

LIBERTY TWO DEGREES LIMITED

(Registration number: 2018/388906/06)

JSE share code: L2D

ISIN: ZAE000260576

("L2D" or "the Company")

TRADING STATEMENT

L2D is currently preparing its results for the six months ended 30 June 2020 and is in a position to provide an update on these results which includes the impact of Covid-19 since the commencement of the lockdown on 26 March 2020.

We draw attention to the withdrawal of the 2020 financial year distribution guidance as advised in the update released on the JSE Stock Exchange News Service on 30 March 2020 primarily as a consequence of the impact of Covid-19, as well as the pre-close statement released on 29 May 2020 that provided detailed context of the operating environment.

The first quarter generated results in line with expectations and whilst we have seen a slow improvement in trading since the beginning of level 3 of the national lockdown on 1 June 2020, there has been a severe impact on the second quarter and consequently the first half of the 2020 financial year. As a result, it is likely that distributable earnings for the six months ended 30 June 2020 will be between 40% and 55% lower than the comparative period.

L2D uses distribution per share (DPS) as the relevant measure of financial results in accordance with paragraph 3.4(b)(vii) of the JSE Listings Requirements.

Due to the distributable earnings decline and the prevailing uncertainty resulting from the Covid-19 impact, the board has decided not to pay an interim distribution but will consider the payment of a final distribution for the 2020 financial year that meets the regulatory requirements.

Consequently, in terms of Section 3.4 of the Listings Requirements of the JSE, shareholders are advised that L2D has reasonable certainty that, given the distribution deferment decision, the interim DPS will be 0 cents compared to the DPS of 29.31 cents for the six months ended 30 June 2019.

Property valuations

The independent valuations of the property portfolio for the interim reporting period are currently being prepared. It is our expectation that these valuations will be negatively impacted by *inter alia*, the decrease in rentals for the current year due to the impact of Covid-19, the potential for negative reversions and lower growth assumptions for the periods forecasted as well as an increase in vacancies and the time required to re-let vacant space. A number of our tenants remain impacted by an inability to trade or are still under restricted trading conditions which include restaurants and tenants in the hospitality sector that are most severely impacted. We estimate that the portfolio value will have declined by between 10% and 20% when compared to 31 December 2019.

The financial information contained in this announcement has not been reviewed or reported on by L2D's auditors.

L2D's results for the six months ended 30 June 2020 will be published on 27 July 2020.

Johannesburg

9 July 2020

Sponsor

The Standard Bank of South Africa Limited

Investor Relations

Gareth Rees

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