

LIBERTY TWO DEGREES LIMITED

(Registration number: 2018/388906/06)

JSE share code: L2D

ISIN: ZAE000260576

("L2D")

VOLUNTARY ANNOUNCEMENT – OPERATIONAL UPDATE FOR ANNUAL GENERAL MEETING

The board of directors of L2D is hosting its Annual General Meeting today and presents this operational update for the three months ended 31 March 2020 with additional commentary provided on the business impact of Covid-19. This update should be read in conjunction with the voluntary updates released on 16 March 2020 and 30 March 2020 which dealt with the operational impacts of the lockdown and the withdrawal of the 2020 financial year distribution guidance. The safety, security and well-being of our people, tenants, customers and stakeholders remains our top priority as we focus on safeguarding the business and our assets from the impact of Covid-19.

Rental income for the quarter ended 31 March 2020 was largely in-line with expectations although Covid-19 started to impact the hotel operations' occupancy rates in March and in addition there were some delays in filling vacant space. Management's focus is on positioning the business to comply with all regulations and safety protocols necessitated by the pandemic and having deliberate plans to regain some lost ground as the economy re-opens.

L2D has formed part of the Property Industry Group (PI Group) which set out to engage retailers in a unified approach on the commercial assistance that could be provided to tenants during the lockdown period. We continue to pragmatically engage our tenants with the aim to try and retain tenancies within the portfolio on sustainable commercial terms. Rental collections based on full amounts due and before any discounts totalled 38.2% in April 2020. May collections have since increased with 43% of current billing being received as at 18 May 2020 and we expect this to significantly increase as we close out negotiations with tenants that are now trading. The rental collection rates are impacted by L2D's large retail exposure which has been the worst impacted sector during the lockdown.

Our malls closed partially on 26 March 2020 with only essential services trading for the 5-week period of the full lockdown. On 1 May 2020, a number of stores opened as part of the level 4 provisions and between 60% and 70% of the GLA of our malls have returned to trading, with the exception of Promenade Shopping Centre with nearly 80% trading and Nelson Mandela Square, on the other hand, with only 11% trading as a result of its high restaurant exposure that remains closed. During the first two weeks in May, the malls have seen approximately 60% of footcount return and we expect this to steadily increase as more of the stores open.

The current uncertainty makes it difficult to predict when business operations will return to normality and our focus remains on enabling the retail environments to facilitate a speedy recovery as economic activity resumes. L2D continues to have adequate liquidity and unutilised debt facilities in place to meet commitments as they become due.

L2D will release a pre-close statement on SENS on 29 May 2020 where we will provide a comprehensive update on the Covid-19 impact on the business before it enters a closed period as at 1 June 2020. L2D's interim financial results for the six months ending 30 June 2020 are due to be released on SENS on Monday, 27 July 2020. A virtual presentation of the results is scheduled to take place on the same day.

Shareholders are advised that the information contained in this announcement has not been reviewed or reported on by L2D's external auditors.

Johannesburg

20 May 2020

Sponsor

The Standard Bank of South Africa Limited

Investor Relations

Gareth Rees

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