



two°degrees

FULL YEAR RESULTS FOR THE YEAR ENDING DECEMBER 2022



2022 IN REVIEW

Enhanced customer experience drives demand for retail space resulting in positive momentum in performance

- 100% distribution pay-out of **36.47cps**, growth of **6.95%**
- Distribution reduced by c.**2 cps** as a result of unsuccessful outcome of Sandton City rates appeal
- Strong performance in retail operations
 - Turnover and footcount up **21.9% and 24.9%** on FY21
 - Retail occupancy increased to **97.9%** and reversion improved to **-9.7%** (FY21: -26.0%)
- Notable recovery in average hotel occupancies
- Strong balance sheet with loan-to-value of **24.42%**
- Debt and hedge duration has increased to **3.42** and **3.25** years respectively
- Net asset value per share decreased marginally by 0.64% to **R7.51**

**Experiential
spaces that benefit
generations today
and for tomorrow.**



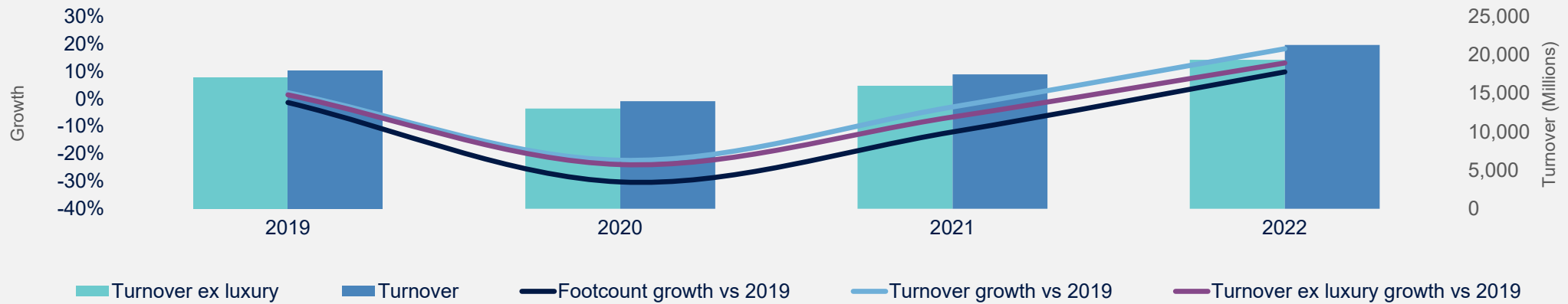
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CUSTOMER EXPERIENCE

AMELIA BEATTIE
CHIEF EXECUTIVE

CUSTOMERS LEAD THE WAY BACK

Elevating our physical spaces to create euphoric experience for customers



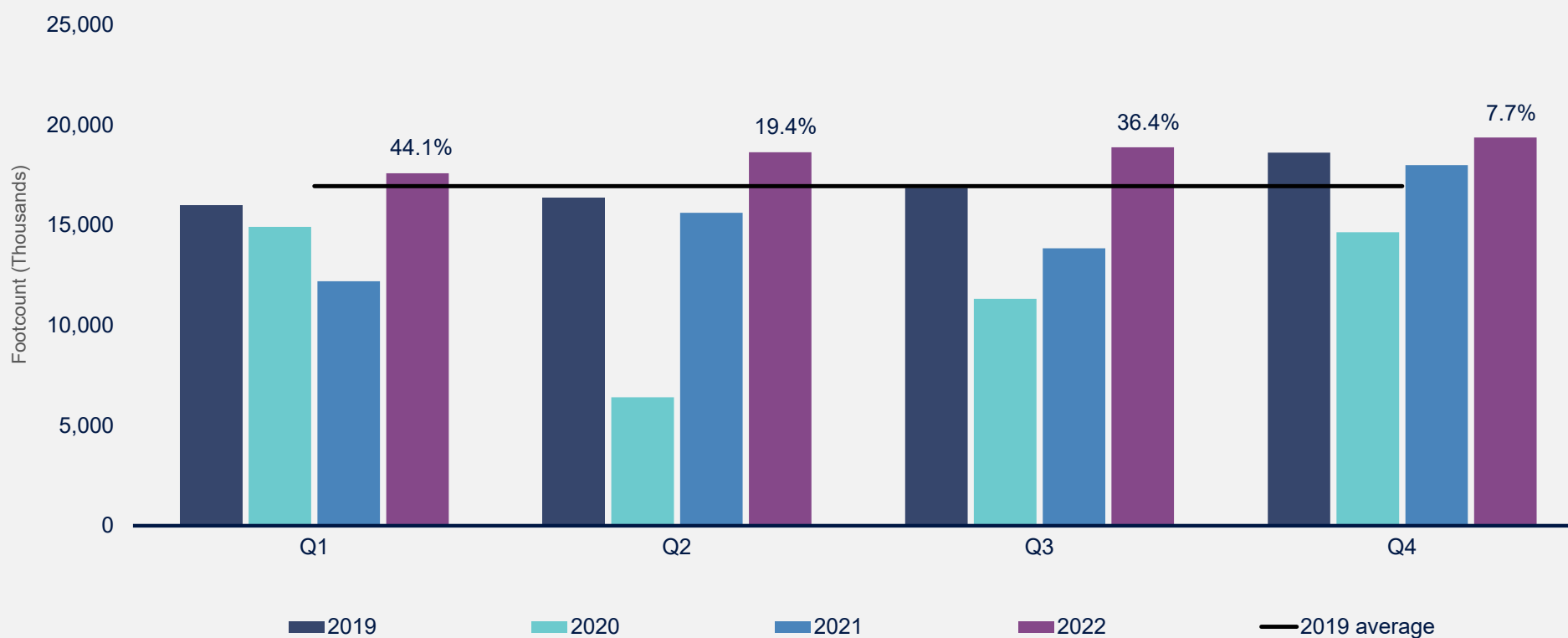
AN IMMERSIVE FESTIVE SEASON

Focused on a personalized experience



QUARTERLY FOOTCOUNT

2022 growth vs 2021



HOSPITALITY

The hospitality sector has seen recovery however international corporate trade lower than expected

Sandton Sun Occupancy for Q4 2022

79.6%

Q4 2021: 60.7%

Garden Court Occupancy for Q4 2022

67.8%

Q4 2021: 28.9%

Sandton Towers Occupancy for Q4 2022

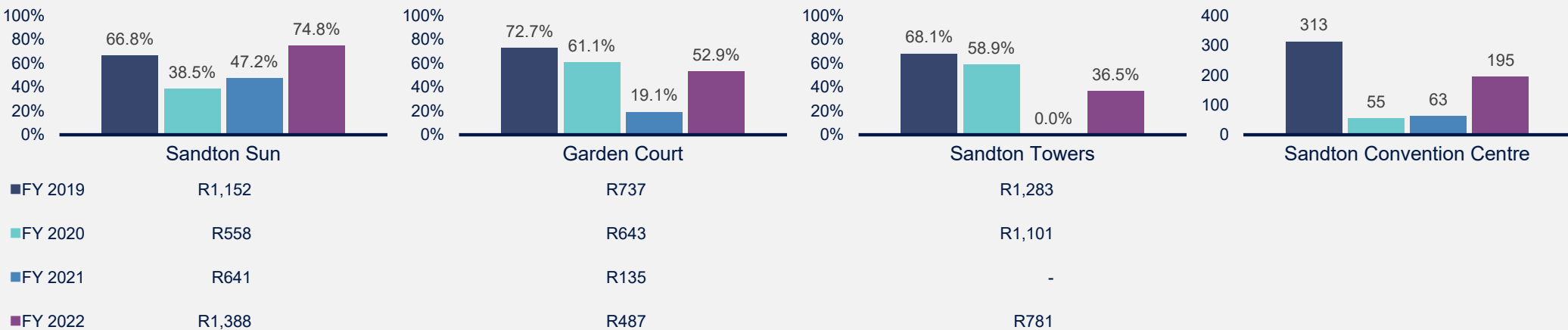
41.8%

Q4 2021: not trading

Sandton Convention Centre Total events for the year 195

2021: 63

Average occupancy and RevPar based on trading months



To be the leading
South African
precinct-focused
retail-centred REIT



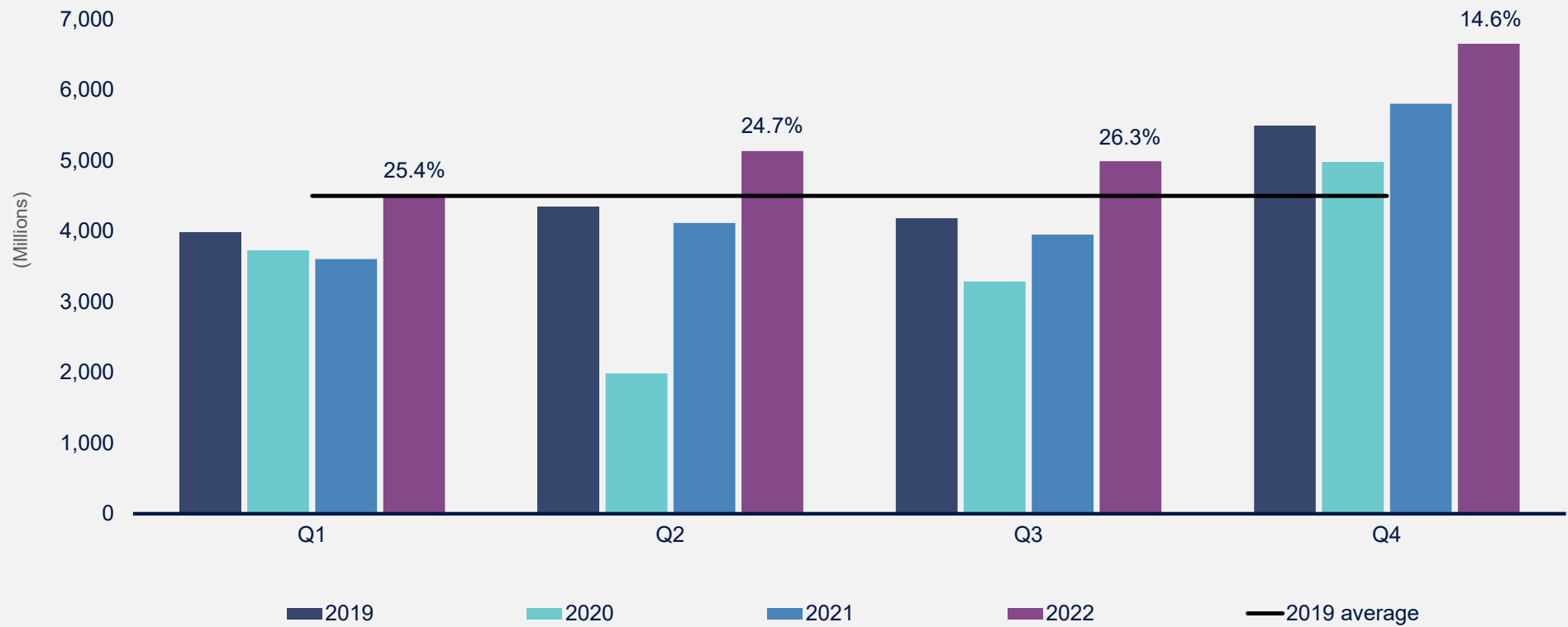
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TENANT EXPERIENCE

AMELIA BEATTIE
CHIEF EXECUTIVE

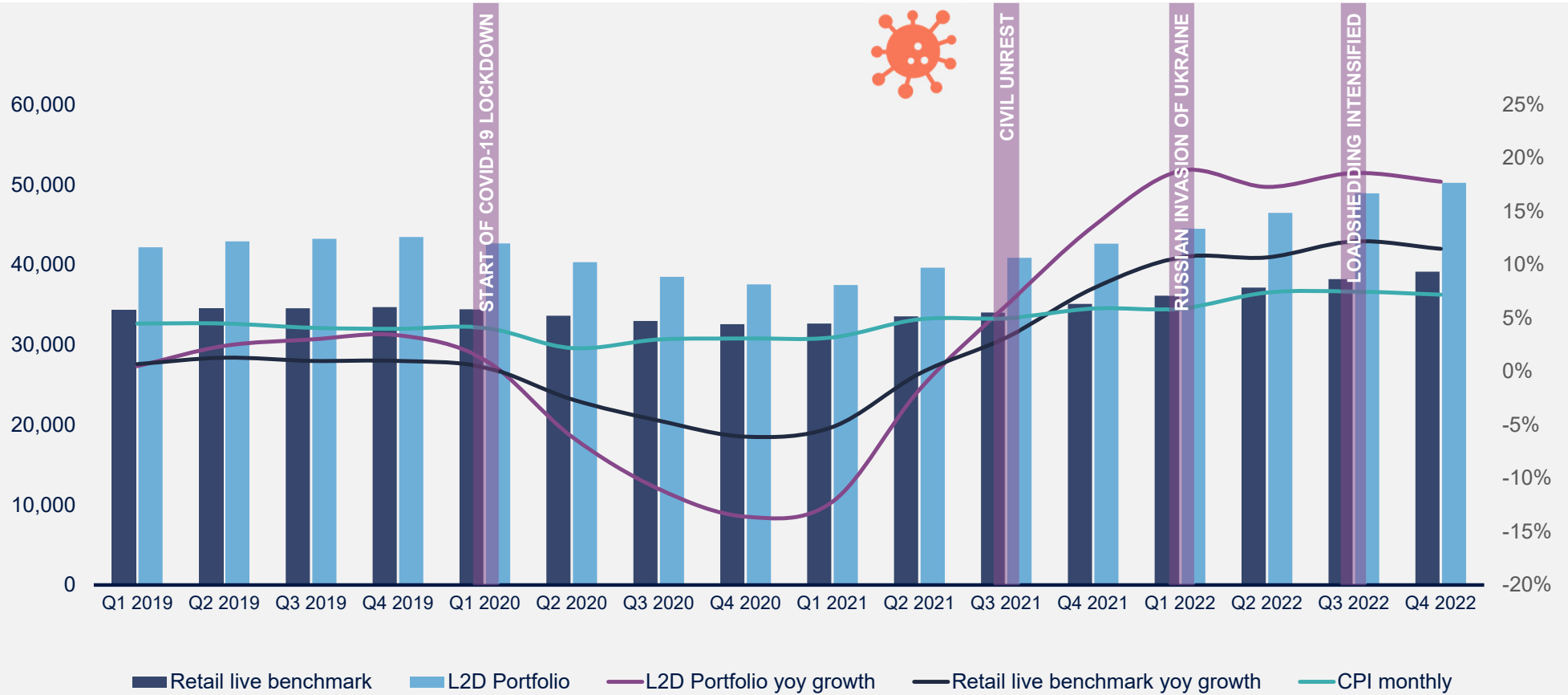
QUARTERLY TURNOVER

2022 growth vs 2021



TRADING DENSITY

Trading density growth remains ahead of benchmark and CPI



CATEGORY PERFORMANCE TREND

Top 5 categories ranked in order of turnover contribution to portfolio

Annual Trading Density	March	June	September	December	22 vs 19	22 vs 21
Apparel	20.9%	19.2%	19.1%	19.0%	14.1%	19.0%
Department Stores	17.7%	14.1%	14.6%	13.9%	-2.9%	13.9%
Luxury Brands	33.6%	30.4%	31.5%	30.4%	148.3%	30.4%
Food Service	22.5%	25.9%	34.4%	35.1%	15.5%	35.1%
Grocery/ Supermarket	15.4%	14.3%	14.8%	14.1%	17.5%	14.1%



OCCUPANCY PROFILE

Occupancies remain ahead of MSCI benchmark

Portfolio
occupancy

93.5%
93.9% (+pre lets)

(FY21: 93.7%)

Retail
occupancy

97.9%
98.3% (+pre lets)

MSCI Q3 94.4%
(FY21: 96.8%)

Office
occupancy

80.0%
80.5% (+pre lets)

MSCI Q4 83.9%
(FY21: 86.2%)

Weighted average
lease expiry (GLA)

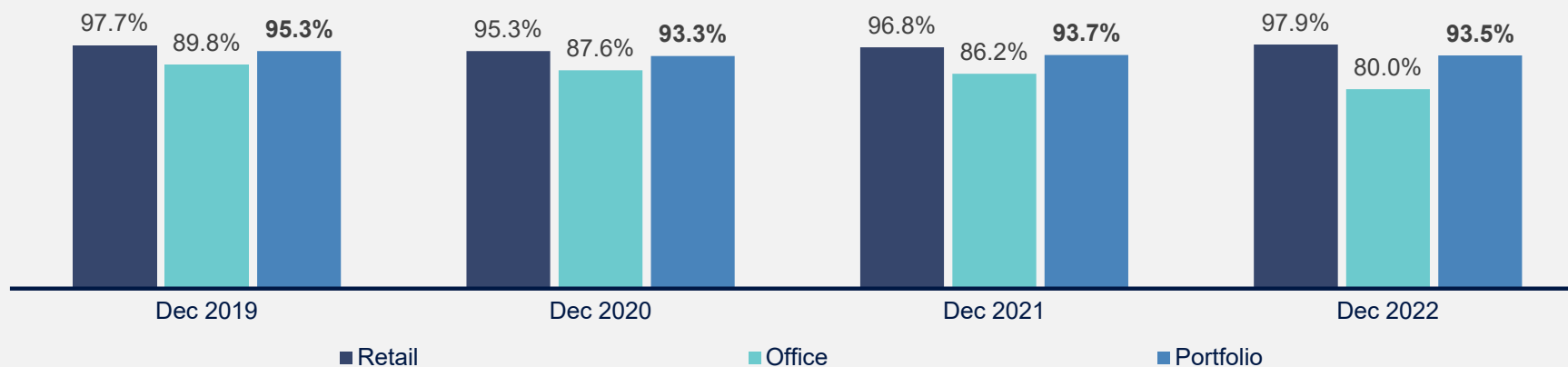
2.9 years

(FY21: 2.6 years)

Weighted average
lease escalation

6.6%

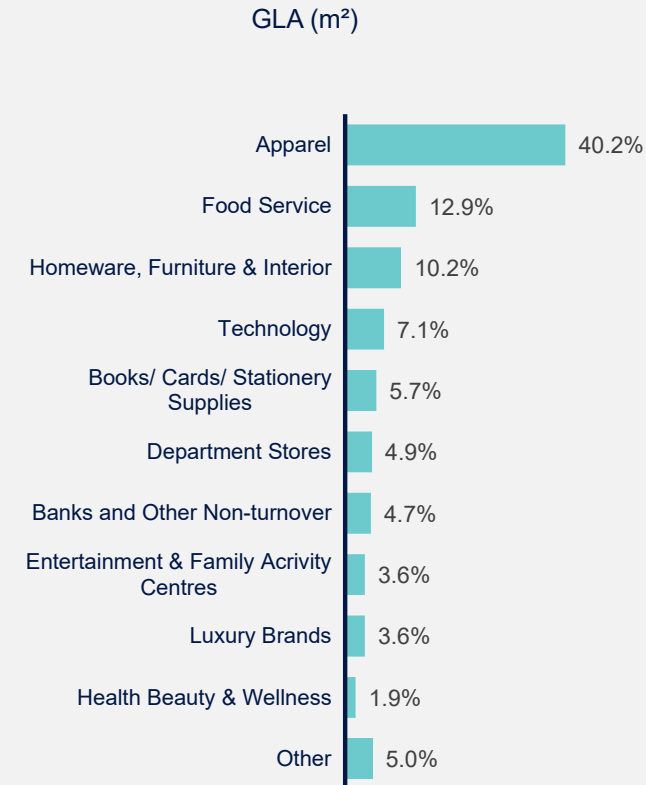
(FY21: 6.7%)



All data at 100% portfolio level

NEW TENANTS

High demand for quality space



**We drive the
futureproofing of
our assets that
speaks to the
changing needs
of our tenants**



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FINANCIAL OUTCOME

**JOSÉ SNYDERS
FINANCIAL DIRECTOR**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE 12 MONTHS ENDED 31 DECEMBER 2022

R'000	Audited Dec 2022	Audited Dec 2021
Property portfolio revenue	974 044	888 240
Property operating expenses including change in expected credit losses	(419 967)	(372 238)
Net property income	554 077	516 002
Fee income	53 471	53 257
Other income	2 073	2 412
Operating costs	(121 288)	(112 455)
Profit from operations	488 333	459 216
Net interest expense	(166 047)	(148 085)
Net fair value adjustments	(73 051)	(52 521)
Profit before taxation	249 235	258 610
Taxation	(5 498)	(15 384)
Total comprehensive income	243 737	243 226
Distributable income	331 330	309 812

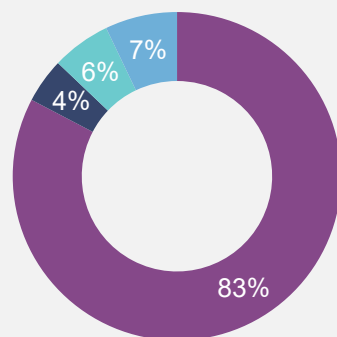
FY22 distribution of **36.47 cents** per share (FY21: 34.10 cents per share)

NPI GROWTH PER SECTOR

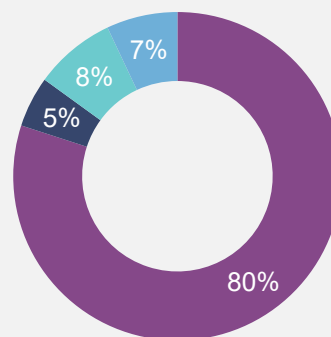
Supported by improved activity in the retail portfolio and hospitality assets

	FY 22 Contribution to NPI (R'm)	NPI FY 22 vs FY 21 (%)	NPI FY 22 vs FY 19 (%)
Retail	R470.4m	0.3%	-18%
Offices	R24.9m	-16%	-35%
Hospitality	R33.1m	544%	-42%
Other	R40.2m	4%	-20%
Total NPI¹	R568.6m	7.3%	-21%

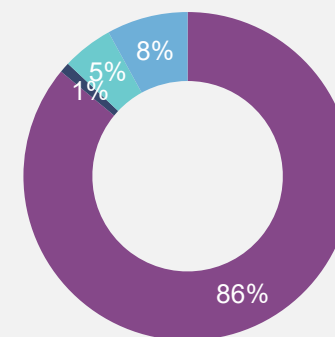
NPI Sector Contribution FY22



NPI Sector Contribution FY19



Valuation Sector Split FY22



■ Retail ■ Offices ■ Hospitality ■ Other

1. Total NPI excluding the adjustment for straight-lining of operating lease income

All data at L2D ownership % | The valuation sector split is aligned to the NPI sector split. "Other" includes Melrose Arch, John Ross, Melomed, Virgin Active Parkade and Virgin Active Sandton

STATEMENT OF FINANCIAL POSITION

FOR THE 12 MONTHS ENDED 31 DECEMBER 2022

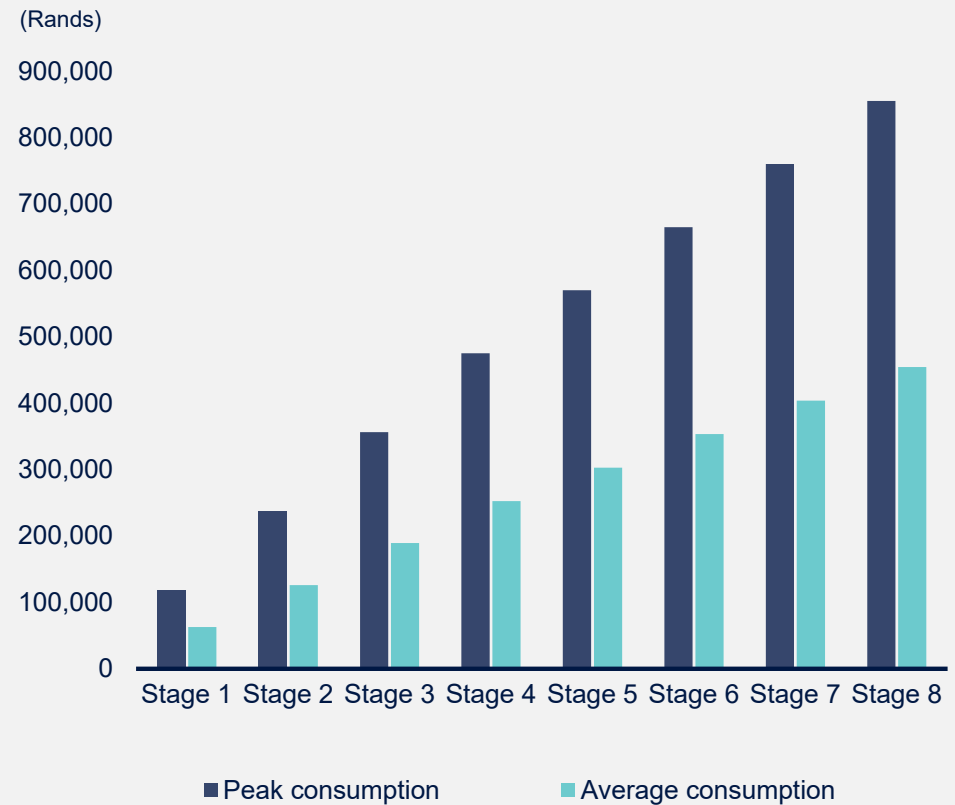
R'000	LTV 24.42%	ICR 2.95x	Standard Bank offices sold	R24.7m share buybacks in 2022	Audited Dec 2022	Audited Dec 2021
Non-current assets					8 255 539	8 294 634
Non-current assets held for sale					-	153 300
Current assets					548 898	481 320
Total assets					8 804 437	8 929 254
Non-current liabilities					1 343 179	1 161 709
Current liabilities					928 207	1 124 268
Trade and other payables					229 556	230 467
Financial instruments					-	18 535
Lease liabilities					590	541
Financial liabilities					698 061	874 725
Total liabilities					2 271 386	2 285 977
Capital					8 780 921	8 780 921
Retained surplus					189 283	175 465
Share-based payment reserve					34 766	31 077
Treasury shares					(198 205)	(158 065)
Mergers/capital reserve					(426 104)	(426 104)
Non-distributable reserve					(1 847 610)	(1 760 017)
Total equity					6 533 051	6 643 277
Total equity and liabilities					8 804 437	8 929 254

IMPACT OF LOADSHEDDING

Energy crisis drives higher utility costs

- Cost per hour R64 000 at peak consumption
- Cost per hour R35 000 per day at average consumption
- 65 Generators across portfolio
- 300 000 litre diesel capacity on site
- Diesel costs are 4.5 times that of electricity
- Average recovery ratio 49%

Portfolio cost per stage at peak and average consumption



All data at a 100% portfolio level Excludes Melrose Arch and Melomed

ENVIRONMENTAL SUSTAINABILITY STRATEGY

Initiatives to mitigate costs and reduce environmental impact

- 3 x solar systems installed (Eastgate, Midlands and Promenade) – 1 MW[AC] each, 8.9 MW [AC] in pipeline
- Reliance on Eskom power grid - up 2,3% on 2021 and down 15% on 2019.
- 3% of the portfolio's energy is from renewable/clean energy sources and is up 34% on 2021.
- Water consumption reduced by 3% and down 29% on 2019 levels
- Rainwater harvesting systems at Promenade and Midlands Mall
- Installation of smart metering systems for energy and water
- Net Zero Waste ready target achieved, preparations for certification by end of 2023 underway
- Diversion from landfill for portfolio has reached 89% for the portfolio by Dec 2022

IMPACT[°]
BUILD TOMORROW TOGETHER



2022 LEASING

Focus on tenant retention and sustainable rentals

Total renewals and new deals

84,443m²

(FY21: 147,507m²)

% Portfolio GLA

9.9%

(FY21: 15.6%)

Reversion renewals

-10.4%

(FY21: -25.9%)

Tenant retention

84.8%
93.7% excl MA

(FY21: 92.5%)

Weighted avg.
lease escalation
2021 leasing

Renewals 6.6%
New deals 6.6%

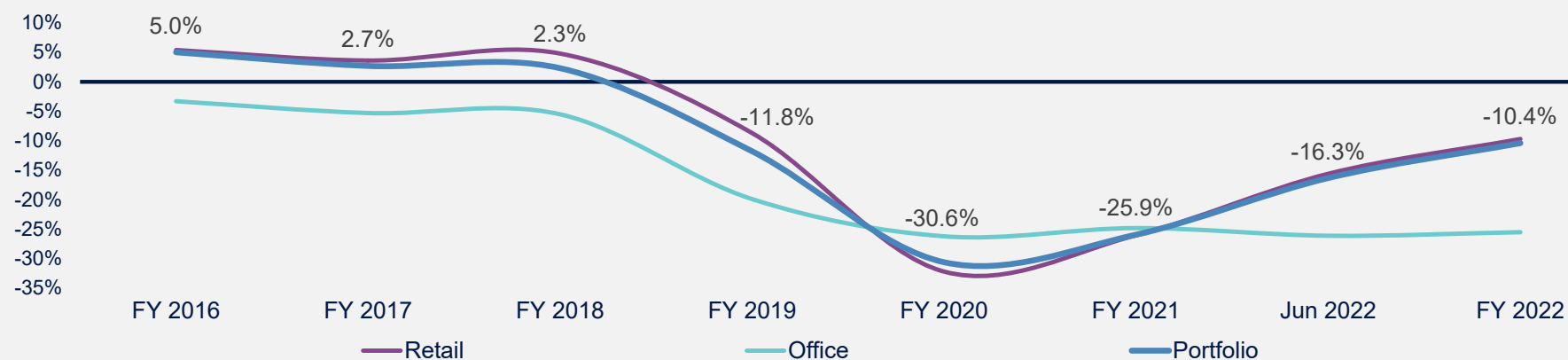
Leases concluded as % of portfolio



Leasing	Sector	Number	GLA (m ²)	% of total portfolio
Renewals	Retail	195	38,482	4.5%
	Office	17	6,284	0.7%
	Specialised	-	-	0.0%
	Total	212	44,766	5.2%
New deals	Retail	79	14,650	1.7%
	Office	53	25,027	2.9%
	Total	132	39,677	4.6%
TOTAL		344	84,443	9.9%

REVERSION TREND

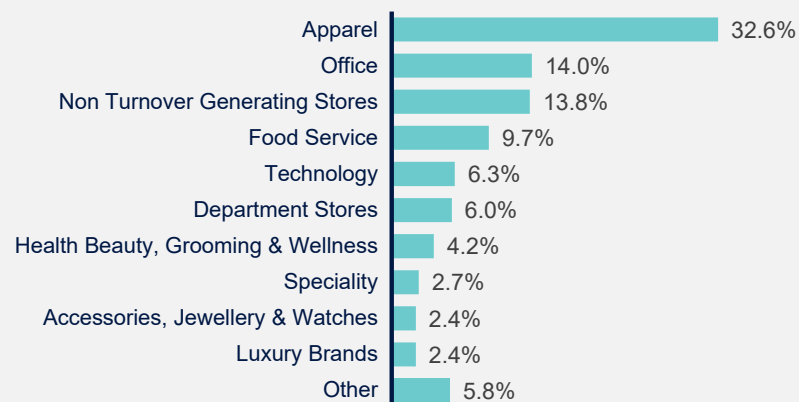
The reversion has improved ahead of 2019 levels



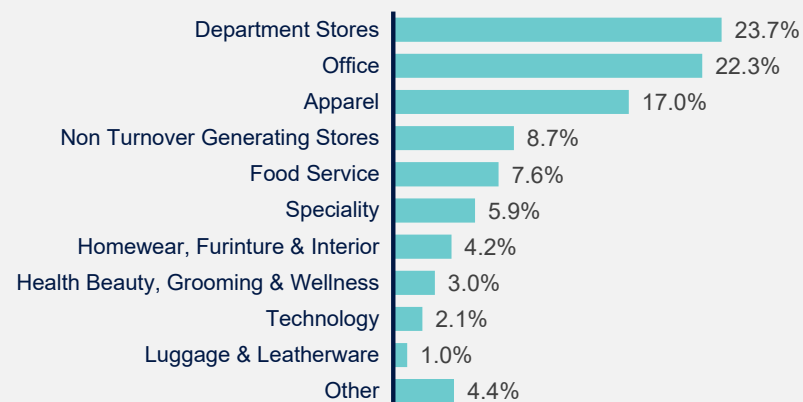
Leasing	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Jun 2022	FY 2022
Retail	5.4%	3.6%	4.8%	-8.7%	-32.2%	-26.0%	-15.6%	-9.7%
Office	-3.3%	-5.3%	-5.5%	-19.9%	-26.2%	-24.8%	-26.1%	-25.5%
Portfolio	5.0%	2.7%	2.3%	-11.8%	-30.6%	-25.9%	-16.3%	-10.4%

TRADING PERFORMANCE OF 2022 AND 2023 RENEWALS

2022 GLA composition of concluded renewals



2023 GLA composition of upcoming renewals



2022 retail renewals (like for like)

2023 retail renewals

	2022 retail renewals (like for like)	2023 retail renewals
GLA	38,482	94,659
% of portfolio GLA	4.5%	11.1%
Turnover growth ex luxury (2022 vs. 2019)	15.2%	15.9%
Turnover growth ex luxury (2022 vs. 2021)	18.8%	24.5%
Reversion rate	-9.7%	

**To create
experiential
spaces to benefit
generations**

4

THE GOOD
WE DO

AMELIA BEATTIE
CHIEF EXECUTIVE

EXECUTIVE LEADERSHIP CHANGES

Aligning and integrating business functions with strategic direction

- **José Snyders** promoted to **Chief Commercial Officer** – focus on value creation by maximising income streams, leading strategic commercial negotiations and managing large capital projects and investment transactions. He will continue to serve as an executive director
- **Barbara Makhubedu**, our current Lead Independent Director, has been appointed as **Chief Financial Officer**. In her new role, she will be responsible for overseeing Finance and Reporting, Risk Management, Legal and Compliance, IT Governance as well as Investor Relations. Barbara will remain on the Board of L2D, now as Executive Director. Peter Nelson will take over as the Lead Independent Director
- These changes are aligned to L2D's commitment to a **focused transformation strategy**. From a gender diversity perspective, the Board is comprised of 55% female and 45% male directors and from a racial diversity perspective, 55% black and 45% white directors. Black female directors comprise 45% of the Board

IMPACT[®]
BUILD TOMORROW TOGETHER



LOOKING AHEAD

Strategic value drivers, cost containment and customer experience drive 2023 outlook

- Continue to build on **momentum** gained in turnover and footcount recovery by focusing on enhanced customer experience
- Execute initiatives aligned with our **strategic value drivers**
- Focused drive on **cost containment**, **efficiencies** and **considered capital allocation**
- Improving on office performance and recovery of hospitality assets
- FY23 Distribution growth guidance of **0% to 8%** growth vs. 2022





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THANK YOU

Q&A

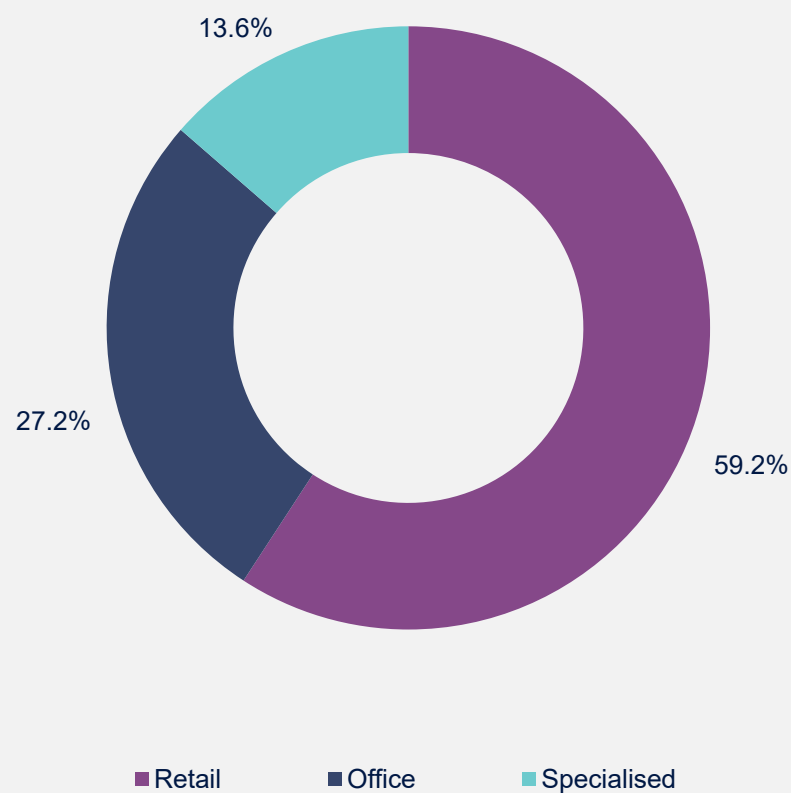




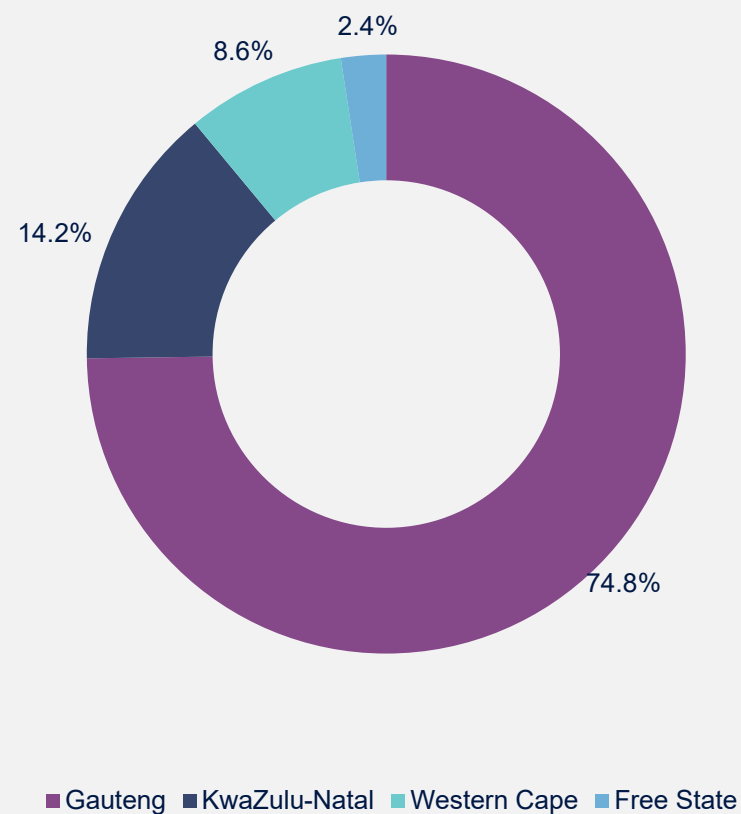
SUPPLEMENTARY INFORMATION

PORTFOLIO PROFILE

Sector composition by GLA (m²)



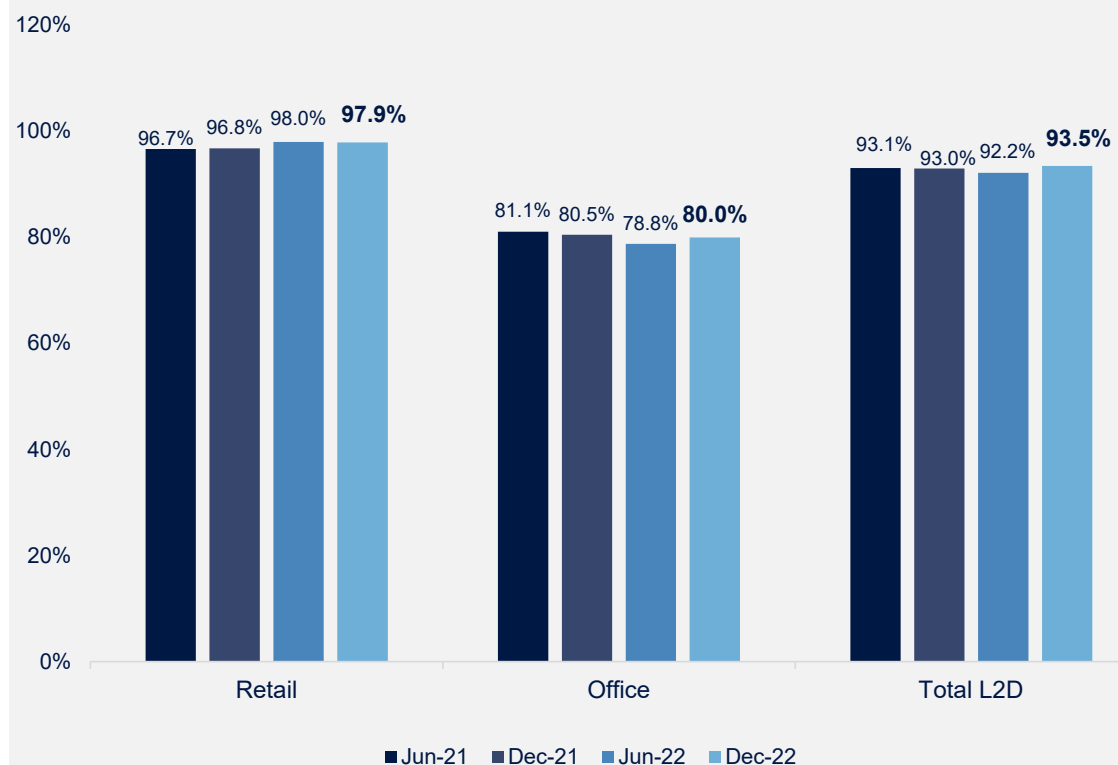
Geographic profile by GLA (m²)



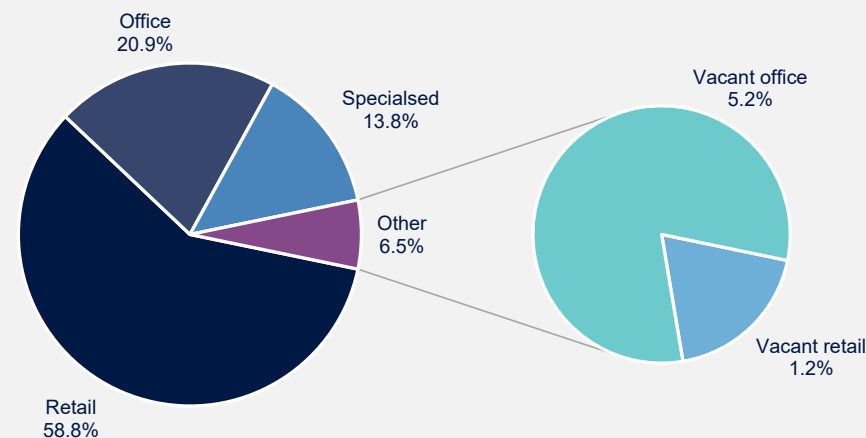
Note: Based on 100% of portfolio GLA at 31 December 2021

OCCUPANCY UPDATE AT DECEMBER 2022 EXCLUDING STANDARD BANK¹

Occupancy trend excluding Std Bank



GLA as a % of Portfolio



Note: Based on 100% of portfolio GLA at 31 December 2022

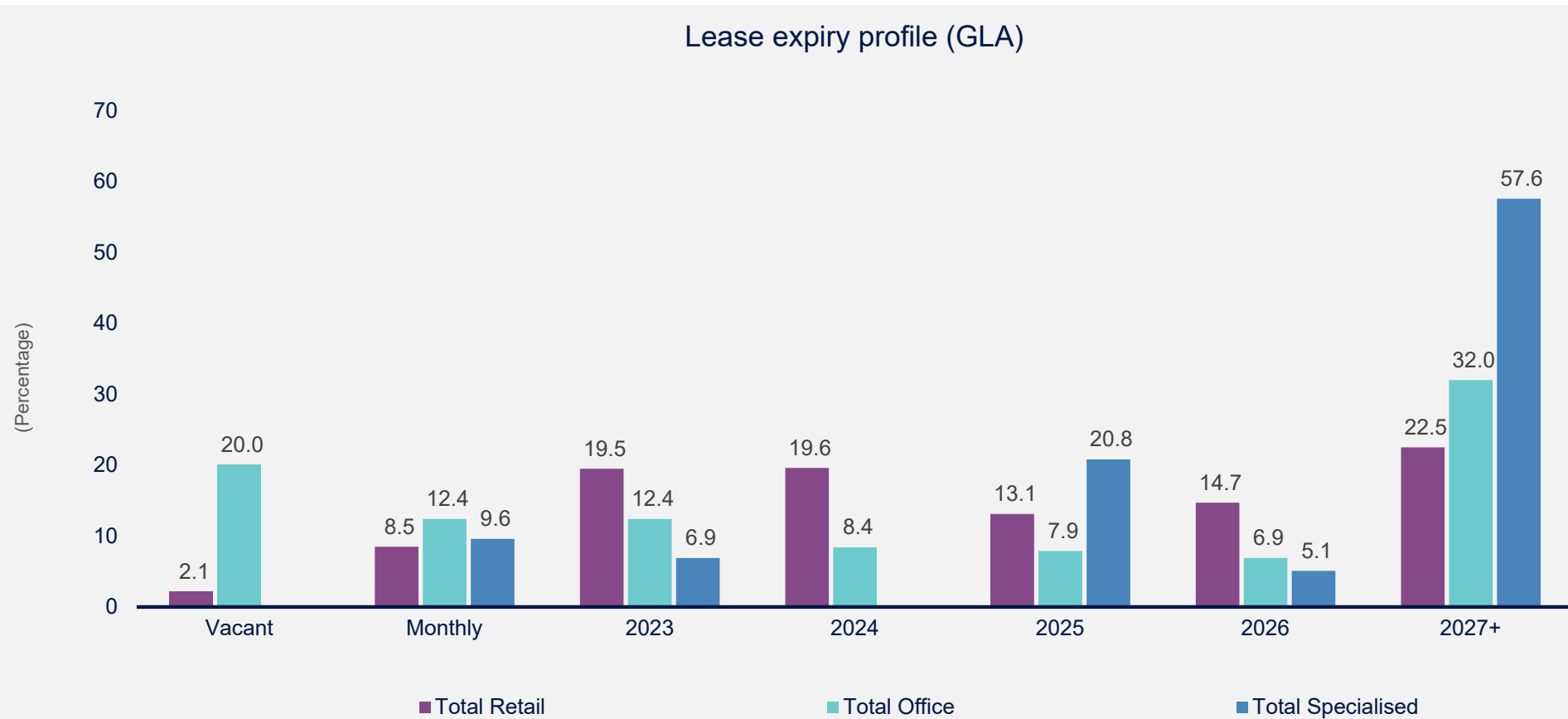
GLA RECONCILIATION

Liberty Two Degrees total gross lettable area reported at 31 December 2022 decreased, as per this breakdown

(m ²)	GLA Dec 22	GLA Dec 21	Variance
Retail	512 701	512 701	-
Office	223 222	316 011	92 789
Specialised	117 606	117 606	-
Total	853 529	946 318	-

All GLA figures above reflect the 100% GLA of all properties within the portfolio.

5-YEAR LEASE EXPIRY PROFILE



PORTFOLIO QUARTERLY TURNOVER GROWTH

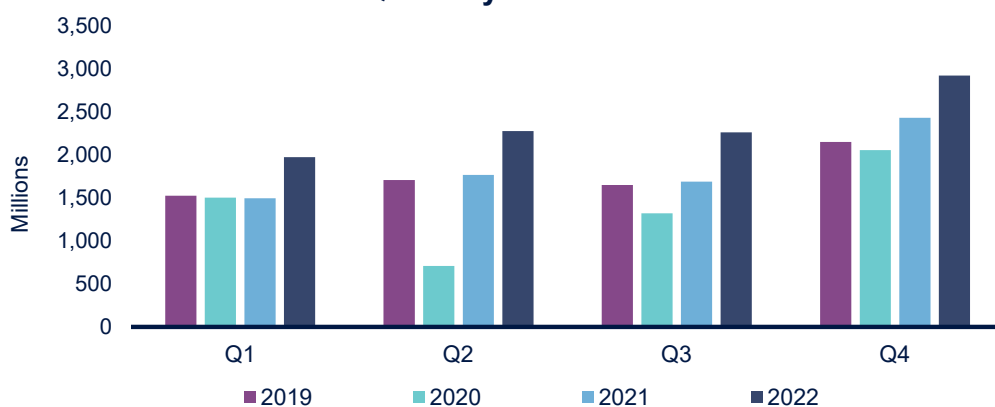
Continued growth beyond pre-COVID performance

Quarterly turnover growth vs 2019	Q1	Q2	Q3	Q4	Dec 2022
Sandton City	29.4%	33.1%	37.0%	35.8%	41.9%
Eastgate	-5.6%	2.5%	0.5%	7.6%	5.8%
Lifestyle Centre	63.2%	80.8%	57.6%	47.0%	45.4%
Midlands Mall	21.9%	25.5%	18.3%	20.6%	17.1%
NMS	-7.8%	-6.1%	7.9%	9.1%	19.7%
Promenade	-4.0%	0.2%	-1.0%	3.3%	6.0%
Botshabelo	40.6%	36.2%	28.4%	27.0%	25.1%
Portfolio Full (Excl. Melrose Arch)	14.2%	19.2%	19.5%	21.3%	23.4%
Melrose Arch	1.9%	1.7%	14.9%	15.1%	21.2%
Full Portfolio	13.6%	18.3%	19.3%	21.0%	23.3%

SANDTON CITY COMPLEX

	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020	Dec 2019
Retail							
Average net rental (R/m ²)	453	468	487	509	558	534	542
Occupancy (%)	99.1	98.0	98.3	98.5	97.8	98.9	99.6
Occupancy including pre-lets (%)	99.3	98.6	98.7	99.1	97.9	99.1	99.8
Office							
Average net rental (R/m ²)	109	124	123	148	151	162	152
Occupancy (%)	73.0	69.9	67.3	70.7	76.5	73.4	72.9
Occupancy including pre-lets (%)	73.4	70.2	68.2	70.8	78.2	78.1	72.9

Quarterly Turnover



Turnover growth rates

	22 vs 21	22 vs 19
Quarter 1	31.9%	29.4%
Quarter 2	28.7%	33.1%
Quarter 3	33.8%	37.0%
Quarter 4	20.3%	35.8%

EASTGATE COMPLEX

	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020	Dec 2019
Complex (retail and office)							
Average net rental (R/m ²)	297	311	317	346	343	369	374
Occupancy (%) – retail	96.0	94.1	94.6	95.0	92.6	93.4	96.4
Occupancy including pre-lets (%)	97.1	95.7	94.7	95.3	93.5	93.5	96.9
Occupancy (%) – office	96.1	95.4	91.6	96.1	96.1	97.3	97.3
Occupancy including pre-lets (%)	96.1	95.4	91.6	96.1	96.1	97.3	97.3

Quarterly Turnover



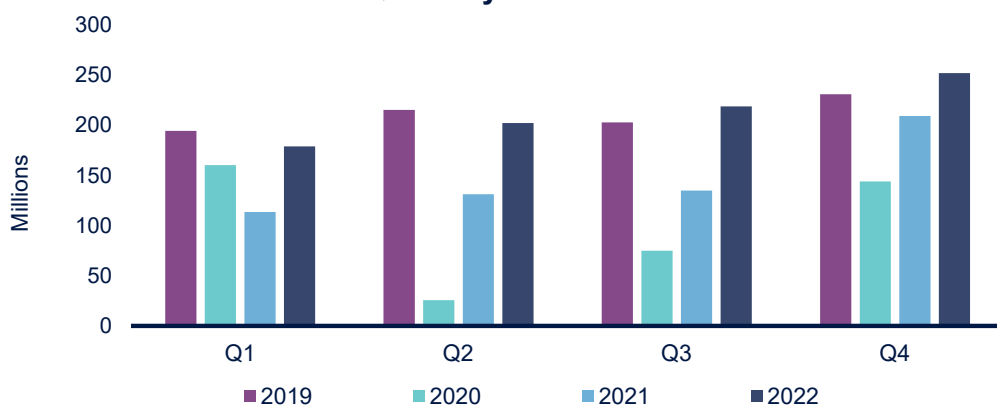
Turnover growth rates

	22 vs 21	22 vs 19
Quarter 1	13.4%	-5.6%
Quarter 2	16.4%	2.6%
Quarter 3	18.2%	0.5%
Quarter 4	14.8%	7.6%

NELSON MANDELA SQUARE

	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020	Dec 2019
Retail							
Average net rental (R/m ²)	422	462	451	462	517	528	516
Occupancy (%)	95.3	94.0	88.5	88.9	77.3	90.4	91.0
Occupancy including pre-lets (%)	95.6	98.0	89.5	88.9	88.2	91.2	91.7
Office							
Average net rental (R/m ²)	99	103	108	117	129	137	107
Occupancy (%)	80.5	67.6	69.9	71.1	66.5	58.1	59.3
Occupancy including pre-lets (%)	85.2	67.6	69.9	71.1	66.5	59.4	62.3

Quarterly Turnover



Turnover growth rates

	22 vs 21	22 vs 19
Quarter 1	57.7%	-7.8%
Quarter 2	53.9%	-6.1%
Quarter 3	61.9%	7.9%
Quarter 4	20.5%	9.1%

MIDLANDS MALL

	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020	Dec 2019
Retail							
Average net rental (R/m ²)	230	225	222	220	223	222	219
Occupancy (%)	99.2	99.4	97.9	98.3	99.0	99.6	100.0
Occupancy including pre-lets (%)	99.6	99.6	97.9	98.7	99.0	99.6	100.0

Quarterly Turnover



Turnover growth rates

	22 vs 21	22 vs 19
Quarter 1	32.6%	21.9%
Quarter 2	28.8%	25.5%
Quarter 3	9.2%	18.3%
Quarter 4	-1.3%	20.6%

LIFESTYLE CENTRE

	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020	Dec 2019
Retail							
Average net rental (R/m ²)	179	177	161	154	173	169	163
Occupancy (%)	99.8	98.7	96.3	94.6	96.0	96.8	98.7
Occupancy including pre-lets (%)	99.8	99.7	96.3	95.9	96.0	96.8	98.7

Quarterly Turnover



Turnover growth rates

	22 vs 21	22 vs 19
Quarter 1	46.2%	63.2%
Quarter 2	55.5%	80.8%
Quarter 3	14.4%	57.6%
Quarter 4	-7.1%	46.8%

LIBERTY PROMENADE

	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020	Dec 2019
Retail							
Average net rental (R/m ²)	180	183	172	172	164	173	165
Occupancy (%)	98.8	99.7	99.5	99.4	98.7	99.1	99.5
Occupancy including pre-lets (%)	98.9	99.7	99.5	99.7	99.3	99.5	99.5

Quarterly Turnover



Turnover growth rates

	22 vs 21	22 vs 19
Quarter 1	8.7%	-4.0%
Quarter 2	11.4%	0.2%
Quarter 3	15.8%	-1.0%
Quarter 4	9.5%	3.3%

BOTSHABELO MALL

	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020	Dec 2019
Retail							
Average net rental (R/m ²)	157	159	149	144	136	139	132
Occupancy (%)	98.9	99.2	97.3	94.3	94.5	93.4	94.8
Occupancy including pre-lets (%)	98.9	99.2	97.3	94.3	94.5	94.8	94.9

Quarterly Turnover



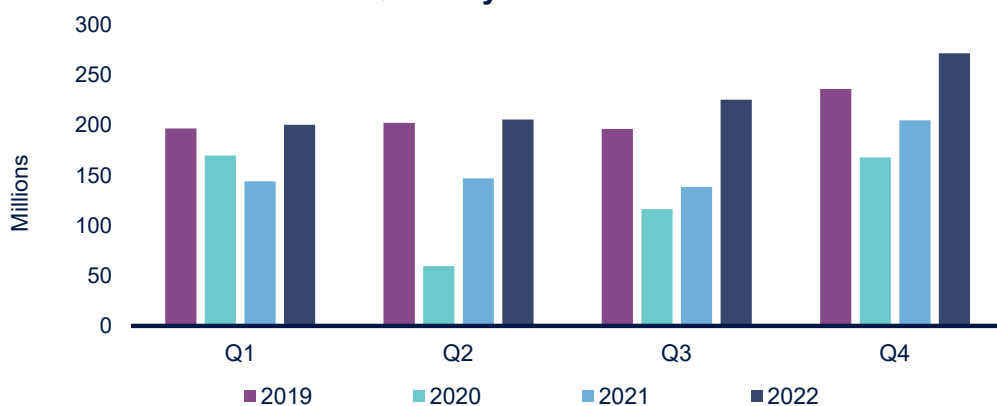
Turnover growth rates

	22 vs 21	22 vs 19
Quarter 1	8.5%	40.6%
Quarter 2	7.5%	36.2%
Quarter 3	13.1%	28.4%
Quarter 4	8.8%	27.0%

MELROSE ARCH

	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020	Dec 2019
Retail							
Average net rental (R/m ²)	253	259	221	223	193	185	226
Occupancy (%)	96.6	96.9	96.5	94.4	93.2	94.0	94.3
Occupancy including pre-lets (%)	96.6	96.9	96.5	94.4	93.2	94.0	94.3
Office							
Average net rental (R/m ²)	181	200	211	206	197	218	214
Occupancy (%)	79.4	75.2	83.7	82.8	85.6	92.7	93.5
Occupancy including pre-lets (%)	79.4	75.2	83.7	82.8	85.6	92.7	93.5

Quarterly Turnover



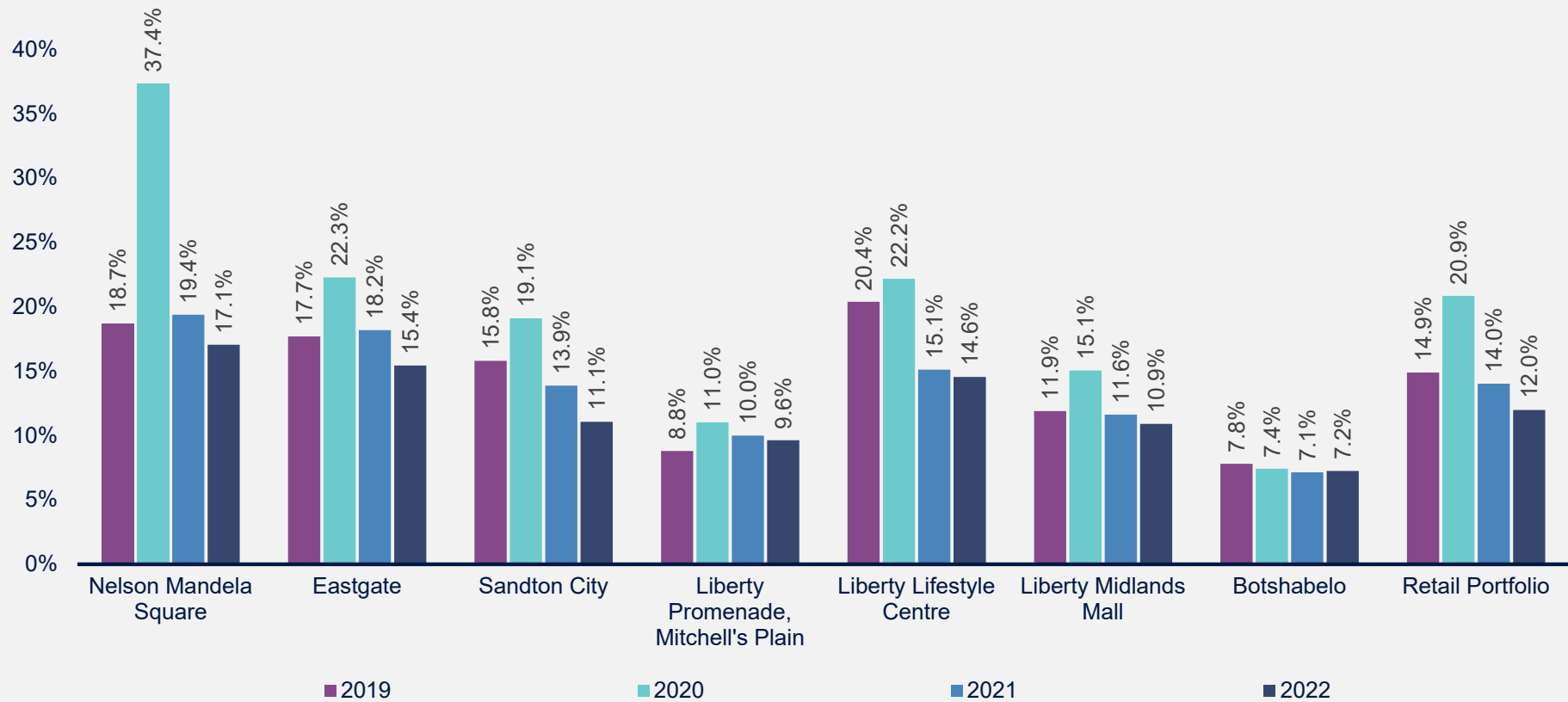
Turnover growth rates

	22 vs 21	22 vs 19
Quarter 1	39.0%	1.9%
Quarter 2	39.8%	1.7%
Quarter 3	62.7%	14.9%
Quarter 4	32.6%	15.1%

OFFICES

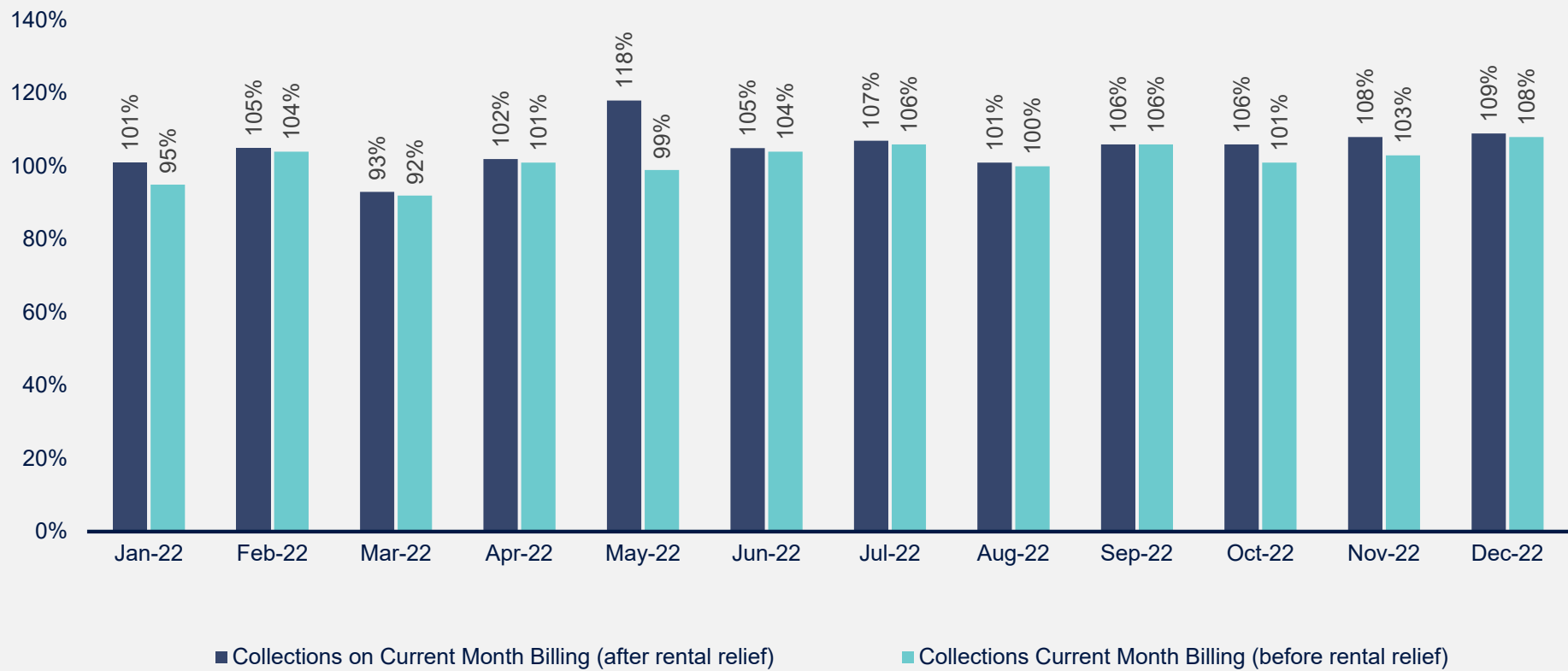
**Umhlanga Regional
Head Office**GLA **13 860**Occupancy % **87.6%****Umhlanga
Office Block**GLA **8 341**Occupancy % **100%**

COMPREHENSIVE COST OF OCCUPATION

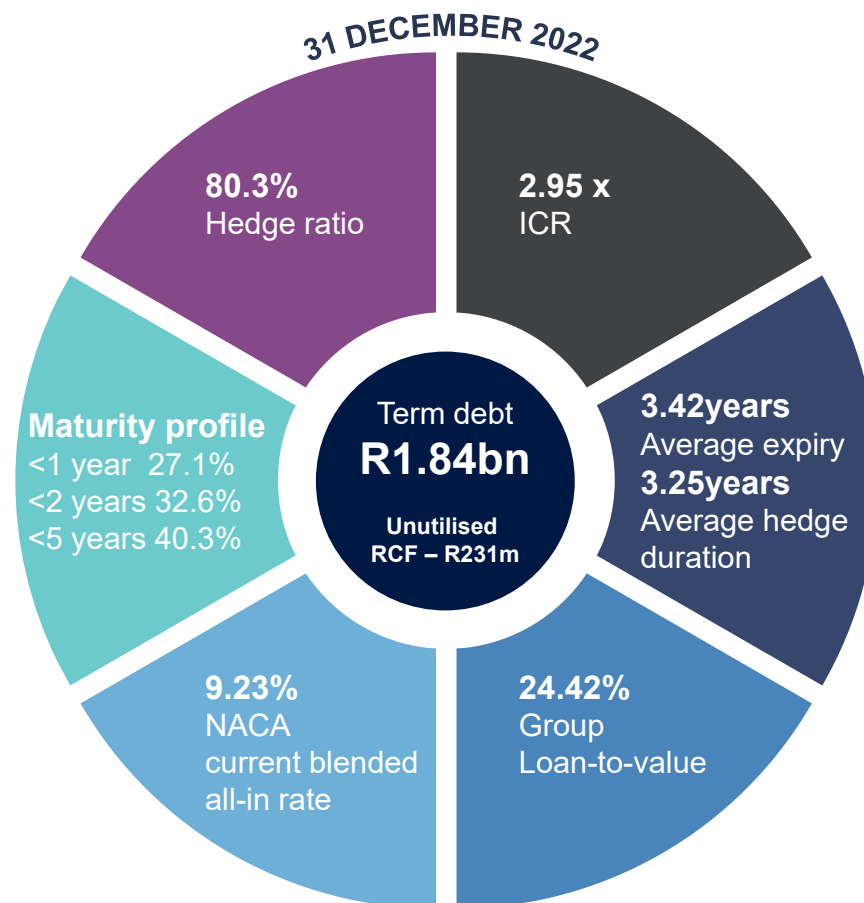
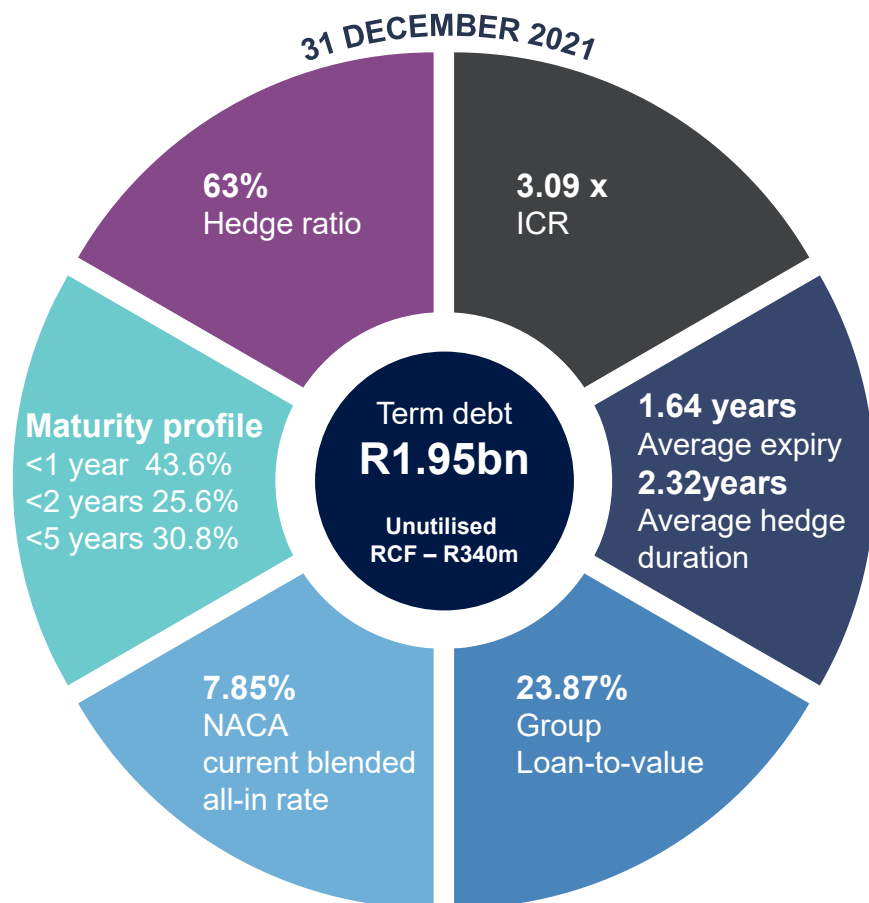


COLLECTIONS

Collection % on respective month billing



DEBT FINANCING AND LIQUIDITY



DISCLAIMER

- The actual results may vary substantially from those forecasted if known and/or unknown variables do not transpire as predicted or if estimates and assumptions prove inaccurate.
- Liberty Two Degrees and its Management cannot guarantee that the forecasts or forward-looking statements will materialise and users are cautioned not to place undue reliance on the information provided.
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