



#### ICONIC SPACES

Creating smart, good, interactive,  
**thriving** and safe spaces



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## Liberty Two Degrees' retail assets continue to deliver sustainable operational performance

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11 June 2024 – The current economic climate presents slowing growth, characterised by high inflationary pressure, increasing costs of property rates, the lack of delivery of basic utilities such as electricity and water, as well as consumer pressure. Notwithstanding the challenging environment, L2D's assets continue to stand out.

L2D's retail assets delivered market leading trading performance, recording portfolio trading densities of R54,693m<sup>2</sup> or 6.7% YOY. This demonstrates innovation and the ability to create experiential retail, as well as the partnerships that L2D maintains with tenants, enabling them to remain relevant in this dynamic environment. The tenant mix within the malls enabled the creation of a synergy of different but complementary services to create an experiential shopping experience for customers, ultimately benefiting tenant sales.

Demand for space in the portfolio remains strong. The portfolio saw newly renovated store openings of Under Armour and Sketchers at Sandton City. Sandton City also saw the revamp of IWC, Elegance Jewellers and Panerai to enhance the customer experience, with Maxhosa and Bally opening in the first week of August.

Occupancies within the L2D office sector are tracking well as management continues to execute on the focussed leasing strategy.

Jonathan Sinden, L2D Chief Operations Officer comments *“This result is strengthened by quality tenancies and the positive effects of our experiential offerings, which have provided the positive momentum. The apparel category performed well, contributing 27.3% of the overall turnover and occupying 26.0% of the lettable area. Department stores contributed 16.8% to turnover, while occupying 24.4% of the lettable area, however management continues to execute on the tenant rightsizing initiatives to ensure we continue to be proactive on derisking our environments.”*

*The athleisure tenant mix was revamped, which further enhances our experiential mall offering. Luxury continues to play an important role in the performance of our portfolio. Our strategy for this category is to continue to bring Luxury to the Sub-Saharan Africa region and create unique and immersive shopping experiences to serve as a drawcard and a differentiator for customers”*

Sandton City proved to be of global standards, showcased in the recent international accolade where the mall won Gold in the Global Visual Victories Awards for the LEGO “Your Dream Car Generated” campaign and a silver award for Momo's Magical Adventure activation, both at the ICSC Global Awards in Las Vegas. Furthermore, Momo's Magical Adventure activation won ‘Best Performance in a Production for Young Audiences’ in the Naledi Theatre Awards. Eastgate Shopping Centre was awarded the Best of Ekurhuleni Readers' Choice Awards 2023.

In line with Good Spaces, L2D remains bold in driving its Net Zero commitments, which is evident in its business operations. L2D earlier announced its achievement of Level 2 Net Zero Waste for all super-regional and regional malls in its portfolio, a first in South African retail.



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L2D continues to embark on reducing carbon emissions through renewable energy initiatives. The reduction of L2D's reliance on the grid forms a core part of L2D's Net Zero strategy and aims to reduce operating costs. L2D has therefore made significant investments in renewable energy as part of its Net Zero Energy strategy. In total to date, the portfolio has installed solar capacity generating 4.3% of energy.

Eastgate Shopping Centre has debuted the largest registered rooftop installation in South Africa. The 6MW [AC] installation covers most of the available mall roof space, an area of approximately 28,100m<sup>2</sup>. The energy generated will be used to power the mall's daily operations. In its investment into solar energy, L2D will look to further expand its solar coverage to a total of 16.1MW across the portfolio by the end of 2025, of which 18% of the total mall consumption will come from the rooftop solar energy that has been installed. This will see L2D closer to attaining its target of Net Zero Carbon by 2030. In addition, L2D is actively exploring opportunities in energy wheeling for Sandton City and Nelson Mandela Square.

- **Ends** -

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## Notes to editors

### About Liberty Two Degrees Limited

Liberty Two Degrees is a precinct focused, retail centred portfolio and a business unit of the Standard Bank Group. L2D's purpose, to create experiential spaces to benefit generations, and vision guide its strategy and underpin its everyday business activities.

### About Liberty Two Degrees' portfolio

L2D has investments in a quality portfolio of iconic assets. Its retail assets are fully green star rated, a first in the retail property sector. L2D headquarters are also six star green star rated, reflecting environmental leadership:

- Johannesburg:
  - Sandton City Complex; Eastgate Complex; Nelson Mandela Square; Sandton Sun Hotel, the Sandton Sun Towers; the Garden Court Sandton City; and
  - Melrose Arch precinct
- Cape Town:
  - Liberty Promenade Shopping Centre;
- KwaZulu-Natal:
  - Liberty Centre Head Office and Umhlanga Ridge Office Park; Liberty Midlands Mall; John Ross Eco-Junction Estate; and
- Free State:
  - Botshabelo Mall

L2D is focused on continuously improving the quality of its assets, introducing innovative and unique experiences that attract tenants, shoppers and visitors to its malls in order to create sustainable value for stakeholders. L2D aims to create spaces that provide a sense of community and go beyond the ordinary shopping experience.

### L2D building blocks

L2D is focused on continuously improving the quality of its assets, introducing innovative and unique experiences that attract tenants, shoppers and visitors to its malls in order to create sustainable value for stakeholders. This has been articulated through the L2D strategic building blocks, which help futureproof the assets and truly set them apart in the market and sharpen the focus of L2D's efforts and business activities.

The L2D building blocks are:

- **Good Spaces:** L2D understands the importance of partnering with its stakeholders to accelerate its positive impact on the natural environment. L2D remains bold in driving its net zero commitments in reducing carbon emissions, water use and waste generation as it moves towards achieving its net zero sustainability target by 2030. This is evident at its business operations and sites and supportive initiatives continue to be implemented to achieve this goal.



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- **Smart Spaces:** L2D aims to secure and sustain its leading position in the market by remaining at the forefront of innovative design thinking. The creation of smart environments that integrate technology to enhance the customer and retailer experience is a key initiative in this strategic growth area. Through Smart Spaces, L2D aims to accelerate its roadmap to create the seamless interaction between digital and physical retail.
- **Interactive Spaces:** Interactive Spaces is about providing an interchange of ideas and experiences within the L2D malls.
- **Thriving Spaces:** L2D places a strategic focus on leasing, acknowledging its profound impact on commercial outcomes. Our goal is to align leasing practices with our overall business strategy, emphasising risk-adjusted commercial practices. Key considerations involve tenant alignment, profitability evaluation, sector knowledge for fair rental terms and deploying resources for fair, risk-adjusted lease agreements.
- **Safe Spaces:** L2D's building blocks are all underpinned by Safe Spaces. L2D aims to drive a clearly defined mall strategy that ensures the mall environments hold the highest standard of safety and security for tenants and shoppers. L2D has been affirmed by SAFE Shopping Centres, a Global certification and advisory company, as the first responsible owner in Africa to achieve international certification following a Covid-19 assessment, taking the extra steps to ensure duty of care for tenants and shoppers.