



two°degrees

**LIBERTY TWO DEGREES  
INTERIM FINANCIAL RESULTS  
FOR THE SIX MONTHS-ENDED  
30 JUNE 2023**



## FINANCIAL HIGHLIGHTS

Pleasing improvement in financial performance

DPS

**18.77cps**

7.4% growth vs HY22

NPI

growth **8.2%**

vs HY22

Operating cost

growth **5.0%**

vs HY22

LTV

**24.58%**

vs. 24.64% at HY22

Buyout of minority  
shareholders at **R5.55**  
per share, **46%** premium  
to 30-day VWAP

## SUSTAINED IMPROVEMENT IN OPERATIONAL METRICS

Strong operating performance supported by quality portfolio

Retail turnover

up **6.8%**  
vs HY22

Footcount

up **9.1%**  
vs HY22

Retail reversions

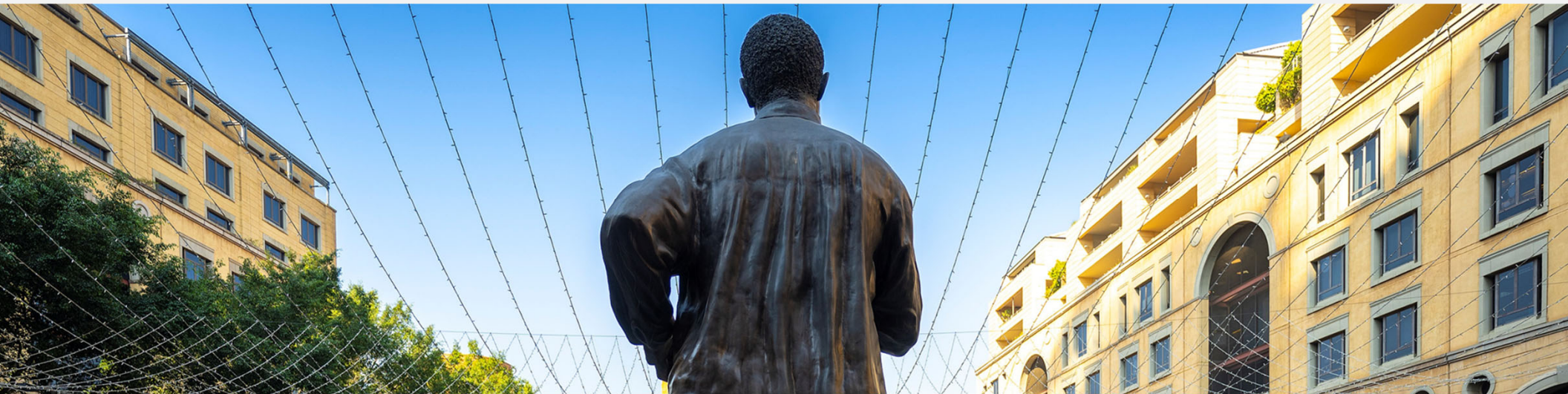
tracking at **-0.3%**  
for HY23

Portfolio occupancy

rate of **93.6%**

Retail occupancy **97.1%**

Office occupancy **82.1%**





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



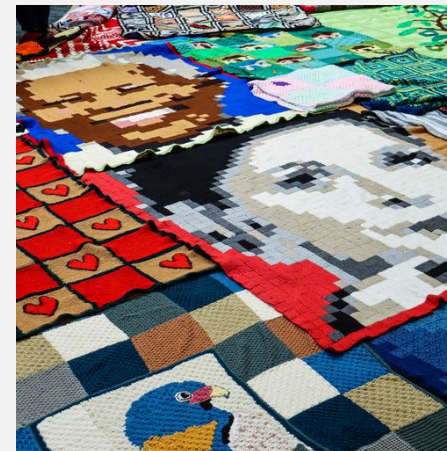
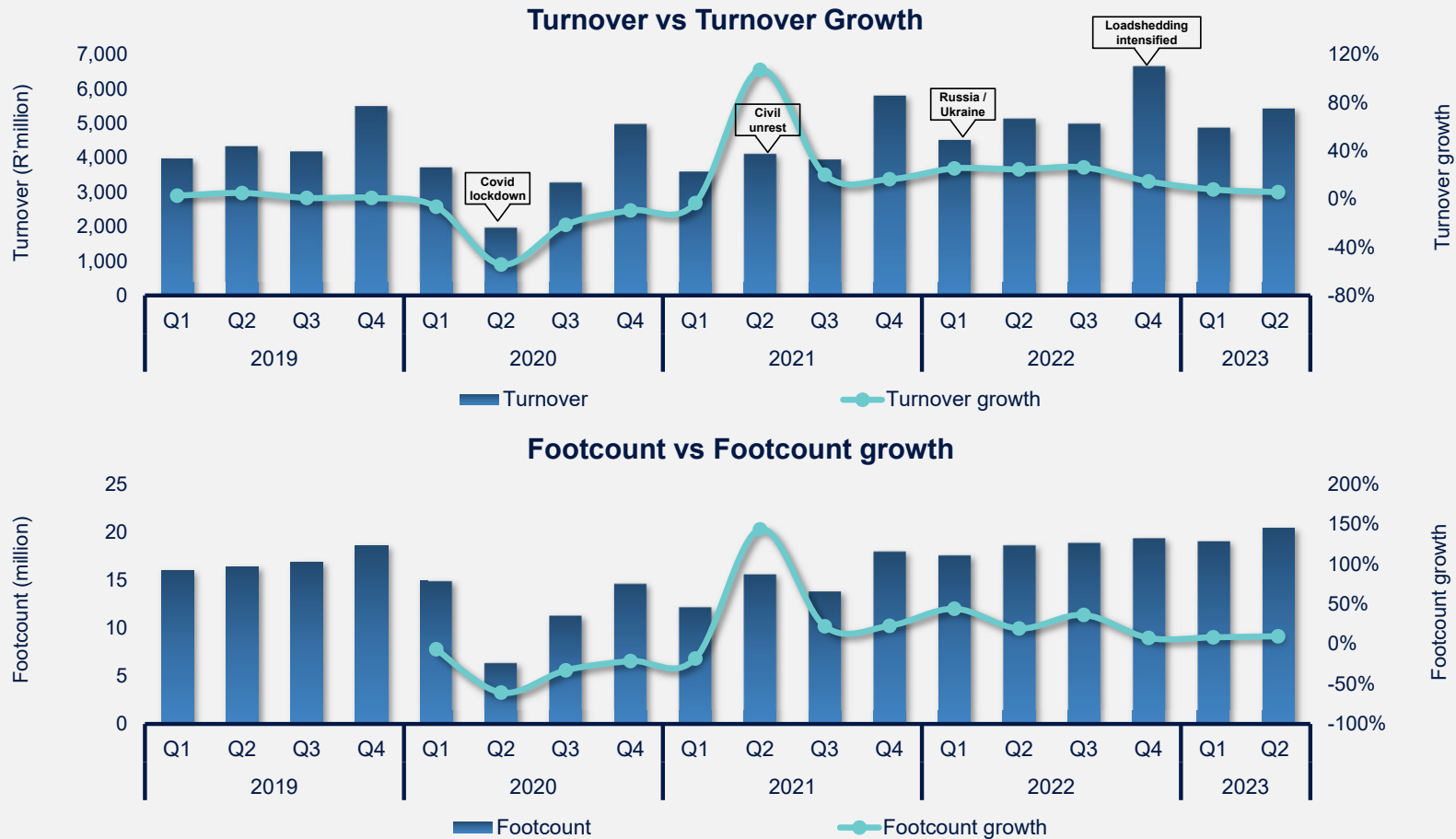
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## CUSTOMER EXPERIENCE

AMELIA BEATTIE  
CHIEF EXECUTIVE

# TURNOVER AND FOOTCOUNT

Continued steady growth



## HOSPITALITY

### Continued growth in hospitality occupancies and RevPar

#### Sandton Sun

Average occupancy  
to June 23

**71.8%**

(June 22: 71.5%)

#### Garden Court

Average occupancy  
to June 23

**61.1%**

(June 22: 40.7%)

#### Sandton Towers

Average occupancy  
to June 23

**46.7%**

(June 22: not trading)

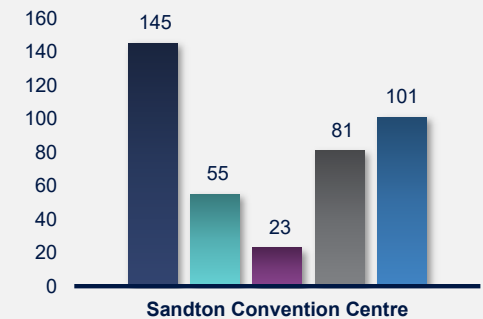
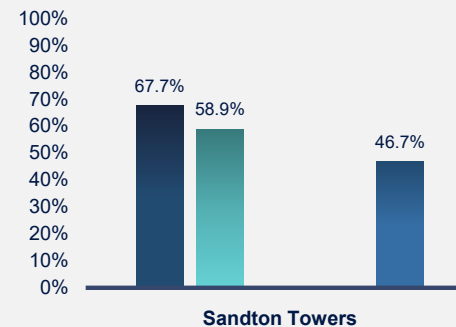
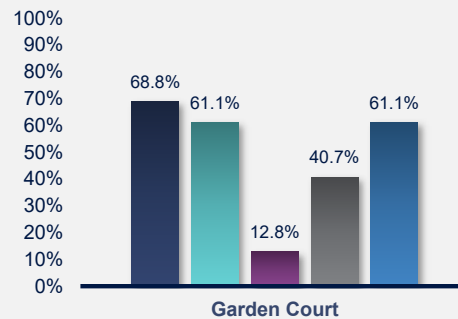
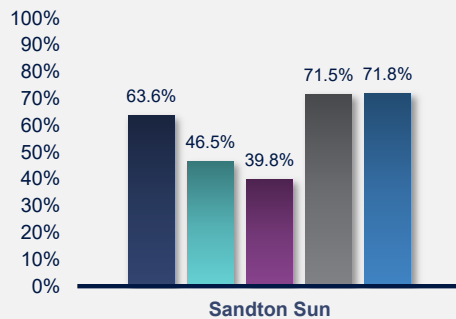
#### Sandton Convention Centre

Total events  
year to date June 23

**101**

(June 22: 81)

### Average occupancy and RevPar based on trading months



■ HY19  
■ HY20  
■ HY21  
■ HY22  
■ HY23

R1 069  
R818  
R510  
R1 249  
R1 521

R684  
R643  
R88  
R347  
R622

R1 271  
R1 101  
-  
-  
R1 061

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



**2**

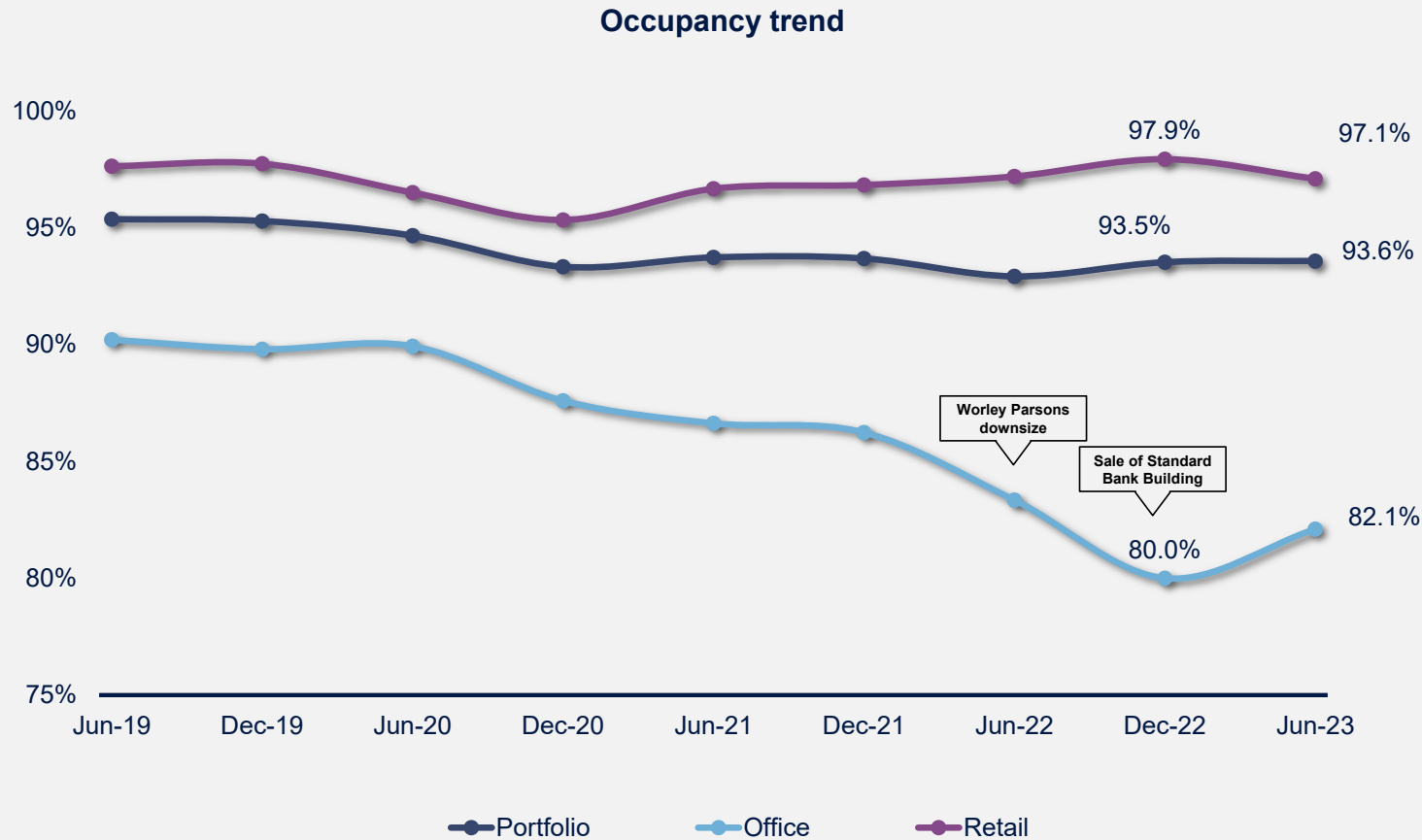
## TENANT EXPERIENCE

AMELIA BEATTIE  
CHIEF EXECUTIVE



## OCCUPANCY TREND

Occupancies remain stable supported by quality portfolio



MSCI Benchmark as at March 2023: Retail : 94.6% and Office 84.2%





## LEASING ACTIVITY

## Flight to quality for retailers

## New to Mall tenants

## Refurbishments and store reconfigurations

Number of  
new deals

30

GLA  
impacted3 754m<sup>2</sup>% of  
retail GLA

0.7%

Number of  
deals

31

GLA  
impacted25 898m<sup>2</sup>% of  
retail GLA

5.1%

Columbia

CAFÉ SCOTON

HH<sup>®</sup>  
HellyHansenBAR DE TAPAS  
LA PARADA

ZARA

NIKE

Cartier

THE  
BODY  
SHOP<sup>®</sup>

PUMA

sealand<sup>®</sup>AERONAUTICA  
MILITAREMARIO<sup>®</sup>  
CASAS  
MEN'S WEAR

Apple iStore

The  
Butcher Shop  
&  
GRILLEST. 1987  
PAPPAS  
ON THE SQUARE

BURBERRY

## 2023 RENEWALS

Reversions improved significantly

Total retail  
renewals concluded

24 300m<sup>2</sup>

% portfolio GLA of retail  
renewals concluded

2.8%

Total retail  
reversion rate %

-0.3%

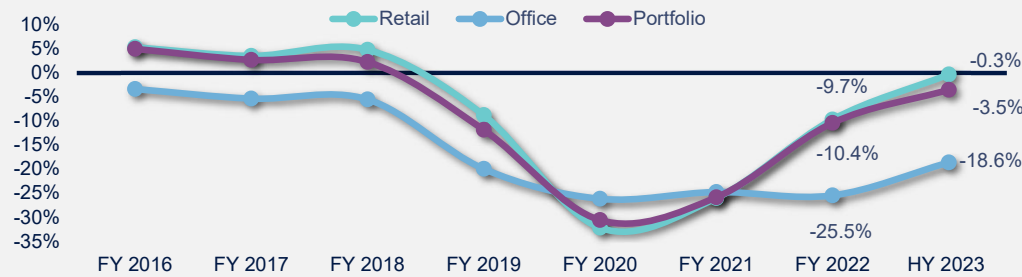
2023  
Tenant retention

86.3%

Weighted avg.  
lease escalation

Renewals 6.4%  
New deals 6.4%

Reversion on respective year expiries



GLA concluded as a % of portfolio GLA

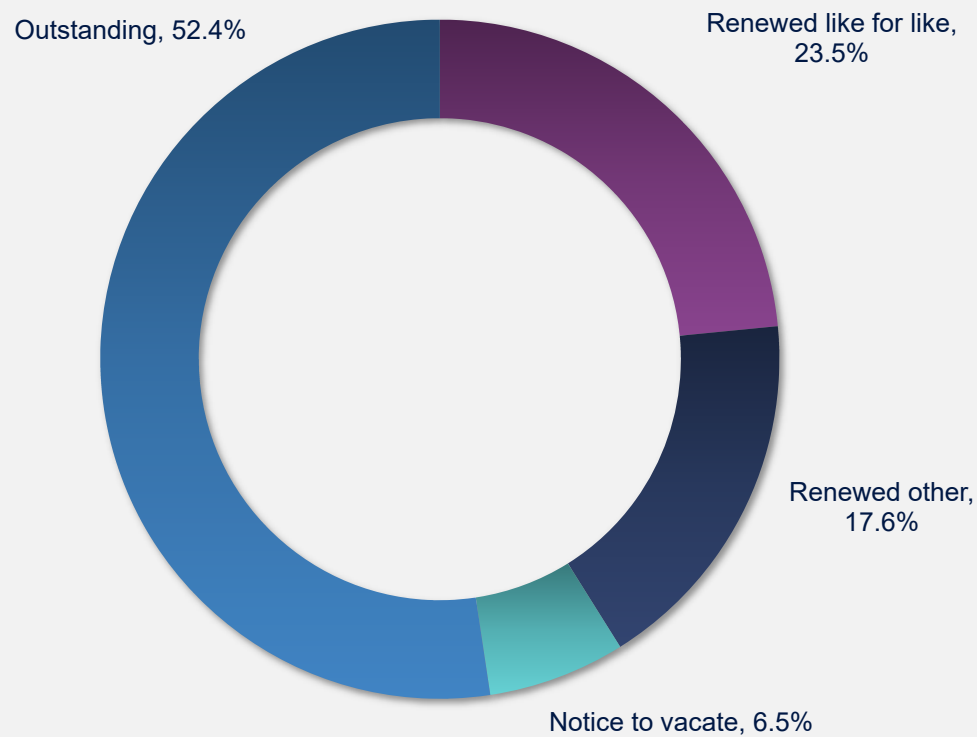
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	HY2023
<b>Retail</b>	4.9%	5.5%	3.9%	5.1%	3.6%	5.1%	4.5%	2.6%
<b>Office</b>	0.4%	1.4%	1.2%	10.2%	3.4%	1.4%	0.7%	1.0%
<b>Total</b>	5.4%	7.0%	5.0%	15.3%	7.0%	6.5%	5.2%	3.6%

		Retail	Office	Portfolio
<b>Prior year expired renewals</b>	Number of renewals concluded	16	9	25
	GLA % of Portfolio	0.3%	1.1%	1.4%
	GLA (m <sup>2</sup> )	2 343	9 207	11 551
	Reversion (%)	-0.4%	-22.6%	-10.8%
<b>2023 renewals</b>	Number of renewals concluded	85	15	100
	GLA % of Portfolio	2.6%	1.0%	3.6%
	GLA (m <sup>2</sup> )	21 957	8 893	30 850
	Reversion (%)	-0.3%	-18.6%	-3.5%
<b>Total renewals</b>	Number of deals	101	24	125
	GLA % of portfolio	2.8%	2.1%	5.0%
	GLA (m <sup>2</sup> )	24 300	18 100	42 400
	Reversion (%)	-0.3%	-20.4%	-5.3%

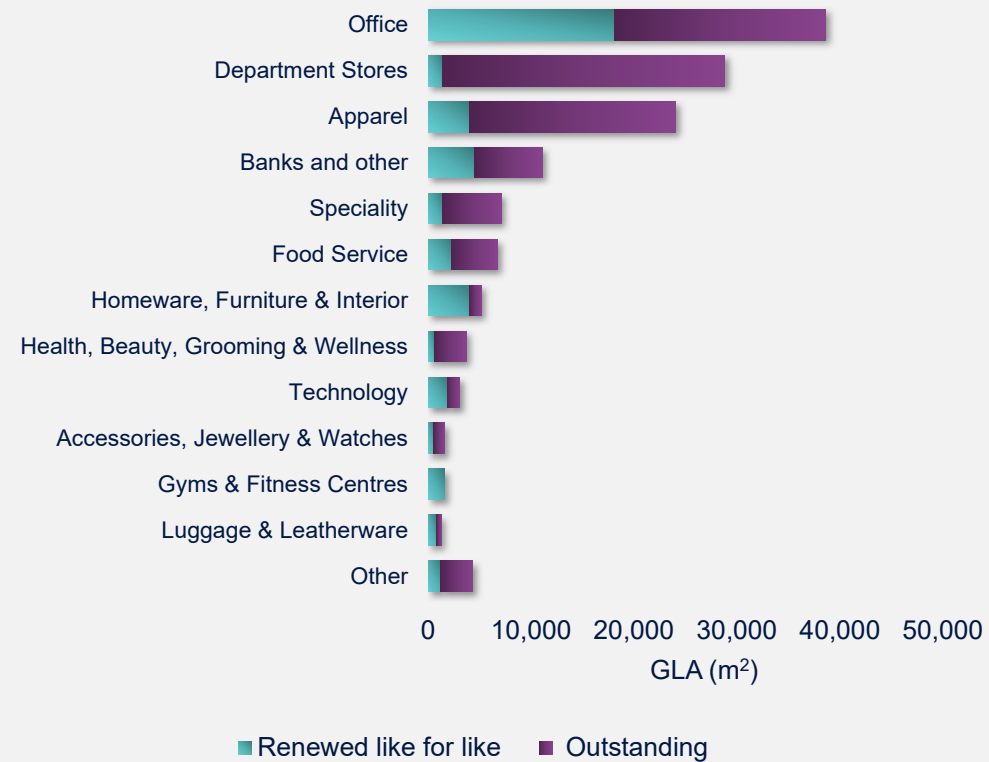
## 2023 RENEWALS

Good progress on renewals

### Renewal status of leases expiring in 2023



### Category renewal status breakdown



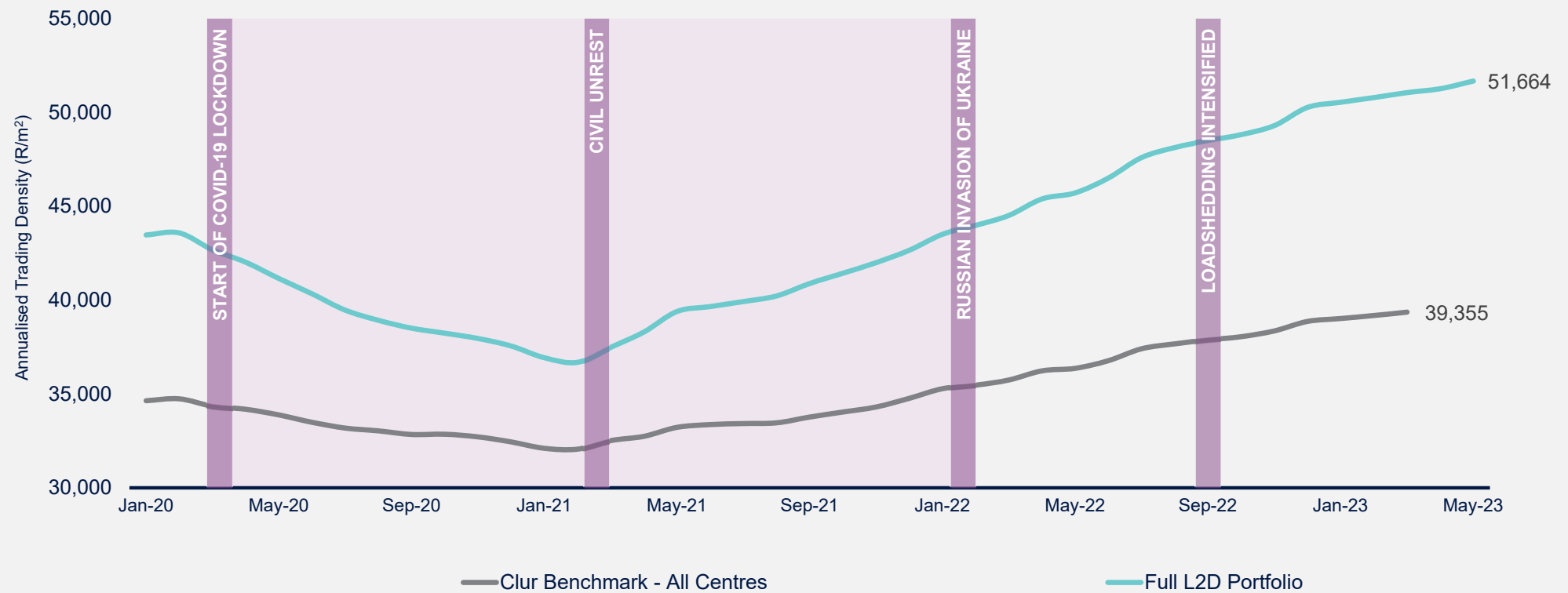
Renewed other includes GLA adjustments. Relocations, Signed Monthlies



## TRADING DENSITY

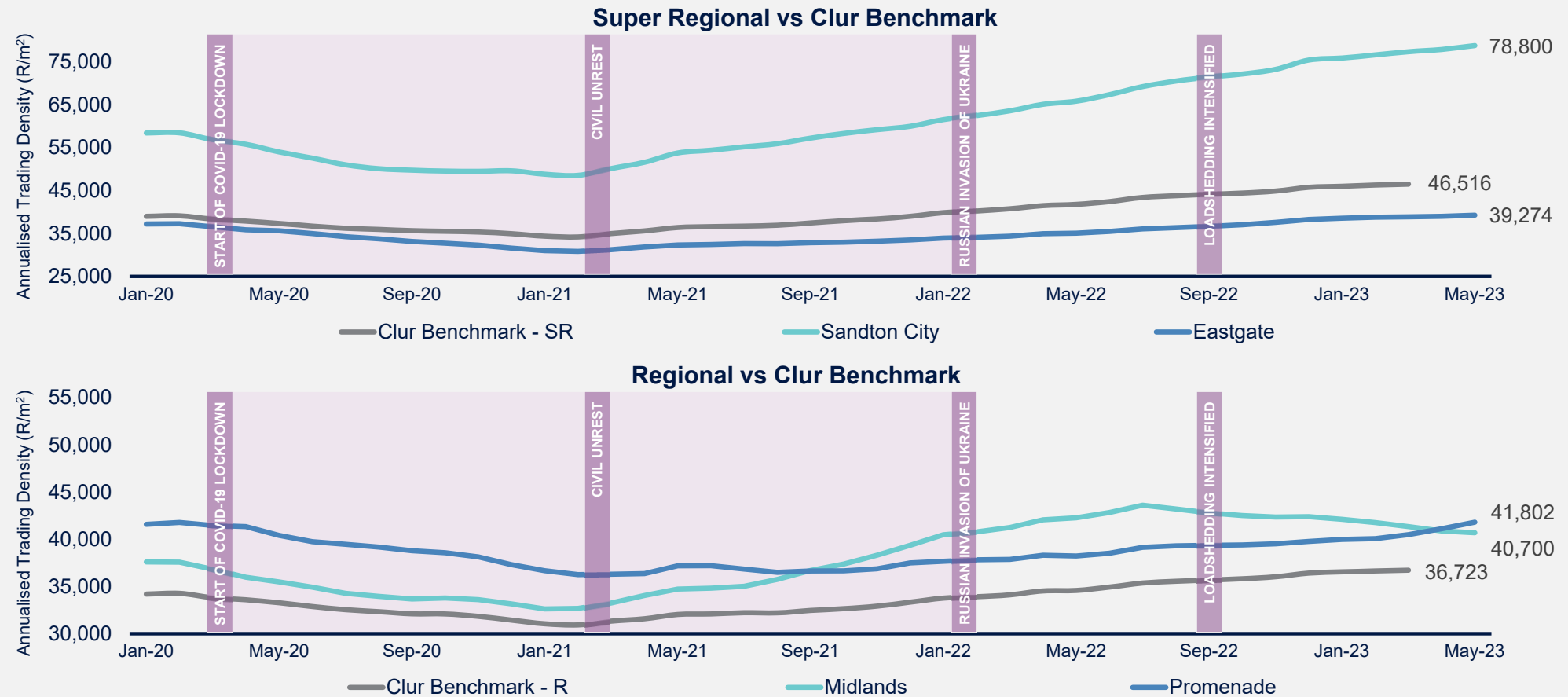
Portfolio trading density consistently above benchmark

L2D Portfolio vs Clur Benchmark



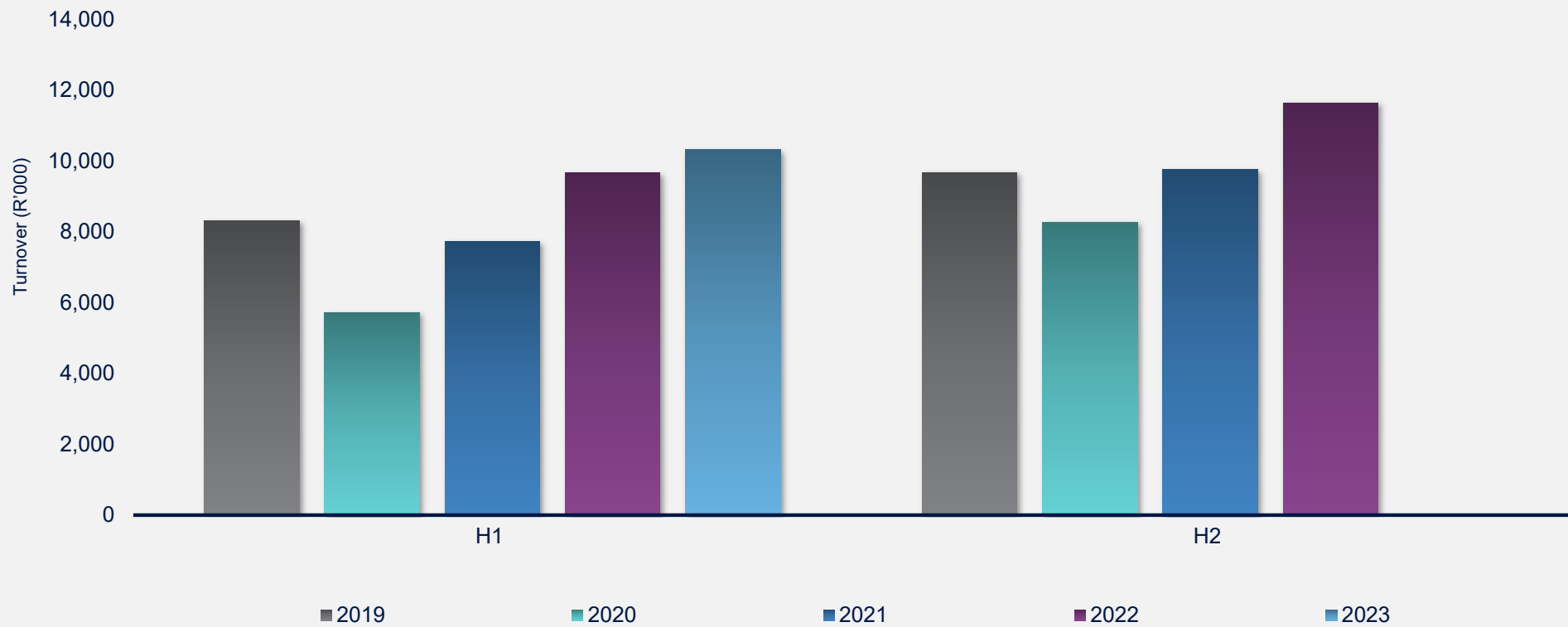
# TRADING DENSITY

## Larger format retail remains relevant



## HALF YEAR TURNOVER TREND

Turnover remains resilient





## CATEGORY PERFORMANCE TREND

Year on year growth off strong base

Category	ATD May 23	vs May 22	vs May 21	vs May 20	vs May 19	Q1 23 ATD Benchmark
1. Apparel	49 181	12.5%	32.8%	23.8%	13.2%	37 961
2. Department Stores	33 624	9.9%	24.5%	6.9%	3.0%	30 661
3. Food Service	56 157	28.0%	58.1%	26.5%	26.4%	48 010
4. Luxury Brands	459 694	19.7%	55.9%	155.8%	187.7%	n/a
5. Grocery/Supermarket	47 217	10.3%	28.2%	27.0%	32.1%	41 203
6. Technology	148 548	4.6%	26.8%	52.5%	44.3%	102 158
7. Health, Beauty, Grooming & Wellness	81 564	14.1%	33.3%	18.0%	18.9%	69 475
8. Accessories, Jewellery & Watches	170 929	9.0%	18.6%	10.1%	2.0%	114 666
9. Homeware, Furniture & Interior	27 680	3.5%	9.8%	13.2%	7.3%	24 904
10. Speciality	28 080	7.7%	3.7%	10.5%	4.0%	27 211

Top 10 Categories ranked according to their contribution to annual turnover

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

**3**

## FINANCIAL OUTCOME

BARBARA MAKHUBEDU  
CHIEF FINANCIAL  
OFFICER

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE 6 MONTHS ENDED 30 JUNE 2023

DPS ▲  
7.4%

NPI ▲  
8.2%

R'000	Unaudited June 2023	Unaudited June 2022
Property portfolio revenue	511 694	455 574
Property operating expenses including change in expected credit losses	(215 802)	(194 544)
<b>Net property income</b>	<b>295 892</b>	<b>261 030</b>
Fee income	26 697	25 859
Other income	219	1 206
Operating costs	(61 881)	(60 763)
<b>Profit from operations</b>	<b>260 927</b>	<b>227 332</b>
Net interest expense	(91 059)	(76 696)
Net fair value adjustments	46 102	(49 784)
<b>Profit before taxation</b>	<b>215 970</b>	<b>100 852</b>
Taxation	1 269	(3 652)
<b>Total comprehensive income</b>	<b>217 239</b>	<b>97 200</b>
<b>Distributable income</b>	<b>170 472</b>	<b>158 798</b>

HY23 distribution of **18.77 cents** per share (HY22: 17.48 cents per share)

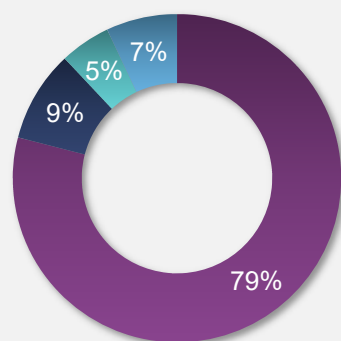


## NPI GROWTH PER SECTOR

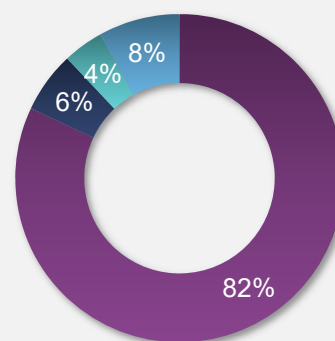
Supported by improved activity in the retail portfolio and hospitality assets

	HY23 Contribution to NPI (R'm)	NPI HY23 vs HY22 (%)	NPI Sector composition HY23
Retail	R231.8m	3.3%	78.5%
Offices	R25.6m	66.8%	8.7%
Hospitality	R16.2m	33.4%	5.5%
Other	R21.6m	3.8%	7.3%
<b>Total NPI<sup>1</sup></b>	<b>R295.2m</b>	<b>8.2%</b>	<b>100.0%</b>

NPI Sector Contribution HY23

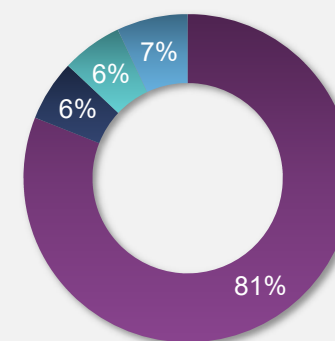


NPI Sector Contribution HY22



■ Retail ■ Offices ■ Hospitality ■ Other

Valuation Sector Split HY23



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

## AS AT 30 JUNE 2023

LTV  
24.58%

NAV  
R7.59

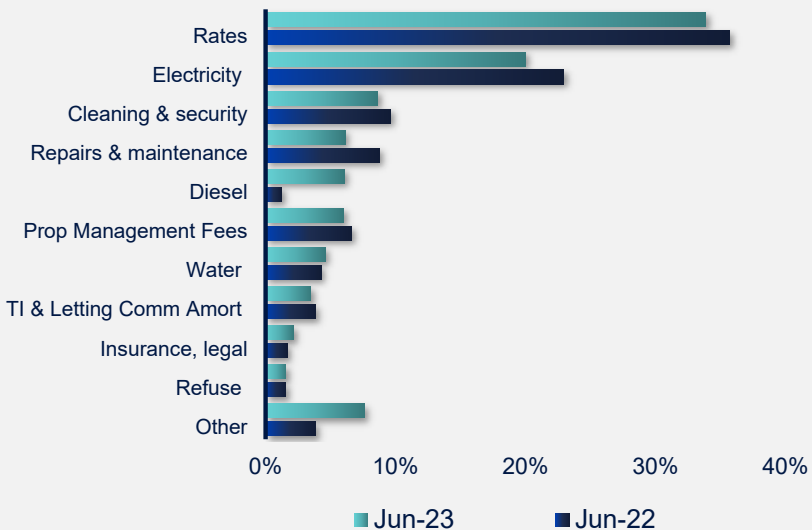
R'000	Unaudited June 2023	Unaudited June 2022
Non-current assets	8 328 551	8 231 496
Non-current assets held for sale	-	153 300
Current assets	534 542	408 920
<b>Total assets</b>	<b>8 863 093</b>	<b>8 793 716</b>
Non-current liabilities	1 342 932	1 211 472
<b>Current liabilities</b>	<b>946 264</b>	<b>1 039 548</b>
Trade and other payables	215 817	162 731
Financial instruments	-	53
Lease liabilities	603	572
Financial liabilities	729 844	876 192
<b>Total liabilities</b>	<b>2 289 196</b>	<b>2 251 020</b>
Capital	8 780 921	8 780 921
Retained surplus	191 447	171 675
Share-based payment reserve	43 594	39 639
Treasury shares	(215 118)	(201 821)
Mergers/capital reserve	(426 104)	(426 104)
Non-distributable reserve	( 1 800 843)	( 1 821 614)
<b>Total equity</b>	<b>6 573 897</b>	<b>6 542 696</b>
<b>Total equity and liabilities</b>	<b>8 863 093</b>	<b>8 793 716</b>

# LOADSHEDDING AND COST OPTIMIZATION

## Cost containment remains a focus

	Cost of loadshedding
Total diesel cost	R13.4m
Diesel recovery	R8.7m

### Property Operating Expenses

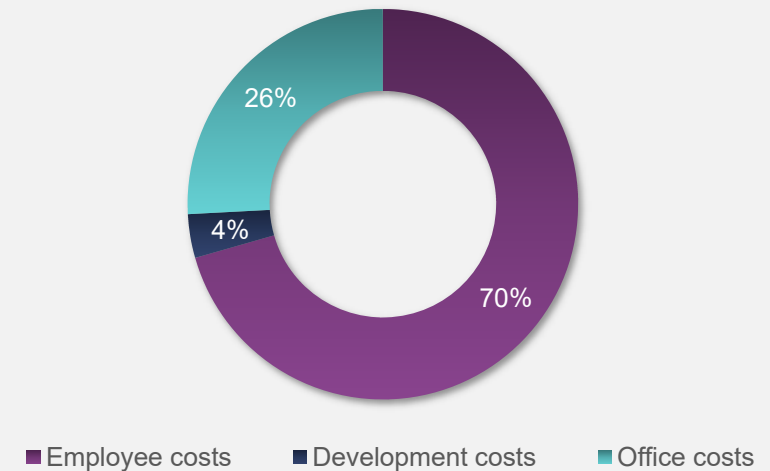


Operating cost **5%** growth

**Rates** dispute update

Head office operating cost growth **2%**

### Head office operating costs HY23





## DEBT FINANCING AND LIQUIDITY

As at 30 June 2023

**LTV**

**24.58%**

24.64% - June 22

**Hedge ratio**

**80.3%**

63.0% - June 22

**NACA** (blended all in rate)

**9.19%**

7.75% - June 22

**Average debt expiry**

**2.93 years**

1.64 years - June 22

**Average hedge duration**

**2.75 years**

1.83 years - June 22

**Interest cover ratio**

**2.89x**

3.18x - June 22

**To create  
experiential  
spaces to benefit  
generations**

**4**

**THE GOOD  
WE DO**

**AMELIA BEATTIE  
CHIEF EXECUTIVE**

## ENVIRONMENTAL SUSTAINABILITY STRATEGY

### Safeguard our natural resources to benefit future generations

- Liberty Midlands (4 MVA) solar project commission for end July 2023 expected to reduce grid reliance by 25%
- Eastgate (4MVA) in progress
- Net-zero waste certification by December 2023 aligned to target
- Midlands HVAC system conversion for end August 2023 to reduce water and energy consumption
- Investigating black water harvesting systems for the portfolio as part of net-zero water journey
- Developed bio-diversity strategy
- Registered for science-based targets

**IMPACT°**  
BUILD TOMORROW TOGETHER





## OUR PEOPLE AND COMMUNITIES

Support sustainable and inclusive economic growth for our communities

- Employee gender diversity: male 33.3%, female 66.7%
- Total number of ACI employees improved by 3.2% to 69.2%
- Bursary programme has supported 31 students to date with an approximate value of R1.3 million
- Collaborated with Sondela | Valued Citizen and Alexandra learners with the purpose of empowering them and amplifying their voices
- Hosted the 10th anniversary of 67 Blankets for Mandela Day at Eastgate

**IMPACT**<sup>®</sup>  
BUILD TOMORROW TOGETHER





two°degrees

**Liberty Group consolidates  
its world-class commercial  
property portfolio with  
a buyout of the minority  
shareholders in  
Liberty Two Degrees**





## CONCLUSION

Continue to build on the strong base that has been delivered while unlocking value

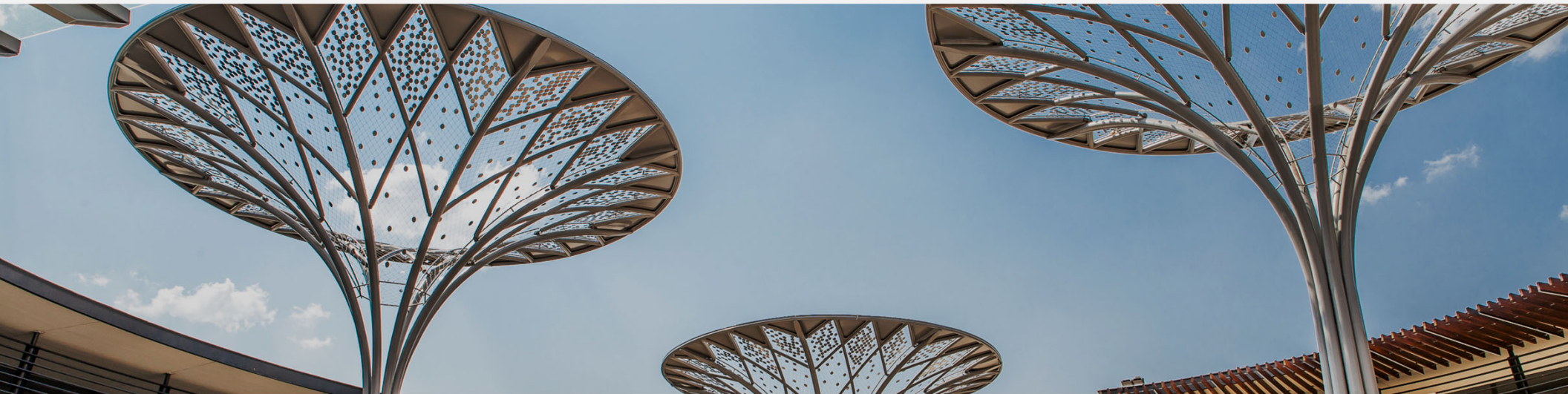
**Strong performance  
of portfolio, both  
operationally and  
financially**

**Continue to improve on  
this across the sectors**

Focused drive  
on cost containment and  
operational excellence

**Economic headwinds,  
intensified loadshedding  
and consumer pressure  
remains**

**Successful execution  
of transaction  
implementation**







two°degrees



THANK YOU

Q&A

## 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.
- Liberty Two Degrees and its Management disclaim any intention, and assumes no obligation, to update or revise any forecast or forward-looking statement other than as required by the JSE Listings Requirements.

## 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](mailto:investors@liberty2degrees.co.za)

### **Company Secretary**

Ben Swanepoel  
Contact information  
Telephone: +27 11 448 5500  
Email: [info@liberty2degrees.co.za](mailto:info@liberty2degrees.co.za)  
[www.liberty2degrees.co.za](http://www.liberty2degrees.co.za)

### **Auditors**

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

### **Sponsor**

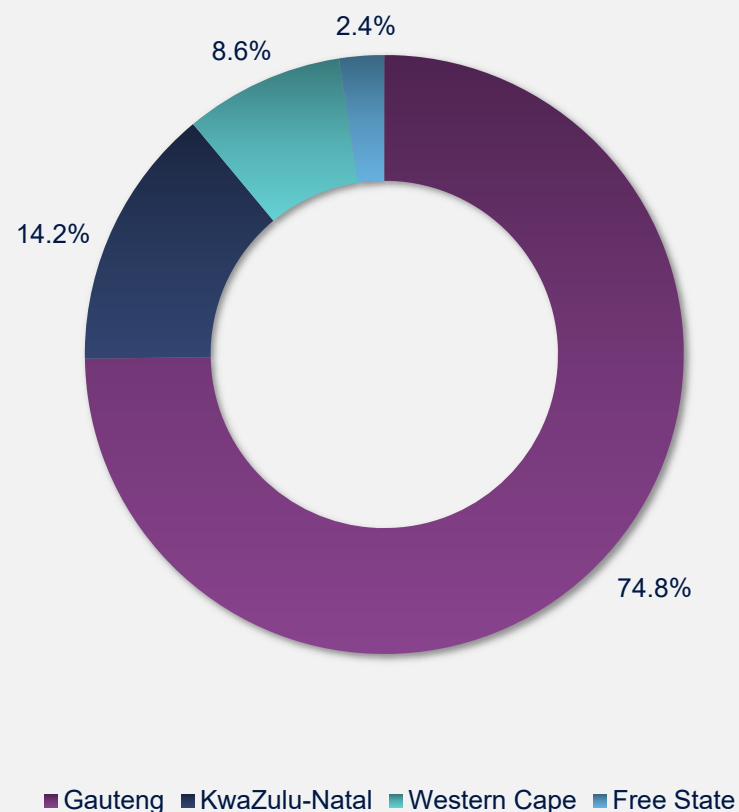
Merchantec Capital  
(Registration number: 2008/027362/07)  
13th Floor, Illovo Point, 68 Melville Rd, Illovo,  
Sandton, 2196  
(PO Box 41480, Craighall, 2024)  
Tel: +27 11 325 6363



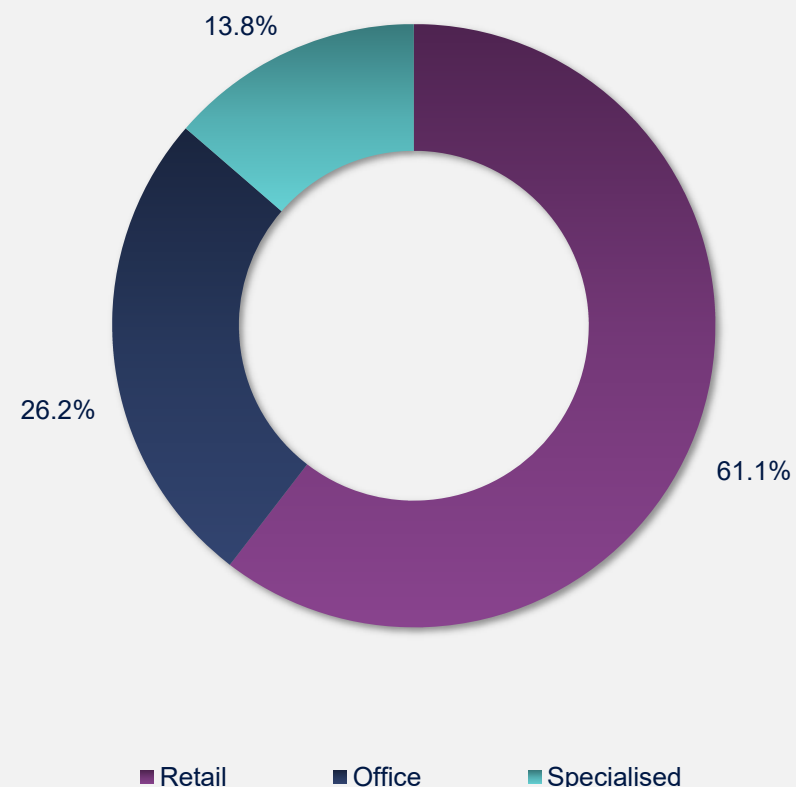
## SUPPLEMENTARY INFORMATION

## PORTFOLIO PROFILE

Geographic profile by GLA (m²)



Sector composition by GLA (m²)



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

## GLA RECONCILIATION

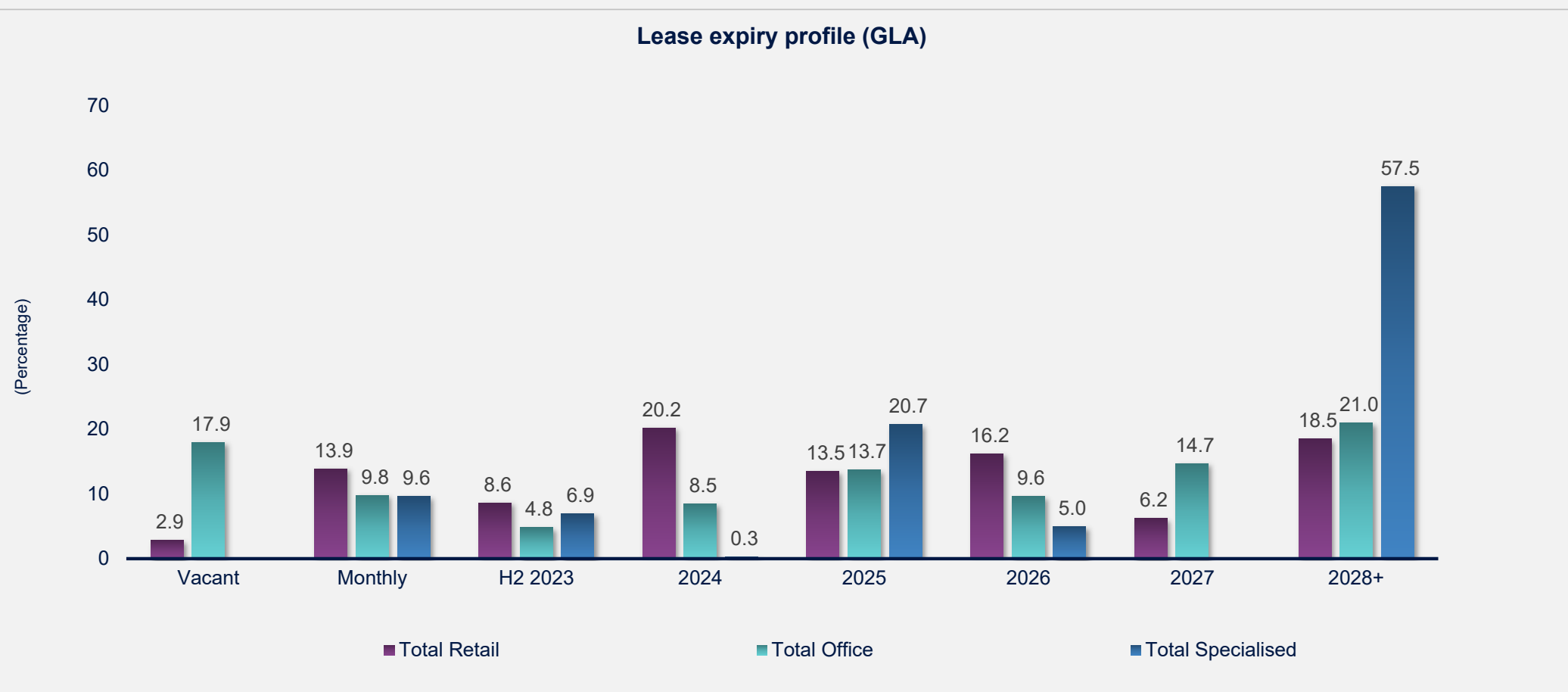
Liberty Two Degrees total gross lettable area reported at 30 June 2023 remained the same since the last period

(m <sup>2</sup> )	GLA Jun 23	GLA Dec 22	Variance
Retail	470 585	470 585	-
Office	101 880	101 880	-
Specialised	82 185	82 185	-
<b>Portfolio Full (Excluding Melrose Arch)</b>	<b>654 650</b>	<b>654 650</b>	-
Retail- Melrose Arch	42 116	42 116	-
Office- Melrose Arch	121 342	121 342	-
Specialised-Melrose Arch	35 421	35 421	-
<b>Full Portfolio GLA</b>	<b>853 529</b>	<b>853 529</b>	-

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



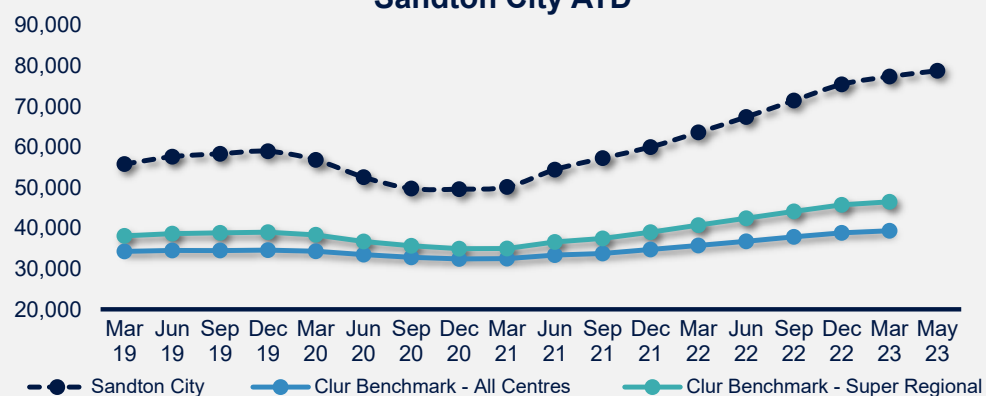
## 5-YEAR LEASE EXPIRY PROFILE



## SANDTON CITY COMPLEX

	Jun 2023	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020
<b>Retail</b>							
Average net rental (R/m <sup>2</sup> )	483	453	468	487	509	558	534
Occupancy (%)	99.3	99.1	98.0	98.3	98.5	97.8	98.9
Occupancy including pre-lets (%)	99.3	99.3	98.6	98.7	99.1	97.9	99.1
<b>Office</b>							
Average net rental (R/m <sup>2</sup> )	108	109	124	123	148	151	162
Occupancy (%)	76.1	73.0	69.9	67.3	70.7	76.5	73.4
Occupancy including pre-lets (%)	78.5	73.4	70.2	68.2	70.8	78.2	78.1

Sandton City ATD

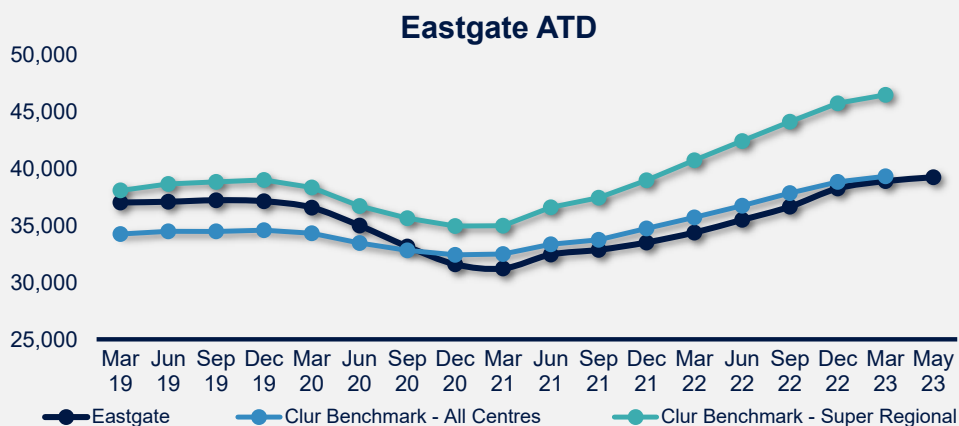


Asset Management Executive: Dimitri Kokinos

	23 vs 22	23 vs 19
Q1 Turnover growth	▲ 13.1%	▲ 46.3%
Q2 Turnover growth	▲ 9.8%	▲ 46.2%
ATD growth May 23	▲ 19.6%	▲ 38.5%

## EASTGATE COMPLEX

	Jun 2023	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020
<b>Complex (retail and office)</b>							
Average net rental (R/m <sup>2</sup> )	<b>323</b>	301	311	317	346	343	369
Occupancy (%) – retail	<b>95.0</b>	96.0	94.1	94.6	95.0	92.6	93.4
Occupancy including pre-lets (%)	<b>96.9</b>	97.1	95.7	94.7	95.3	93.5	93.5
Occupancy (%) – office	<b>96.1</b>	96.1	95.4	91.6	96.1	96.1	97.3
Occupancy including pre-lets (%)	<b>96.1</b>	96.1	95.4	91.6	96.1	96.1	97.3

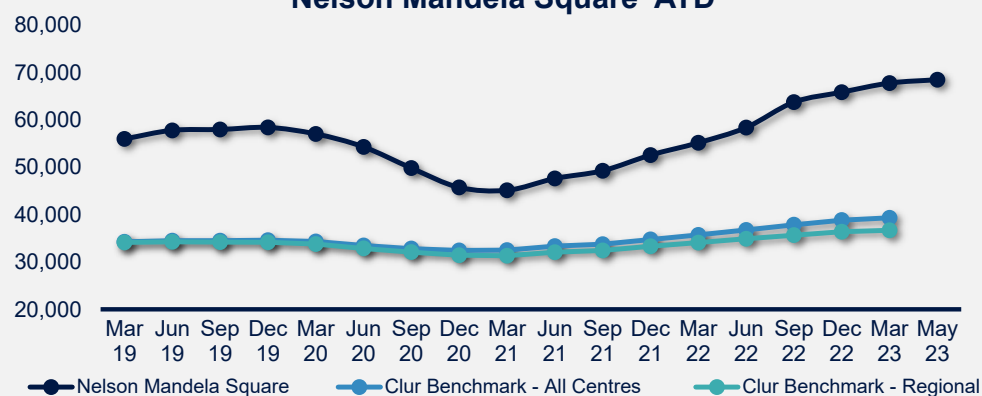


	23 vs 22	23 vs 19
Q1 Turnover growth	▲ <b>13.0%</b>	▲ 6.7%
Q2 Turnover growth	▲ <b>5.6%</b>	▲ 8.2%
ATD growth May 23	▲ <b>11.9%</b>	▲ 6.4%

## NELSON MANDELA SQUARE

	Jun 2023	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020
<b>Retail</b>							
Average net rental (R/m <sup>2</sup> )	417	430	462	451	462	517	528
Occupancy (%)	95.6	95.3	94.0	88.5	88.9	77.3	90.4
Occupancy including pre-lets (%)	96.2	95.6	98.0	89.5	88.9	88.2	91.2
<b>Office</b>							
Average net rental (R/m <sup>2</sup> )	85	100	103	108	117	129	137
Occupancy (%)	77.7	80.5	67.6	69.9	71.1	66.5	58.1
Occupancy including pre-lets (%)	79.8	85.2	67.6	69.9	71.1	66.5	59.4

Nelson Mandela Square ATD



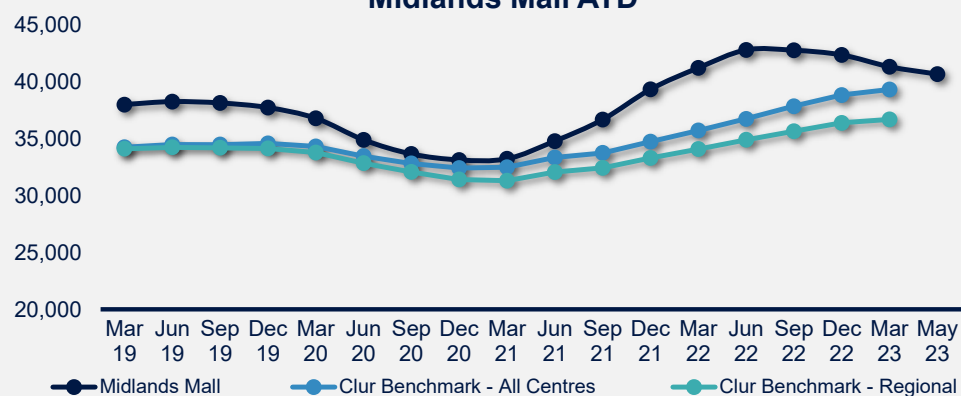
Asset Management Executive : Brian Unsted

	23 vs 22	23 vs 19
Q1 Turnover growth	▲ 15.6%	▲ 6.5%
Q2 Turnover growth	▲ 12.6%	▲ 5.8%
ATD growth May 23	▲ 19.6%	▲ 19.3%

## MIDLANDS MALL

	Jun 2023	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020
<b>Retail</b>							
Average net rental (R/m <sup>2</sup> )	237	230	225	222	220	223	222
Occupancy (%)	99.9	99.2	99.4	97.9	98.3	99.0	99.6
Occupancy including pre-lets (%)	99.6	99.6	99.6	97.9	98.7	99.0	99.6

Midlands Mall ATD



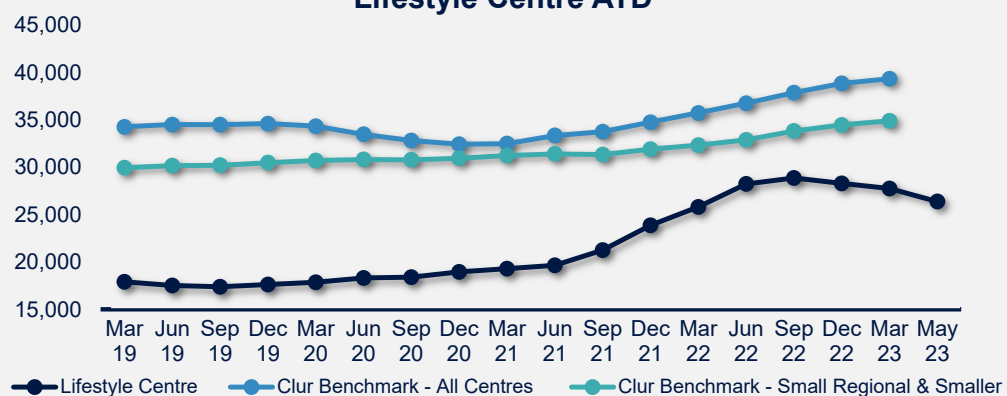
Asset Management Executive: Bharathi Kawal

	23 vs 22	23 vs 19
Q1 Turnover growth	▲ 5.3%	▲ 28.4%
Q2 Turnover growth	▼ 9.8%	▲ 13.2%
ATD growth May 23	▼ 3.7%	▲ 6.9%

## LIFESTYLE CENTRE

	Jun 2023	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020
<b>Retail</b>							
Average net rental (R/m <sup>2</sup> )	190	179	177	161	154	173	169
Occupancy (%)	99.8	99.8	98.7	96.3	94.6	96.0	96.8
Occupancy including pre-lets (%)	99.8	99.8	99.7	96.3	95.9	96.0	96.8

Lifestyle Centre ATD



Asset Management Executive: Bharathi Kawal

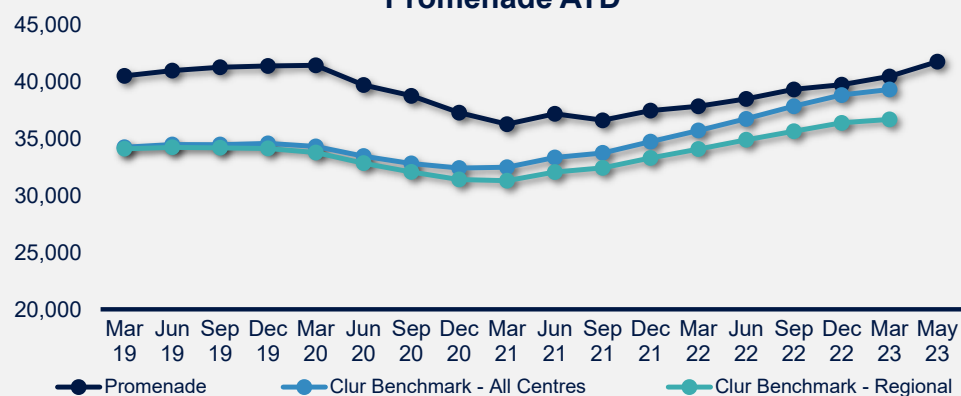
	23 vs 22	23 vs 19
Q1 Turnover growth	▲ 2.0%	▲ 66.5%
Q2 Turnover growth	▼ 23.3%	▲ 38.8%
ATD growth May 23	▼ 4.7%	▲ 50.4%



## LIBERTY PROMENADE

	Jun 2023	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020
<b>Retail</b>							
Average net rental (R/m <sup>2</sup> )	198	180	183	172	172	164	173
Occupancy (%)	95.9	98.8	99.7	99.5	99.4	98.7	99.1
Occupancy including pre-lets (%)	96.4	98.9	99.7	99.5	99.7	99.3	99.5

Promenade ATD



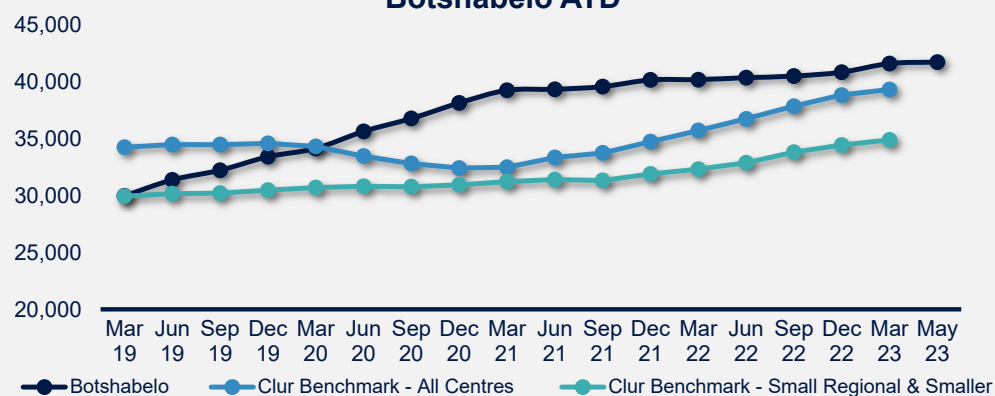
Asset Management Executive: Brian Unsted

	23 vs 22	23 vs 19
Q1 Turnover growth	▲ 15.9%	▲ 11.3%
Q2 Turnover growth	▲ 8.2%	▲ 8.3%
ATD growth May 23	▲ 9.3%	▲ 2.2%

## BOTSHABELO MALL

	Jun 2023	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020
<b>Retail</b>							
Average net rental (R/m <sup>2</sup> )	160	157	159	149	144	136	139
Occupancy (%)	98.6	98.9	99.2	97.3	94.3	94.5	93.4
Occupancy including pre-lets (%)	98.6	98.9	99.2	97.3	94.3	94.5	94.8

Botshabelo ATD



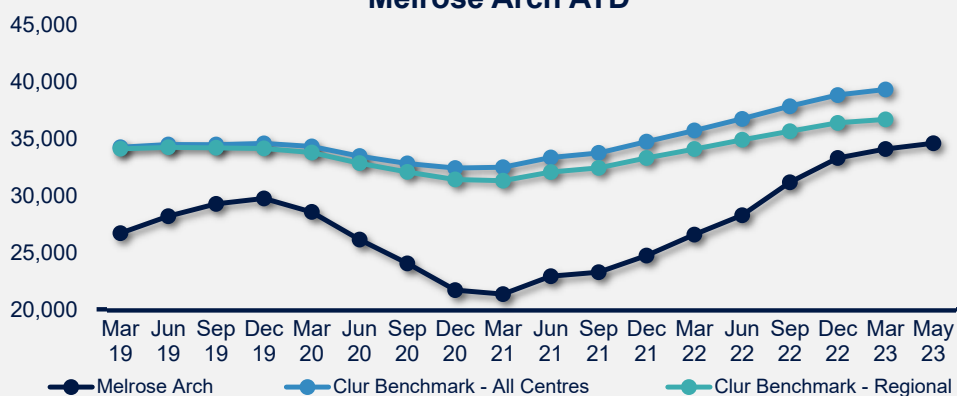
Asset Management Executive: Bharathi Kawal

	23 vs 22	23 vs 19
Q1 Turnover growth	▲ 15.5%	▲ 62.4%
Q2 Turnover growth	▲ 3.1%	▲ 40.3%
ATD growth May 23	▲ 3.9%	▲ 34.2%

## MELROSE ARCH

	Jun 2023	Dec 2022	Jun 2022	Dec 2021	Jun 2021	Dec 2020	Jun 2020
<b>Retail</b>							
Average net rental (R/m <sup>2</sup> )	236	253	259	221	223	193	185
Occupancy (%)	93.2	96.6	96.9	96.5	94.4	93.2	94.0
Occupancy including pre-lets (%)	93.2	96.6	96.9	96.5	94.4	93.2	94.0
<b>Office</b>							
Average net rental (R/m <sup>2</sup> )	162	181	200	211	206	197	218
Occupancy (%)	82.4	79.4	75.2	83.7	82.8	85.6	92.7
Occupancy including pre-lets (%)	82.4	79.4	75.2	83.7	82.8	85.6	92.7

Melrose Arch ATD



Asset Management Executive: Gareth Rees

	23 vs 22	23 vs 19
Q1 Turnover growth	▲ 8.1%	▲ 10.1%
Q2 Turnover growth	▲ 9.5%	▲ 11.3%
ATD growth May 23	▲ 26.7%	▲ 25.5%

## OFFICES

**Umhlanga Regional  
Head Office**GLA **13 860**Occupancy % **87.2%****Umhlanga  
Office Block**GLA **8 341**Occupancy % **100%**

# COST AND DEBT AND HEDGING PROFILE

As at 30 June 2023

## L2D – Debt Overview

