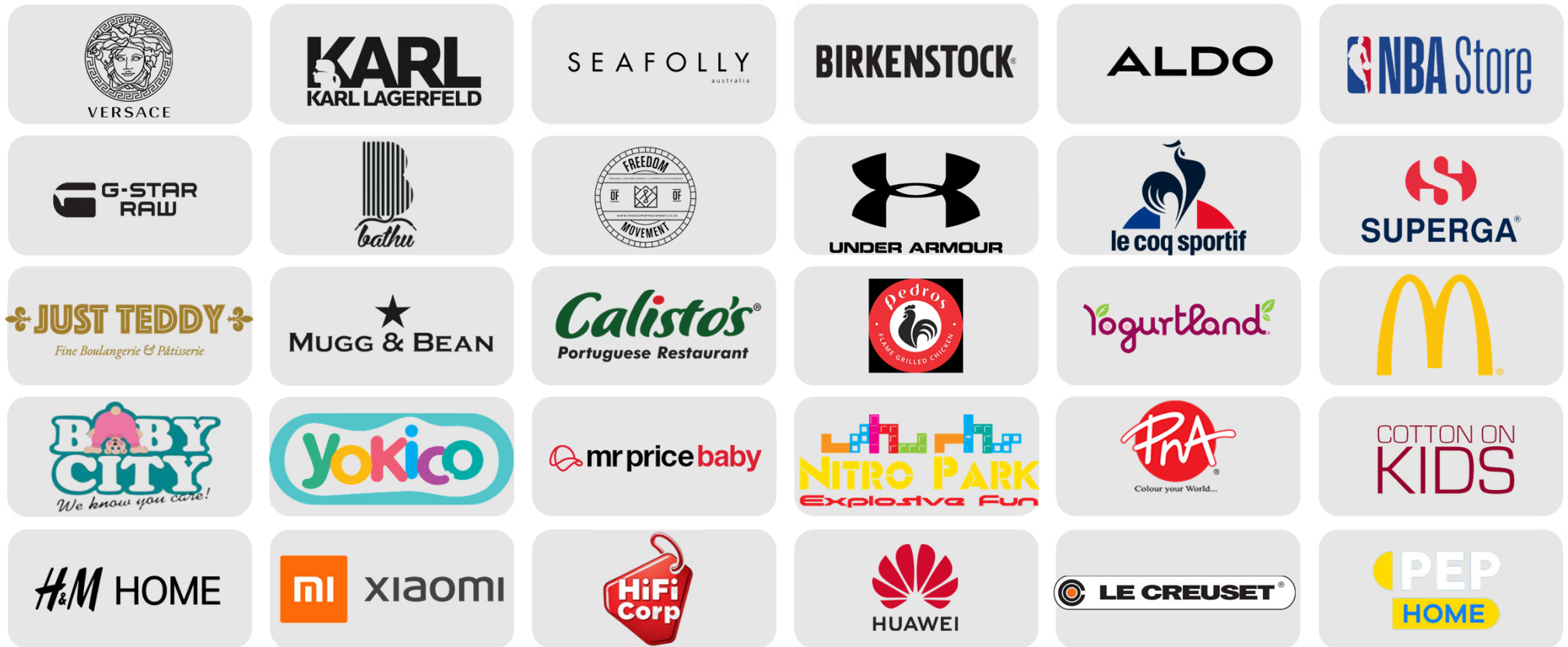
% of GLA renewed on like-for-like basis

	FY 2019	FY 2020	FY 2021	Jun-22	Oct-22
Retail	5.8%	4.0%	5.6%	2.5%	3.5%
Office	11.6%	3.8%	1.7%	0.6%	0.7%
Portfolio	17.4%	7.9%	7.4%	3.1%	4.2%

Leasing	Sector	Number	GLA (m ²)	% of total portfolio
Renewals	Retail	162	29 900	3.5%
	Office	17	6 284	0.7%
	Total	179	36 184	4.2%
New deals	Retail	65	13 181	1.5%
	Office	37	19 520	2.3%
	Total	102	32 701	3.8%
TOTAL		281	68 885	8.0%

NEW TENANTS

Continually enhancing tenant mix



DEBT REFINANCING AND LIQUIDITY

- R850 million of term debt expired on 31 October 2022 and has been successfully refinanced for a further 5 years
- As at 30 September 2022, L2D had a low LTV of 25.67% (30 June 2022: 24.64%) and 63% of the interest rate exposure was fixed.
- Post the refinancing, L2D remains well capitalised with the LTV declining to 24.42% and the hedge ratio increasing to 75.8%
- The transfer of the Standard Bank sale was registered on 15 September 2022 and the proceeds have been received.

RISK MANAGEMENT

- Top and emerging risks are reviewed and managed on a regular basis in light of the post-pandemic risk environment
- South African socio-political risks and socio-economic conditions are closely considered in line with the local investment strategy



ESG

Strategic Framework

- **Integration of the investor ESG perspective (short to medium term) with a strategic ESG perspective (medium to longer term) that informs corporate decision making**
- **Approach**
 - Board and Executive leadership commitment
 - Maintain a common understanding of ESG and the company's appetite for strategic integration
 - ESG Framework
 - Maintain a personalised company ESG framework provides a consistent reference point for all stakeholders
 - Initiatives and metrics
 - Identify what's already being done, prioritise performance gaps and agree the metrics goals and commitments to guide progress and communication plans



NET ZERO JOURNEY¹

Our focused approach to environmental sustainability involves our commitment to a Net-Zero 2030 target for Scope 1 and 2 emissions

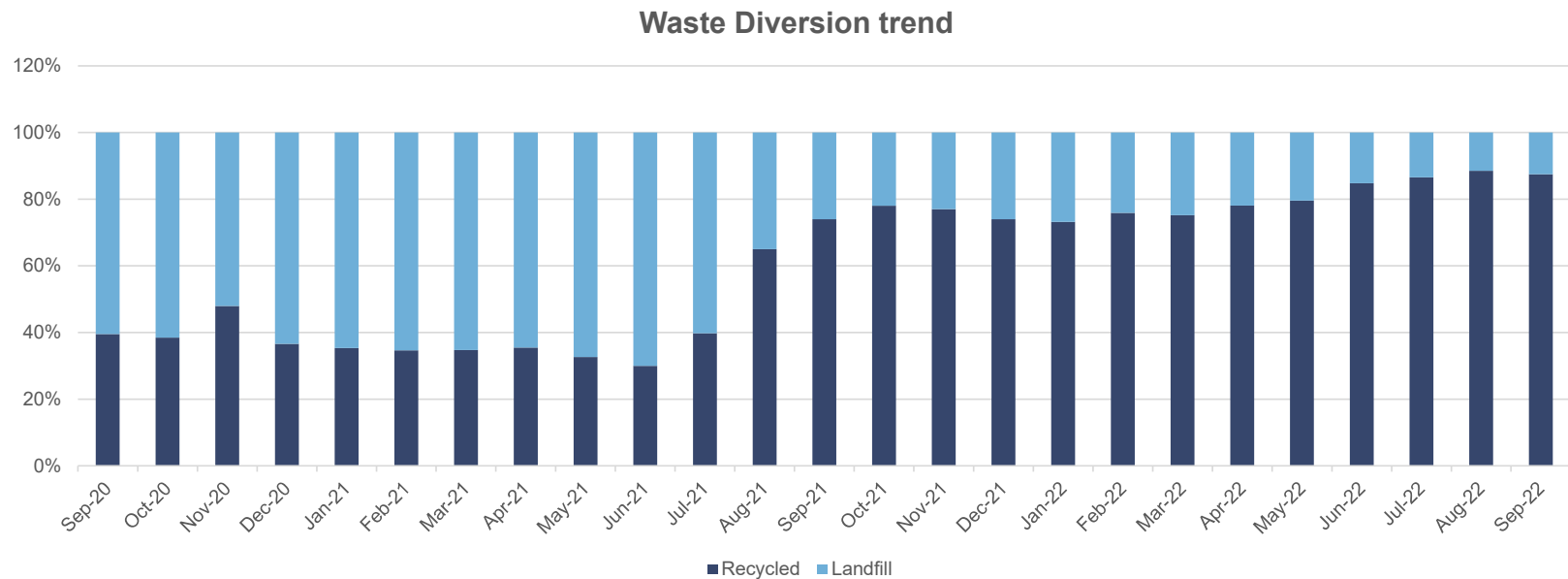


1. The above excludes SCC, MA and Hotels as they are not under management control

WASTE JOURNEY

Net Zero waste readiness by 2022 and Net Zero Waste accreditation by 2023

- Waste diversion rate from landfill up to an impressive 88% at September 2022
- Implementation of differential waste billing at Promenade and Midlands
- Solid Green appointed to drive certification through the GBCSA



WATER JOURNEY

Net Zero water by 2025 for landlord consumption

- Target of a 5% reduction in water consumption in 2022
- 1% water reduction compared to 2021 and 35% compared to 2019, due to the decline in potable water use in our buildings, as well as other water-saving initiatives.
- Pipeline projects have been identified that can deliver over 40% of current consumption per annum by 2025.

Preferred pathways followed by L2D to achieve Net Zero Water



ENERGY JOURNEY

Continued progress towards Net Zero Energy by 2030

- **3MW [AC] installed** at Eastgate, Midlands Mall and Promenade
- **14MW [AC] in pipeline** across the portfolio by 2024
- Opportunities in **energy wheeling** progressing well



ENERGY JOURNEY

Greening our buildings and the adoption of environmentally efficient principles in operations continues

- **Met energy performance certificate** regulations ahead of deadline (now postponed by Government)
- **Green buildings** - Achieved a 6-Star Green Star Interiors v1 certification for the L2D office
- **Biodiversity** - Conducting a gap and data analysis to establish improvement areas
- In process of signing up with SBTi for the setting of **Science Based Targets**



ESG IMPACT STRATEGY

Social – supporting sustainable and inclusive growth



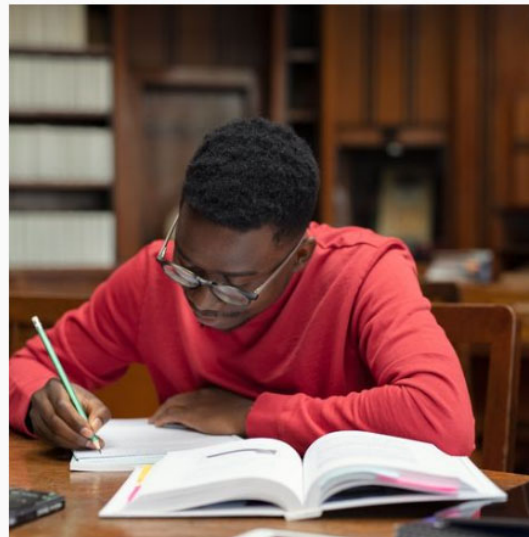
- Supporting sustainable and inclusive economic growth within the communities in which we operate is imperative for our business.
- We are committed to actively serving, investing in, and supporting our communities while recognising the more significant stewardship role that our organisation must play.

ESG IMPACT STRATEGY

Social – Supporting our communities

Supporting our communities

- L2D is committed to supporting sustainable and inclusive growth in the property sector and positively impacting the communities in which we operate.
 - The GBV activation, took place at Sandton City to raise awareness and support
 - L2D supported environmental and conversation initiatives through donation and aligned to our biodiversity strategy
 - A safe study space was created at Sandton City open to all learners impacted by loadshedding



ESG

Social – commitment to gender equity

- **Our People: Strengthened leadership team**
 - Following the retirement of Steph Goodwin, we have appointed Yongie Ntene as Human Capital Executive, effective 1 November 2022

- **Transformation**
 - On track to deliver on transformation initiatives
 - “One woman at a time”
 - Sponsorship of WPN Business Engage Board Masterclass Series

 - We are committed to encouraging diversity and inclusion through all levels of our organisation
 - L2D is an official member of the Women’s Empowerment Principles (WEPs) community of companies, industry associations and chambers of commerce



WOMEN’S EMPOWERMENT PRINCIPLES

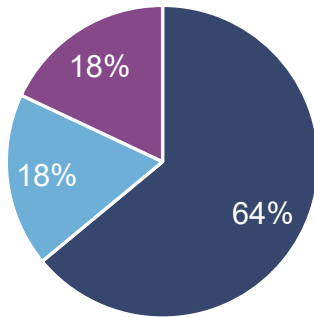
Established by UN Women and the
UN Global Compact Office

ESG

Governance

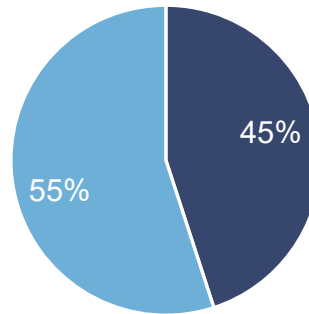
- We continue to safeguard L2D's culture of ethical leadership by following good governance principles
- Board framework
 - Appointment of additional independent Board members
 - Board composition post appointments:

Independence



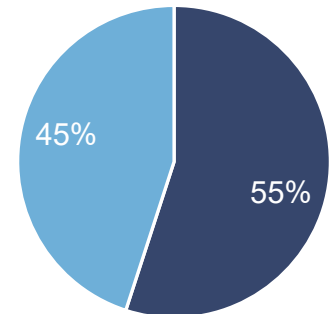
■ Independent ■ Non-Executive ■ Executive

Gender



■ Male ■ Female

Transformation



■ Black ■ White

CONCLUSION

Our focus remains on preserving value, improving operational performance, and driving growth within the portfolio

- Encouraging improvement in key indicators.
- Remain committed to the future proofing of our portfolio to ensure that we drive value and continue on a positive recovery path
- Focus remains on driving positive actions to ensure we continue to benefit from the positive momentum in our business performance for the long term



PRE-CLOSE INVESTOR UPDATE

NOVEMBER 2022



LIBERTY

two°degrees

THANK YOU

Q&A

The Company enters a closed period as at 1 December 2022. L2D’s annual results for the twelve months ending 31 December 2022 will be released on SENS on Monday, 27 February 2023. A presentation of the results is scheduled to take place on Tuesday, 28 February 2023. The financial information contained in this pre-close investor update has not been reviewed or reported on by L2D’s external auditors. This pre-close investor update is also available at: <https://www.liberty2degrees.co.za/investors/results-centre/>



LIBERTY

two°degrees

CORPORATE INFORMATION

Liberty Two Degrees Limited

Date of registration: 10 July 2018
JSE share code: L2D
ISIN: ZAE000260576
Company registration: 2018/388906/06
(Approved as a REIT by the JSE)
(Liberty Two Degrees or L2D)

Registered Office

3rd Floor, West Office Block
Nelson Mandela Square
Corner of Maude and 5th Street
Sandton
2196
(Postnet Suite 202, Private Bag X9, Benmore, 2010)

Investor Relations

Sumenthree Moodley
Email address: investors@liberty2degrees.co.za

Company Secretary

Ben Swanepoel
Contact information
Telephone: +27 11 448 5500
Email: info@liberty2degrees.co.za
www.liberty2degrees.co.za

Auditors

PricewaterhouseCoopers Inc.
Waterfall City
4 Lisbon Lane
Jukskei View
Midrand
2090
(Private Bag X36, Sunninghill, 2157)

Sponsor

Merchantec Capital
(Registration number: 2008/027362/07)
13th Floor, Illovo Point, 68 Melville Rd, Illovo,
Sandton, 2196
(PO Box 41480, Craighall, 2024)
Tel: +27 11 325 6363

