

**LIBERTY TWO DEGREES LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 2018/388906/06)  
(Approved as a REIT by the JSE)  
Share code: L2D ISIN: ZAE000260576  
("L2D")

**LIBERTY GROUP LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 1957/002788/06)  
("LGL")

**CONFIRMATION OF CLEAN-OUT DISTRIBUTION AMOUNT**

*Unless otherwise defined in this announcement, words and expressions contained herein shall have the same meanings as assigned to them in the combined circular distributed to L2D Shareholders on 25 August 2023 and made available on the L2D website at [www.liberty2degrees.co.za](http://www.liberty2degrees.co.za).*

**1. INTRODUCTION**

L2D Shareholders are referred to the Firm Intention Announcement released by L2D and LGL on SENS on Thursday, 27 July 2023 and the Circular regarding the proposed Scheme between L2D and the L2D Shareholders, in terms of which LGL will acquire all the issued L2D Shares not already owned by LGL, excluding L2D Shares held by Liberty Holdings Limited (being the sole shareholder of LGL) and its Subsidiaries.

It is anticipated that the outstanding Scheme Conditions will be fulfilled by 31 October 2023.

**2. L2D CLEAN-OUT DISTRIBUTION AMOUNT AND TAX IMPLICATIONS**

Subject to the Scheme becoming unconditional by 31 October 2023, L2D has approved and declared a Clean-Out Distribution from income of 8.42 cents per L2D Share for the period commencing on 1 July 2023 and ending on 30 September 2023 as described in the Circular, payable to L2D Shareholders registered as such at the close of business on Friday, 10 November 2023.

In accordance with L2D's status as a REIT, L2D Shareholders are advised that the Clean-Out Distribution meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act.

The Clean-Out Distribution on the L2D Shares will be deemed to be a dividend, for South African tax purposes, in terms of section 25BB of the Income Tax Act. The Clean-Out Distribution received by or accrued to South African tax residents must be included in the gross income of such L2D Shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because it is a distribution by a REIT. This Clean-Out Distribution is, however, exempt from dividend withholding tax in the hands of South African tax resident L2D Shareholders, provided that the South African resident L2D Shareholders provide the following forms to their CSDP or Broker, as the case may be, in respect of Dematerialised Shares, or L2D, in respect of Certificated Shares:

- a declaration that the Clean-Out Distribution is exempt from dividends tax; and
- a written undertaking to inform the CSDP, Broker or L2D, as the case may be, should the circumstances affecting the exemption change or should the beneficial owner cease to be the

beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. L2D Shareholders are advised to contact their CSDP, Broker or L2D, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the Clean-Out Distribution, if such documents have not already been submitted.

Distributions received by non-resident L2D Shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act.

Assuming dividend withholding tax will be withheld at a rate of 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (DTA) between South Africa and the country of residence of the L2D Shareholder, the net Clean-Out Distribution amount due to non-resident L2D Shareholders is 6.73600 cents per L2D Share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident L2D Shareholder has provided the following forms to their CSDP or Broker, as the case may be, in respect of Dematerialised Shares, or to L2D, in respect of Certificated Shares:

- a declaration that the Clean-Out Distribution is subject to a reduced rate as a result of the application of a DTA; and
- a written undertaking to inform their CSDP, Broker or L2D, as the case may be, should the circumstances affecting the reduced rate change or should the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident L2D Shareholders are advised to contact their CSDP, Broker or L2D, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the Clean-Out Distribution if such documents have not already been submitted, if applicable.

Local tax resident L2D Shareholders as well as non-resident L2D Shareholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

L2D Shares in issue at the date of this announcement: 908 443 334, inclusive of 42 791 106 treasury shares

L2D income tax reference number: 9178869237

The Clean-Out Distribution and the Scheme remain subject to the fulfilment of certain of the Scheme Conditions, the last of which is expected to be fulfilled by no later than 31 October 2023. The salient dates and times as published in the Circular remain unchanged, save for the finalisation announcement which is expected to be released by no later than 31 October 2023.

### **3. RESPONSIBILITY STATEMENTS**

The L2D Board (to the extent that the information relates to L2D) collectively and individually accept responsibility for the information contained in this announcement and certify that, to the best of their knowledge and belief, the information contained in this announcement relating to L2D is true and this announcement does not omit anything that is likely to affect the importance of such information.

The LGL Board (to the extent that the information relates to LGL) collectively and individually accept responsibility for the information contained in this announcement and certify that to the best of their knowledge and belief, the information contained in this announcement relating to LGL is true and this announcement does not omit anything that is likely to affect the importance of such information.

Johannesburg  
24 October 2023

**Financial adviser and Transaction sponsor to L2D**  
Rand Merchant Bank (a division of FirstRand Bank Limited)

**Legal adviser to L2D**  
Werksmans Attorneys

**Lead financial adviser to LGL**  
Java Capital Proprietary Limited

**Co-adviser to LGL**  
The Standard Bank of South Africa Limited

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Webber Wentzel

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