



2022 INTEGRATED REPORT



NATURE OF THE BUSINESS

Lighthouse Properties p.l.c. (“Lighthouse” or the “Company” or the “Group”) is domiciled in Malta and is listed on the Main Board of the Johannesburg Stock Exchange (“JSE”). Lighthouse offers investors and shareholders access to a high-quality and diversified property portfolio with exposure to investments in France, Portugal, Slovenia, Spain and the United Kingdom (“UK”). The Group invests directly and indirectly in dominant and defensive retail malls located in large and mid-sized cities with strong economic support and growth.

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REPORT NAVIGATION

Throughout our integrated report (“Integrated Report” or “this report”), the following icons are used to show the integration between sections:



Indicates further information available online, mostly on our website, www.lighthouse.mt



Directs readers to a page in this Integrated Report with supplementary information.

Our capital inputs

The following icons are used to illustrate our capital inputs:



Financial capital



Manufactured capital



Natural capital



Human and Intellectual capital



Social and relationship capital

Our strategic value pillars

The following icons are used to illustrate our strategic value pillars:



Deliver sustainable income growth



Maintain and grow the portfolio



Attract and retain high-quality tenants



Optimal capital structure



Business sustainability

For more information, please read our business model on page 12.

ABOUT OUR REPORT

This report reviews our performance for the 12 months ended 31 December 2022. The report is intended for our shareholders and stakeholders and explains how we create and preserve value over time by providing insight into our strategy, business model, performance, governance framework and risks.

SCOPE AND BOUNDARY

This Integrated Report offers transparent information to enable our investors to make informed capital allocation decisions. The report also discloses relevant information about our value-creation and preservation priorities, strategy, performance and outlook for our broader stakeholders, including our employees, tenants, customers, suppliers and communities.

The Lighthouse headquarters are based in Malta, with primary operational offices in Malta and the Netherlands. Lighthouse, via its subsidiaries, owns malls in France, Portugal, Slovenia and Spain. Details of Lighthouse's subsidiaries are set out in note 5 to the annual financial statements.

All of these entities fall within the reporting ambit of this Integrated Report.

Lighthouse is listed on the Main Board of the JSE.

MATERIALITY

This report deals with all material environmental, social and governance ("ESG") matters that could substantively affect our ability to create value over the short, medium and long term. Management determines which material matters could influence the decisions, actions and performance of the Group; refer to pages 16 to 18.

Lighthouse applies the principle of materiality in assessing what information should be included in this Integrated Report. This report focuses on the risks and challenges that impact our ability to create and preserve value and minimise value erosion for all stakeholders.

Our material matters influence Group strategy and inform our business model. All material matters are continuously assessed to ensure Lighthouse's strategic priorities in the changing operating context.

All material matters have been disclosed and management is not aware of any unavailable information or any legal prohibitions to the publication of any information.

More information about our risks can be found on pages 19 to 24, and ESG material matters can be found on page 54.

FRAMEWORKS USED

The information included in this Integrated Report is provided in accordance with:

- ▶ International Financial Reporting Standards ("IFRS") as adopted by the European Union and IFRS as issued by the International Accounting Standards Board
- ▶ The revised Integrated Reporting Framework issued by the Value Reporting Foundation in 2021
- ▶ The JSE Listings Requirements
- ▶ The King IV Report on Corporate Governance for South Africa, 2016™ ("King IV™")

- ▶ The United Nations Sustainable Development Goals ("UN SDGs")
- ▶ The recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD")
- ▶ The Maltese Companies Act (Cap. 386).

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ASSURANCE

The information in this Integrated Report was collected and prepared on the same basis as the prior year, insofar as measurement methods and time frames were concerned, unless otherwise stated.

The information provided in the annual financial statements was prepared in line with IFRS and audited by our external auditor, PricewaterhouseCoopers.

Financial information included elsewhere in the body of this report was mostly extracted from our management accounts disclosed on pages 36 to 37, and property metrics disclosed on pages 40 to 43.

FORWARD-LOOKING STATEMENTS

We make certain statements that are not based on historical facts, but are rather forecasts of future results which are not yet determinable. Forward-looking statements involve inherent risks and uncertainties, and actual results may differ substantially from those anticipated. Forward-looking statements apply only on the date made and we do not undertake to update or revise any of them, whether as a result of new information, future events or otherwise.

BOARD RESPONSIBILITY AND APPROVAL STATEMENT

The Board of Directors ("Board") recognises that it is ultimately responsible for overseeing the integrity and completeness of this Integrated Report. It believes this report provides a true and material account of the Group's performance, offering readers a balanced and comprehensive view of Lighthouse's strategic direction to prevent value erosion, and how it creates and preserves value for its stakeholders in the short, medium and long term.

This Integrated Report was approved by the Board for publication on 17 March 2023.

FEEDBACK AND CORPORATE INFORMATION

Your feedback on the contents and presentation of this report is welcome and will assist us in improving the quality and relevance of future reports. Please send any feedback on reporting content or requests for copies to investorrelations@lighthouse.mt.

PERFORMANCE HIGHLIGHTS

FINANCIAL CAPITAL

Shares in issue
1 696 976 208
(2021: 1 624 873 544)

Distributable earnings per share of
3,66 EUR cents
(2021: 3,68 EUR cents)

Payout ratio
88,8%
(2021: 87,4%)

Distribution per share
3,25 EUR cents
(2021: 3,22 EUR cents)

Net asset value ("NAV") per share
40,50 EUR cents
(2021: 46,56 EUR cents)

Loan-to-value ("LTV") ratio
23,8%
(2021: 13,6%)

Weighted average loan margin
2,5%
(2021: 2,9%)

Weighted average loan maturity
3,50 years
(2021: 2,86 years)

Price per share (JSE-ZAR)
ZAR 6,80
(2021: ZAR 9,00)

MANUFACTURED CAPITAL

Direct property portfolio value
EUR 633,8 million
(2021: EUR 498,9 million)

Seven properties
(2021: six properties)

Gross lettable area ("GLA")
269 612m²
(2021: 212 253m²)

INTELLECTUAL CAPITAL

46 new leases concluded across the portfolio

8 598 m² of new space let

NATURAL CAPITAL

Total volume of electricity self-generated
1 173 067 kWh during the year

43% of all waste recycled and c. **10%** of waste diverted to energy creation

WHO WE ARE

Lighthouse is domiciled in Malta and listed on the Main Board of the JSE. The Group invests directly and indirectly in dominant and defensive malls located in large and mid-sized cities with strong economic support and growth.

OUR PURPOSE

To provide shareholders with a stable investment opportunity that enables sustainable value creation.

OUR MISSION

To create value for our stakeholders.

OUR INVESTMENT CRITERIA

We invest in direct real estate investments with the following key characteristics:

- » Dominant malls
- » Large and mid-sized cities with strong economic support and growth
- » Located predominantly in Western Europe
- » Malls that are occupied by high-quality tenants
- » Malls that produce strong sustainable income
- » Malls that provide asset management opportunities

HOW WE DELIVER RETURNS AND CAPITAL VALUE

We achieve improved returns and capital value across our portfolio through our asset management and value-enhancing initiatives. We use our distribution per share as our key performance measure for JSE trading statement purposes.

Please read our business model on pages 12 to 15 for more information about our other value-creation outcomes for stakeholders.

OUR GEOGRAPHICAL PROFILE IS BASED ON THE FAIR VALUE OF ASSETS

We have investments in France, Portugal, Slovenia, Spain and the UK, with physical property investments focused on malls predominantly located in Western Europe.

United Kingdom

Fair value of investments#

EUR 306,893 million

(2021: EUR 385,063 million)

Europe

Fair value of investment property and investments#

EUR 633,779 million

(2021: EUR 514,532 million)

* Based on information extracted from the management accounts disclosed on pages 36 to 39.

UNITED KINGDOM

- 1 Lighthouse has a strategic investment in Hammerson plc ("Hammerson"), London

WE OWN MALLS IN THE FOLLOWING WESTERN EUROPEAN REGIONS

FRANCE

- 2 Docks Vauban, Le Havre
- 3 Docks 76, Rouen
- 4 Saint Sever, Rouen
- 5 Rivetoile, Strasbourg

SLOVENIA

- 6 Planet Koper, Koper

IBERIA

(Spain and Portugal)

- 7 Forum Coimbra, Coimbra
- 8 Torrecárdenas, Almería



02 HOW WE CREATE VALUE

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Torreocárdenas
GLA 61 424m² | Value EUR 165 020 000




CHAIRPERSON'S REVIEW

“The Board’s primary focus for 2023 is on generating quality and enduring returns from capital expenditure projects on the existing portfolio.”

Mark Olivier
Chairperson

Lighthouse is in a conservative financial position with a strong balance sheet and remains well positioned to deliver on its strategy and asset management initiatives to benefit from the current evolving physical retail environment.

 The metrics included in the Chairperson's Review are based on the Management Accounts disclosed on pages 36 to 37, and the property metrics disclosed on pages 40 to 43.

OPERATING ENVIRONMENT

The final direct impacts of the COVID-19 pandemic were felt in the first quarter of the year, where there were some soft measures still implemented impacting footfall and sales. Since then the rebound of malls has been impressive with sales rapidly rising above pre-pandemic levels.

Many of the long-term trends apparent in the retail environment have been accelerated with best-in-class malls continuing to demonstrate their defensive characteristics. The key international fashion retailers are consolidating their positions into the best malls in strong economic jurisdictions and are making more physical sales out of fewer stores.

The era of low inflation and unsustainable negative interest rates completely abated during 2022 and gave way to inflation rates reaching 30-year highs. Government intervention, led by the US Federal Reserve, was swift, with the Federal Reserve rate increasing from 0,00% to 4,75% in less than a year.

Despite higher interest rates and costs of living, the consumer has proved more resilient than anticipated, contributing to the rebound in operating performance indicated above, particularly in the defensive value retail segment of the market. In this respect, it is pleasing that Lighthouse has largely achieved CPI-adjusted rental increases and that collections have vastly improved since the pandemic.

STRATEGIC DEVELOPMENT DURING THE YEAR

The uncertainty in the market presented attractive opportunities and Lighthouse successfully acquired Centro Commercial Torrecárdenas ("Torrecárdenas") in March 2022. This mall fits well within the Lighthouse strategy and is the dominant mall in the city

of Almeria, Spain. The mall was acquired for EUR 162,5 million at an ungeared initial yield of 6,4%. The mall was acquired with an existing debt facility in place of EUR 86,4 million. The net acquisition price was paid with proceeds from a debt facility against Lighthouse's four French properties.

The acquisition has seen Lighthouse's LTV ratio increase from 13,6% to 23,8%, which remains well below the Board's imposed limit of 35,0%. The Group's exposure to higher gearing and rates was limited as the Board maintained its policy to hedge interest rate risk. The weighted average unexpired hedged rate term is 3,4 years at 31 December 2022. The total weighted average cost of debt (including the impact of hedging) increased to 3,5%, compared to 3,4% at 31 December 2021, predominantly due to the acquisition of Torrecárdenas.

Despite higher capitalisation rates, Lighthouse's physical portfolio was revalued up by EUR 23,2 million on a like-for-like basis. The recently acquired French and Spanish assets have increased in value by approximately 6,2%. The enhancement in the value of the portfolio reflects the team's expertise, over the last three years, in both identifying acquisition opportunities and realising their intrinsic value. However, there have been fewer opportunities to acquire quality malls at fair prices, especially in the second half of 2022.

Accordingly, during this time, the Board has focused the Group's resources on optimising its existing portfolio by delivering on expansion projects, introducing new national retailers and providing opportunities for key international fashion retailers to expand their stores to their latest flagship concepts.

The investment into Hammerson represents 30% of Lighthouse's invested capital. Hammerson is invested in a portfolio of malls that align with the fundamental investment policy of Lighthouse. The Board is disappointed in Hammerson's election to not pay a distribution for 2H2022 as the fundamental nature of Real Estate Investment Trust ("REIT") is to distribute income to shareholders on a regular basis. The weakness in the Hammerson share price post the announcement is testament to the market's expectation to receive a regular dividend.

CORPORATE GOVERNANCE

The Lighthouse incentive plan was reviewed and amended during the year to adopt a more simplified scheme with a single performance scorecard that is easy to understand, measure and calculate. The scorecard adopts strategic Key performance indicators ("KPIs") that align executive management with shareholders.

The incentive is paid to senior executives and staff in equal tranches of cash and shares, of which the latter vests after three years. The revised incentive plan was authorised by shareholders at the May 2022 Annual General Meeting ("AGM") with 90,6% voting in favour of the incentive plan.

The Board has, subsequent to the financial period, authorised the issue of up to 1,670 million shares to senior management. These incentive shares will vest after a three-year period. The incentive plan not only aligns the economic interests of senior management

and shareholders, but its delayed "payment" provides an effective mechanism to retain talent in the business.

The Board and its committees have operated effectively throughout the 2022 financial year. Following appropriate review, I am satisfied that all the committees are constituted with members of relevant skills, knowledge and experience and that our stakeholders can take comfort with the governance that is in place. I'm also satisfied that the strategy established by the Board is appropriate, is being executed diligently by management and will, over time, create significant value for shareholders.

OUTLOOK AND KEY STRATEGIES FOR 2023

There is better visibility that interest rates are near their peak, given concerns that further rate increases could be the catalyst for a hard landing for the economy. However, we remain cautious regarding the resilience of consumer discretionary spending in 2023 given elevated costs of living and interest rates and signs that unemployment is rising.

Accordingly, the Board's primary focus for 2023 is on generating quality and enduring returns from capital expenditure projects on the existing portfolio. A large proportion of the capital expenditure will be absorbed by best-in-class retailers like Primark and Inditex, who continue to consolidate their physical space in dominant malls like those owned by Lighthouse. In this respect, Primark will open its fourth flagship store in the Lighthouse portfolio during 2023.

Lighthouse is in a conservative financial position with a strong balance sheet and remains well positioned to deliver on its strategy and asset management initiatives to benefit from the current evolving physical retail environment.

I would like to thank my fellow Directors for their contribution to the governance processes and for their assistance in formulating a strategy appropriate for the current environment.

Mr Barry Stuhler has indicated that, given the time it takes to travel from Australia to Malta and the necessity to meet physical presence requirements in Malta, that he would not be making himself available for re-election to the Board which he has served for nearly 6 years. Mr Stuhler's depth of property experience and independent and lucid thinking has been invaluable to the Board's decision-making process and will be missed. I thank him for his dedicated service over many years.

On behalf of the Board, I would also like to thank our Executive Directors and the senior management team for their continued commitment, dedication and drive to deliver and execute on Lighthouse's strategy.

Mark Olivier
Chairperson

17 March 2023

DELIVERING VALUE THROUGH STRATEGY

Our strategy sets out how we respond to the expectations and priorities of our stakeholders and the world we work in, which includes the socio-economic operating contexts in France, Portugal, Slovenia and Spain, the prevailing trends in our industry and our material risks.

OUR VALUE-CREATION PROCESS

Our ability to create and preserve value is reliant on the current operating environment, the availability of key resources and the strength of our stakeholder relationships. We also consider all matters that could have a material impact on our ability to preserve and create value in the short, medium and long term.

Delivering and preserving long-term value is of critical importance to Lighthouse. When formulating our strategy, we review both risks and opportunities and assess whether our business model is fit for purpose. This approach helps us mitigate the possibility of value erosion.

OUR IDENTIFICATION PROCESS

The following time frames, for purposes of this report, were agreed upon by our Board:

- » **Short term** Less than one year
- » **Medium term** One to three years
- » **Long term** Three to 10 years

OUR STRATEGIC VALUE PILLARS

We have identified five strategic value pillars that help drive business success. The execution of our strategy is driven by these pillars as they help set goals and targets, monitor progress and measure our performance.

-  Deliver sustainable income growth
-  Maintain and grow the portfolio
-  Attract and retain high-quality tenants
-  Optimal capital structure
-  Business sustainability

OUR STRATEGIC PRIORITIES

STRATEGIC VALUE PILLARS

-  Deliver sustainable income growth
-  Maintain and grow the portfolio
-  Attract and retain high-quality tenants
-  Optimal capital structure
-  Business sustainability

KEY FOCUS AREAS

- ▶ Invest in long-term, well-positioned quality assets
- ▶ Efficient treasury management
- ▶ Increase distribution yield for shareholders
- ▶ Acquisitions, redevelopments and improvements
- ▶ Disposal of non-core assets
- ▶ Diversify geographically
- ▶ Invest in assets that meet our investment criteria
- ▶ Recycle capital
- ▶ Repurpose space
- ▶ Optimise tenant mix
- ▶ Active productive tenant engagement
- ▶ Enhance tenant retention
- ▶ Reduce and manage variable costs
- ▶ Conservative gearing
- ▶ Diverse debt structure
- ▶ Optimise funding
- ▶ Prudent financial management
- ▶ Controlled pollution and waste disposal
- ▶ Implement energy efficiency measures
- ▶ Integrate ESG
- ▶ Prioritise reducing, reusing and recycling
- ▶ Responsible use of energy, water, material and other resources
- ▶ The adoption of clean energy and water-saving technologies

TIME FRAME

- Short, medium and long term
- Short, medium and long term
- Short to medium term
- Short to medium term
- Short, medium and long term

OUR BUSINESS MODEL

Lighthouse deploys the capital and resources at its disposal to create stakeholder value. Our business model explains how we preserve and create value through the successful management of our interconnected capital inputs.

Value creation, preservation and erosion are the outcomes of how we employ these capital inputs in our daily business activities, which focus on the life cycle of our property assets. Our business activities include purchasing quality properties, exploiting and enhancing value through redevelopment, letting to quality tenants, engaging consistently with stakeholders to ensure robust relationships, and selling non-core properties.

As a good corporate citizen, we ensure all capital inputs are used responsibly, ethically and effectively by remaining flexible, and adapting quickly to changes in the accessibility and quality of capital inputs in the context of the ever-changing operating environment.

VALUE CREATED AND PRESERVED

Market capitalisation
EUR 632,1 million

(2021: EUR 836,6 million)

Distribution per share
3,25 EUR cents

(2021: 3,22 EUR cents)

Direct property
EUR 633,8 million

(2021: EUR 499,0 million)

Refer to pages 36 to 39.

Listed real estate
EUR 306,9 million

(2021: 385,1 million)

Refer to pages 36 to 39.



FINANCIAL CAPITAL

Lighthouse strives to deliver both capital and distribution growth to its shareholders. It achieves this by investing directly and indirectly in dominant and defensive retail malls located in medium to large-sized European cities that have strong economic support and growth potential.

Our ability to access financial capital is intrinsic to our strategy and our ability to create value.

We utilise different funding sources and counterparties to manage our financing costs, concentration and interest rate risks.

In addition, we utilise in-country financing where sources of funding exist and when the terms are in line with our funding strategy.

We continue to maintain a strong balance sheet with a conservative LTV ratio.



MANUFACTURED CAPITAL

We invest in property both directly and indirectly (through strategic investments in listed real estate securities).

Indirect property investments

Management seeks potential investments that will provide sustainable long-term growth and exceed industry norms through investments in listed real estate securities.

Direct property investments

A stringent Investment Committee approval process is in place when properties are acquired or developed.

Our Investment Committee members, with extensive experience and technical expertise, approve our acquisitions, redevelopments and disposals. This committee receives updates on progress at each committee meeting.

The day-to-day management of our properties is outsourced to third-party property managers, who have the requisite experience and presence in the regions in which our properties are located.

We have experienced and dedicated asset management capabilities within the Group. Our asset managers oversee the properties, including the performance of the properties and managing tenant relationships. The asset managers report directly to the Chief Executive Officer.

We constantly assess opportunities for upgrades, refurbishments, extensions and redevelopments of our properties.



SOCIAL AND RELATIONSHIP CAPITAL

Tenants

Lighthouse's management team fosters long-term relationships with all our tenants, recognising that they are important symbiotic relationships.

We assess the tenant mix of our properties on an ongoing basis. On occasion, we will relocate tenants to new locations when we expect their trading and the property's performance will be improved as a result.

Service providers

We have relationships with financial institutions and property management firms with best-in-class operating platforms, thereby reducing our operational and counterparty credit risk.

We enter into agreements with reputable service providers with whom we share values and goals. These relationships allow us to leverage off the specific skills and experience of our service providers, all of whom have proven track records in the markets in which they operate.

Stakeholders

Our social licence to operate is granted to us by our stakeholders based on our reputation and our trusted relationships. We engage with our stakeholders on an ongoing basis to understand and align expectations, and to improve stakeholder confidence.

Refer to pages 16 and 18 for stakeholder engagement details.



HUMAN AND INTELLECTUAL CAPITAL

Our intellectual capital includes our proprietary asset management models, specialist skills and our reputation, as a recognised, well-respected and value-adding Company.

Board

The Board includes seven Non-Executive Directors, who have the necessary depth and breadth of experience, which provides the Group with the knowledge base necessary to evaluate and execute its strategies and operations.

Employees

Our employees are intrinsic to the value of the business. Attracting and retaining the best talent is key to the sustainability of our business. Our supportive and dynamic work environment encourages high levels of productivity and low employee turnover.

Technology

Lighthouse uses cloud-based information technology ("IT") solutions, enabling employees to access information from any location, using various devices. Cloud-based IT solutions reduce reliance on physical infrastructure while improving employee efficiency. The Group continuously monitors IT security risks to protect the integrity of its data and systems.



NATURAL CAPITAL

Sustainability










Reducing the negative impact of our business activities on the environment is paramount to the sustainability of our business and society at large.

We aim to improve the sustainability of our properties by investing in new technologies.

Our sustainability efforts focus on increasing our client change resilience, improving energy efficiency and reducing water consumption and waste generation.



As a good corporate citizen, we ensure that all capital inputs are used responsibly, ethically and effectively.

	 FINANCIAL CAPITAL	 MANUFACTURED CAPITAL	 SOCIAL AND RELATIONSHIP CAPITAL	 HUMAN AND INTELLECTUAL CAPITAL	 NATURAL CAPITAL
STAKEHOLDERS	<ul style="list-style-type: none"> ▶ Investors and analysts ▶ Financiers 	<ul style="list-style-type: none"> ▶ Government and local authorities ▶ Property managers ▶ Suppliers and service providers 	<ul style="list-style-type: none"> ▶ Communities ▶ Industry associations and regulatory bodies ▶ Investors ▶ Suppliers and service providers ▶ Tenants 	<ul style="list-style-type: none"> ▶ Board ▶ Employees ▶ IT service providers and applications 	<ul style="list-style-type: none"> ▶ Sustainability
OUTCOMES	<ul style="list-style-type: none"> ▶ At the reporting date, effectively 90,5% of the Group's interest rate exposure was hedged ▶ NAV per share: 40,5 EUR cents (2021: 46,6 EUR cents) ▶ Raised EUR 81 million* in medium-term debt funding from a consortium led by Natixis Bank in March 2022 ▶ Total weighted average cost of debt at the reporting date was 4,81% p.a. (2021: 3,36% p.a.) <p>* Lighthouse's 60% share of the total debt raised in France.</p>	<ul style="list-style-type: none"> ▶ Achieved above-inflation rental escalations of 14,7% on new leases ▶ Acquired a new property for EUR 162,5 million during the year ▶ Lighthouse's holding in Hammerson at the reporting date is 22,8% (2021: 22,3%) ▶ New space let 8 598m² GLA ▶ Renewals worth EUR 2,4 million concluded ▶ The Group received EUR 40,7 million (2021: EUR 39,4 million) of net dividends from Hammerson during the year ▶ 46 new leases concluded across the portfolio <p> Our direct property portfolio is disclosed on pages 40 to 43.</p>	<ul style="list-style-type: none"> ▶ Management frequently engages with tenants to understand their trading performance and future prospects ▶ Vacancy: 3,2% (2021: 5,0%). <p> Lighthouse's tenant and lease expiry profiles are disclosed on pages 42 and 43.</p> <p> The Social and Ethics Committee activities are included on page 83.</p>	<ul style="list-style-type: none"> ▶ Multi-skilled team ▶ No changes were made to the Lighthouse Board to retain an optimal mix of experience and skills ▶ Stable workforce ▶ Implementation of new incentive plan authorised at AGM 	<ul style="list-style-type: none"> ▶ Building Research Establishment's Environmental Assessment Method ("BREEAM") certifications obtained or in progress ▶ Various energy efficiency initiatives implemented ▶ Installation of water storage tanks <p> Further details on sustainability have been disclosed on pages 55 to 57.</p>

STAKEHOLDER ENGAGEMENT

We strive to create sustainable, long-term value for Lighthouse and our stakeholders.

Our goal is to increase our stakeholder engagement to strengthen our relationships; we achieve this by providing stakeholders with relevant, timeous information that enables them to accurately assess our performance, outlook and future prospects. Feedback from our stakeholders informs our strategy, material matters, the identification of risks and our capital allocation decisions.

ECONOMIC STAKEHOLDERS

Investors and analysts

<p>WHAT IS MATERIAL TO THEM</p> <p>A clear, long-term sustainable growth strategy with the successful execution/performance against it</p>	<p>DESIRED OUTCOME</p> <p>Attractive dividend yield and long-term sustainable capital growth</p> <hr/> <p>METHODS OF ENGAGEMENT</p> <p>Lighthouse is committed to providing shareholders with timely and relevant information. Communication is open, honest and transparent. Shareholders are provided with information via:</p> <ul style="list-style-type: none"> ▶ Annual General Meetings ▶ Interim and integrated AGMs ▶ Investor presentations and roadshows ▶ Lighthouse website ▶ Media ▶ One-on-one meetings ▶ Presentations ▶ Press releases ▶ Stock Exchange News Service ("SENS") announcements and circulars
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Financiers

<p>WHAT IS MATERIAL TO THEM</p> <ul style="list-style-type: none"> ▶ Adequate security ▶ Loan covenant compliance ▶ Quality of assets ▶ Solvency ▶ To pay contracted amounts timeously 	<p>DESIRED OUTCOME</p> <p>Good credit rating</p> <hr/> <p>METHODS OF ENGAGEMENT</p> <p>Lighthouse meets with its financiers regularly to discuss its requirements and their requirements. Information is provided through:</p> <ul style="list-style-type: none"> ▶ Annual General Meetings ▶ Interim and integrated AGMs ▶ Investor presentations and roadshows ▶ Compliance reporting ▶ One-on-one meetings ▶ Presentations ▶ Press releases ▶ SENS announcements and circulars ▶ Website
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Tenants

<p>WHAT IS MATERIAL TO THEM</p> <ul style="list-style-type: none"> ▶ Rental and occupancy costs ▶ Quality property management ▶ Health and safety ▶ To be treated fairly and promptly 	<p>DESIRED OUTCOME</p> <p>Attract and retain sustainable, quality and successful tenants</p> <hr/> <p>METHODS OF ENGAGEMENT</p> <p>Lighthouse strives to form mutually beneficial long-term business relationships with its tenants. Lighthouse's property and asset managers regularly meet with tenants and conduct site visits. Other methods of engagement include:</p> <ul style="list-style-type: none"> ▶ Brokers ▶ Contact with centre management teams ▶ Lighthouse website ▶ One-on-one meetings ▶ Social media ▶ Tenant site visits ▶ Tenant surveys ▶ Written communication
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Suppliers and service providers

<p>WHAT IS MATERIAL TO THEM</p> <ul style="list-style-type: none"> ▶ To be treated fairly and paid timeously ▶ Repeat business from Lighthouse 	<p>DESIRED OUTCOME</p> <p>Reliable suppliers</p> <hr/> <p>METHODS OF ENGAGEMENT</p> <p>Lighthouse maintains professional working relationships with all of its suppliers and ensures that its suppliers understand Lighthouse's performance standards and requirements, as contained in service level agreements, where applicable. Methods of engagement include:</p> <ul style="list-style-type: none"> ▶ Electronic, telephonic and written communication ▶ Mainstream media ▶ Meetings ▶ Procurement policy and framework ▶ Service level agreements
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Property managers

<p>WHAT IS MATERIAL TO THEM</p> <p>Clear standards and expectations</p>	<p>DESIRED OUTCOME</p> <p>Successful partnerships</p> <hr/> <p>METHOD OF ENGAGEMENT</p> <p>Lighthouse maintains professional working relationships with its property managers who regularly meet with senior management.</p>
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ORGANISATIONAL STAKEHOLDERS

Employees

<p>WHAT IS MATERIAL TO THEM</p> <ul style="list-style-type: none"> ▶ Fair remuneration ▶ Good working environment ▶ Job security ▶ Safe, secure and rewarding employment 	<p>DESIRED OUTCOME</p> <p>Challenging and fulfilling careers in a progressive environment</p> <hr/> <p>METHODS OF ENGAGEMENT</p> <p>Lighthouse's strategy is to attract, develop and retain the best industry talent. Our people are developed and rewarded appropriately. We maintain open channels of communication with our employees that include scheduled and ad hoc working sessions, as well as virtual and face-to-face interactions.</p>
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SOCIETAL STAKEHOLDERS

Government and local authorities

<p>WHAT IS MATERIAL TO THEM</p> <ul style="list-style-type: none"> ▶ Compliance with statutes and regulations ▶ Payment of taxes 	<p>DESIRED OUTCOME</p> <p>Compliance and a good reputation</p> <hr/> <p>METHODS OF ENGAGEMENT</p> <p>Lighthouse endeavours to pay all its taxes and abide by all applicable laws and regulations.</p> <p>Lighthouse engages with local authorities both directly and via its property managers and external consultants regarding utility issues, rates clearances, zoning, etc.</p> <p>Engagement tools include:</p> <ul style="list-style-type: none"> ▶ Electronic, telephonic and written communication ▶ Mainstream media ▶ Meetings
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Industry associations and regulatory bodies

<p>WHAT IS MATERIAL TO THEM</p> <p>Active participation</p>	<p>DESIRED OUTCOME</p> <p>Insight and knowledge</p> <hr/> <p>METHOD OF ENGAGEMENT</p> <p>Lighthouse's asset managers engage with various local industry bodies and regularly attend industry conferences</p>
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Communities

<p>WHAT IS MATERIAL TO THEM</p> <ul style="list-style-type: none"> ▶ Optimising sustainability ▶ Employment opportunities 	<p>DESIRED OUTCOME</p> <p>Responsible corporate citizenship</p> <hr/> <p>METHODS OF ENGAGEMENT</p> <p>Lighthouse is committed to caring for the environment. Lighthouse evaluates the impact of its projects and developments on society. Engagement tools include:</p> <ul style="list-style-type: none"> ▶ Mainstream media and social media ▶ Meetings ▶ Centre websites
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OUR RISKS

Risk is the volatility of unexpected outcomes. Within the Lighthouse risk management framework, this refers to the potential adverse impacts or an unexpected outcome of an event on the value of its assets, equity, earnings or distributions.

Risk management is the discipline by which risks are identified, assessed and prioritised, monitored, and to the extent possible, mitigated.

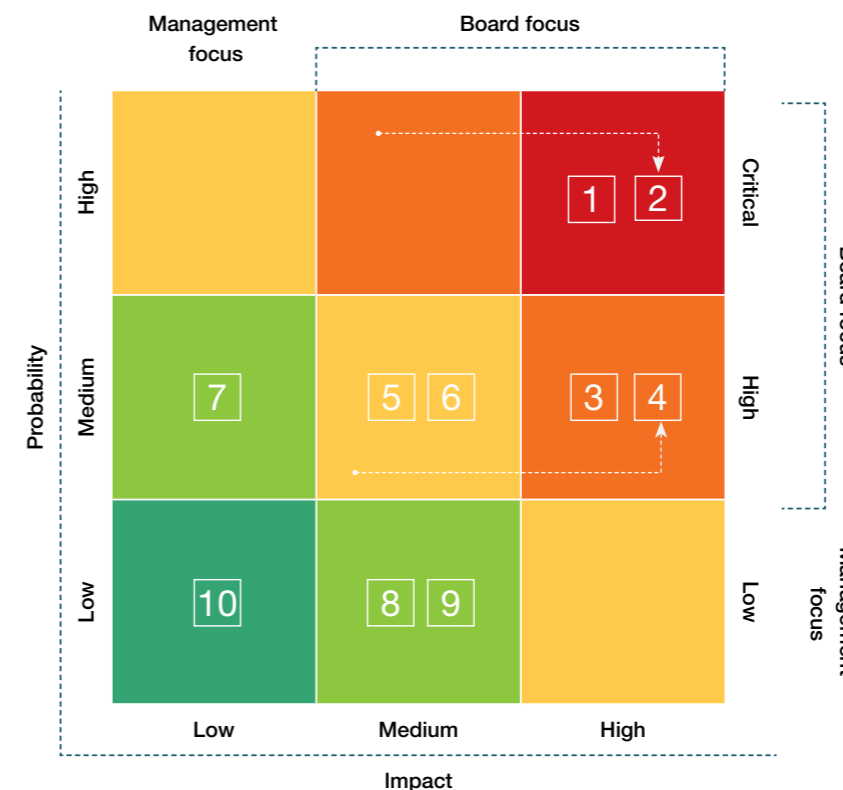
Risk management is an integral part of the strategic management of the Group, and it is essential for improved performance, growth and sustainable value creation. The process for identifying and managing risks has been set by the Board. The Board has overall responsibility for risk management and has delegated the responsibility for monitoring risk management processes and activities to the Risk Committee. The day-to-day responsibility for risk management, including maintaining an appropriate internal control framework, remains the responsibility of executive management.

The key objectives of the risk management framework include:

- ▶ Identification of potential opportunities, which would result in increasing value
- ▶ Identification, assessment, monitoring and mitigation of risks on a timely basis
- ▶ Instilling a culture of effective risk management throughout the Group
- ▶ Provision of timely information on risk situations and appropriate risk responses.






The risk matrix (below) is an integral tool in the risk management framework. It is used to identify, assess and quantify the potential impact of material risks to the Group. Where possible, risk mitigation measures are implemented to manage the potential adverse impact on the Group. Due to the dynamic nature of the economic environment in which the Group operates, risks and their impact continuously evolve. In certain instances, the Board and management may have no control over residual risks.


The residual risks facing Lighthouse are reflected in this heat map:





The residual risks included in the heat map have been classified based on the highest potential risk impact of risk factors included in the category. The numbers on the heat map correspond with those on the following pages.


Strategic value pillars

 Deliver sustainable income growth	 Attract and retain high-quality tenants	 Business sustainability
 Maintain and grow the portfolio	 Optimal capital structure	

1 LISTED SECURITIES		
Risk description <ul style="list-style-type: none"> Market risk – investment in listed securities introduces the risk of potential loss of capital due to factors affecting performance of the financial markets, including geopolitical risk and COVID-19 Price risk – the performance of listed investments, including forecast dividends not being received Concentration risk – investment concentration in specific assets, individual counters or sectors presents a higher potential risk 	Effect on value creation <ul style="list-style-type: none"> Decrease in equity value Decrease in distributable income Inability to meet obligations, which may require liquidation of the position 	Strategic value pillars impacted  Stakeholders affected <ul style="list-style-type: none"> Shareholders Financiers Brokers
Key mitigants <ul style="list-style-type: none"> The Board reassesses its investment strategy on a periodic basis to ensure alignment with the strategic objectives of the Group while considering stakeholders' interests The Board considers the appointment of nominees to, and engages regularly with, the boards of directors of investee companies where the Group holds a significant stake to provide strategic guidance to the companies Management monitors the performance of listed counters on a daily basis. All investments are made in accordance with the investment mandate and the Board monitors compliance with mandates. Financial instruments are held in custody with reputable financial institutions Ensuring sufficient cash reserves to fund any margin or cash requirements that may arise 		
Financial statement items affected <ul style="list-style-type: none"> Investments (statement of financial position) Investment revenue (statement of profit or loss) 	KPIs impacted <ul style="list-style-type: none"> Growth in distributions Growth in NAV per share LTV ratio 	The risk rating has remained consistent with the prior year






2 AVAILABILITY AND COST OF FINANCE		
Risk description <ul style="list-style-type: none"> Adverse changes in geopolitical and/or macroeconomic conditions adversely impacting the availability and cost of capital Adverse interest rate movements 	Effect on value creation <ul style="list-style-type: none"> Decrease in equity value Decrease in distributable income Inability to fund property investments or extension and refurbishment programmes Increased cost of borrowing and interest rate hedging 	Strategic value pillars impacted  Stakeholders affected <ul style="list-style-type: none"> Shareholders Financiers Brokers
Key mitigants <ul style="list-style-type: none"> Continuing capital market and bank relationship management Conservative interest rate hedging policy Exposure reduced by entering into fixed-rate interest loans and facilities and/or hedging interest rate risk Spread of sources of finance and maturity of facilities Interest rate hedging strategy regularly monitored 		
Financial statement items affected <ul style="list-style-type: none"> Interest-bearing borrowings (statement of financial position) Finance costs (statement of profit or loss) 	KPIs impacted <ul style="list-style-type: none"> Growth in distributions Growth in NAV per share LTV ratio 	The risk rating has increased from the prior year


3 INVESTMENT PROPERTY		
Risk description <ul style="list-style-type: none"> Delays in executing appropriate direct property investment and development strategies, or executing in less favourable macroeconomic conditions Deterioration in investment property valuation Physical deterioration of direct investments Liquidity risk or failure to raise capital Damage to direct properties from natural disasters 	Effect on value creation <ul style="list-style-type: none"> Lower equity value Lower distributions Lower total direct property returns (income and capital) 	Strategic value pillars impacted  Stakeholders affected <ul style="list-style-type: none"> Shareholders Financiers Tenants Service providers Property managers Employees Suppliers
Key mitigants <ul style="list-style-type: none"> Defined investment strategy Robust independent asset appraisal process Reviewing all opportunities against predetermined investment criteria Monitoring macroeconomic and property market trends Detailed analysis of potential investments Appropriate insurance cover Management performs regular property inspections Management constantly assesses opportunities to upgrade, refurbish, extend and redevelop the properties 		
Financial statement items affected <ul style="list-style-type: none"> Investment property (statement of financial position) Fair value change on investment property (statement of profit or loss) Property rental and related revenue (statement of profit or loss) Property operating expenses (statement of profit or loss) 	KPIs impacted <ul style="list-style-type: none"> Growing distributable income Growth in like-for-like net property income LTV ratio 	The risk rating has remained consistent with the prior year


4 TENANTS*		
Risk description <ul style="list-style-type: none"> Reduced demand for or increased supply of retail space and/or tenant defaults The Group's ability to collect rent and service charges from tenants on a timely basis Affordability of rental and service charge recoveries from tenants in prevailing market conditions impacted by inflation, elevated energy costs and supply chain constraints 	Effect on value creation <ul style="list-style-type: none"> Lower rental income and cash flow Empty unit (void) costs Lower property valuations and equity value Reduced strength of occupier covenants and increased arrears and bad debts Higher cost of occupier incentives for new lettings 	Strategic value pillar impacted  Stakeholders affected <ul style="list-style-type: none"> Shareholders Tenants Property managers Financiers Suppliers
Key mitigants <ul style="list-style-type: none"> High-quality tenants Diversified tenant base Long leases with strong financial covenants Quality and dominant properties easier to relet Close tenant relationships assist in understanding any change in requirements Review of consumer trends Retail occupiers at risk are monitored regularly 		
Financial statement items affected <ul style="list-style-type: none"> Investment property (statement of financial position) Fair value change on investment property (statement of profit or loss) Property rental and related revenue (statement of profit or loss) Property operating expenses (statement of profit or loss) 	KPIs impacted <ul style="list-style-type: none"> Growing distributable income Growth in like-for-like net property income LTV ratio Limiting vacancies Maintaining arrears (provision expense as % of revenue) Gross property expense ratio 	The risk rating has increased from the prior year


* Previously referred to as Direct property occupier market.


Strategic value pillars

 Deliver sustainable income growth	 Attract and retain high-quality tenants	 Business sustainability
 Maintain and grow the portfolio	 Optimal capital structure	






5 REGULATION AND LEGISLATION		
Risk description <ul style="list-style-type: none"> ▶ Regulatory and legislation risk ▶ Risks relating to stock exchange listings requirements ▶ Adverse changes to tax laws ▶ Disruptions to rental income arising from regulatory or legal changes 	Effect on value creation <ul style="list-style-type: none"> ▶ Lower equity value ▶ Lower share value ▶ Lower distributions ▶ Lower rental income and cash flows ▶ Reduced strength of tenant covenants and increased arrears and bad debts 	Strategic value pillars impacted  Stakeholders affected <ul style="list-style-type: none"> ▶ Shareholders ▶ Tenants ▶ Financiers ▶ Property managers ▶ Suppliers
Key mitigants <ul style="list-style-type: none"> ▶ Advice from the Group's regulatory, tax, legal and other professional advisors, including stock exchange sponsors ▶ Active monitoring by management, legal and tax advisors, corporate sponsors and the Company Secretary 		
Financial statement items affected <ul style="list-style-type: none"> ▶ Equity (statement of financial position) ▶ Rental and related revenue (statement of profit or loss) ▶ Administrative and other expenses (statement of profit or loss) ▶ Income tax (statement of profit or loss) 	KPIs impacted <ul style="list-style-type: none"> ▶ Growing distributable income ▶ Growth in like-for-like net property income ▶ LTV ratio 	The risk rating has remained consistent with the prior year


6 REFURBISHMENT, EXTENSION AND REDEVELOPMENT		
Risk description <ul style="list-style-type: none"> ▶ Risks associated with the refurbishment, extension and redevelopment of direct property including contractor solvency and availability ▶ Refurbishment, extension and redevelopment construction costs 	Effect on value creation <ul style="list-style-type: none"> ▶ Reduced returns ▶ Cost overruns ▶ Programme delays leading to potential loss of occupier revenue ▶ Failure to secure planning permission 	Strategic value pillars impacted  Stakeholders affected <ul style="list-style-type: none"> ▶ Shareholders ▶ Tenants ▶ Financiers ▶ Service providers ▶ Property managers ▶ Suppliers
Key mitigants <ul style="list-style-type: none"> ▶ Close project and development consultant relationships facilitate assessment and monitoring ▶ Assessment of contractors prior to appointment ▶ Rigorous monitoring of project timelines and costs 		
Financial statement items affected <ul style="list-style-type: none"> ▶ Investment property (statement of financial position) ▶ Fair value change on investment property (statement of profit or loss) 	KPIs impacted <ul style="list-style-type: none"> ▶ Growing distributable income ▶ Growth in like-for-like net property income ▶ LTV ratio 	The risk rating has remained consistent with the prior year


7 ENVIRONMENTAL		
Risk description <ul style="list-style-type: none"> ▶ Risks associated with the impact of climate change, environmental impact, consumer and tenant trends, related regulation and capital markets requirements 	Effect on value creation <ul style="list-style-type: none"> ▶ Lower equity value ▶ Lower share value ▶ Lower distributions ▶ Lower rental income and cash flows ▶ Reduced strength of occupier covenants and increased arrears and bad debts ▶ Higher cost of financing 	Strategic value pillar impacted  Stakeholders affected <ul style="list-style-type: none"> ▶ Shareholders ▶ Financiers ▶ Tenants ▶ Property managers ▶ Suppliers
Key mitigants <ul style="list-style-type: none"> ▶ Engagement with stakeholders to manage environmental priorities ▶ Continuous monitoring and management of environmental risks and regulations and implementing appropriate mitigants ▶ Advice from the Company's debt and equity markets, regulatory and other professional advisors ▶ Certifications (i.e., BREEAM) with improvement recommendations which are considered and implemented as appropriate ▶ Mitigants are mainly addressed via related risks: <ul style="list-style-type: none"> - Availability and cost of finance - Investment property - Direct property occupier market - Regulation and legislation - Refurbishment, extension and redevelopment - Investor demand 		
Financial statement items affected <ul style="list-style-type: none"> ▶ Investment property (statement of financial position) ▶ Interest-bearing borrowings (statement of financial position) ▶ Property rental and related revenue (statement of profit or loss) ▶ Property operating expenses (statement of profit or loss) ▶ Fair value change in investment property (statement of profit or loss) ▶ Finance costs (statement of profit or loss) 	KPIs impacted <ul style="list-style-type: none"> ▶ Growing distributable income ▶ Growth in like-for-like net property income ▶ LTV ratio ▶ Limiting vacancies ▶ Maintaining arrears (provision expense as % of revenue) ▶ Gross property expense ratio 	The risk rating has remained consistent with the prior year

8 INVESTOR DEMAND		
Risk description <ul style="list-style-type: none"> ▶ Decrease in demand by investors for real estate investments 	Effect on value creation <ul style="list-style-type: none"> ▶ Lower equity value ▶ Potential pressure on financing covenants 	Strategic value pillars impacted  Stakeholders affected <ul style="list-style-type: none"> ▶ Shareholders ▶ Financier
Key mitigants <ul style="list-style-type: none"> ▶ Investing in quality properties with a clear investment strategy ▶ Located in large and mid-sized cities with strong economic support and growth ▶ Focused on dominant malls ▶ Generate strong sustainable income ▶ Occupied by high-quality tenants ▶ Provide asset management opportunities ▶ Maintaining strong financial covenants ▶ Active asset management ▶ Ongoing engagement with investors and other key stakeholders 		
Financial statement items affected <ul style="list-style-type: none"> ▶ Investment property (statement of financial position) ▶ Fair value change on investment property (statement of profit or loss) 	KPIs impacted <ul style="list-style-type: none"> ▶ Growing distributable income ▶ Growth in NAV per share ▶ LTV ratio 	The risk rating has remained consistent with the prior year

Strategic value pillars

 Deliver sustainable income growth	 Attract and retain high-quality tenants	 Business sustainability
 Maintain and grow the portfolio	 Optimal capital structure	

9 OPERATIONAL		
Risk description <ul style="list-style-type: none"> Business continuity risk Underperformance of property managers Increase in property operating expenses Retention of key employees 	Effect on value creation <ul style="list-style-type: none"> Lower equity value Lower share value Lower distributions Lower rental income and cash flows Reduced strength of occupier covenants and increased arrears and bad debts 	Strategic value pillars impacted  Stakeholders affected <ul style="list-style-type: none"> Shareholders Tenants Property managers Financiers Suppliers
Key mitigants <ul style="list-style-type: none"> Having appropriate business continuity plans and processes in place Compliance with service level agreements is monitored regularly Succession planning Management reviews monthly reports and meets with the property managers on a regular basis to review and manage property operations and expenses Ensure appropriate insurance cover is in place 		
Financial statement items affected <ul style="list-style-type: none"> Property rental and related revenue (statement of profit or loss) Property operating expenses (statement of profit or loss) 	KPIs impacted <ul style="list-style-type: none"> Growing distributable income Growth in like-for-like net property income Gross property expenses 	The risk rating has remained consistent with the prior year

10 CREDIT RISK		
Risk description <ul style="list-style-type: none"> Counterparty credit risk 	Effect on value creation <ul style="list-style-type: none"> Loss of financial assets Cost of changing financing, banking and brokerage facilities Increase in financing costs 	Strategic value pillars impacted  Stakeholders affected <ul style="list-style-type: none"> Shareholders Financiers Brokers
Key mitigants <ul style="list-style-type: none"> Summary of exposures by bank and credit ratings reviewed regularly Spread of deposits and financial assets between financial institutions and counterparties Analysis and assessment of credit risk associated with tenants Creditworthiness of counterparties assessed regularly 		
Financial statement items affected <ul style="list-style-type: none"> Financial assets (statement of financial position) Cash and cash equivalents (statement of financial position) Interest-bearing borrowings (statement of financial position) Finance costs (statement of profit or loss) 	KPIs impacted <ul style="list-style-type: none"> Growing distributable income Growth in NAV per share LTV ratio 	The risk rating has remained consistent with the prior year



03 OUR PERFORMANCE

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Forum Coimbra

GLA 33 930m² | Value EUR 183 827 000

DIRECTORS' REPORT AND COMMENTARY

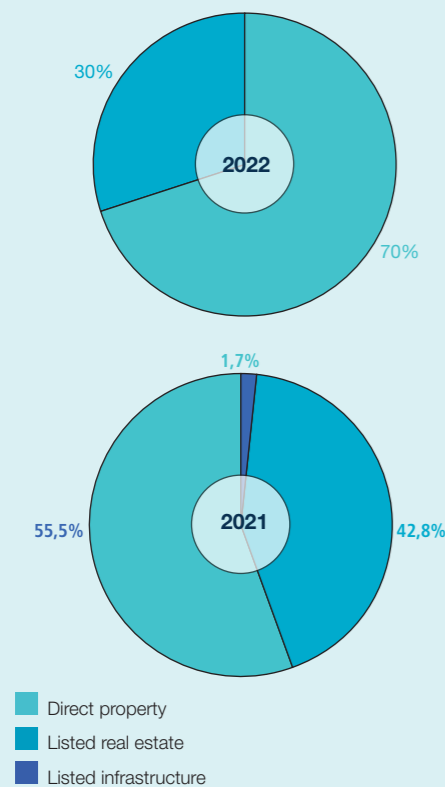
“The retail trading environment continues to be impacted by substantial structural change with leading fashion retailers (including Inditex) consolidating into fewer, but larger flagship stores. With its prime locations, Lighthouse has benefited from this structural change.”

Justin Muller
Chief Executive Officer

INVESTMENT PORTFOLIO

At December 2022, Lighthouse's sectoral composition was as follows:

Sectoral profile based on fair value of assets



NATURE OF THE BUSINESS

Lighthouse Properties p.l.c. (“Lighthouse”, the “Company”, or the “Group”) is domiciled in Malta and is listed on the Main Board of the JSE. The Group invests directly and indirectly in dominant and defensive malls located in large and mid-sized cities with strong economic fundamentals.

DISTRIBUTABLE EARNINGS AND COMMENTARY ON RESULTS

Lighthouse achieved 1,905 EUR cents of distributable earnings per share for 2H2022. Together with the 1,754 EUR cents per share for 1H2022, the total distributable earnings for FY2022 amounted to 3,659 EUR cents per share.

The Board has declared a final distribution of 1,625 EUR cents per share for 2H2022. The Board's dividend policy allows for the retention of distributable earnings and the total distribution of 3,250 EUR cents per share for the 2022 financial year represents a payout ratio of 88,8%.

Shareholders will have the option to receive a scrip distribution of 1,625 EUR cents per share or a cash distribution of 1,4625 EUR cents per share. A circular in this regard will be distributed in due course.

The metrics included in the Chairperson's Review are based on the Management Accounts disclosed on pages 36 to 39, and the property metrics disclosed on pages 40 to 43.

	12 months Dec 2022	12 months Dec 2021	15 months* Dec 2020
Distributable earnings per share	3,659	3,685	3,246
Interim	1,754	1,730	1,597
Final	1,905	1,955	1,649
Distribution per share	3,250	3,220	3,150
Interim	1,625	1,610	1,575
Final	1,625	1,610	1,575
Payout ratio (%)	88,8	87,4	97,0
Interim (%)	92,6	89,0	98,6
Final (%)	85,3	91,5	95,5

* 15 months period due to the change of year-end from September to December.

In a challenging economic environment, best-in-class malls have proven their resilience and continued to outperform. Their inherent defensive characteristics support growth in both footfall and sales. There has been a noticeable return to bricks-and-mortar retail from online retail shopping, that benefited from restrictions imposed on physical retail during the COVID-19 pandemic.

The retail trading environment continues to be impacted by substantial structural change with leading fashion retailers (including Inditex) consolidating into fewer, but larger flagship stores and value clothing retailers (particularly Primark) gaining market share. With its prime locations, Lighthouse has well represented this structural change with four of its seven malls being anchored by Primark and the Inditex brands being prominent across the portfolio. Keeping abreast of these changes comes at a cost of new fit-outs and rent free periods in the short term, but offers substantial long-term financial benefits.

Sales for 2H2022 increased by 9,8% compared to 2H2021, and 7,5% compared to 2H2019. The increased sales were achieved despite the extensive construction underway at Saint Sever and tenant relocations and reletting initiatives across the French portfolio.

DIRECT INVESTMENTS

Limited COVID-19-related closures and restrictions impacted the trading of malls in 1Q2022. Most COVID-19 restrictions ended in March 2022 and trading conditions returned to pre-COVID-19 levels. As a result of the normalisation of the trading environment, collections improved from 93,0% to 96,1% by 31 December 2022, and the vacancy rate in the portfolio reduced from 5,1% to 3,2%. Management's target is to reduce vacancies further to less than 2,0%.

France

Lighthouse owns a 60,0% share in Retail Property Investments which owns four regional malls in northern France. The French portfolio constitutes 23,1% of the Group's investment portfolio.

The distributable earnings from the French portfolio were lower than forecast. This portfolio was more severely impacted by COVID-19 restrictions than many other European jurisdictions

with retail sales negatively affected. As a result, greater rental concessions and discounts were granted.

At Saint Sever in Rouen, the decision was taken to convert the previous food court to retail space. Negotiations with a leading international fashion retailer for this space are at an advanced stage. The area previously committed to a medical clinic was let to Action, a national value retailer with a strong following. Action opened in December 2022 and is trading well ahead of expectations. Although these decisions may have an immediate cost, the medium- and long-term benefits will be significant.

Beneficial occupation of the 6 709m² flagship Primark store is expected in March 2023 which will open for trade in September 2023. New Yorker has signed a lease for 1 400m² of previously vacant space and negotiations are currently underway for all the remaining vacant space.

At Docks 76 in Rouen, the opening of Biltoki Market in October 2022 was well received and is trading ahead of forecast. Biltoki is an upscale popular market-style food and beverage concept and has improved footfall to the mall by 17,1% for the month of December 2022.

At Docks Vauban in Le Havre, the Lidl supermarket opened during September 2022. The Lidl store is trading well ahead of their forecasts and has resulted in additional tenant demand for space in the mall. The ground floorspace in the main mall is fully let and a number of tenants are looking to enter the mall or expand their existing offering. Various options are being explored to meet this strong tenant demand. These include converting one of the existing entrances to retail space and incentivising tenants to reduce their ground floor footprint and to trade on the upper level, in space currently utilised as storage. The cinema complex has been refurbished and upgraded from Gaumont to Pathe, the premium offering of the group.

Access to Docks Vauban has been compromised by an extensive road infrastructure upgrade being conducted by the city. This is scheduled to be completed by 3Q2023 whereafter the improved access and egress are anticipated to support additional footfall.

Terms have been agreed with the city of Strasbourg to acquire the land immediately surrounding Rivetoile. This land will facilitate the expansion of the ground floor and improve the access and flow of the mall. The additional area will enable some leading fashion retailers to extend their stores and consolidate their offering in Strasbourg.

As a result of the reletting, tenant relocations and refurbishments, the net operating income forecast is EUR 12 million (for Lighthouse's 60% share of the French portfolio) for FY2023. This is projected to grow at 15% to 20% per annum for FY2024 and FY2025 as the reletting, tenant relocations and refurbishments are completed.

Portugal

Forum Coimbra continues to benefit from its dominant position in the city of Coimbra. Sales for 2H2022 increased by 17% compared to 2H2021 and 8% compared to 2H2019. The refurbishment of the food court was completed during the year. Lighthouse continues to evaluate options to expand the Inditex brands and Primark.

Spain

During March 2022, Lighthouse acquired Torrecárdenas, the dominant mall in Almeria, Spain. The 61 424 m² GLA mall was acquired for EUR 162,5 million.

Torrecárdenas commenced trading in October 2018. The surrounding market is expanding and the mall is located adjacent to a number of new high-density residential developments. The strong tenant profile includes Primark, Mercadona, Leroy Merlin, Media Markt and a full range of Inditex brands including Zara, Bershka, Pull&Bear, Stradivarius, Massimo Dutti and Lefties. The mall has a full entertainment and cinema offering.

Since acquisition, the mall has performed strongly, with footfall and sales for the year increasing by 4,7% and 8,1%, respectively, compared to 2019. During the year Krunch, Qrush and Illusiona opened for trade and premises was handed over to VIPs for tenant installation (expected to open in March 2023). The vacancies have reduced from 2,6% at acquisition to 0,8% at year-end.

Slovenia

Planet Koper is the dominant mall in Koper, Slovenia. The centre is anchored by Bershka, Tus supermarket, H&M as well as various LPP brands.

Sales for 2H2022 increased by 21,3% compared to 2H2021 and 9,3% compared to 2H2019. The negative impact on footfall from the 2021 introduction of restricted trading on a Sunday in Slovenia is expected to be countered by the inclusion of Croatia into the Schengen Area from 1 January 2023. This is expected to broaden the catchment area of the mall beyond the Slovenian border and has already had a noticeable positive impact on visitors to the mall.

HAMMERSON

At year-end, Lighthouse held 22,8% of Hammerson plc, making it the largest shareholder in Hammerson. Lighthouse's investment in Hammerson represents approximately 30% of Lighthouse's gross assets. As an active investor, which is not represented on the Hammerson board, Lighthouse intends commenting regularly on its views on Hammerson.

Lighthouse is not satisfied with Hammerson's progress in reducing administration costs. Since 2019, Hammerson has reduced its net administration costs by 11% (GBP 48,3 million for FY2019 compared to GBP 42,8 million for FY2022). Over the same period, Hammerson has made material disposals reducing its managed portfolio (disposals include: the Retail Park portfolio, the VIA outlet portfolio, Espace Saint-Quentin, SQY Ouest, Nicetoile, Silverburn and Victoria Leeds). Relative to the size of its managed portfolio, Hammerson's administration costs have increased and objectively are high. This is a matter Hammerson can rectify in the short term through disciplined management.

Shareholders are invested in Hammerson as a retail REIT with an expectation of regular dividends. Hammerson has not declared a final dividend for 2H2022 and has accelerated development activity, which is perceived as a shift in focus away from its core proposition as a retail REIT. This has been poorly received by the market, as reflected in Hammerson's declining share price. Despite owning world-class malls which continue to perform well, Hammerson trades at a discount to net asset value of over 50%. It appears that shareholders will have to bring pressure to bear on Hammerson's board and management to turn around this value destruction for shareholders.

Hammerson is comprised of three divisions: malls, Value Retail and developments. Lighthouse is of the view that Hammerson should dispose of its investment in Value Retail, right-size its exposure to developments and reduce administration costs significantly. This would strengthen its balance sheet and improve profitability, such that it returns to its core investor proposition as a retail REIT.

FACILITIES, FUNDING AND INTEREST RATE HEDGING

In March 2022, Retail Property Investment accepted a EUR 135 million facility, secured by its four French malls, from a syndication of European financiers led by Natixis. Lighthouse used its EUR 101,25 million share of this five-year facility to acquire Torrecárdenas. Santander Group and Caixa Bank agreed to the change in ownership of Torrecárdenas and the existing EUR 86,4 million term facility, expiring in July 2025, was retained.

The Deutsche Bank facility that was secured by Hammerson shares was settled during the year with no other debt expiring in 2023.

The Group's LTV ratio increased from 13,6% at FY2021 to 23,8% at year-end.

OUTLOOK

Markets are negatively impacted by inflation and elevated interest rates. Lighthouse is well positioned with 92% of its debt hedged and no loan maturities until November 2024. As a result rising rates will have little impact on earnings for FY2023 and FY2024.

Lighthouse forecasts a distribution of 2,80 EUR cents per share for FY2023. The direct property portfolio is forecast to continue to grow strongly in 2024 and 2025.

The distribution forecast is based on the following assumptions:

- ▶ No material change in the current macroeconomic environment
- ▶ No further acquisitions or disposals of investment properties or listed investments
- ▶ A Hammerson payout ratio of 85% of 1H2023 adjusted earnings as a dividend.

This forecast statement and the forecasts underlying such statement are the responsibility of the Board and have not been reviewed or reported on by the Company's external auditor.

By order of the Board



Justin Muller
Chief Executive Officer



Jacobus van Biljon
Chief Financial Officer



Stonehage Fleming Malta Limited
Company Secretary

17 March 2023

Additional Directors' report considerations

1. For more details on principal risks and uncertainties, refer to our risks and opportunities on pages 19 to 24.
2. For more details on financial risk management, refer to note 2 on pages 114 to 117.
3. For more details on results and dividends, refer to our distribution analysis and key ratios on pages 32 and 35 and the Directors' report and commentary above.
4. For more details on Directors, refer to Board of Directors on pages 73 to 80.
5. For more details on the statement of Director's responsibilities for the financial statements, refer to page 94.
6. Our auditor, PricewaterhouseCoopers Malta, as indicated its willingness to continue in office and a resolution for their reappointment will be proposed at the AGM.
7. Refer to the statement of changes in equity on pages 106 to 107 for details of shares repurchased.
8. During the prior year the Company established a branch in France to facilitate the acquisition of the French properties.
9. The financial information reported in the Directors' report and commentary has been extracted from the management accounts, distribution analysis, key ratios and property metrics on pages 32 to 43.
10. The amounts proposed by the Directors to be carried as reserves are set out in the Group and Company statements of changes in equity, respectively, on pages 105 to 107.



DISTRIBUTION ANALYSIS AND KEY RATIOS

DISTRIBUTABLE EARNINGS PER SHARE AND KEY RATIOS (NON-IFRS MEASURES)

Key non-IFRS investor and other stakeholder information is disclosed in this section, based on the management accounts as set out on pages 36 to 39 and (the "Management Accounts"). The calculation of distributable earnings per share is based on the profit/(loss) after tax, adjusted as shown in the table below to arrive at the distributable earnings, and the number of shares in issue at 31 December 2022 and 31 December 2021, respectively.

	Unaudited 31 Dec 2022 EUR	Unaudited 31 Dec 2021 EUR
Reconciliation of IFRS profit/(loss) to distributable earnings for the year		
Profit/(loss) for the year attributable to equity holders of the Company	25 155 305	(46 486 443)
Fair value gain on investment property	(853 739)	(21 608 075)
Fair value loss/(gain) on investments	1 081 878	(3 664 439)
Fair value gain on currency, interest rate and other derivatives	(14 432 873)	(3 076 368)
Impairment loss	–	12 081 368
Brokerage expenses	–	136 108
Foreign exchange gain	(692 059)	(1 274 848)
Unamortised interest rate hedging transaction costs	2 996 250	–
Financing costs related to non-controlling interests	2 266 440	591 552
Income tax effect	995 390	238 303
Non-controlling interests – non-distributable	3 174 870	4 583 601
Non-distributable portion of loss from equity-accounted associate	40 456 798	110 287 246
Antecedent distribution – interim	–	5 062 030
Antecedent distribution – final	685 107	2 047 566
Distributable earnings for the year	60 833 367	58 917 601
Less:	(53 787 607)	(51 332 872)
Interim distribution declared	(26 211 744)	(25 172 408)
Final distribution declared	(27 575 863)	(26 160 464)
Distributable earnings retained	7 045 760	7 584 729
Distributable retained earnings at the beginning of the year	12 872 981	5 288 252
Distributable retained earnings at the end of the year	19 918 741	12 872 981
Number of shares entitled to distribution	1 696 976 208	1 624 873 544
Weighted average shares in issue during the year	1 641 478 325	1 369 808 195
Distributable earnings (EUR cents per share)	3,6593	3,6845
Less: distribution (EUR cents per share):	(3,2500)	(3,2200)
Interim distribution (EUR cents per share) – declared	(1,6250)	(1,6100)
Final distribution (EUR cents per share) – declared	(1,6250)	(1,6100)
Distributable earnings not distributed (EUR cents per share)	0,4093	0,4645
Distribution payout ratio (%)	88,8	87,4

DISTRIBUTION CALCULATION

	Management Accounts for the year ended 31 Dec 2022 EUR	Management Accounts for the year ended 31 Dec 2021 EUR
Property rental and related revenue	63 976 345	29 038 996
Investment revenue	40 558 030	43 012 024
Finance income	55 673	162 424
Property operating expenses	(25 170 288)	(10 180 147)
Administrative and other expenses	(6 330 525)	(4 386 816)
Finance costs	(10 780 505)	(3 754 586)
Other income	–	190 034
Income tax	(3 155 860)	(2 512 227)
Income tax adjustments	995 390	238 303
Antecedent distribution – interim	–	5 062 030
Antecedent distribution – final	685 107	2 047 566
Distributable earnings for the year	60 833 367	58 917 601
Less:	(53 787 607)	(51 332 872)
Interim distribution declared	(26 211 744)	(25 172 408)
Final distribution declared	(27 575 863)	(26 160 464)
Distributable earnings retained	7 045 760	7 584 729
Distributable retained earnings at the beginning of the year	12 872 981	5 288 252
Distributable retained earnings at the end of the year	19 918 741	12 872 981

	Unaudited 31 Dec 2022 EUR	Unaudited 31 Dec 2021 EUR
Reconciliation of IFRS profit/(loss) to distributable earnings for the year		
Net asset value per share (EUR cents)	40,50	46,64
Tangible net asset value per share (EUR cents) ¹	40,50	46,64
Property cost-to-income ratio (%) ²	39,3	35,1
Administrative cost-to-income ratio (%) ³	6,1	6,1

¹ There are no current and prior year reconciling amounts between net asset value and tangible net asset value.

² Calculated by dividing property operating expenses by property rental and related revenue, as disclosed in the Management Accounts.

³ Calculated by dividing administrative and other expenses by property rental and related investment revenue.

DEBT AND INTEREST RATE HEDGING (BASED ON MANAGEMENT ACCOUNTS)

	GROUP		
	Gross amount outstanding EUR	Base rate	Margin %
2022			
Loan maturity			
27 November 2024	78 496 574	Fixed	2,150
28 July 2025	77 499 730	12-month Euribor	2,500
31 March 2027	77 692 500	3-month Euribor	3,000
1 March 2032	24 642 316	6-month Euribor	2,000
	258 331 120		
Weighted average margin			2,500
2021			
Loan maturity			
16 September 2023	40 054 247	3-month Euribor	4,500
27 November 2024	78 516 674	Fixed	2,150
1 December 2026	20 660 761	1-month Euribor	2,750
	139 231 682		
Weighted average margin			2,890

	GROUP		
	Notional amount EUR	Years to maturity	Cap strike rate %
Interest rate cap profile			
2022			
Cap maturity			
28 July 2025	28 798 542	2,58	0,000
28 July 2025	22 770 388	2,58	0,000
8 March 2027	77 692 500	4,19	1,000
	129 261 430		
Weighted average		3,54	0,601
Swap maturity			
28 July 2024	30 797 550	1,58	1,176
	30 797 550		
Weighted average		1,58	1,176
Cap and swap maturity			
Total notional amount	160 058 980		
Total cap and swap weighted average		3,16	0,712
Total weighted average base rate, adjusted for hedging and fixed rate			0,650
2021			
Cap maturity			
9 January 2022	27 385 417	0,02	0,000
10 July 2024	25 000 000	2,53	0,458
15 December 2025	25 000 000	3,96	0,635
10 July 2026	25 000 000	4,53	0,701
29 November 2027	25 000 000	5,92	0,867
	127 385 417		
Weighted average		3,33	0,522

LOAN-TO-VALUE (BASED ON MANAGEMENT ACCOUNTS)

	GROUP	
	31 Dec 2022 EUR	31 Dec 2021 EUR
Interest-bearing borrowings (non-current)	237 654 976	136 568 444
Interest-bearing borrowings (current)	17 583 544	2 680 512
Total interest-bearing borrowings	255 238 520	139 248 956
<i>Adjustments:</i>		
Unamortised borrowing transaction costs (non-current)	3 023 310	1 248 577
Unamortised borrowing transaction costs (current)	69 290	346 660
Fair value of interest rate derivatives	(11 812 629)	(936 182)
Restricted cash	(5 062 995)	–
Cash and cash equivalents	(17 197 633)	(17 176 390)
Net debt	224 257 863	122 731 621
Investment property	633 779 000	498 977 000
Investments ⁴	306 893 047	400 617 633
Total assets for LTV calculation	940 672 047	899 594 633
LTV ⁵ (%)	23,84	13,64

⁴ Investments at fair value include the Group's investment in Hammerson at fair a value of EUR 306 893 047 (2021: EUR 385 062 593) at the reporting date.

⁵ The prior year LTV has been restated to be consistent with the current year methodology.

COST OF DEBT (BASED ON MANAGEMENT ACCOUNTS)

	GROUP	
	31 Dec 2022 EUR	31 Dec 2021 EUR
Weighted average base rate	1,93	(0,01)
Weighted average margin	2,50	2,89
Weighted average transaction costs	0,35	0,43
Weighted average other loan costs	0,03	0,05
Total weighted average cost of debt	4,81	3,36

MANAGEMENT ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – SECTORAL

	BUSINESS SEGMENTS – MANAGEMENT ACCOUNTS				GROUP – MANAGEMENT ACCOUNTS	BUSINESS SEGMENTS – MANAGEMENT ACCOUNTS				GROUP – MANAGEMENT ACCOUNTS
	Direct property Dec 2022 EUR	Listed real estate Dec 2022 EUR	Listed infrastructure Dec 2022 EUR	Corporate Dec 2022 EUR	Dec 2022 EUR	Direct property Dec 2021 EUR	Listed real estate Dec 2021 EUR	Listed infrastructure Dec 2021 EUR	Corporate Dec 2021 EUR	Dec 2021 EUR
ASSETS										
Non-current assets	652 480 857	306 893 047	-	-	959 373 904	498 977 000	385 062 593	15 555 040	936 182	900 530 815
Investment property	633 779 000	-	-	-	633 779 000	498 977 000	-	-	-	498 977 000
Investments	-	306 893 047	-	-	306 893 047	-	385 062 593	15 555 040	-	400 617 633
Investment in equity-accounted associate	-	-	-	-	-	-	-	-	-	-
Financial assets	18 701 857	-	-	-	18 701 857	-	-	-	936 182	936 182
Current assets	22 828 767	738 217	-	7 165 497	30 732 481	28 624 810	-	724 438	5 023 272	34 372 520
Trade and other receivables	12 227 900	-	-	1 306 948	13 534 848	17 083 117	-	-	113 013	17 196 130
Cash and cash equivalents	10 600 867	738 217	-	5 858 549	17 197 633	11 541 693	-	724 438	4 910 259	17 176 390
Total assets	675 309 624	307 631 264	-	7 165 497	990 106 385	527 601 810	385 062 593	16 279 478	5 959 454	934 903 335
EQUITY AND LIABILITIES										
Total equity attributable to equity holders	-	-	-	686 655 921	686 655 921	-	-	-	752 606 095	752 606 095
Share capital				16 969 761	16 969 761	-	-	-	18 582 634	18 582 634
Share premium				396 325 302	396 325 302	-	-	-	369 852 303	369 852 303
Share-based payment reserve				369 919	369 919	-	-	-	194 302	194 302
Treasury shares				(622 125)	(622 125)	-	-	-	(687 522)	(687 522)
Non-distributable reserve				149 545 654	149 545 654	-	-	-	225 446 018	225 446 018
Foreign currency translation reserve				1 084 150	1 084 150	-	-	-	(1 393 006)	(1 393 006)
Retained earnings				122 983 260	122 983 260	-	-	-	140 611 366	140 611 366
Equity attributable to owners	-	-	-	686 655 921	686 655 921	-	-	-	752 606 095	752 606 095
Total liabilities	301 720 409	-	-	1 730 055	303 450 464	139 851 656	39 655 811	-	2 789 773	182 297 240
Non-current liabilities	264 688 956	-	-	-	264 688 956	118 756 037	39 655 811	-	-	158 411 848
Interest-bearing borrowings	237 654 976	-	-	-	237 654 976	96 912 633	39 655 811	-	-	136 568 444
Deferred tax liabilities	23 566 944	-	-	-	23 566 944	16 704 048	-	-	-	16 704 048
Financial liabilities	3 467 036	-	-	-	3 467 036	5 139 356	-	-	-	5 139 356
Current liabilities	37 031 453	-	-	1 730 055	38 761 508	21 095 619	-	-	2 789 773	23 885 392
Interest-bearing borrowings	17 583 544	-	-	-	17 583 544	1 068 000	-	-	1 612 512	2 680 512
Financial liabilities	2 817 423	-	-	-	2 817 423	-	-	-	-	-
Trade and other payables	15 982 437	-	-	1 302 506	17 284 943	19 750 467	-	-	1 131 651	20 882 118
Current tax liabilities	648 049	-	-	427 549	1 075 598	277 152	-	-	45 610	322 762
Total equity and liabilities	301 720 409	-	-	688 385 976	990 106 385	139 851 656	39 655 811	-	755 395 868	934 903 335

* Refer to the segmental analysis on pages 169 to 185.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS – SECTORAL

	BUSINESS SEGMENTS – MANAGEMENT ACCOUNTS				GROUP – MANAGEMENT ACCOUNTS	BUSINESS SEGMENTS – MANAGEMENT ACCOUNTS				GROUP – MANAGEMENT ACCOUNTS
	Direct property for the year ended Dec 2022 EUR	Listed real estate for the year ended Dec 2022 EUR	Listed infrastructure for the year ended Dec 2022 EUR	Corporate for the year ended Dec 2022 EUR	For the year ended Dec 2022 EUR	Direct property for the year ended Dec 2021 EUR	Listed real estate for the year ended Dec 2021 EUR	Listed infrastructure for the year ended Dec 2021 EUR	Corporate for the year ended Dec 2021 EUR	For the year ended Dec 2021 EUR
Property rental and related revenue	63 976 345	–	–	–	63 976 345	29 038 996	–	–	–	29 038 996
Investment revenue	–	40 456 798	101 232	–	40 558 030	–	39 678 484	3 333 540	–	43 012 024
Finance income	–	–	–	55 673	55 673	29	–	–	162 395	162 424
Total revenue¹	63 976 345	40 456 798	101 232	55 673	104 590 048	29 039 025	39 678 484	3 333 540	162 395	72 213 444
Fair value gain/(loss) on investment property, investments and derivatives	18 700 030	(102 607 255)	(1 081 878)	203 630	(84 785 473)	16 422 922	93 842 598	3 566 175	741 304	114 572 999
Fair value gain/(loss) on investment property	7 445 611	–	–	–	7 445 611	16 422 922	–	–	–	16 422 922
Fair value gain/(loss) on investments	–	(102 607 255)	(1 081 878)	–	(103 689 133)	–	93 842 598	3 566 175	–	97 408 773
Fair value loss on currency, interest rate and other derivatives	11 254 419	–	–	203 630	11 458 049	–	–	–	742 467	742 467
Impairment loss	–	–	–	–	–	–	–	–	(1 163)	(1 163)
Property operating expenses	(25 170 288)	–	–	–	(25 170 288)	(10 180 147)	–	–	–	(10 180 147)
Administrative and other expenses	(938 802)	–	–	(5 391 723)	(6 330 525)	126 832	–	–	(4 513 648)	(4 386 816)
Foreign exchange loss	–	–	–	692 059	692 059	–	–	–	1 274 848	1 274 848
Share of loss of equity-accounted associate	–	40 456 798	–	–	40 456 798	–	–	–	–	–
Operating profit/(loss)	56 567 285	(21 693 659)	(980 646)	(4 440 361)	29 452 619	35 408 632	133 521 082	6 899 715	(2 335 101)	173 494 328
Finance costs	(7 854 518)	(2 862 675)	–	(63 312)	(10 780 505)	(3 575 413)	–	–	(179 173)	(3 754 586)
Other income	–	–	–	–	–	–	–	–	200 035	200 035
Profit/(loss) before income tax	48 712 767	(24 556 334)	(980 646)	(4 503 673)	18 672 114	31 833 219	133 521 082	6 899 715	(2 314 239)	169 939 777
Income tax	(2 752 241)	–	–	(403 619)	(3 155 860)	(2 389 644)	–	–	(122 583)	(2 512 227)
Profit/(loss) for the year attributable to equity holders of the Company	45 960 526	(24 556 334)	(980 646)	(4 907 292)	15 516 254	29 443 575	133 521 082	6 899 715	(2 436 822)	167 427 550

¹ All segmental revenues in 2022 and 2021, respectively, were generated from external customers and from countries other than Malta, the Company's domicile.

* Refer to the segmental analysis on pages 169 to 185.

PROPERTY PORTFOLIO OVERVIEW

Our physical property investments are focused on dominant malls located predominantly in Western Europe. We constantly assess opportunities to upgrade, refurbish, extend and redevelop these properties.

KEY HIGHLIGHTS

Our portfolio offers shareholders direct access to property investments that deliver long-term income and capital growth.

EUR 633,8 million

(2021: EUR 498,9 million)

Seven properties

(2021: six properties)

GLA 269 612m²

(2021: 212 253m²)

Property name	Primary use	Geographical location	Ownership %	Acquisition date	Occupancy %	Retail gross lettable area m ²	Weighted average net rent per m ² per month EUR	Purchase price/cost EUR	Fair value EUR	Address
Forum Coimbra	Retail	Coimbra, Portugal	100	31 May 2017	99,8	33 930 ¹	29,15	200 866 674	184 125 000	Avenida Jose Bonifacio de Andrade e Silva 1, Quinta do Vale Gemil – Almegue Santa Clara Coimbra 3040-389, Portugal
TorreCárdenas	Retail	Almeria, Spain	100	10 March 2022	99,2	61 424	16,22	162 500 000	165 020 000	Aveda. Medico Francisco Perez, 04009 Almeria, Spain
Planet Koper	Retail	Koper, Slovenia	100	30 August 2016	100,0	31 240	13,86	73 098 367	66 900 000	Ankaranska cesta 2, 6000 Koper, Slovenia
Saint Sever	Retail	Rouen, France	60 ⁵	30 September 2021	85,2	31 016 ^{2,4}	20,20	62 265 519 ³	60 654 000 ³	Avenue de Bretagne, 76100 Rouen, France
Rivetoile	Retail	Strasbourg, France	60 ⁵	30 September 2021	94,6	28 268 ⁴	24,30	52 101 768 ³	58 290 000 ³	3 Place Dauphiné, 67100 Strasbourg, France
Docks 76	Retail	Rouen, France	60 ⁵	30 September 2021	92,2	36 727 ⁴	19,08	48 670 604 ³	55 386 000 ³	Boulevard Ferdinand de Lesseps, 76047 Rouen, France
Docks Vauban	Retail	Le Havre, France	60 ⁵	30 September 2021	97,2	47 007 ⁴	10,68	36 190 642 ³	43 404 000 ³	70 Quai Frissard, 76600 Le Havre, France
Total					96,8⁶	269 612	18,49⁷	635 693 574	633 779 000	
Total weighted average increase in rental by rentable area from the prior year								4,6⁸		
Weighted average annualised property yield								8,6⁸		

¹ Excluding a 17 700m² Continente hypermarket that is separately owned.

² Excluding a 13 529m² E.Leclerc supermarket that is separately owned.

³ The purchase price and fair value of the French properties reflects Lighthouse's effective 60% ownership.

⁴ The GLA reflects 100% of the French properties' GLA.

⁵ Refers to the effective ownership in the property.

⁶ Weighted average occupancy rate at 31 December 2022.

⁷ Weighted average rent per square metre at 31 December 2022.

⁸ The weighted average has been pro-rated for Lighthouse's effective 60% ownership.

TOP 10 TENANTS

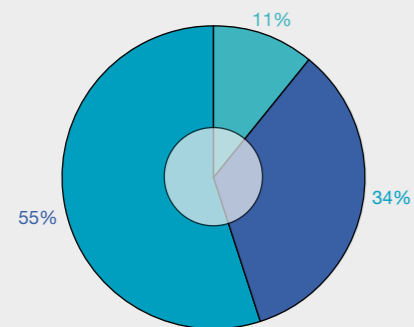
Large national and international retailers underpin the quality of our rental income.

	By monthly rental		Brands
	%	By rental area (GLA) %	
Inditex	8,1	6,5	Zara, Bershka, Stradivarius, Lefties, Massimo Dutti, Pull&Bear, Zara Home, Oysho
Primark	3,3	5,2	Primark
H&M	2,9	3,9	H&M
Leroy Merlin	2,6	4,5	Leroy Merlin
Pathe Cinemas	2,4	3,9	Pathe, Pathe Gaumont
C&A	1,7	1,3	C&A
LPP	1,2	1,4	Sinsay, Mohito, Cropp, House
E.Leclerc	1,5	1,9	E.Leclerc
Mango	1,4	1,0	Mango
Calzedonia	1,3	0,4	Calzedonia

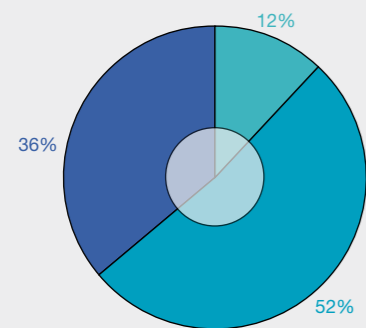
GEOGRAPHICAL PROFILE

	By fair value %	By rental revenue %	By rental area (GLA) %
Iberia	55	52	45
France	34	36	40
Slovenia	11	12	15

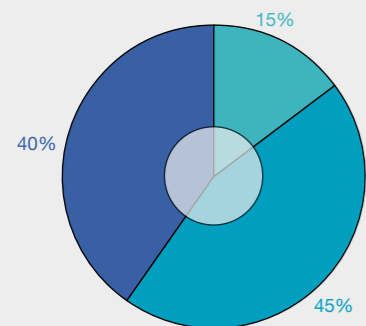
Fair value (%)



Revenue (%)



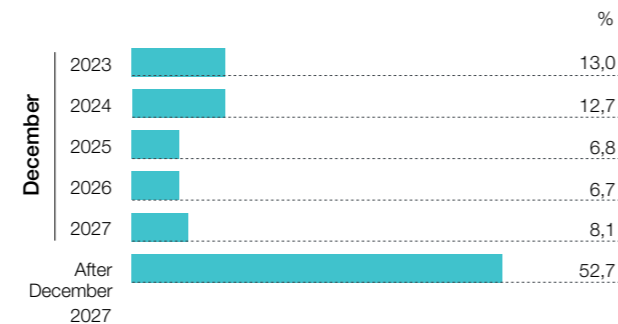
Rental area (GLA) (%)



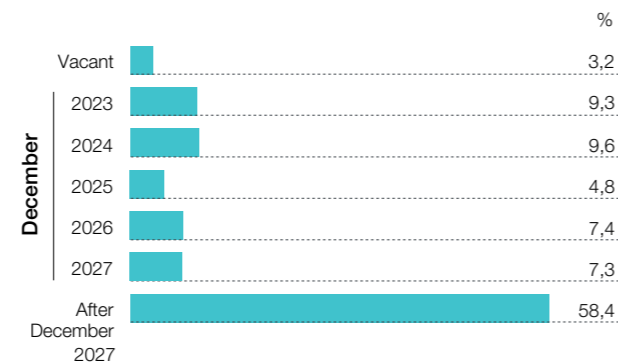
LEASE EXPIRY PROFILE

	By monthly rental %	By rental area (GLA) %
Vacant	-	3,2
December 2023	13,0	9,3
December 2024	12,7	9,6
December 2025	6,8	4,8
December 2026	6,7	7,4
December 2027	8,1	7,3
After December 2027	52,7	58,4

Lease expiry profile by monthly rental

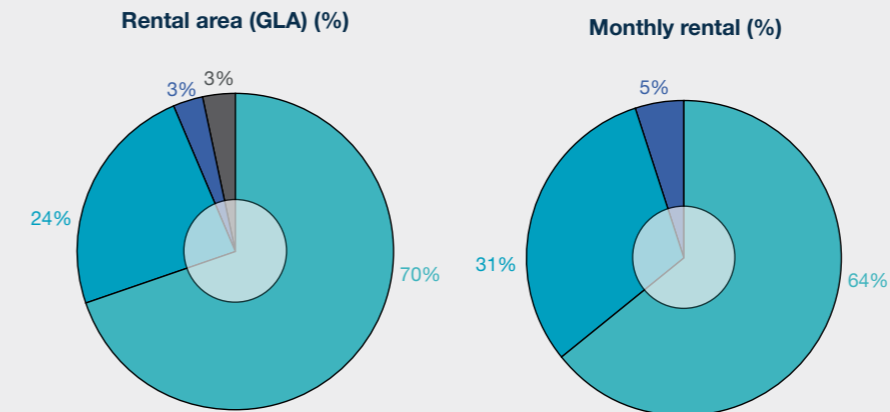


Lease expiry profile by area (GLA)



TENANT PROFILE

Large national and international retailers underpin the quality of our rental income.



- Large national and international retailers, large listed tenants. These include, inter alia, C&A, Cortefiel, Fnac, H&M, Inditex, New Yorker, Primark, Leroy Merlin, Media Markt, E.Leclerc, Mercadona and Inditex brands (Zara, Bershka, Stradivarius, Massimo Dutti, Pull&Bear, Lefties, Zara Home, etc.)
- National tenants and franchisees including, inter alia, CCC, Cineplex, Deichmann, NOS, S.Oliver and Tus
- Other (consists of 99 tenants)
- Vacant

Tenant type	By monthly rental %	By rental area %
Fashion	48,9	43,6
Food and beverage	12,6	8,5
Leisure	7,9	16,8
Cosmetics, health and hygiene	6,8	2,9
Services	5,7	2,3
Groceries	3,6	6,9
Household and furniture	3,4	2,6
Specialty leasing	3,4	3,4
DIY	2,8	5,8
Sports	2,6	1,6
Electronics	1,5	1,8
Other	0,7	3,7
Total	100,0	100,0



OUR PROPERTIES

FORUM COIMBRA Coimbra, Portugal



Located in the capital of the Centro region of Portugal, Coimbra is well situated between Lisbon and Porto and has a population of approximately c. 144 000.

Forum Coimbra is the dominant mall in the broader Coimbra metropolitan area. The mall is well located with excellent visibility and easily accessible to both the city centre and the A1 motorway.

The mall is anchored by a refurbished Continate hypermarket (in separate ownership) and is tenanted by 139 retailers and has 2 591 parking spaces. Forum Coimbra has a recently refurbished extensive food court offering featuring 30 different restaurant options, FNAC and a six-screen cinema NOS complex.

Fashion anchors include international fashion brands such as Primark, eight of the Inditex brands (Zara, Bershka, Stradivarius, Massimo Dutti, Pull&Bear and Lefties), H&M, JD Sports and a premium gym offering.

FORUM COIMBRA

Location	Coimbra, Portugal
Valuation (EUR)	184 125 000
Ownership (%)	100
Retail GLA area (m ²)	33 930 excluding a 17 700m ² Continate hypermarket (separately owned)
Occupancy (%)	99,8
Average monthly rental (EUR per m ²)	29,15
Acquired	31 May 2017
Anchor tenants	Continate (separately owned), Primark, Zara, Worten, FNAC, H&M, Mango, Cinema NOS
Major tenants	Bershka, Stradivarius, C&A, Massimo Dutti, Pull&Bear, Lefties, Krush-it Gym, JD Sports, Bimba e Lola, Benetton, IKEA

<https://www.forum-coimbra.com>

TORRECÁRDENAS Almería, Spain



Centro Comercial Torrecárdenas is located in the town of Almería in the southern Spanish coastal province of Andalucía. The mall is the dominant regional with c. 200 000 inhabitants in the immediate and growing catchment area. The region is supported by strong agricultural production and benefits from good highway network connectivity along the southern Spanish coastline.

Torrecárdenas is 61 424m² in size and opened in October 2018. The mall is the dominant retail mall in the broader Almería area and is anchored by the premier Spanish grocer Mercadona. The annual footfall of c. 7 million is supported by leading fashion retailers including Primark, Zara, Stradivarius, Lefties, Bershka, H&M, Pull&Bear and Mango.

Torrecárdenas has a strong entertainment offering including 15 restaurants, a 10-screen Yelmo Cinema and the recently opened Ilusiona games arcade for children.

TORRECÁRDENAS

Location	Almería, Spain
Valuation (EUR)	165 020 000
Ownership (%)	100
Retail GLA (m ²)	61 424
Occupancy (%)	99,2
Average monthly rental (EUR per m ²)	16,22
Acquired	10 March 2022
Anchor tenants	Primark, Zara, Mercadona, Yelmo Cinemas
Major tenants	Media Markt, Leroy Merlin, Bershka, H&M, IKEA, JD Sports, Mango, Primor, Ilusiona, Stradivarius, Sprinter, Lefties, Zara Home

<https://www.torrecardenas.com>

PLANET KOPER
Koper, Slovenia



Located in Koper, which is the only port town in Slovenia, Planet Koper is the dominant mall on Slovenia's 47km coastline.

The mall is well located just off the coastal motorway with easy access to the city centre and the surrounding residential population. Planet Koper is anchored by a Tus supermarket, is tenanted by 99 retailers and has 1 130 parking spaces.

The mall is fully occupied and is the dominant offering for the broader catchment area. The 2019 refurbishment of the mall brought in an array of international brands, including four stores from the LPP Group (House, Cropp, Sinsay and Mohito). The mall has a full fashion offering, including international brands such as L'Occitane, Galileo, Superdry, C&A, H&M, Bershka, Stradivarius, New Yorker, Champion, Sport Vision and Polleo Sport.

PLANET KOPER

Location	Koper, Slovenia
Valuation (EUR)	66 900 000
Ownership (%)	100
Retail GLA (m²)	31 240
Occupancy (%)	100
Average monthly rental (EUR per m²)	13,86
Acquired	30 August 2016
Anchor tenants	Bershka, Stradivarius, C&A, H&M, New Yorker, Cineplexx, Tus Hypermarket, Sinsay, Mohito
Major tenants	Baby Centre, Hervis, Cropp, House, Teta Frida, CCC, Mass, L'Occitane, Galileo, Superdry, Europa 92, Champion, Sport Vision, Deichman, Polleo Sport

<https://www.planetkoper.com>

SAINT SEVER
Rouen, France



Saint Sever is the dominant mall at the heart of Rouen's administrative hub and transport network. With 120 000 inhabitants, Rouen is the second largest city in Normandy (after Le Havre) and has a broader catchment area with a population in excess of c. 600 000 inhabitants.

Saint Sever has been recently refurbished with new flooring and ceilings, rest areas, redesigned entrances and toilets, high-performance panoramic lifts and modern and colourful children's play areas.

Saint Sever offers more than 100 shops and with the planned opening of a 6 700m² Primark store trading over two floors, the mall will be the dominant shopping destination on the left bank of the river Seine.

The mall is anchored by E.Leclerc hypermarket (separate ownership) and has a mix of international fashion brands such as H&M, JD Sports, Mango, Promod and Sephora. The mall also has a 14-screen Kinopolis Cinema and the general merchandise retailer Action has recently opened their first store in Rouen.

The expansion project to accommodate a 6 700m² Primark will be concluded in 2023. As expected, the introduction of this key tenant is generating substantial interest from prospective fashion tenants.



SAINT SEVER

Location	Rouen, France
Valuation (EUR)	60 654 000 ¹
Ownership (%)	60
Retail GLA (m²)	31 016 ²
Occupancy (%)	85,2
Average monthly rental (EUR per m²)	20,20
Acquired	30 September 2021
Anchor tenants	E.Leclerc (separate ownership), Kinopolis Cinema
Major tenants	H&M, Primark (opening 2023), Go Sport, Mango, JD Sports, Foot Locker, KFC

<https://www.rouenstsever.com>

¹ The fair value of the French properties reflects Lighthouse's effective 60% ownership.

² Excludes the E.Leclerc supermarket of 13 529m².

RIVETOILE

Strasbourg, France



Rivetoile is located in Strasbourg which is the eighth largest city in France and is located on the eastern border with Germany. Strasbourg has a population of c. 285 000 inhabitants in the city and over 500 000 in its broader Eurometropole. Strasbourg is the home of the European Parliament.

Rivetoile is surrounded by an efficient transportation network and is located on the most important axis of urban development in Strasbourg, with an estimated 1 000 000m² of GLA that will be developed by 2030.

Plans for an extension to the mall are ongoing which will add additional retail area, improve the exterior visibility and attractiveness of the mall and improve the shopping flow and experience for customers and tenants.

The mall is currently anchored by grocer E.Leclerc hypermarket and leading fashion brands including H&M, Mango, Zara (and other Inditex brands), Sephora and Sostrene Grene.

The proximity of a 24-theatre UGC Cinema and the prime location of the mall along the river provide an appealing location for restaurants like McDonald's, KFC, Fresh Burritos and Factory & Co.

RIVETOILE	
Location	Strasbourg, France
Valuation (EUR)	58 290 000 ¹
Ownership (%)	60
Retail GLA (m ²)	28 268 ²
Occupancy (%)	94,6
Average monthly rental (EUR per m ²)	24,30
Acquired	30 September 2021
Anchor tenants	E.Leclerc, Zara, H&M, Mango, Hollister
Major tenants	Pull&Bear, Stradivarius, Bershka, Normal, Sephora, Sostrene Grene, Hema, Footlocker, McDonald's, KFC, Fresh Burritos, Factory & Co

<https://www.rivetoile.com>

¹ The fair value of the French properties reflects Lighthouse's effective 60% ownership.

² The GLA reflects 100% of the French properties' GLA.

DOCKS 76

Rouen, France



Docks 76 is located in Rouen, a town in the north-west of France within a 90-minute drive from Paris.

Rouen has c. 120 000 inhabitants and is the second largest city in Normandy (after Le Havre). Rouen has a catchment area of c. 600 000 inhabitants.

Docks 76 is situated in the heart of the new Luciline eco-district and is the city's main shopping and leisure location on the north bank of the river Seine.

The mall is located in a fully renovated and converted former docks warehouse, and includes an attractive and diversified offering including Carrefour City, Pathe Cinema (with GLA in excess of 10 000m²) an Accrosport fitness centre and Gulli Parc kids playground.

The fashion offering includes H&M, Hollister, Mango, Sephora and Superdry.

The Biltoki concept was successfully introduced in 3Q2022. Biltoki is an artisanal market hall exclusively the third quarter of 2022 dedicated to local traders and food artisans and has significantly improved the leisure and convenience offering of the mall.



DOCKS 76	
Location	Rouen, France
Valuation (EUR)	55 386 000 ¹
Ownership (%)	60
Retail GLA (m ²)	36 727 ²
Occupancy (%)	92,2
Average monthly rental (EUR per m ²)	19,08
Acquired	30 September 2021
Anchor tenants	Pathe Cinema, Carrefour City, Biltoki
Major tenants	Hollister, Esprit, Superdry, Chausssea, H&M, Accrosport Fitness

<https://www.docks76.com>

¹ The fair value of the French properties reflects Lighthouse's effective 60% ownership.

² The GLA reflects 100% of the French properties' GLA.

DOCKS VAUBAN
Le Havre, France



Located in the port city of Le Havre, Docks Vauban is the dominant fashion and leisure offering in the city. The mall is well located in the vicinity of the main train station and in the heart of the docks. Le Havre has c. 272 000 inhabitants and Docks Vauban enjoys high visibility in the city.

Docks Vauban provides c. 60 exclusive fashion offerings in the city of Le Havre including Primark, Zara, H&M, Chaussea, Jennyfer, Bershka and New Yorker.

The mall has a recently refurbished and rebranded Pathe Cinema offering.

Docks Vauban forms part of an intricate project that revitalised the heritage of the docks district and is surrounded by several universities, hotels and office buildings. Carre Des Docks is the largest conference and events centre in the city and is located in the vicinity.

The introduction and opening of German grocer and supermarket Lidl in 2022 completed the full-scale offering of Docks Vauban.

DOCKS VAUBAN

Location	Le Havre, France
Valuation (EUR)	43 404 000 ¹
Ownership (%)	60
Retail GLA (m ²)	47 007 ²
Occupancy (%)	97,2
Average monthly rental (EUR per m ²)	10,68
Acquired	30 September 2021
Anchor tenants	Pathe Cinema, Lidl, Primark
Major tenants	New Yorker, Bershka, Accroport, Zara, KFC, Jennyfer, Chaussea, H&M, La Halle, Guilli Parc

<https://www.docksvauban.com>

¹ The fair value of the French properties reflects Lighthouse's effective 60% ownership.

² The GLA reflects 100% of the French properties' GLA.



GROUP STRUCTURE



Hammerson plc	22,8%
Forum Coimbra Mall	100%
Torrecárdenas Mall	100%
Planet Koper Mall	100%
Saint Sever Mall ²	60%
Rivetoile Mall ²	60%
Docks 76 Mall ²	60%
Docks Vauban Mall ²	60%

¹ Ultimate holding company that invests directly and indirectly in the underlying entities.

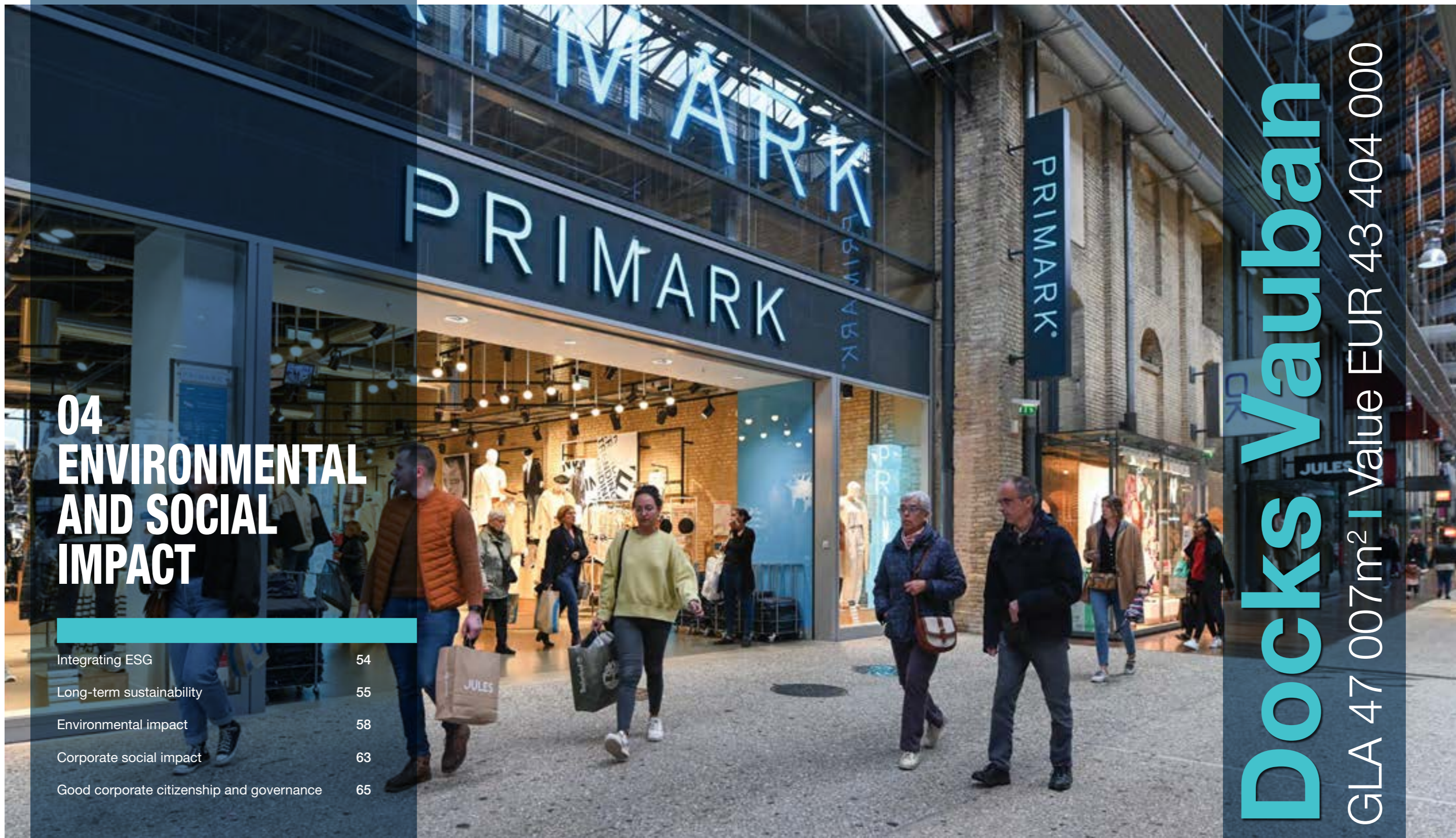
² The remaining 40% is owned by Resilient REIT Limited.

04 ENVIRONMENTAL AND SOCIAL IMPACT

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Docks Vauban

GLA 47 007m² | Value EUR 43 404 000



INTEGRATING ESG

We are committed to integrating ESG principles into our strategic decision-making for the benefit of all our stakeholders.

We recognise the need to continue to improve our understanding and minimise the impact of our business on the environment to better serve the communities in which we operate and to meet the needs of our employees, customers, service providers and shareholders.

We aim to achieve this by:

- ▶ Continued focus on good corporate governance and ethical conduct to ensure we mitigate risks and maximise opportunities
- ▶ Improving the measurement and tracking of our carbon footprint and introducing appropriate targets and actions to work towards our net-zero ambitions
- ▶ Engaging and working with our communities to actively align our business activities with their expectations and needs
- ▶ Promoting employee well-being and skills development to ensure that we attract, retain and motivate our workforce and align employees with the values of the business.

MATERIALITY ASSESSMENT

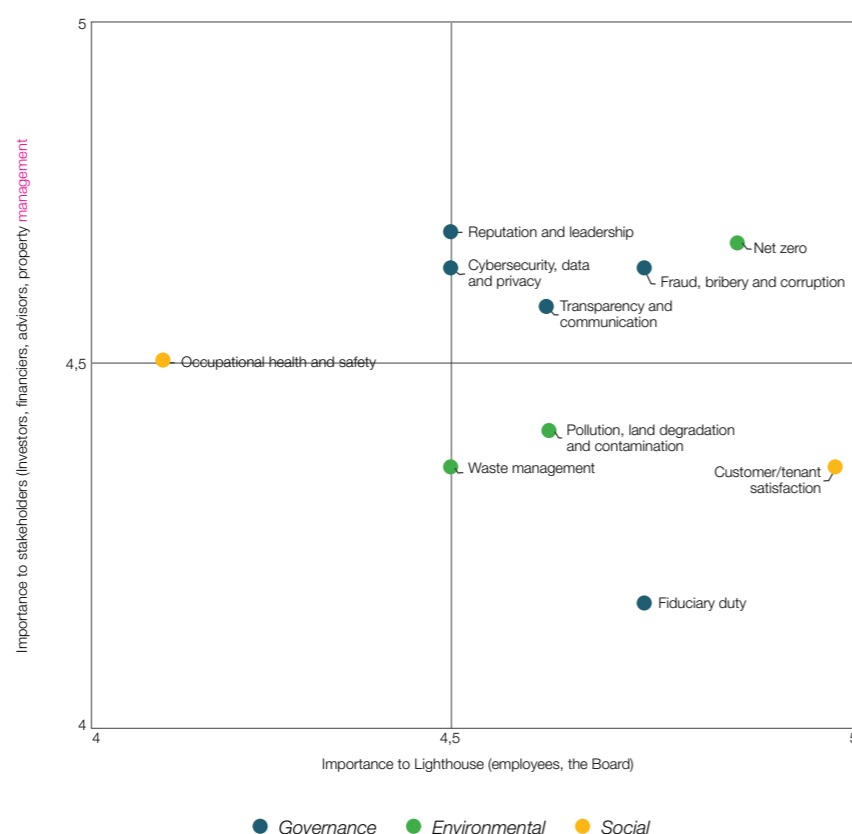
With the objective of identifying matters considered material to our stakeholders, we performed an ESG materiality assessment through engagement with employees, management, the Board, service providers, financiers and investors. This engagement has informed our formulation of a comprehensive sustainability strategy to prioritise matters needed to future-proof our business.

We identified 28 material ESG topics. The summary matrix below highlights the priorities identified as most material to stakeholders and which require prioritisation in our approach to a sustainable and future-proofed business model.

The primary objective of this ESG strategy is to formulate a sustainable approach to the environment, to ensure an aligned and meaningful contribution to society and continued good governance. Execution of this sustainability strategy will ensure that we are able to adapt to dynamic environmental and socio-economic conditions.

Our sustainability ambitions and strategy are focused on climate risk management, improving our energy efficiency, considering alternative energy solutions, water efficiency and waste management so as to work towards our net-zero emissions ambitions and reduce our carbon footprint.

From a governance perspective, we remain focused on the principles of sound corporate governance, open communication with stakeholders and continued transparency in compliance with all relevant regulations and legislation in the various jurisdictions in which we operate.



LONG-TERM SUSTAINABILITY

Our long-term sustainability ambitions are based on our commitments and targets categorised under each ESG pillar and which are aligned with the principles of the UN SDGs and the disclosure requirements set out in the TCFD guidelines.

ALIGNMENT WITH THE UN SDGs



















Lighthouse subscribes to the 2030 Agenda for Sustainable Development and the associated SDGs when considering the impact of our business on society and the environment.

The purpose of the 17 SDGs is to slow climate change, eradicate poverty, promote human rights and fight inequality. The SDGs aim to balance the three dimensions of sustainable development (economic, social and environmental) deemed critical drivers for socio-economic growth and make them become actionable for leaders.

Our ESG strategy is premised on 11 SDGs that we have identified and prioritised. We have set targets for our contributions toward the SDGs and have created an SDG framework to guide our behaviour. We are currently in the process of developing these into measurable targets as part of our sustainability strategy.

SDGs		THE PURPOSE OF THE GOAL
	Good health and well-being	Ensure healthy lives and promote well-being for all.
	Quality education	Ensure inclusive and equitable quality education and learning opportunities.
	Gender equality	Achieve gender equality and empowerment of women.
	Clean water and sanitation	Ensure the availability and sustainable management of water and sanitation.
	Clean and affordable energy	Ensure access to affordable, reliable, sustainable and modern energy.
	Decent work and economic growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and a decent work environment.
	Industry, innovation and infrastructure	Construct resilient infrastructure that promotes inclusive and sustainable development goals.
	Sustainable cities	The broader goal is to ensure property investments operate within their cities and communities on an integrated and inclusive basis employing safe, resilient and sustainable practices.
	Responsible consumption and production	Ensure sustainable consumption and production patterns.
	Climate action	Take urgent action to combat climate change and its impacts.
	Partnerships for the goals	Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.

OUR CONTRIBUTIONS TO THE SDGs AND FUTURE PLANS

		SDGs	OUR PROGRESS TOWARDS THE SDGS	OUR FUTURE PLANS
 <p>FINANCIAL CAPITAL</p>	<p>Lighthouse strives to deliver both capital and distribution growth to its shareholders by investing in property, directly or indirectly, with competitive yields that have the prospect for growth.</p>		<p>We engaged and collaborated with accredited leaders, industry partners and local authorities who subscribe to the principles of long-term sustainability. Our efforts included:</p> <ul style="list-style-type: none"> ▶ Achieving BREEAM In-Use certification to improve sustainability of our malls ▶ Development and implementation of an ESG sustainability framework and strategy for inclusion in all business decision-making ▶ Formalisation of environmental policy and framework ▶ Investor and stakeholder engagement on the importance of ESG and sustainability practices ▶ The creation of a green financing framework to help source capital among private and public debt capital markets 	<ul style="list-style-type: none"> ▶ We expect the impact of ESG-related practices will influence all investment and operational decisions going forward ▶ Initiation of BREEAM In-Use certifications on all assets with the objective of improving performance and ratings
 <p>MANUFACTURED CAPITAL</p>	<p>Potential investments are considered on the basis of sustainable, long-term growth. We aim to exceed industry benchmarks through various development and refurbishment opportunities; or through purchasing or expanding existing malls; or through investments in other listed securities.</p>	 	<ul style="list-style-type: none"> ▶ We considered the environmental and social impact aspects of all investment decisions ▶ We continued investing in and using technology to monitor and reduce the consumption of water and energy across our portfolio ▶ Active focus on waste management and recycling 	<ul style="list-style-type: none"> ▶ We will continue investing in technology to improve monitoring; this helps us reduce consumption
 <p>SOCIAL AND RELATIONSHIP CAPITAL</p>	<p>We invest in long-term relationships with various stakeholders:</p> <ul style="list-style-type: none"> ▶ Our communities ▶ Our employees ▶ Our investors ▶ Our financiers ▶ Our patrons ▶ Our suppliers and service providers ▶ Our tenants 	   	<ul style="list-style-type: none"> ▶ We promote sustainable communities by partnering with established community-based organisations 	<ul style="list-style-type: none"> ▶ Continue investing in a diverse range of initiatives to positively create value for our communities ▶ Introduction of the green lease framework with tenants ▶ We will continue considering the safety of tenants, employees, communities and patrons ▶ We will continue considering our social and environmental impacts on our stakeholders
 <p>HUMAN AND INTELLECTUAL CAPITAL</p>	<p>Our employees are an essential part of our business.</p> <p>We aim to attract and retain motivated, high-calibre employees whose values and interests are aligned with our corporate values.</p>	  	<ul style="list-style-type: none"> ▶ We increased our investment in technology to better measure the carbon footprint in our business ▶ We enhanced our awareness about improving water and energy efficiency and waste management of our assets ▶ We adopted a Board diversity and inclusion policy ▶ We value equality and diversity and ensure that all policies involving tenants, service providers and contractors demonstrate inclusivity ▶ We offered appropriate training and development to enhance skills and facilitate succession planning ▶ We promoted employee well-being to ensure they balance their professional and personal lives ▶ We supported local economic development through job creation, skills development opportunities, and by offering employment to numerous people at our malls 	<ul style="list-style-type: none"> ▶ Reduce water consumption and/or increase our water recycling ▶ Expand solar photovoltaic ("PV") solar initiatives where possible ▶ Continue offering employees skills development opportunities ▶ Continue supporting the professional development of our employees ▶ Continue to support local economic development through job creation
 <p>NATURAL CAPITAL</p>	<p>We aim to improve the sustainability of our properties by investing in energy and water measurement and efficiency technologies.</p>	  	<ul style="list-style-type: none"> ▶ We improved our measurement of energy and water usage and waste management ▶ We focused on improving the energy efficiency of our assets ▶ We implemented measures to increase our energy self-sufficiency ▶ We aim to reduce our reliance on fossil fuels ▶ Introduction of green lease framework when signing new leases ▶ Asset-specific strategies aimed at reducing our greenhouse gas ("GHG") emissions 	<ul style="list-style-type: none"> ▶ Continue focusing on pursuing water and electricity measurement and efficient technologies to reduce GHG emissions ▶ Setting up GHG reduction targets as well as focusing on more nature-based solutions to reduce ecosystem impacts ▶ Continue the roll-out of the green lease framework ▶ Asset-specific consumption targets and actions

Lighthouse supports the Paris Agreement goal to reduce global carbon emissions. We aim to minimise our carbon footprint by focusing on reducing energy and water consumption, minimising waste generation and reducing our carbon emissions through various asset-level initiatives:

- » Aligning operational carbon performance by setting reduction targets, using science-based methodologies
- » Building improvements for phased efficiency improvements
- » Improving independent building certifications and ratings by adopting recommended improvements
- » Minimising waste reduction through recycling of waste at our assets
- » Better monitoring and measuring building resource consumption of energy, water and waste and associated carbon emissions
- » Reduction of energy and water consumption through the implementation of several long-term reduction solutions

CLIMATE CHANGE

The Board is committed to addressing climate risk and strives to improve our understanding of how our business activities contribute to climate change and how climate change impacts the sustainability of our business.

We recognise the role we have to play in reversing climate change and monitor the impact of our business activities in respect of both physical and transition risks. We acknowledge the increasing risks posed by the changing climate, and the requirement of investors to understand our mitigation actions and initiatives.

We recognise the importance of safeguarding our assets against catastrophic physical climate events, and the need to formulate an environmental strategy to mitigate potential risks and embrace environmental technologies and opportunities, which will help build climate resilience through the reduced reliance on fossil fuels.

The Task Force on Climate-related Financial Disclosures

We are committed to improving our environmental reporting processes by aligning our climate risk assessments and disclosures with the TCFD guidelines. This commitment demonstrates how we hope to be part of the climate solution.

We follow an integrated process of identifying, assessing and managing climate-related risks in our overall Group risk management process, which we then align to the risks and opportunities set out by the TCFD.

Governance

The Board is ultimately responsible for the governance of climate-related risks and opportunities, but has delegated the responsibility of overseeing and managing its response to climate change risks and opportunities to the Social and Ethics Committee and the Investment Committee.

Both the Board and the committees have committed to addressing climate risks, and do so by seeking to understand what potential impacts climate change could have on the business, and are responsible for developing a climate change strategy and monitoring our responses to both physical risks and transition risks.


Our intention is to integrate climate change resilience into our business strategy to enable and ensure responsible investment and behaviour.

 More information on Lighthouse's corporate governance is available on pages 68 to 72.

Strategy

Our strategy is designed to actively respond to the current and projected impact of climate change on our business and to meet the increased requirement from stakeholders for improved measurement, disclosure and mitigation of the potential impacts climate-related risks have on our operations, strategy and planning.

Initially, we focused on undertaking a detailed analysis of both the physical and transition climate change risks posed to our business.

 Lighthouse completes an annual risk assessment process to identify its material business risks. This includes an assessment of the physical and transition risks posed by climate change. Results are reported to the Risk Committee and the Board, and published in the Integrated Report (refer to pages 19 to 24).

Our approach to managing climate risks is incorporated in our risk management framework, including our investment management activities.

Our responses and initiatives are strategic and based on long-term outcomes and focus on both transition risks and physical risks. These involve identifying, measuring, mitigating and, where possible, capitalising on business opportunities associated with these risks. Examples include using renewable energy, providing on-site energy solutions and achieving carbon-neutral operations.

Guidelines for asset-level environmental and social risk assessments are being formulated and implemented as part of our broader business and investment strategy.

Risk management

Our climate-related risk management processes consider the full life cycle of our properties when identifying, assessing and managing the impact of climate-related risks (both transition and physical risks). This approach ensures our business activities support our environmental goals from initial acquisition or development to disposal.

Lighthouse has a robust and comprehensive risk management framework in place that forms part of both the Investment Committee and Risk Committee mandates, with the Board setting risk appetite and tolerance levels, strategic objectives and accountability. As with our broader ESG priorities, climate risks have increasingly been integrated into our investment mandate, risk management frameworks and operational structures.

Our Investment Committee provides a formal process for the consideration of investments and material climate risks. Our Risk Committee framework includes a clear disclosure strategy. The results of our climate-related assessments and progress, with associated targets, are included in our climate disclosures, including voluntary reporting with ESG and elective climate-related benchmarks. Where appropriate, we engage with specialist technical advisors and professionals to ensure the appropriate risk management and mitigation is adhered to.

Our approach to defining and managing climate risks continues to improve. We are considering scenario analysis to better understand how climate change can potentially impact the resilience of our portfolio. The outcome of this analysis helps inform our risk and opportunity identification, which we then prioritise in terms of impact and probability and then assess the effectiveness of our mitigation controls across our time frames.

Metrics and targets

We have committed to measuring our impact on the environment, in respect of both physical and transition risk, by setting appropriate targets and identifying where further improvement is required. We endeavour to use best practice performance measures and provide stakeholders with comparatives for context.

The following metrics are measured and monitored for each mall:

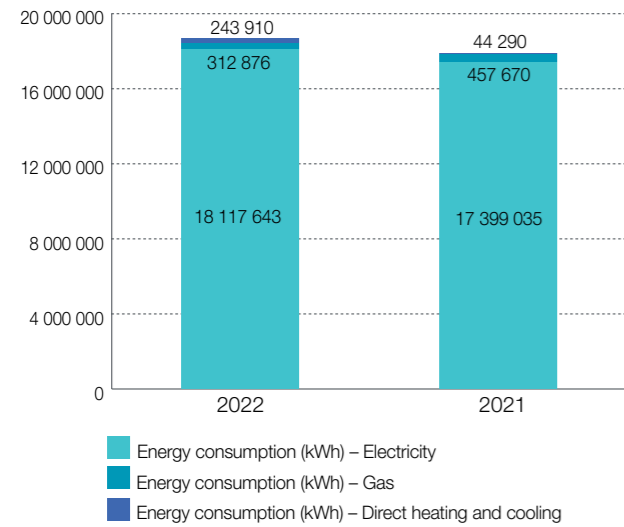
- ▶ Energy consumption and efficiency
- ▶ GHG emissions
- ▶ Carbon intensity
- ▶ Water consumption
- ▶ Waste management
- ▶ Physical risk assessment

Within the context of our support of the Paris Agreement and the ultimate objective of achieving net-zero, appropriate targets are set for each mall to measure and reduce our carbon footprint as part of our ambitions towards net-zero emissions.

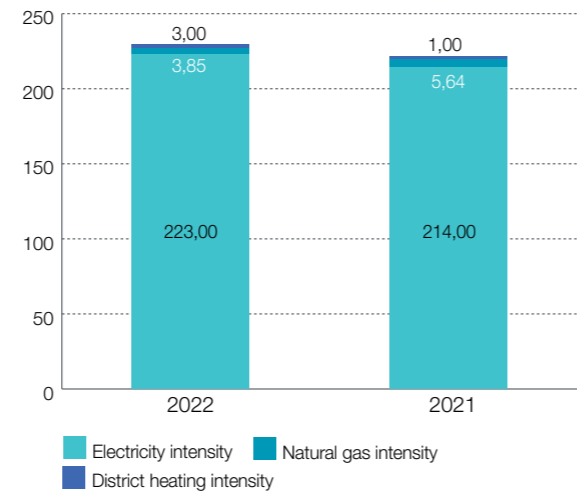
Portfolio consumption data

Portfolio consumption data relates to common area consumption data (except for Planet Koper which includes consumption data for those tenants that are not separately billed and charged).

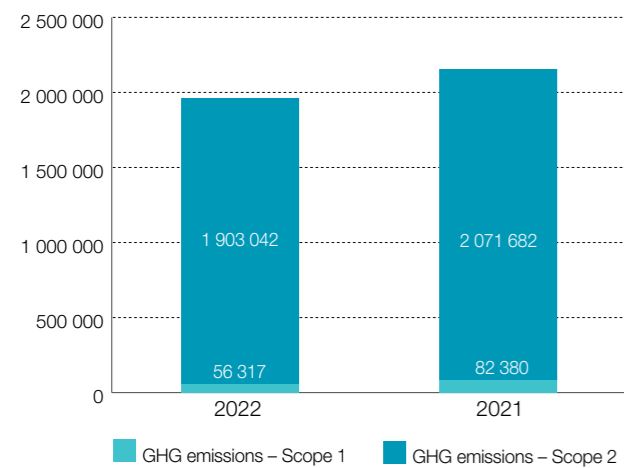
Energy consumption (kWh) (Landlord) – energy source



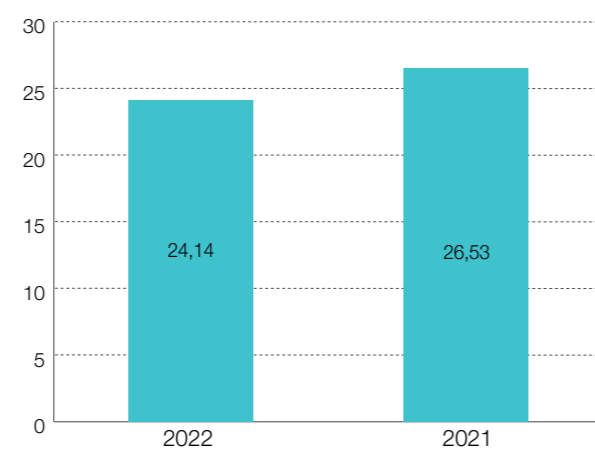
Energy use intensity (kWh/m²) (Landlord)



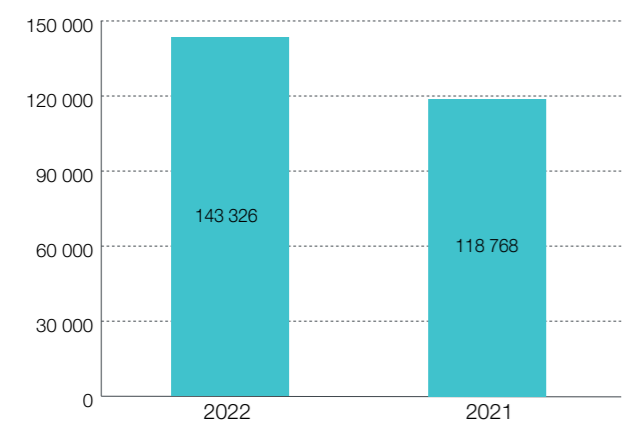
GHG emissions Scope 1 and 2 (kgCO₂e) (Landlord)



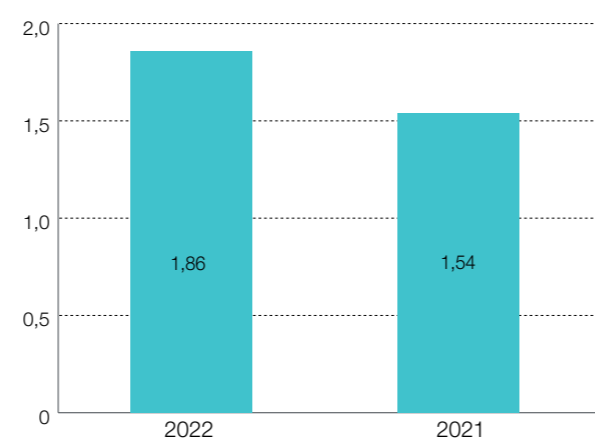
Carbon Intensity - kgCO₂/m² (Landlord)



Water consumption (m³) (Landlord)



Water intensity (m³/m²) (Landlord)



IMPROVING OUR ENERGY EFFICIENCY

We have initiated several measures across the portfolio, in support of our ambition to further improve our energy efficiency and to reduce our carbon footprint.

Initiatives

- ▶ Actively sourcing clean energy
- ▶ BREEAM In-Use independent assessment of each of the assets to identify areas for improvement and efficiency
- ▶ Investment in solar PV
 - Asset-specific initiatives to identify expansion of solar PV initiative areas to reduce consumption and improve efficiencies
 - To date, solar PV plants with a capacity of 1,100kWp have been installed at Torrecárdenas and Planet Koper. These resulted in a reduction of 1 173 067kWh of energy and 267,6 metric tons of CO₂ emission savings
- ▶ Building management systems include smart technology which provides accurate, real-time information/data about consumption patterns
- ▶ LED lighting is installed in all common areas, and tenants are now required to use LED lighting
- ▶ Light-saving initiatives such as replacing regular lights with LED and installing remote-controlled lighting to reduce electricity utilisation when not necessary
- ▶ Replacement of the cooling fans with more energy-efficient systems

Metrics and measurements

- ▶ Total electricity consumption in the common areas: 18 117 643kWh (2021: 17 399 035kWh)
- ▶ Total volume of electricity self-generated: 1 173 067kWh
- ▶ Total GHG emissions:

Emissions tCO ₂ e	2022	2021
Scope 1	56,3	82,4
Scope 2	1 903	2 072

As part of its environmental sustainability strategy, Lighthouse will work towards improving the consumption for each property through introduction of a green lease programme and mutual cooperation with tenants in terms of Scope 3 emissions.

Target

Appropriate asset-specific targets, with baseline consumption from which to measure progress, will be set this year.

REDUCING OUR WATER CONSUMPTION

We have undertaken numerous steps to improve our water usage efficiency.

Initiatives

- ▶ Installing smart meters to measure water consumption accurately and detect leaks
- ▶ Installing tap sensors to reduce water consumption
- ▶ Introduce grey water reusage
- ▶ Controlling water pressure to limit consumption
- ▶ Planting indigenous plants that require less water

Metrics and measurements

- ▶ Total consumption: 143 325m³ (2021: 118 768m³)

Target

Appropriate asset-specific targets, with baseline consumption from which to measure progress, will be set this year.

WASTE MANAGEMENT

Our ambition is to further improve waste management by reducing waste generation, improving the proportion of waste by disposal route and continuing with waste recycling initiatives to limit air, water and soil pollution and the associated negative impact on the environment.

Initiatives

- ▶ Separate our waste into recyclable and non-recyclable waste.
- ▶ Promote recycling by introducing recycling points in the malls
- ▶ Promote a paperless business environment

Metrics and measurements

- ▶ 3 572 tonnes of waste generated in 2022 with 43% of all waste recycled and c. 10% of waste diverted to energy creation

Target

Appropriate asset-specific targets, with baseline consumption from which to measure progress, will be set this year.

INDEPENDENT CERTIFICATIONS

BREEAM is an environmental sustainability assessment method for existing buildings. It evaluates the asset performance and the building management in several categories, such as energy and water use, waste management, transportation and materials, among others.

In 2022, we initiated the BREEAM certification process for all our assets to assess the environmental performance of the buildings, identify areas for improvement, reduce the environmental impact and improve their overall sustainability performance.

A summary of the BREEAM In-Use results of each property:

Property name	Asset performance	Building management
Forum Coimbra	Assessment currently in progress	
Planet Koper	Assessment currently in progress	
Docks Vauban	Very good	Excellent
Saint Sever	Very good	Good
Docks 76	Excellent	Very good
Rivetoile	Excellent	Excellent
Torrecárdenas	Assessment currently in progress	

ENVIRONMENTAL INITIATIVES AT OUR MALLS

As part of our sustainability strategy, we have long-term engagement plans in place to help reduce the environmental impact at our malls.

Forum Coimbra

- ▶ Green electricity sourced from renewable sources
- ▶ All tenants are required to use LED lights only in an effort to conserve energy. LED lighting is currently being installed in all common areas as part of our energy-saving programme
- ▶ A solar PV installation is currently under consideration
- ▶ The centre offers eight electric vehicle charging stations (in a joint investment with an industry leader) demonstrating our commitment to sustainable mobility. Estimated generation capacity c. 550 kWh
- ▶ We initiated the BREEAM In-Use certification process, which will help us to identify and recommend further improvements as part of the asset long-term sustainability practices
- ▶ We continued to invest in energy-saving measures by replacing the cooling fans with a more efficient and environmentally friendly system
- ▶ We conducted an environmental mitigation study to identify the flood risks of the building and implemented mitigation measures
- ▶ We installed flow reducers on basin taps in all bathrooms, to further improve our water management

Planet Koper

- ▶ All tenants are required to install LED lighting in their units to conserve energy
- ▶ We introduced LED lighting throughout the centre to reduce the use of electricity as part of the energy-saving measures. This initiative was acknowledged and supported by the state Eco fund with an incentive of 20% of the total investment
- ▶ All tenants are required to instal submeters in their units on lease renewal to better understand the consumption in the building
- ▶ We produced 1 102 000kWh from our solar PV installation saving an estimated 256,9 t CO₂
- ▶ We initiated the BREEAM In-Use certification process, to help us identify and recommend further improvements as part of the property long-term sustainability practices.
- ▶ We performed on energy efficiency assessment and updated our energy certificate

Docks Vauban

- ▶ We concluded our air and water quality monitoring audit
- ▶ We installed presence sensors in our waste rooms
- ▶ We introduced recycling points in the mall to encourage customers and tenants to dispose of all recyclable materials
- ▶ We renewed our BREEAM In-Use certification for asset and management performance

Docks 76 and Saint Sever

- ▶ We continued to support the restaurants to reduce food waste through our "Too Good to Go" initiative
- ▶ We invested in new energy-efficient air-handling units at Saint Sever
- ▶ We invested in a new energy-efficient boiler room burner at Docks 76
- ▶ We introduced a recycling space for specialist recycling (coffee capsules and cups)
- ▶ We introduced recycling cans for biowaste generated at our restaurants
- ▶ We renewed our BREEAM In-Use certification for asset and property management performance
- ▶ We switched to LED lighting in all common areas
- ▶ We introduced LED lighting in the parking area

Rivetoile

- ▶ We introduced a recycling collection point for customers to recycle items like light bulbs and batteries
- ▶ We introduced a voltage regulator to spread electricity voltage flow to reduce the adverse impact and deterioration on our equipment
- ▶ We renewed our BREEAM In-Use certification for asset and management performance
- ▶ We supported biodiversity through the introduction of indigenous and water-wise rooftop gardens
- ▶ We introduced LED lightning at the emergency exists

Torreçárdenas

- ▶ Green electricity sourced from renewable sources
- ▶ We have initiated the BREEAM In-Use certification process to help us identify and recommend further improvements as part of the property long-term sustainability practices
- ▶ We have started a project for recirculation of condensation water from the air heaters. The water spent in the air-conditioning system will be recovered. The expected result is 50% less water consumption in the property
- ▶ We have installed LED lightning and implemented remote control for the lights
- ▶ We are exploring the possibility of expanding the current solar PV installation with additional capacity to further increase self-generation of renewable energy
- ▶ We produced 71,06kWh from our solar PV installation saving an estimated 10 660kg CO₂

CORPORATE SOCIAL IMPACT



OUR PEOPLE

Lighthouse currently employs 11 people (2021: 9 people). All employees are critical drivers of our value-creation story. Our sustainability is dependent on our ability to attract and retain the highest-calibre talent. Our supportive and dynamic working environment encourages high levels of productivity and low employee turnover.

Supporting local economic development

We support local economic development through job creation and skills development opportunities by enabling employment to 5 976 people at our malls.

Forum Coimbra	1 580 people
Torreçárdenas	1 154 people
Planet Koper	500 people
Docks Vauban	657 people
Docks 76	590 people
Rivetoile	746 people
Saint Sever	749 people

Employees

We offer competitive remuneration, which, in turn, translates into low employee turnover (2022: 1 employee). By prioritising employee well-being, we ensure our employees' values align with our shareholder interests.

Training and development

We use employee training to improve our skills base, contribute to succession planning and support our wellness and sustainability initiatives. We continuously evaluate and make available relevant training opportunities to employees.



CORPORATE SOCIAL INVESTMENT ("CSI")

Lighthouse contributes to meaningful social change by offering substantial investment to the communities that surround our properties. Each mall is responsible for formulating their own unique CSI framework and strategy. All initiatives align with Lighthouse's core business priorities of investing in education and skills development, environmental protection and climate change resilience, sports and arts development and general community integration.

Lighthouse acknowledges its role to society in providing healthy, safe and enjoyable spaces for the communities and tenants. Our aim is to provide pleasant and cohesive spaces for our building occupiers that fulfil their needs.

A needs-driven approach versus a supply-driven approach is adopted by the malls to ensure maximum value creation for community stakeholders. When determining which initiatives to assign resources to, management considers the following questions:

- ▶ Will these initiatives create value for the community we operate in?
- ▶ Will these initiatives promote community well-being?



Our malls community CSI initiatives include:

Forum Coimbra

- Forum Coimbra is a proud sponsor and supporter of various community-focused initiatives, including:
- ▶ Cooperating with the mayor of Coimbra, the mall organised the event “*Shop in Market*” with the aim of promoting traditional merchants to a broader audience
 - ▶ Sponsoring Coimbra’s Book Fair for the first time and taking an active role on the opening day by inviting famous artists to take part in the event
 - ▶ Offering financial support and donations to the Academic Federation of Coimbra and University of Coimbra
 - ▶ Promoting a sustainable environment among mall visitors
 - ▶ Hosting the early screening campaign where the medical students from the University of Coimbra performed free cardiovascular screenings for visitors in the mall
 - ▶ Hosting “*Liga dos Pequenos*”, a non-profit organisation that brings Coimbra Pediatrics Hospital closer to the community
 - ▶ Fundraising for the Portuguese League Against Cancer. The goal of the campaign is to increase awareness and make the fight against cancer a national example of mutual help and solidarity

Torrecárdenas

- Torrecárdenas is an active supporter of community-focused initiatives including:
- ▶ Partnering with the foundation “*Josep Carreras*” by organising a city race to increase awareness of leukaemia among the community
 - ▶ Supporting community associations by providing space for community engagement and initiatives: Cruz Roja, Médicos sin fronteras

Planet Koper

- Planet Koper supports the local community through partnerships with numerous local organisations, including:
- ▶ Providing educational activities for customers on how to improve water consumption
 - ▶ Partnering with local schools to present educational programmes and display students’ projects
 - ▶ Partnering with the local firefighting brigade in providing the educational course “*Safe way to school*” for children living in the local community
 - ▶ Partnering with the local police and animal shelter to increase the awareness of the effects of pyrotechnics on animals
 - ▶ Organising a carnival for children at the mall
 - ▶ Actively engaging with the community through organised events and workshops

Docks Vauban

- ▶ Docks Vauban supports community associations by providing free space for community engagements, promotions and initiatives. Numerous organisations benefited, including l’Académie des Langues, Plantes pour Tous, Carre des Docks, HAC Football Club, STB Basket, IUT Le Havre, Cami Sport et Cancer and Secours Populaire
- ▶ Docks Vauban hosted numerous events aimed at increasing community awareness and engagement including the l’Amazone (women’s race against cancer) and the Green week (educational family event)
- ▶ Transat Jacques Vabre Normandie – Le Havre Yacht festival

Docks 76 and Saint Sever

- ▶ Docks 76 and Saint Sever offered space to community organisations to promote local artists, sports partnerships, charitable associations, awareness campaigns and cultural and social participation. These include Secours Populaire, Women’s Rights Week, UNICEF, Doctors Without Borders, Amnesty International, blood donations, Ligue against Cancer and the Norman Committee against respiratory diseases
- ▶ Partnering with the local medical student association “*We Can Budg*” to collect donations by wrapping gifts for customers with the aim of providing access to care for isolated populations in Cambodia
- ▶ Partnering with “*Les Nids Foundation*” to collect toys for children at Docks 76
- ▶ Partnering with the local charity organisation “*Solidarité Textile*” to collect second-hand clothing at Docks 76

Urban vegetable gardens

An example of community involvement is the establishment and support of urban vegetable gardens. Vegetable garden containers are freely accessible to cultivate vegetables in the middle of the city. Community members are encouraged to share in the harvest.

Initiatives include 10 free participatory gardening workshops, including an introduction to permaculture, a focus on aromatics, biodiversity and insect and bird refuge.

The Shared Garden of Docks 76 is one of the winners of the call for projects “*La Métropole Nourricière*”, launched by the Métropole Rouen Normandie to encourage action in favour of local food production

Rivetoile

Rivetoile plays an active role in the community by providing space for diabetes diagnostics, local artists, student associations, tenants and charity organisations. The centre utilised digital tools for community notices for entities like the Institute Européen de Formation (promoting education), October rose (promoting breast cancer awareness), ULULE Partnership and the AREM (residents association).

Additional initiatives include:

- ▶ Promoting biodiversity within the community by organising a special day for customers to visit the mall beehives
- ▶ Partnering with local charity organisations in the mall such as Relais Est and Secours Populaire to collect toys and clothes for children
- ▶ Hosting events organised by the City of Strasbourg to support local business neighbours
- ▶ Tenant and customer satisfaction surveys to better understand and meet their needs
- ▶ Sponsoring the “*Commerce Design*” event organised by the chamber of commerce with the aim of improving customer experience

GOOD CORPORATE CITIZENSHIP AND GOVERNANCE

We recognise that as a good corporate citizen we need to formulate and deliver a comprehensive ESG strategy and framework.

We apply the King IV™ governance framework to create an ethical corporate culture, maintain effective control and establish trust among our stakeholders. We believe that the adoption of these governance principles will help us ensure long-term sustainability and value creation.

In line with our ESG strategy, we aim to:

- ▶ Conduct regular materiality assessments to prioritise sustainability matters
- ▶ Drive our green lease implementation programme
- ▶ Embed good corporate governance practices throughout the business through implementing clear corporate policies focused on cybersecurity, whistle-blowing, data protection and privacy, supplier code of conduct and anti-fraud, bribery and corruption.
- ▶ Ensure careful handling and storage of all confidential information (in all its possible forms)
- ▶ Embed our ESG ambitions throughout the Group; this includes adding ESG KPIs to the management team responsibilities
- ▶ Invest in employee skills development and training
- ▶ Ensure responsible procurement practices are followed; this includes setting minimum procurement standards and skills expectations from contractors
- ▶ Ensure suppliers sign and adopt our responsible supplier code of conduct (for all major services)
- ▶ Foster diversity and equal opportunity by introducing a diversity and inclusion policy
- ▶ Provide a safe working environment for all our employees and contractors
- ▶ Share our ESG ambitions with our stakeholders to foster alignment and promote collaborations across our value chain.



05 CORPORATE GOVERNANCE OVERVIEW

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Rivetoile

GLA 28 268m² | Value EUR 58 290 000

GOVERNANCE STRUCTURE

Good governance supports our overall value-creation process and helps Lighthouse establish and maintain trust with key stakeholders. This chapter sets out our approach to governance, with an overview of our explanations and the implementation of the principles advocated by King IV™.

The Board assumes overall responsibility as the custodian of governance. This includes approving all governance processes, policies and planning; ensuring accountability across the business; providing oversight, monitoring and insight; and setting and steering strategic direction.

The Board reviews its delegation authority structure frequently. It confirms it is satisfied with its role clarity between the Board, its committees and executive management. The governance structure, processes and policies ensure Lighthouse is consistently governed to ensure the Group executes its strategy to deliver on stakeholder expectations.

The Board ensures that sound corporate governance practices are incorporated into Lighthouse's values, culture, processes and internal controls; this promotes an awareness of risk, compliance and good governance throughout the Group.



KING IV™

EXPLANATION OF THE APPLICATION OF KING IV™

Governance outcome one: Ethical culture

Principle 1
The Board leads ethically and effectively.

The Directors hold one another accountable for decision-making and behave ethically. The Chairperson is tasked to monitor this as part of his duties.

Ultimate control of the Company and Group rests with the Board while executive management is responsible for the proper management of the Company and Group. The Board has approved a statement of accountabilities.

Principle 2
The Board governs the ethics of Lighthouse in a way that supports the establishment of an ethical culture.

The Board is the primary body responsible for the corporate governance values of the Group. While control is delegated to management in the day-to-day management of the Group, the Board retains full and effective control over the Group.

A formal Board charter has been adopted. All Directors subscribe to a code of ethics. The code of ethics deals with duties of care and skill, as well as those of good faith, including honesty, integrity and the need to always act in the best interests of the Group.

Principle 3
The Board ensures that Lighthouse is and is seen to be a responsible corporate citizen.

The Board is the guardian of the values and ethics of the Group and ensures that it is seen as a responsible corporate citizen. The responsibility for monitoring the overall corporate citizenship performance of the organisation is delegated to the Social and Ethics Committee by the Board.

Refer to the report of the Social and Ethics Committee on the Lighthouse website at <https://lighthouse.mt/corporate-governance/> for more information on how Lighthouse addresses responsible citizenship.

Governance outcome two: Performance and value creation

Principle 4
The Board appreciates that Lighthouse's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process.

The Board's primary responsibility is to ensure that Lighthouse creates value for its shareholders. In so doing, it considers the legitimate interests and expectations of stakeholders, which include present and potential future investors in Lighthouse.

Lighthouse sets and achieves its strategic initiatives with reference to its risks and opportunities.

The Board assesses both the positive and negative outcomes resulting from its business model continuously and responds to it.

Refer to Lighthouse's business model on pages 12 to 15 for an explanation of how the inseparable elements of the value-creation process are linked.

Principle 5
The Board ensures that reports issued by Lighthouse enable stakeholders to make informed assessments of Lighthouse's performance and its short-, medium- and long-term prospects.

The Board is responsible for formulating its communication policy, which includes clear, transparent, balanced and truthful communication to shareholders and relevant stakeholders in its interim and integrated reports to stakeholders.

Lighthouse details its historical performance and an assessment of the organisation's financial, ESG performance and outlook. This, together with other communication, enables stakeholders to make informed assessments of Lighthouse's prospects.

Refer to pages 102 to 185 for Lighthouse's detailed performance over the past year.

Refer to page 9 for Lighthouse's outlook for the future.

Governance outcome three: Adequate and effective control

Principle 6
The Board serves as the focal point and custodian of corporate governance in Lighthouse.

Principle 7
The Board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

Principle 8
The Board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.

The Board's role and responsibilities and the way that it executes its duties and decision-making are documented and set out in the Board charter.

At its meetings, the Board considers both financial and non-financial, or qualitative, information that might have an impact on stakeholders.

Details of the Board meetings held during the year and attendance are disclosed on page 78.

The Board, with the assistance of the Nomination Committee, considers, on an annual basis, its composition. The Board is satisfied that there is a balance of skills, experience, diversity, independence and knowledge needed to discharge its role and responsibilities.

The Board is committed to actively managing diversity as a means of enhancing the Group's performance by utilising the contribution of the diverse skills and talents of its Directors. The Board has an approved policy on gender diversity at Board level which requires the Nomination Committee to consider a broad and diverse pool of talent when considering Board appointments. The need for gender diversity must be balanced with the need to appoint individuals with the necessary skills and experience to serve on the Board.

The Board has not established a target for diversity on the Board. The policy will be reviewed on an annual basis to ensure that it appropriately facilitates diversity at Board level.

The Board comprises three Executive Directors, one Non-Independent Non-Executive Director and six Independent Non-Executive Directors. Directors serve for a maximum period of three years and are subject to retirement by rotation at the end of their tenure. Directors will then become eligible for re-election by shareholders in a general meeting.

Lighthouse believes that all Board members are suitably qualified and that the composition of the Board is in the best interests of all stakeholders, without prejudice to them.

The Directors are individuals of high calibre with diverse backgrounds and expertise, facilitating independent judgement and broad deliberations in the decision-making process.

For details of the Directors' full names, their dates of appointment, and other listed Directorships as well as a brief career and sphere of influence synopsis of each of the Directors, refer to pages 74 to 77.

The Board has established six sub-committees to assist the Directors in fulfilling their duties and responsibilities. Each committee has a formal charter and reports to the Board at regular intervals.

The charters, which set out the objectives, authority, composition and responsibilities of each committee, have been approved by the Board and are reviewed at least annually.

The composition of the committees of the Board and the distribution of authority between the Chairperson and other Directors is balanced and does not lead to instances where individual(s) dominate decision-making.

Refer to pages 74 to 77 for the members of each committee.

The Board assumes the responsibilities for the induction of new Directors to the Board.

The Board of Directors' independence from the executive management team is ensured by the following:

- ▶ Separation of the roles of Chairperson and Chief Executive Officer, with the Chairperson being independent
- ▶ The Board being dominated by Independent Non-Executive Directors
- ▶ The Audit, Investment, Nomination, Remuneration, Risk and Social and Ethics Committees having a majority of Independent Non-Executive Directors
- ▶ Non-Executive Directors not holding service contracts
- ▶ All Directors having access to the advice and services of the Company Secretary
- ▶ With prior agreement from the Chairperson, all Directors are entitled to seek independent professional advice concerning the affairs of the Company at the Company's expense.

The Audit Committee is satisfied that the auditor is independent as non-assurance services are not performed and the audit firm has been appointed with the designated partner having oversight of the audit.

The Chief Financial Officer is the head of the finance function and has a financial manager reporting to him. Internal audit is fully outsourced and the Chief Financial Officer is responsible for overseeing and coordinating the effective functioning of the outsourcing arrangement, as and when applicable.

An assessment of the effectiveness of the Chief Financial Officer function is performed annually by the Audit Committee.

Governance outcome three: Adequate and effective control continued

Principle 9
The Board ensures that the evaluation of its own performance and that of its committees, its Chair and its individual members, support continued improvement in its performance and effectiveness.

Principle 10
The Board ensures that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

Principle 11
The Board governs risk in a way that supports Lighthouse in setting and achieving its strategic objectives.

Principle 12
The Board governs technology and information in a way that supports Lighthouse in setting and achieving its strategic objectives.

Principle 13
The Board governs compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports Lighthouse being ethical and a good corporate citizen.

After evaluating their performance internally in terms of their respective charters, the Directors are of the opinion that the Board and the sub-committees have discharged all their responsibilities.

Assessments of the performance of the Chief Executive Officer and Company Secretary are conducted annually, and no major issues or concerns have been identified.

The Company Secretary maintains an interests register and is available for consultation to shareholders upon written request to the Company Secretary.

Directors' interests in the ordinary shares of the Company are disclosed on page 79.

All conflicts of interest and related party transactions have been conducted in accordance with the conflict of interest and related party transactions policy and code of ethics.

In terms of its formal charter, the Board's responsibilities include the appointment of the Chief Executive Officer and the approval of corporate strategy, risk management and corporate governance. The Board reviews and approves the business plans and monitors the financial performance of the Group and implementation of the strategies.

Board members have full and unrestricted access to management and all Group information and property.

A detailed delegation of authority policy and framework indicate matters reserved for the Board and those delegated to management. The Board is satisfied that Lighthouse is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised.

The Board has considered the competence, qualifications and experience of the Company Secretary, Stonehage Fleming Malta Limited ("Stonehage"), and deemed it fit to continue in the role as Company Secretary for Lighthouse. Stonehage is independent of Lighthouse and the relationship with the Board has been assessed and is considered to be at arm's length.

The Risk Committee assists the Board with the governance of risk. The Board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of Lighthouse. The Risk Committee implements a process whereby risks to the sustainability of the Company's business are identified and managed within acceptable parameters. The Risk Committee delegates to management to continuously identify, assess, mitigate and manage risks within the existing and ever-changing risk profile of Lighthouse's operating environment. Mitigation controls are formulated to address risks and the Board is kept up to date on progress on the risk management plan.

Refer to pages 19 to 24 for an overview of the top risks to Lighthouse.

The Risk Committee assists the Board with the governance of IT. The Board is aware of the importance of technology and information as it is interrelated to the strategy, performance and sustainability of Lighthouse. The Board is ultimately responsible for IT governance.

The Lighthouse IT function is outsourced to a third-party service provider and is governed by a service level agreement.

The risks and controls over IT assets and data are considered by the Risk Committee.

A framework of financial reporting, internal and operating controls has been established by the Board to ensure reasonable assurance as to the accurate and timely reporting of business information, safeguarding of Group assets, compliance with laws and regulations, financial information and general operations.

The Board reviewed and was satisfied with the effectiveness of the internal financial and operating controls, the process of risk management and the monitoring of legal governance compliance within the Group.

There were no material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations.

Governance outcome three: Adequate and effective control continued

Principle 14
The Board ensures that Lighthouse remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

Lighthouse remunerates fairly, responsibly and transparently so as to promote the creation of value in a sustainable manner.

Refer to the remuneration report on pages 86 to 91.

The individual Directors' remuneration is disclosed. Lighthouse believes that this disclosure is sufficient and appropriately demonstrates alignment between remuneration and shareholders' returns.

Principle 15
The Board ensures that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of Lighthouse's external reports.

The Board is satisfied that assurance results in an adequate and effective control environment and integrity of reports for better decision-making.

Refer to pages 81 and 82 for information on assurance contained in the Audit Committee's report.

External audit

The external auditor is required to assess periodically, in its professional judgement, whether it is independent of the Group.

The Audit Committee has primary responsibility for making recommendations to the Board on the appointment, reappointment and removal of the external auditor.

The Audit Committee assesses the performance of the auditor and has satisfied itself as to the suitability of the external auditor for reappointment for the ensuing year.

The current auditor, PricewaterhouseCoopers Malta, was reappointed during 2022 (2021: PricewaterhouseCoopers Malta).

Internal audit

The Group does not have a formalised internal audit department. This is primarily due to the fact that the majority of property management, brokerage and custodian functions are outsourced to external property managers, brokers and custodians who are subject to periodic external audits and quality assessments.

Governance outcome four: Trust, good reputation and legitimacy

Principle 16
In the execution of its governance role and responsibilities, the Board adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of Lighthouse over time.

Lighthouse has identified its stakeholder groups and actively balances their legitimate and reasonable needs, interests and expectations.

Lighthouse is committed to ensuring timeous, effective and transparent communication with shareholders and other stakeholders.

Refer to pages 16 to 18 for more information on stakeholder engagement.

Principle 17
The Board ensures that responsible investment is practised by Lighthouse to promote good governance and the creation of value by the companies in which it invests.

Lighthouse ensures, through active participation and representation, that it exercises its rights and obligations with regard to its investee companies.

Sustainability is a key focus area of the Board and is managed in the context of the Group's various investments.

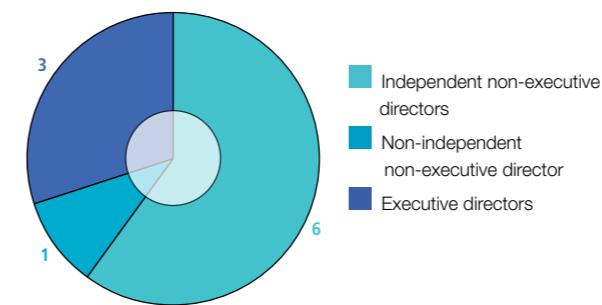
- ▶ A more comprehensive King IV™ compliance register is available on our website at www.lighthouse.mt/corporate-governance/
- ▶ A framework of financial reporting, internal and operating controls has been established by the Board
- ▶ The Board confirms that Lighthouse has complied with the provisions of its Memorandum and Articles of Association.

BOARD OF DIRECTORS

BOARD COMPOSITION

	Number	Percentage
Number of Board members	10	100
Board members who are non-executive	7	70
Board members who are deemed independent	6	60

Number of Board members



The Board consists of three Executive Directors and six Independent Non-Executive Directors. The size of the Board is adequate and comprises the requisite skills to function optimally. The Board annually considers whether its size and skill set is appropriate to ensure its effectiveness.

The Board complement is designed to ensure a balance of power. No individual Director has undue influence on Board processes and decision-making. Board independence strengthens the overall balance and independent decision-making.

Board skills

The Board's diversity in skills, knowledge, qualifications and experience allows for enhanced decision-making. The current Directors have a wide range of skills, including financial, accounting, legal and property experience and knowledge.

The Board is satisfied that its composition reflects the appropriate balance of knowledge, skills, experience, diversity and independence needed to support the strategic direction of Lighthouse.

Board experience

The Board has a fiduciary duty to act in good faith, with due care and diligence and in the best interests of the Group and its stakeholders.

Appointments and resignations

Appointments	No new appointments in 2022
Resignations	No resignations in 2022



The Board is satisfied that its composition reflects the appropriate balance of knowledge, skills, experience, diversity and independence needed to support the strategic direction of Lighthouse.



Independent

CHAIRPERSON

Mark Olivier (54)

CA(SA)

(British – based in Mauritius)

Date of appointment: 28 June 2016

Listed company Directorships: Four

Committees: Nomination (Chairperson), Investment and Remuneration

Mark has over 25 years' experience in managing debt, property and private equity assets and providing corporate finance and strategic advice, predominantly to public companies in the UK.

Prior to founding Hibridge Capital UK Limited (a London-based, boutique private equity and advisory business) in 2003, he was a shareholder and employee of Hawkpoint Partners UK Limited, which was previously the corporate finance division of NatWest Markets Limited. He worked for BoE Limited, where he served on the Executive Committee of the Group's international business headquartered in London and worked at KPMG as a manager in their London offices.

For over 12 years he has managed a closed ended fund investing in affordable, residential properties located in central London and rented predominantly to local councils. He is currently the Chairperson of African Rainbow Capital Investments Limited and Trelidor Holdings Limited, both listed on the Main Board of the JSE. He was previously Chairperson of Rockcastle Global Real Estate Company Limited ("Rockcastle") prior to its merger with New Europe Property Investments plc. Mark was also Chairperson of a China and retail-focused real estate company managed by Blackstone Inc. and Macquarie Asset Management prior to its disposal.



Executive Director

CHIEF EXECUTIVE OFFICER

Justin Muller (39)

CA(SA)

(South African – based in the Netherlands)

Date of appointment: 13 May 2019

Listed company Directorships: One

Committee: Investment

Justin completed his articles at FirstRand Bank Limited in 2008, whereafter he transferred to the Rand Merchant Bank Real Estate Investment Banking division. He spent two years as a real estate credit analyst and then three years as a real estate structured finance transactor, focusing on development finance and portfolio lending to the listed property sector. He joined Resilient REIT Limited in 2013 with an emphasis on acquisitions, transaction structuring and developments in Africa. In 2017, he joined Lighthouse as the Head of Transactions.



Executive Director

CHIEF OPERATING OFFICER

Edward Mc Donald (59)

CCIS, MAP

(South African – based in Malta)

Date of appointment: 18 October 2021

Listed company Directorships: One

Committee: Social and Ethics

Edward started his career at Barclays Bank in 1982 and later moved on to Syfrets and Nedcor Investment Bank. He joined Imperial Bank in 2003 and was transferred to KwaZulu-Natal as the Regional Manager of their property finance division. In 2009, Imperial Bank was purchased by Nedbank and he decided to pursue his own interests as a consultant in the retail property industry. He joined Resilient Africa in May 2014 as Chief Operating Officer and was appointed Chief Executive Officer in 2016 after a Group restructure. He joined Lighthouse in October 2021.



Executive Director

CHIEF FINANCIAL OFFICER

Jacobus van Biljon (46)

CA(SA), CFA, CAIA, CGMA, MSc Finance

(South African – based in the Netherlands)

Date of appointment: 16 August 2017

Listed company Directorships: One

Committee: Risk

Jacobus commenced his career at KPMG in Johannesburg, completed his articles in 2003 and focused on the banking and real estate sectors. In 2006, he transferred to KPMG in New York City where he spent several years as advisor and consultant to global real estate, private equity and other alternative asset management firms. He joined Rockcastle in 2014, initially working on Zambian and Polish retail property investments. In March 2015, he joined the Resilient Africa team in Lagos, Nigeria as Chief Financial Officer. He joined Lighthouse in 2017.



Stuart Bird (63)
B Agric, BCom, Dip Acc, CA(SA)
 (South African)
Date of appointment: 12 February 2020
Listed company Directorships: Two
Committees: Investment and Remuneration

Stuart held various auditing- and accounting-focused positions in his early career and was appointed as the Financial Director of Hub Trading Company, previously a division of Mr Price Group Limited, in 1993, whereafter he was promoted to Managing Director in 1999. In 2001, he joined Mr Price Apparel (a division of Mr Price Group Limited) as the deputy Managing Director, and took over the reins as Managing Director in 2002. He was appointed as deputy Chief Executive Officer of Mr Price Group Limited in 2010 and promoted to Chief Executive Officer in 2011, in which position he remained until his retirement in 2019. In addition to his current non-executive positions, he also consults to the retail and logistics industries.



Karen Bodenstein (41)
BCom (Accounting Sciences)
 (Mauritian)
Date of appointment: 27 September 2016
Listed company Directorships: One
Committees: Audit (*Chairperson*) and Risk (*Chairperson*)

Karen is an accountant with over 20 years' experience in financial reporting and oversight roles. She works as a consultant providing management and financial accounting services to global and domestic companies in Mauritius. She has exposure to Directorships on listed companies on both the Stock Exchange of Mauritius ("SEM") and the JSE. She was an Executive Director of Rockcastle, where she was the Chairperson of the Risk and Ethics Committee. She is currently the Chief Financial Officer of African Rainbow Capital Investments Limited and an Independent Non-executive Director of Pembani Remgro Infrastructure Fund. She holds a BCompt (Accounting Sciences) degree from the University of South Africa and an Advanced Diploma in Management Accounting from the Chartered Institute of Management Accountants. Karen has been living in Mauritius since 2007.



Desmond de Beer (62)
BProc MAP
 (South African)
Date of appointment: 27 May 2020
Listed company Directorships: Two
Committees: Investment (*Chairperson*) and Nomination

Desmond has significant experience in property investment and management. He spent his early career in the banking industry in South Africa culminating in his appointment as General Manager Corporate Equity and member of the Executive Committee at Nedcor Investment Bank. Desmond was a founder of Resilient REIT Limited, a South African Real Estate Investment Trust, where he has served as Chief Executive Officer since its listing in 2002. He was also a founder of New Europe Property Investments plc and its successor NEPI Rockcastle plc. He served as a Non-executive Director of these companies and chaired the Investment Committee until May 2020.



Anthony Doublet (62)
FCCA, FIA, CPA
 (Maltese – based in Malta)
Date of appointment: 5 August 2021
Listed company Directorships: One
Committees: Audit, Social and Ethics

Anthony joined the Board in August 2021. He is a fellow of the Chartered Association of Certified Accountants as well as a certified public accountant and registered insurance auditor. Anthony spent most of his career with Ernst & Young and recently retired as a partner. He has served a number of audit clients in the banking, insurance and asset management sectors. He was also a member of the Malta Institute of Accountants for 14 years during which time he sat on various committees.



Stephen Paris (58)
ACCA
 (Maltese – based in Malta)
Date of appointment: 5 August 2021
Listed company Directorships: Four
Committees: Audit, Risk and Social and Ethics (*Chairperson*)

Stephen joined the Board in August 2021. He is an accountant and auditor by profession. He spent 30 years in the profession with Deloitte Malta where he was admitted as a partner in 2000. As a partner, he served in various leadership roles at Deloitte as Head of Audit, Financial Services Industry Leader and Head of Risk and Regulatory Advisory. Throughout his career, he has led numerous audit and non-audit assignments for a variety of clients. Stephen was a council member of the Malta Institute of Accountants and lecturer in auditing for several years.



Barry Stuhler (65)
BCom, BAcc, CA(SA)
 (South African)
Date of appointment: 16 August 2017
 Resigned effective on 17 March 2023.
Listed company Directorships: One
Committees: Investment, Nomination and Remuneration (*Chairperson*)

Barry is a chartered accountant who completed his articles with Arthur Young. Barry's experience includes management of the Part Bond Scheme and Gilt Fund for Hill Samuel Merchant Bank. He was Financial Director of Integrated Property Resources and Managing Director of Intaprop Management Services, the property management company for the Intaprop Group. In 1994, Barry co-founded Inline Properties, a property management and corporate property advisory company.

Barry was a founding director of Resilient REIT Limited. In 2004, he became Managing Director of Property Fund Managers Limited ("PFM"), the asset manager of Capital Property Fund ("Capital"). He joined the Pangbourne Properties Limited ("Pangbourne") Board as an Executive Director in 2007 and served as the Managing Director of the company from 2008 to 2015. After the merger with Pangbourne, Barry was reappointed as Managing Director of PFM. Subsequent to the merger between Capital and Fortress, Barry retired as an Executive Director.

ATTENDANCE AT BOARD AND SUB-COMMITTEE MEETINGS

Director	Board	Audit Committee	Investment Committee	Nomination Committee	Remuneration Committee	Risk Committee	Social and Ethics Committee
Executive Directors							
Justin Muller (Appointed as Chief Executive Officer on 13 July 2021)	4/4		4/4				
Edward Mc Donald (Appointed on 18 October 2021)	4/4						2/2
Jacobus van Biljon (Appointed on 16 August 2017)	4/4					2/2	
Non-Executive Directors							
Mark Olivier (Chairperson of the Board from 17 January 2019)	4/4 (Chair)		4/4	1/1 (Chair)	3/3		
Stuart Bird (Appointed on 12 February 2020)	4/4		4/4		3/3		
Karen Bodenstein (Appointed on 27 September 2016)	4/4	4/4 (Chair)				2/2 (Chair)	
Desmond de Beer (Appointed on 27 May 2020)	4/4		4/4 (Chair)	1/1			
Anthony Doublet (Appointed on 5 August 2021)	4/4	4/4					2/2
Stephen Paris (Appointed on 5 August 2021)	4/4	4/4				2/2	2/2 (Chair)
Barry Stuhler (Appointed on 16 August 2017)	4/4		4/4	1/1	3/3 (Chair)		

DEALING IN SECURITIES BY THE DIRECTORS

Dealing in the Company's securities by Directors and Company officials is regulated and monitored, as required by the JSE Listings Requirements. All Directors' trading must take place exclusively outside the closed periods prescribed by the Stock Exchange Regulations and requires written authorisation from the Board. Lighthouse maintains a closed period from the end of a financial period to the date of publication of the financial results.

BENEFICIAL SHAREHOLDING OF DIRECTORS

	Direct holding		Indirect holding		Total shares held		Percentage of issued shares	
	2022	2021	2022	2021	2022	2021	2022	2021
Mark Olivier (Chairperson)	-	-	1 974 225	1 739 853	1 974 225	1 739 853	0,116	0,107
Justin Muller*	2 112 723	524 786	-	1 191 839	2 112 723	1 716 625	0,124	0,077
Jacobus van Biljon*	1 239 245	1 008 127	-	-	1 239 245	1 008 127	0,073	0,035
Desmond de Beer*	-	-	254 405 413	210 204 646	254 405 413	210 204 646	14,99	12,93
Barry Stuhler	-	-	86 349 610	78 860 553	86 349 610	78 860 553	5,088	4,853
Total	3 351 968	1 532 913	342 729 248	291 996 891	346 081 216	293 529 804	20,39	18,01

* 679 964 shares of J Muller and 539 643 shares of J van Biljon relates to shares issued in terms of the Old Incentive Plan which are pledged until it vests. D de Beer's full holding serves as collateral.

The shareholding of Directors has not changed between the end of the financial year and the date on which the Integrated Report was approved.



The Board complement is designed to ensure a balance of power. No individual Director has undue influence on Board processes and decision-making.

DIRECTORS' INTERESTS

A full list of Directors' interests is maintained, and Directors certify that the list is correct at each Board meeting. Directors recuse themselves from any discussion and decision on matters in which they have a material financial interest. The list of Directorships includes:

Non-Executive Directors

Mark Olivier <i>(Chairperson)</i>	Mark is also the Chairperson of African Rainbow Capital Investments Limited and Trellidor Holdings Limited, both listed on the JSE. He is also an independent director of CIE Immobilière Limitée listed on the SEM. In addition, he is a director of LJC Shipping Limited (Mauritius) and API Limited, a fund investing in affordable housing in central London.
Karen Bodenstein	Karen is a director of Pembani Remgro MU GP Limited, Pembani Remgro Infrastructure Mauritius Fund 1 Limited, PRIF Africa Holdings Limited, PRIF AfrIVest Limited, PRIF BorderVest Limited, PRIF Mauritius Managers Limited, PRIF NLVest Mauritius Limited, PRIF SAVest Mauritius Limited, PRIF Feeder Blocker LP, MyBase Limited, Emerge Development, Project Management Limited and Genavest Holdings Limited.
Desmond de Beer	Desmond is a director of Beaulieu College Properties Proprietary Limited, Kyalami Preparatory Holdings Proprietary Limited, Optimprops 3 Proprietary Limited, Resilient REIT Limited** and Jutlander Investments Proprietary Limited. <i>** Subsidiaries of Resilient REIT Limited where currently a director: Resilient Properties Proprietary Limited, Resilient 5 Proprietary Limited, Resilient Africa Managers Proprietary Limited, Resilient Africa Proprietary Limited, Irene Mall Proprietary Limited, Resilient International Proprietary Limited, Pure Diamond Investments Proprietary Limited, Resilient 1 Proprietary Limited, Resilient 2 Proprietary Limited, Resilient 3 Proprietary Limited, Resilient 4 Proprietary Limited and Resilient 6 Proprietary Limited.</i>
Stephen Paris	Alpha FX Europe Limited, Arcem Trust Limited, AX Real Estate plc, BGP Holdings plc (Liquidator), DTT 06 Limited, Finance House plc, Harvest Technology plc, KSP Holdings (Europe) Limited, KSP Finance (Europe) Limited, KSP Investments (Europe) Limited, L. Sapienza & Sons Limited (Liquidator) Merrill SICAV plc, Merkanti Bank Limited, NBG Malta Limited (Liquidator), NBG Holdings Limited (Liquidator), Nextmarkets Trading Limited, ST Anthony Co. plc and TH Investments plc.
Barry Stuhler	None.
Stuart Bird	Stuart is a director of Resilient REIT Limited Trellidor Holdings Limited.
Anthony Doublet	Trident Trust Company (Malta) Limited, Trident Corporate Services (Malta) Limited, Trident Fund Services (Malta) Limited, Lighthouse Capital Limited and Momentum Pensions Limited.
Executive Directors	
Justin Muller	Justin is a director of Grzybowska Proprietary Limited, Lighthouse Netherlands B.V., Lighthouse Investments Netherlands B.V., Lighthouse Netherlands Two B.V., Lighthouse One UK Limited, Forum Coimbra – Sociedade Imobiliária, S.A
Jacobus van Biljon	Jacobus is a director of Lighthouse One UK Limited, Lighthouse Netherlands B.V., Lighthouse Investments Netherlands B.V., Lighthouse Netherlands Two B.V., Lighthouse Investments d.o.o., Forum Coimbra – Sociedade Imobiliária, S.A., Lighthouse Spanish Properties, Torrecárdenas Properties, S.L.U. and Lighthouse Capital Branch – France, Retail Property Investments SAS, Rivetoile SAS, Docks Vauban SAS, Docks 76 SAS, Saint Sever SAS, SNC Rivetoile, SNC Vauban, SNC Docks 76, SNC Cegep et Compagnie, SCI du Centre Commercial de Rouen Saint Sever, SCI des Bureaux de Rouen Bretagne, SCI Fonciere Marceau Saint Sever, SCI Rouen-Verrerie.
Edward Mc Donald	Lighthouse Properties One Limited, Lighthouse Investments d.o.o., Resilient Africa Proprietary Limited, Delta Mall Development Company Limited, Asaba Mall Development Company Limited, Owerri Mall Development Company Limited, Resilient Nigeria Support Services Limited, Resilient Mall Development Investments Limited and Resilient Africa Managers Proprietary Limited.

AUDIT COMMITTEE REPORT

The Audit Committee is pleased to submit its report for the 12 months ended 31 December 2022.

The primary role of the Audit Committee is to ensure the integrity of financial reporting and the audit process. In pursuing these objectives, the Audit Committee oversees the external audit function. The committee also assists the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and internal control processes, overseeing the preparation of accurate financial reports and statements in compliance with all applicable legal requirements and accounting standards, ensuring compliance with good governance practices and the nomination of the external auditor. The role of the Audit Committee has been codified in the Audit Committee charter, which has been approved by the Board. This charter has been aligned with the recommendations of King IV™. The Board reviewed the charter during the 2022 financial year.

The Audit Committee presently comprises: Karen Bodenstein (Chairperson), Anthony Doublet and Stephen Paris, all of whom are Independent Non-Executive Directors. The Chief Executive Officer and Chief Financial Officer attend Audit Committee meetings as invitees. The committee members and external auditor have unlimited access to all information, documents and explanations required in the discharge of their duties.


The Board, in consultation with the Audit Committee Chairperson, makes appointments to the committee to fill vacancies.

The Board has determined that the committee members have the required skills and experience necessary to fulfil their roles and contribute meaningfully to the committee's deliberations. In addition, the Chairperson has the requisite experience in accounting and financial management. The committee met four times during the financial period. The Audit Committee has satisfied itself that no breakdown in accounting controls, procedures and systems has occurred during the period under review.

In fulfilling its responsibility of monitoring the integrity of financial reports to shareholders, the Audit Committee has reviewed accounting principles, policies and practices adopted in the preparation of financial information, and has examined documentation relating to the interim financial and Integrated Reports. The clarity of disclosures included in the financial statements was reviewed by the Audit Committee, as was the basis for significant estimates and judgements.

It is the function of the committee to review and make recommendations to the Board regarding financial results and the Integrated Report prior to approval by the Board.

The Audit Committee has complied with its legal, regulatory and other responsibilities.

 Details on the composition of the committee and attendance at meetings are set out on page 72.

FUNCTIONS OF THE AUDIT COMMITTEE

The Audit Committee has carried out its functions in terms of the Audit Committee charter as approved by the Board and any other legal or regulatory responsibilities.

EXTERNAL AUDITOR

The Audit Committee is satisfied that the external auditor is independent of the Group. The Audit Committee considered information pertaining to external auditor fees for audit and non-audit assurance work for the Group in 2022.

There were no non-assurance fees incurred in 2021 or 2022. Furthermore, after obtaining confirmation and reviewing a report from the external auditor on all its relationships with the Company that might reasonably have a bearing on the external auditor's independence and the audit engagement partner's objectivity, and the related safeguards and procedures, the Audit Committee has concluded that the external auditor's independence was not impaired.

The Audit Committee approved the external auditor's terms of engagement, scope of work and the annual fee and noted the applicable levels of materiality.

Based on written reports submitted, the Audit Committee reviewed, with the external auditor, the findings of its work, and confirmed that all significant matters had been satisfactorily resolved.

The Audit Committee is satisfied that the 2022 audit was completed without any restrictions on its scope. The Audit Committee discussed critical accounting policies, judgements and estimates with the external auditor. The Audit Committee Chairperson met with the external auditor without management present, as necessary during the period.

The Audit Committee assessed the suitability of the audit firm and the designated individual partner for reappointment in the ensuing year.

FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

The Audit Committee has reviewed principles, policies and practices adopted in the preparation of the financial statements for the 2022 financial year and, where necessary, has obtained appropriate explanations relating to such financial information included in the Integrated Report.

The Audit Committee is satisfied that they are adequate and appropriate and that the financial statements comply with IFRS and the Maltese Companies Act (Cap. 386).

The Audit Committee has applied its mind to the preparation and presentation of the Integrated Report and acknowledges its responsibility to ensure the integrity of the Integrated Report. The Audit Committee recommended the Integrated Report to the Board for approval.

INTERNAL FINANCIAL CONTROLS AND THE FINANCE FUNCTION

The Audit Committee has satisfied itself that appropriate financial reporting controls are in place and that no breakdown in accounting controls, procedures and systems has occurred during the year under review that could have a material impact on financial reporting.

The Audit Committee has considered and confirms that the Chief Financial Officer, Jacobus van Biljon, has the appropriate expertise and experience and that the finance function has adequate resources and expertise.



Karen Bodenstein
Chairperson of the Audit Committee

17 March 2023

OTHER COMMITTEE ACTIVITIES

SCOPE AND ACTIVITIES

Investment Committee

- ▶ Authorise transactions that fall within its mandate
- ▶ Consider recommendations from management for acquisitions, capital expenditure and disposals
- ▶ Evaluate investment performance
- ▶ Make recommendations to the Board regarding transactions that fall outside its approval mandate
- ▶ Periodically review and assess the performance of the committee and its members, including reviewing the compliance of the committee with its charter. In addition, the committee reviewed and reassessed the adequacy of its charter and recommended to the Board any improvements they considered necessary or valuable.

Nomination Committee

- ▶ Develop and review Board succession plans
- ▶ Develop strategies to address Board diversity
- ▶ Give full consideration to the succession plans of the Board (including the role of Chairperson), with the aim of maintaining an ongoing appropriate mix of skills, experience, expertise and diversity
- ▶ Identify existing Directors who are due for re-election by rotation at the AGM
- ▶ Make the committee's charter publicly available and explain its role and the authority delegated to it by the Board
- ▶ Periodically assess the skills required to competently discharge the Board's duties, taking into account the Group's strategic direction and current members' skills
- ▶ Regularly review and make recommendations to the Board regarding its structure, size, effectiveness and composition (including the mix of skills, knowledge and experience)
- ▶ Review and make recommendations in relation to the Board composition, competencies and diversity to ensure vacancies are filled by suitable candidates.

Remuneration Committee

- ▶ Determine remuneration for Executive Directors in accordance with the remuneration policy
- ▶ Ensure that the Group's remuneration policies are aligned with its strategy and create long-term value
- ▶ Monitor the implementation and administration of the remuneration policy
- ▶ Oversee the development and annual review of the remuneration policy and present it to the Board for approval
- ▶ Recommend the fees paid to Non-Executive Directors and members of Board sub-committees to be approved by the shareholders.

Risk Committee

- ▶ Acknowledge the mitigation action plans committed to by the business functions and review the implementation status for major Company risk mitigation
- ▶ Ensure that frameworks and methodologies are implemented to anticipate unpredictable risks
- ▶ Ensure that management considers and implements appropriate risk responses
- ▶ Ensure that risk management assessment and risk monitoring are performed on a continuous basis
- ▶ Express the committee's formal opinion to the Board on the effectiveness of the system and process of risk management
- ▶ Liaise closely with the Audit Committee to exchange information relevant to risk
- ▶ Make recommendations to the Board concerning the levels of tolerance and appetite
- ▶ Monitor implementation of the policy and plan for risk management implemented via risk management systems and processes
- ▶ Monitor that risks are managed within the levels of tolerance and appetite as approved by the Board
- ▶ Oversee that the risk management plan was widely disseminated throughout the Company and integrated in the day-to-day activities of the Company
- ▶ Oversee the development and annual review of a policy and plan for risk management to recommend for approval to the Board
- ▶ Review reporting concerning risk management that is to be included in the Integrated Report to ensure that it is timely, relevant and comprehensive.

Social and Ethics Committee

- ▶ Comprehensive, timely and relevant sustainability reporting
- ▶ Consumer relationships
- ▶ Good corporate citizenship
- ▶ Labour and employment
- ▶ Monitor implementation of policies approved by the Board
- ▶ Oversee the development and annual review of a policy and framework to consider ESG matters to recommend for approval by the Board
- ▶ Oversight of the compliance function
- ▶ Social and economic development
- ▶ The environment, health and public safety.

06 REMUNERATION REPORT

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Saint Sever

GLA 31 016m² | Value EUR 60 654 000

REMUNERATION POLICY

Lighthouse's Remuneration Committee oversees the development and annual review of the remuneration policy, which is then approved by the Board.

This ensures our policy aligns both executive and management remuneration to the value delivered by the Group to our stakeholders, while also recognising exceptional individual contributions.

The Remuneration Committee is mandated by the Board to authorise the remuneration and incentivisation of all employees, including Executive Directors.

The Group aims to retain its competitive advantage in the industry by attracting talented individuals and retaining experienced employees who demonstrate the behavioural traits that reflect our entrepreneurial and dynamic culture. The remuneration policy is based on the following guiding principles:

- » Remuneration must be structured to attract, motivate and retain talented employees
- » Remuneration must create a strong, performance-oriented environment that is consistent with the Group's long-term objective of value creation for stakeholders
- » Remuneration must support key business strategies
- » Remuneration should be equitable from an internal perspective by considering employees' roles and qualifications and from an external perspective, ensuring remuneration is market-related
- » Remuneration should be structured in a manner that allows for the recognition and encouragement of exceptional performance, both at an individual and Group level
- » The remuneration policy should be transparent and easy to understand
- » The remuneration policy should promote risk management and not encourage excessive risk-taking by key decision-makers

REMUNERATION POLICY

The remuneration policy is aligned to our strategic objective of creating long-term, sustainable value for our stakeholders.

Remuneration is a combination of salary, short-term performance-based incentivisation and long-term incentivisation to attract and retain motivated, high-calibre executives and employees whose interests are aligned with the interests of stakeholders.

The remuneration policy aims to balance organisational and individual performance with the appropriate balance of guaranteed and variable pay. The policy applies to our Executive Directors, as well as all employees.

Lighthouse utilises a job evaluation system – the purpose of job evaluation is to determine the relative worth of one job versus another. Each Lighthouse position is documented and evaluated in line with job evaluation principles. The job evaluation is communicated to the incumbent and is utilised to determine pay structures that are fair and objective. Job evaluation is also utilised in other human resource functions, such as career planning and recruitment.

Executive and management remuneration principles

The Group draws from a wide variety of resources to determine employee remuneration, including independent surveys (in each of the jurisdictions where different employees perform their functions), peer group comparisons, publicly available data and marketplace intelligence from local and international sources.

Remuneration packages are structured depending on the required skills and experience at each job level, as well as the employee's level of influence over strategy, as well as the complexity of the role.

Remuneration comprises both fixed and variable pay. Fixed pay comprises an annual salary. The Group does not offer any medical aid or retirement benefits.

Variable pay comprises short-term performance incentives through cash bonuses and long-term incentives through the incentive plan. Short-term performance incentives are used to motivate and reward annual performance in line with the Group's strategic goals. This incentive is payable in cash and is based on the individual employee's performance which is, inter alia, linked to the Group's performance.

Long-term incentives create value and align the interests of employees with shareholders. 58 077 new shares related to the 2021 financial period were awarded during FY2022 in terms of the incentive plan approved by shareholders at the AGM on 31 July 2017 ("Old Incentive Plan").

» Please refer to note 8 in the annual financial statements on page 130 for additional details.

The remuneration policy and remuneration implementation report will be tabled for a non-binding advisory vote at the upcoming AGM. Should either or both of these resolutions be voted against, by 25% or more of the voting rights exercised, the Board undertakes to engage with all dissenting shareholders to ascertain the reasons therefore, and address all legitimate and reasonable objections and concerns.

The 2022 remuneration policy and the 2021 remuneration implementation report were voted in favour of by 90,62% and 91,24% respectively, at the AGM, held on 20 May 2022 (for the year ended 31 December 2021).

Incentive Plan

The Company adopted a new incentive plan ("Incentive Plan") in 2022, which was approved (by an ordinary resolution passed by a 75% majority of the votes of shareholders present or represented by proxy) at the AGM held on 20 May 2022. The Incentive Plan replaced the Old Incentive Plan in its entirety.

The purpose of the Incentive Plan is to attract, retain, motivate and incentivise selected employees with the opportunity to receive awards, which comprise a cash bonus and an award of Lighthouse shares. Offering awards ensures these selected employees have the opportunity to share in the success of the Company, and thereby:

- ▶ Aligns and creates synergy between the participants and Lighthouse shareholders
- ▶ Incentivises participants to increase the performance of the Company
- ▶ Motivates participants to remain in the employ of the Company
- ▶ Provides participants with the opportunity to share in the benefits of the increased performance of the Company.

DETERMINING REMUNERATION COMPONENTS

The methods for determining the remuneration components are as follows:

Total guaranteed package ("TGP")	Executive Directors	Fixed	Compensation, at market-related levels, for Directors performing their specific roles	<ul style="list-style-type: none"> ▶ TGPs are benchmarked at the median of the peer group ▶ The Remuneration Committee considers the following when reviewing TGPs: <ul style="list-style-type: none"> – Group performance, including growth in distributions per share – Individual performance – Inflation over the period – Market for the specific employee's skills – TGPs are reviewed annually in November and adjustments are effective from 1 January
	Management	Fixed	Compensation, at market-related levels, for employees performing their specific roles	<ul style="list-style-type: none"> ▶ TGPs are benchmarked at the median of the peer group ▶ The Remuneration Committee considers the following when reviewing TGPs: <ul style="list-style-type: none"> – Changes in responsibilities – Gains in experience – Individual performance – Inflation over the period – Market for the specific employee's skills – TGPs are reviewed annually in November and adjustments are effective from 1 January

INCENTIVE PLAN

Alignment of organisational goals and pursuing sustainable total stakeholder returns:

Executive Directors and management	Variable						
Salient features	<p>Following recommendations by the Company, the Remuneration Committee will approve the selection of eligible employees to receive annual performance awards, of which the equity settled portion provides the conditional right to receive Lighthouse shares for no consideration at a future date in terms of the Incentive Plan.</p> <p>There are three different participation levels where identified employees are placed (tiers 1, 2 and 3).</p> <p>The aforementioned awards comprise a cash bonus and Lighthouse shares, each of which represents 50% of the aggregate value of the award.</p>						
Key drivers	<p>Tier 1: The key driver in determining whether a participant qualifies for an award is the performance of the Group.</p> <p>Tiers 2 and 3: The key driver is both the performance of the Group and the individual participant's performance.</p>						
Award formula used to determine the aggregate quantum of the award	<p>The calculation of the quantum of awards shall differ based on the relevant tier the participant is in, as each tier has an award formula.</p> <table border="1"> <tr> <td>Tier 1</td> <td>Award = (TGP x fixed variable (percentage ascribed to each responsibility level by the Remuneration Committee) x business score.</td> </tr> <tr> <td></td> <td>The business score comprises an aggregate score – based on a combination of financial, qualitative and operational performance factors, each of which is attributed a specific weighting.</td> </tr> <tr> <td>Tiers 2 and 3</td> <td>Award = TGP x fixed variable (percentage ascribed to each responsibility level by the Remuneration Committee) x (business score + individual score and performance).</td> </tr> </table>	Tier 1	Award = (TGP x fixed variable (percentage ascribed to each responsibility level by the Remuneration Committee) x business score.		The business score comprises an aggregate score – based on a combination of financial, qualitative and operational performance factors, each of which is attributed a specific weighting.	Tiers 2 and 3	Award = TGP x fixed variable (percentage ascribed to each responsibility level by the Remuneration Committee) x (business score + individual score and performance).
Tier 1	Award = (TGP x fixed variable (percentage ascribed to each responsibility level by the Remuneration Committee) x business score.						
	The business score comprises an aggregate score – based on a combination of financial, qualitative and operational performance factors, each of which is attributed a specific weighting.						
Tiers 2 and 3	Award = TGP x fixed variable (percentage ascribed to each responsibility level by the Remuneration Committee) x (business score + individual score and performance).						
Maximum value of any award	250% of the TGP in respect of a financial year						
Vesting period for forfeitable shares	Three years						
Market risk	100% assumed by the participant						

Lighthouse endeavours to maintain transparent and constructive dialogue with its shareholders and their representative bodies. Lighthouse engaged with its major shareholders during the drafting of the remuneration policy and will continue to do so in the future should any material changes be considered.

SERVICE CONTRACTS

All employees and/or consultants, including Executive Directors, are required to sign service contracts with the Group. These contracts set out the working hours, remuneration, leave entitlement, notice and probation periods and other relevant information. There is no restraint of trade clause in any of the service contracts. Executive Directors do not receive Directors' or sub-committee fees.

PAYMENT INTERVALS

Remuneration is paid on the 25th day of each month; should this day fall over a weekend, remuneration is paid on the Friday preceding the 25th.

TAX ALLOWANCES

Management and employees may request assistance in structuring their remuneration packages.

IMPLEMENTATION REPORT

EXECUTIVE DIRECTORS' REMUNERATION

	Salary 2022 EUR	Leave pay 2022 EUR	Bonus 2022 EUR	Share incentive ¹ 2022 EUR	Salary 2021 EUR	Leave pay 2021 EUR	Bonus 2021 EUR	Share incentive 2021 EUR
GROUP								
Executive Director								
Justin Muller ²	260 000	1 170	187 850	130 000	229 167	–	247 000	232 260
Edward Mc Donald ³	122 667	–	54 627	–	40 000	–	–	–
Jacobus van Biljon	194 500	19 855	141 177	95 000	181 075	23 635	180 500	193 218
Stephen Delpoort ⁴	–	–	–	–	369 034	33 691	–	–
Nina Kretzmann ⁵	–	–	–	–	79 326	–	–	–
Jan Wandrag ⁶	–	–	–	–	16 828	–	1 406	–
Total	577 167	21 025	383 654	225 000	915 430	57 326	428 906	425 478
COMPANY								
Executive Director								
Justin Muller	–	–	–	–	–	–	–	–
Edward Mc Donald	–	–	–	–	–	–	–	–
Jacobus van Biljon	–	–	–	–	–	–	–	–
Stephen Delpoort	–	–	–	–	369 034	33 691	–	–
Nina Kretzmann	–	–	–	–	79 326	–	–	–
Jan Wandrag	–	–	–	–	16 828	–	1 406	–
Total	–	–	–	–	465 188	33 691	1 406	–

¹ Share incentive consists of Lighthouse shares issued to Executive Directors in terms of the Incentive Plan. The 2022 issuances relate to the 2021 measurement period and are subject to the vesting terms and conditions of the Incentive Plan.

² Justin Muller served as Chief Investment Officer until 12 July 2021. Effective 13 July 2021, he was appointed as Chief Executive Officer.

³ Edward Mc Donald was appointed as an Executive Director and Chief Operating Officer effective from 18 October 2021.

⁴ Stephen Delpoort resigned as an Executive Director and Chief Executive Officer effective 12 July 2021. A settlement of EUR 241 695 is included in Stephen's 2021 salary amount.

⁵ Nina Kretzmann was appointed as an Executive Director effective from 5 February 2021, and Chief Operating Officer effective from 1 March 2021. Nina resigned as an Executive Director and Chief Operating Officer effective from 18 October 2021, but remains employed by the Group. Nina's remuneration was included in the table above only for the period that she served as an Executive Director.

⁶ Jan Wandrag resigned as an Executive Director effective from 5 February 2021, and resigned as Chief Operating Officer effective from 28 February 2021.

The bonuses reflected in the 2022 section relating to the performances during the 2022 financial year, were provided for in the 2022 financial year and will be paid in the 2023 financial year.

The table below sets out the approved increases in Executive Director TGP effective from 1 January 2022. Note that the actual Executive Directors' salaries paid is disclosed in the table on page 89.

	Annual TGP at December 2022 EUR	Annual TGP at December 2021 EUR	Increase %
Shares issued to Directors and employees during the year:			
Directors:			
Justin Muller	260 000	260 000	0,0%
Edward Mc Donald	123 200	120 000	2,7%
Jacobus van Biljon	195 400	190 000	2,8%
Shares awarded during the year	578 600	570 000	

KEY PERFORMANCE INDICATORS

OUR BUSINESS SCORECARD

	Result	Weighting	Threshold	Target	Stretch
			75%	100%	125%
Shareholder performance		25%			
Total shareholder return relative to peer group	Below Median	25%	Median	Average of median and upper quartile	Upper quartile
Financial performance		45%			
Distributable income per share	3,69	15%	3,45 EUR cents per share	3,50 EUR cents per share	3,55 EUR cents per share
Growth in like-for-like property income	17%	10%	2,00%	3,00%	4,00%
Growth in NAV per share	<0%	10%	5,00%	10,00%	15,00%
Gearing ratio	23,5%	10%	35,00%	30,00%	25,00%
Operational performance		20%			
Limiting vacancies (% GLA)	3,20%	10%	<6,0%	<5,0%	<4,0%
Maintaining arrears (provision expense as % of revenue)	1,60%	5%	<2,5%	<2,0%	<1,5%
Gross property expense ratio	37,60%	5%	<37,5%	<35%	<32,5%
ESG performance		10%			
Implementation of ESG strategy	Meet expectations	5%	n/a	Meet expectations	Exceed expectations
Governance/risk and compliance practices	Meet expectations	5%	n/a	Meet expectations	Exceed expectations

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-Executive Directors' remuneration consists of an annual fee. The Remuneration Committee recommends Non-Executive Directors' fees to the Board, which, in turn, proposes the fees for shareholder approval at the AGM. Attendance of Directors at the various Board and sub-committee meetings is disclosed on page 78.

Non-Executive Directors do not participate in the Incentive Plan, nor is there any other remuneration paid to Non-Executive Directors, including remuneration linked to the performance of the Group.

		For services as a Director (paid by the Company) 2022 EUR	For services as a Director (paid by the Company) 2021 EUR
Mark Olivier	Chairperson Nomination Committee chairperson Remuneration committee member Investment Committee member	41 600	30 672
Stuart Bird	Investment Committee member Remuneration Committee member	22 000	2 850
Karen Bodenstein	Audit Committee Chairperson Risk Committee Chairperson	26 000	23 009
Desmond de Beer	Investment Committee Chairperson Nomination Committee member	24 700	19 841
Anthony Doublet	Audit Committee member Social and Ethics Committee member	20 800	7 045
Stephen Paris	Audit Committee member Risk Committee member Social and Ethics Committee Chairperson	24 600	8 341
Barry Stuhler	Remuneration Committee Chairperson Investment Committee member Nomination Committee member	25 900	24 973
David Axten¹	Remuneration Committee member Social and Ethics Committee member Risk Committee member		11 009
Paul Edwards²	Investment Committee Chairperson Nomination Committee Chairperson Audit Committee member Remuneration Committee member		16 187
		185 600	143 927

¹ David Axten resigned as a Non-Executive Director of the Company on 5 August 2021.

² Paul Edwards resigned as a Non-Executive Director of the Company on 5 August 2021.

The 2022 Non-Executive Directors' fees are as follows:

Participation	Member/Chairperson	Annual remuneration EUR	Mark Olivier EUR	Stuart Bird EUR	Karen Bodenstein EUR	Desmond de Beer* EUR	Anthony Doublet EUR	Stephen Paris EUR	Barry Stuhler EUR	Total EUR
Board of Directors	Member	15 500	-	15 500	15 500	15 500	15 500	15 500	15 500	93 000
Board of Directors	Chairperson	31 200	31 200	-	-	-	-	-	-	31 200
Audit Committee	Member	3 900	-	-	-	-	3 900	3 900	-	7 800
Audit Committee	Chairperson	6 600	-	-	6 600	-	-	-	-	6 600
Risk Committee	Member	2 600	-	-	-	-	-	2 600	-	2 600
Risk Committee	Chairperson	3 900	-	-	3 900	-	-	-	-	3 900
Investment Committee	Member	3 900	3 900	3 900	-	-	-	-	3 900	11 700
Investment Committee	Chairperson	6 600	-	-	-	6 600	-	-	-	6 600
Remuneration Committee	Member	2 600	2 600	2 600	-	-	-	-	-	5 200
Remuneration Committee	Chairperson	3 900	-	-	-	-	-	-	3 900	3 900
Nomination Committee	Member	2 600	-	-	-	2 600	-	-	2 600	5 200
Nomination Committee	Chairperson	3 900	3 900	-	-	-	-	-	-	3 900
Social and Ethics Committee	Member	1 400	-	-	-	-	1 400	-	-	1 400
Social and Ethics Committee	Chairperson	2 600	-	-	-	-	-	2 600	-	2 600
		91 200	41 600	22 000	26 000	24 700	20 800	24 600	25 900	185 600

* All fees are paid to Resilient REIT Limited.

PAYMENTS TO PAST DIRECTORS

There were no payments to past Directors in 2022.

PAYMENTS FOR LOSS OF OFFICE

There were no payments for loss of office to any employees or past Directors in 2022.

07 ANNUAL FINANCIAL STATEMENTS

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Docks 76

GLA 36 727m² | Value EUR 55 386 000

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

THE DIRECTORS ACKNOWLEDGE THEIR RESPONSIBILITIES

In terms of the Maltese Companies Act (Cap. 386) and other regulatory requirements, the Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company at the end of each reporting period and of the profit or loss for that period. In preparing the financial statements, the Directors are responsible for:

- ▶ Ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and IFRS as issued by the International Accounting Standards Board ("IASB")
- ▶ Selecting and applying appropriate accounting policies
- ▶ Making accounting estimates that are reasonable in the circumstances
- ▶ Preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining internal control as determined is necessary to enable the preparation and the fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with all applicable regulatory requirements. They are also responsible for safeguarding the assets of the Group and Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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GOING CONCERN

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and there is no reason to believe that the businesses will not be going concerns in the year ahead.

STATEMENT OF COMPLIANCE

We, the Directors of Lighthouse, confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under:

- ▶ The provisions of the Maltese Companies Act (Cap. 386)
- ▶ The Company's Memorandum of Association and Articles of Association.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Group and Company were approved for issue by the Board of Directors on 17 March 2023 and signed on its behalf by:

Justin Muller
Chief Executive Officer

Jacobus van Biljon
Chief Financial Officer

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

Each of the Directors, whose names are stated below, hereby confirm that:

- ▶ The annual financial statements, set out on pages 102 to 185, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS
- ▶ To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading
- ▶ Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries has been provided to effectively prepare the financial statements of the issuer
- ▶ The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls

- ▶ Where we are not satisfied, we have disclosed to the Audit committee and the auditor any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies
- ▶ We are not aware of any fraud involving Directors.

Justin Muller
Chief Executive Officer
17 March 2023

Jacobus van Biljon
Chief Financial Officer

COMPANY SECRETARY'S CERTIFICATE

for the year ended 31 December 2022

We certify that, to the best of our knowledge and belief, the Company has filed with the Malta Business Registry all such returns as are required of the Company under the Maltese Companies Act (Cap. 386).

Stonehage Fleming Malta Limited
Company Secretary

17 March 2023

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Lighthouse Properties p.l.c.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion:

- ▶ The Group financial statements and the Parent Company financial statements (the "financial statements") of Lighthouse Properties p.l.c. give a true and fair view of the Group and the Parent Company's financial position as at 31 December 2022, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU and IFRSs as issued by the International Accounting Standards Board; and
- ▶ The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

What we have audited

Lighthouse Properties p.l.c.'s financial statements comprise:

- ▶ the Consolidated and Parent Company statements of financial position as at 31 December 2022;
- ▶ the Consolidated and Parent Company statements of profit or loss and other comprehensive income for the year then ended;
- ▶ the Consolidated and Parent Company statements of changes in equity for the year then ended;

- ▶ the Consolidated and Parent Company statements of cash flows for the year then ended; and
- ▶ the notes to the financial statements, which include significant accounting policies, segmental analysis and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance

▶ Overall group materiality	▶ €8,4 million
▶ How we determined it	▶ Approximately 1% of consolidated total assets
▶ Rationale for the materiality benchmark applied	▶ We chose consolidated total assets as the benchmark considering that, in our view, this is the key benchmark against which the performance of the Group is most commonly measured by the users of the consolidated financial statements. The continued expansion of the Group, which we currently expect to continue, further supports the use of consolidated total assets as our benchmark.
	▶ We chose 1% which is within the range of quantitative materiality thresholds that we consider acceptable.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €422,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

OUR AUDIT APPROACH Overview



- ▶ **Overall group materiality:** €8.4 million, which represents approximately 1% of consolidated total assets.

▶ Group audit scope

The Group mainly consists of five property-owning components which have their property assets located in Portugal, France, Slovenia, Spain and the United Kingdom ("UK") and six head office components. Full scope audits were performed at each of the property-owning components. We also performed a full scope audit on the listed head office entity, consolidation adjustments and further performed a combination of audits of specific account balances and/or analytical procedures over the remaining components.

▶ Key audit matters

- Valuation of investment properties of the group
- Investments in subsidiaries of the company

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Valuation of investment properties of the group</p> <p>Refer to the following accounting policies and notes to the consolidated financial statements for details:</p> <ul style="list-style-type: none"> ▶ Note 1.3 (<i>Investment Property</i>); ▶ Note 2.4 (<i>Investment Property</i>); ▶ Note 3 (<i>Investment Property and Straight-lining of rental revenue adjustment</i>); ▶ Note 25.4 (<i>Financial Instruments, risk and fair value measurements – Fair values</i>); and ▶ Note 26.3 (<i>Accounting Estimates and Judgements – Investment properties</i>) <p>The Group carries investment property at fair value in accordance with International Accounting Standard (IAS) 40 – Investment Property. At 31 December 2022, the carrying value of the Group's total investment property portfolio amounted to €778.9 million, which included a fair value gain of €0.9million.</p> <p>The Group's accounting policy is to measure investment properties at fair value based on annual external valuations utilising the open market value basis. This basis uses either the discounted cash flow method or the capitalisation of net income method or a combination of these methods. These methods take into consideration the future earnings potential and appropriate discount and capitalisation rates for the properties. Other factors taken into account in the valuations include the tenure of the property, tenancy details, the allocation of maintenance and insurance between the group and the lessee and ground and structural conditions. The valuers apply assumptions for yields and estimated future market rents, which are influenced by prevailing market yields, comparable property and leasing transactions in the market, to arrive at the final valuation.</p> <p>The valuation of investment properties was considered to be a matter of most significance to the current year audit due to the following:</p> <ul style="list-style-type: none"> ▶ valuation of the Group's investment properties being a key contributor to the asset value of the Group; and ▶ significant estimation uncertainty in relation to key assumptions (the estimated rental growth, vacancy level, discount rate and capitalisation rate), coupled with the fact that only a small percentage difference in yields for individual property valuations, when aggregated, could result in a material impact on the overall valuation. 	<p>Our audit addressed this key audit matter as follows:</p> <ul style="list-style-type: none"> ▶ We obtained an understanding of the approaches followed by management and the independent valuers for the valuation of the group's investment property portfolio through discussions with management and the external valuers, as well as the inspection of minutes of meetings with valuers. ▶ We inspected the underlying valuation documentation for a representative sample of the properties in order to evaluate whether the valuation approach followed by external valuers for each property was consistent with the requirements of IFRS. We found the valuation approach to be consistent with the requirements of IFRS. ▶ We have evaluated the external valuers' competence, objectivity and capabilities by inspecting their curricula vitae, including a consideration of whether they are members of a registered professional body. We did not note any aspect in this regard requiring further consideration. ▶ We tested the accuracy, reliability and completeness of data inputs into the valuations. We focused on the data inputs underpinning the investment property valuations for a selection of investment properties, including projected rental income and associated running costs, the estimated rental growth, vacancy rates, discount rate and exit yield by agreeing these to appropriate underlying documentation. No material exceptions were noted. ▶ We held discussions with the valuers on the key assumptions used, and utilised our internal valuation expertise to assess the reasonability of the assumptions in the valuations performed by the external valuers. The inputs were found to be within an acceptable range. ▶ With the assistance of our internal valuation experts, we developed independent expectations which we compared to the group valuers' valuations for a representative sample of properties. In doing this, we used comparable market data and focused in particular on properties where the growth in property valuations was higher or lower than our expectations, based on available market information. We compared the investment yields used by the group's valuers to an estimated range of expected yields, determined with reference to published benchmarks. We did not identify material differences between the group valuer's valuation and our independently recalculated fair values.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Investments in subsidiaries of the company</p> <p>Refer to the following accounting policies and notes to the parent company's financial statements for details:</p> <ul style="list-style-type: none"> ▶ Note 1.4 (<i>Financial Instruments</i>); ▶ Note 2.1 (<i>Credit Risk</i>); ▶ Note 5.1 (<i>Investments in subsidiaries and associate, and loans to/(from) subsidiaries</i>); and ▶ Note 25 (<i>Financial instruments, risk and fair value measurements</i>) <p>The Company holds investments in subsidiaries of €578 million.</p> <p>Management performed an assessment of impairment of investments in subsidiaries by comparing the carrying amounts of the investments in subsidiaries with their respective net asset values. During the year, management recognised an impairment charge of €51.5 million on the investments in subsidiaries.</p> <p>The value-in-use recoverable amount of the subsidiaries exceeded the carrying value and accordingly no impairment loss was required on these investments.</p> <p>We considered investments in subsidiaries to be a matter of most significance to our current year audit due to the following:</p> <ul style="list-style-type: none"> ▶ financial significance of the investments in subsidiaries and the impairment losses relating to subsidiaries to the Company's financial statements; and ▶ estimation involved in assessing impairment and determining the recoverable amount of the subsidiaries. 	<p>We obtained management's calculation of the recoverable amount for the investment in subsidiaries and performed the following procedures:</p> <ul style="list-style-type: none"> ▶ We compared the carrying amount of each investment to the net asset value or the adjusted net asset value of the underlying subsidiary to identify any indicators of impairment. ▶ We also assessed the extent of disclosures in the financial statements. <p>No material exceptions were noted for the audit procedures performed.</p>

HOW WE TAILORED OUR GROUP AUDIT SCOPE

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group mainly consists of five property-owning components which have their property assets located in Portugal, France, Slovenia, Spain and the United Kingdom ("UK") and six head office components. Full scope audits were performed at each of the property-owning components. We also performed a full scope audit on the listed head office entity, consolidation adjustments and further performed a combination of audits of specific account balances and/or analytical procedures over the remaining components. This, together with additional procedures performed at the group level, including testing of consolidation journals and intercompany eliminations, gave us the evidence we needed for our opinion on the consolidated financial statements as a whole.

In establishing the overall audit approach to the group audit we determined the type of work that needed to be performed by us, as the group engagement team, and by component auditors from other PwC network firms operating under our instruction. Where

the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises any other information included in the document titled "Lighthouse Properties p.l.c. Integrated Report 2022", (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU, IFRSs as issued by the International Accounting Standards Board and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The *Integrated Report 2022* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the *Integrated Report 2022*, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

AREA OF THE INTEGRATED REPORT 2022 AND THE RELATED DIRECTORS' RESPONSIBILITIES

Directors' responsibility for the financial statements and Directors' report and commentary

The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.

OUR RESPONSIBILITIES

We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements.

In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.

Other matters on which we are required to report by exception

We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:

- ▶ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us.
- ▶ the financial statements are not in agreement with the accounting records and returns.
- ▶ we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.

OUR REPORTING

In our opinion:

- ▶ the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386).

We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the *Other information* section.

We have nothing to report to you in respect of these responsibilities.

OTHER MATTER – USE OF THIS REPORT

Our report, including the opinions, has been prepared for and only for the Parent Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta



Christopher Cardona
Partner

17 March 2023

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

at 31 December 2022

Notes	GROUP		COMPANY	
	Audited Dec 2022 EUR	Restated ¹ Dec 2021 EUR	Audited Dec 2022 EUR	Audited Dec 2021 EUR
ASSETS				
Non-current assets				
	801 697 966	601 527 040	577 973 630	411 588 658
Investment property	3 778 935 000	581 927 000	-	-
Investments	4 -	15 555 040	-	84 600 718
Investment in subsidiaries	5.1 -	-	577 973 630	326 987 940
Investment in equity-accounted associate	5.4 -	-	-	-
Financial assets	7 22 762 966	4 045 000	-	-
Current assets				
	39 204 668	37 533 083	78 035 140	331 704 720
Loans to subsidiaries	5.1 -	-	74 640 733	330 975 677
Financial assets	7 2 677 632	-	-	-
Trade and other receivables	9 19 463 369	21 732 623	520 601	4 605
Cash and cash equivalents	10 17 063 667	15 800 460	2 873 806	724 438
Total assets	840 902 634	639 060 123	656 008 770	743 293 378
EQUITY AND LIABILITIES				
Total equity				
	381 885 570	363 389 549	650 327 101	741 352 168
Share capital	11 16 969 761	16 248 733	16 969 761	16 248 733
Share premium	396 325 302	369 852 303	396 325 302	369 852 303
Treasury shares	11.3 (622 125)	(687 522)	(622 125)	(262 044)
Non-distributable reserve	(178 951 677)	(169 362 879)	178 547 243	270 438 506
Foreign currency translation reserve	(154 428)	(1 393 006)	-	-
Share-based payment reserve	369 919	194 302	369 920	-
Retained earnings	122 983 260	140 611 366	58 737 000	85 074 670
Equity attributable to owners	356 920 012	355 463 297	650 327 101	741 352 168
Non-controlling interest	24 965 558	7 926 252	-	-
Total liabilities	459 017 064	275 670 574	5 681 669	1 941 210
Non-current liabilities				
Interest-bearing borrowings	12 358 750 323	210 432 490	-	-
Deferred tax liabilities	13 46 409 806	28 784 253	-	-
Financial liabilities	14 4 116 148	6 696 748	-	-
Current liabilities				
	49 740 787	29 757 083	5 681 669	1 941 210
Interest-bearing borrowings	12 19 929 882	2 680 512	-	1 612 512
Loans from Group companies	5.2 -	-	5 244 952	-
Financial liabilities	14 4 593 320	-	-	-
Trade and other payables	15 24 141 987	26 753 809	422 969	328 698
Current tax liabilities	1 075 598	322 762	13 748	-
Total equity and liabilities	840 902 634	639 060 123	656 008 770	743 293 378

¹ Refer to note 29.1.

The notes on pages 109 to 185 are an integral part of these consolidated financial statements.

The financial statements on pages 102 to 185 were authorised for issue by the Board on 17 March 2023 and were signed on its behalf by:



Justin Muller
Chief Executive Officer



Jacobus van Biljon
Chief Financial Officer

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2022

Notes	GROUP		COMPANY	
	Audited for the year ended Dec 2022 EUR	Restated ¹ for the year ended Dec 2021 EUR	Audited for the year ended Dec 2022 EUR	Audited for the year ended Dec 2021 EUR
Property rental and related revenue	16.1 76 857 502	31 936 316	-	-
Investment revenue	16.2 101 232	3 629 962	2 935 655	10 901 355
Finance income	55 673	162 424	55 616	162 391
Dividends and finance income from Group companies	-	-	-	8 720 587
Total revenue	77 014 407	35 728 702	2 991 271	19 784 333
Fair value gain/(loss) on investment property, investments and derivative, gain on partial disposal of subsidiary and impairment				
	14 204 734	16 267 514	(68 108 840)	151 830 410
Fair value gain on investment property	3.1 853 739	21 608 075	-	-
Fair value (loss)/gain on investments	(1 081 878)	3 664 439	(22 426 818)	116 321 399
Realised gain on partial disposal of investment in subsidiary	5.3 -	-	5 962 035	-
Fair value gain/(loss) on currency, interest rate and other derivatives	7 14 432 873	3 076 368	(135 188)	2 333 600
Impairment (loss)/reversal	6.2 -	(12 081 368)	(51 508 869)	33 175 411
Property operating expenses	(31 690 092)	(11 482 988)	-	-
Administrative and other expenses	17 (10 123 907)	(4 651 821)	(1 412 238)	(1 672 524)
Foreign exchange gain	692 059	1 274 848	703 168	3 784 496
Share of loss of equity-accounted associate	5.4 -	(70 905 185)	-	-
Operating profit/(loss)	50 097 201	(33 768 930)	(65 826 639)	173 726 715
Finance costs	(14 229 006)	(4 346 138)	(16 337)	(196 072)
Other income	-	200 035	-	-
Profit/(loss) before tax	35 868 195	(37 915 033)	(65 842 976)	173 530 643
Income tax	18 (3 155 860)	(2 512 227)	(13 748)	(76 974)
Profit/(loss) for the year	32 712 335	(40 427 260)	(65 856 724)	173 453 669
Other comprehensive income net of tax:				
Items that may subsequently be reclassified to profit or loss:				
Share of other comprehensive income of equity-accounted associate	5.4 1 238 578	(5 025 370)	-	-
	1 238 578	(5 025 370)	-	-
Total comprehensive income/(loss) for the year	33 950 913	(45 452 630)	(65 856 724)	173 453 669
Profit/(loss) for the year attributable to:				
Equity holders of the Company	25 155 305	(46 486 443)	(65 856 724)	173 453 669
Non-controlling interests	7 557 030	6 059 183	-	-
	32 712 335	(40 427 260)	(65 856 724)	173 453 669
Total comprehensive income/(loss) for the year attributable to:				
Equity holders of the Company	26 393 883	(51 511 813)	(65 856 724)	173 453 669
Non-controlling interests	7 557 030	6 059 183	-	-
	33 950 913	(45 452 630)	(65 856 724)	173 453 669
Basic and diluted earnings/(loss) per share (EUR cents)	22 1,53	(3,39)	(4,01)	12,66

¹ Refer to note 29.1.

The notes on pages 109 to 185 are an integral part of these consolidated financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2022

GROUP										
Note	Share capital ^{1,2} EUR	Share premium EUR	Treasury shares ² EUR	Non-distributable reserve ³ EUR	Foreign currency translation reserve ⁴ EUR	Share-based payment reserve ⁵ EUR	Retained ⁶ earnings EUR	Equity attributable to equity holders EUR	Non-controlling interests EUR	Total equity EUR
Balance at 31 December 2020	346 556 171	–	–	(178 473 720)	(1 393 006)	–	95 278 161	261 967 606	–	261 967 606
Total comprehensive income:										
Loss for the year							(42 587 499)	(42 587 499)	7 358 831	(35 228 668)
Share of other comprehensive income of equity-accounted associate				(5 025 370)				(5 025 370)		(5 025 370)
Share-based employee remuneration						194 302		194 302		194 302
Transfer of stated capital to non-distributable reserve	11.1	(150 000 000)		150 000 000				–		–
Equity contributed by non-controlling shareholders									1 867 069	1 867 069
Transfer to non-distributable reserve ³				(87 920 704)			87 920 704	–		–
Creation of par value shares	11	(369 852 303)	369 852 303					–		–
Transactions with owners in their capacity as owners:										
Incentive shares issued (1 499 829 shares on 19 March 2021)		687 522		(687 522)				–		–
Distribution paid – final 2020		17 513 078		(18 871 733)				(1 358 655)	–	(1 358 655)
– scrip issue (39 801 811 shares on 19 April 2021)		17 513 078		(17 513 078)				–		–
– cash (paid on 19 April 2021)		–		(1 358 655)				(1 358 655)		(1 358 655)
Distribution paid – interim 2021		24 219 573		(25 172 408)				–	(952 835)	(952 835)
– scrip issue (54 982 923 shares on 8 September 2021)		24 219 573		(24 219 573)				–		–
– cash (paid on 8 September 2021)				(952 835)				(952 835)		(952 835)
Bookbuild shares issued (320 987 654 shares on 20 August 2021) – net of costs		147 216 465						147 216 465		147 216 465
Shares repurchased (188 809 shares on 22 October 2021) – net of costs		(91 773)						(91 773)		(91 773)
Balance at 31 December 2021	16 248 733	369 852 303	(687 522)	(165 463 935)	(1 393 006)	194 302	140 611 366	359 362 241	9 225 900	368 588 141
Adjustment related to the acquisition of the French properties ⁷				(3 898 944)				(3 898 944)	(1 299 648)	(5 198 592)
Restated balance at 31 December 2021	16 248 733	369 852 303	(687 522)	(169 362 879)	(1 393 006)	194 302	140 611 366	355 463 297	7 926 252	363 389 549
Total comprehensive income:										
Profit for the year							25 155 305	25 155 305	7 557 030	32 712 335
Non-controlling interest on partial disposal of investment in Retail Property Investments SAS									7 082 276	7 082 276
Equity contributed by non-controlling shareholders									2 400 000	2 400 000
Share-based employee remuneration			85 096			175 617		260 713		260 713
Share of other comprehensive income of equity-accounted associate					1 238 578			1 238 578		1 238 578
Transfer to non-distributable reserve ³				14 896 793			(14 896 793)	–		–
Incentive shares (acquired on 15 March 2022)			(19 699)					(19 699)		(19 699)
Transactions with owners in their capacity as owners:										
Distribution paid – final 2021										
– cash (paid on 10 May 2022)							(26 160 464)	(26 160 464)		(26 160 464)
Distribution paid – interim 2022		644 104	23 841 487	–	(24 485 591)	–	–	(1 726 154)	–	(1 726 154)
– cash (paid on 22 September 2022)								(1 726 154)		(1 726 154)
– scrip issue (64 410 356 shares on 22 September 2022)		644 104	23 841 487		(24 485 591)			–		–
Public offer (7 692 308 shares on 15 December 2022) – net of costs		76 924	2 631 512					2 708 436		2 708 436
Balance at 31 December 2022	16 969 761	396 325 302	(622 125)	(178 951 677)	(154 428)	369 919	122 983 260	356 920 012	24 965 558	381 885 570

¹ Refer to note 11.

² Refer to note 1.6.

³ Refer to note 1.7.

⁴ Refer to note 1.12.

⁵ Refer to notes 1.8 and 8.

⁶ The Directors have proposed that the balance of retained earnings, net of dividends declared related to the prior year, be carried forward to the next financial year.

⁷ Refer to note 29.1.

 The notes on pages 109 to 185 are an integral part of these consolidated financial statements.

STATEMENTS OF CHANGES IN EQUITY *continued*

for the year ended 31 December 2022

	Note	COMPANY							Total equity EUR
		Share capital ^{1,2} EUR	Share premium EUR	Treasury shares ² EUR	Non-distributable reserve ³ EUR	Foreign currency translation reserve ⁴ EUR	Share-based payment reserve ⁵ EUR	Retained ⁶ earnings EUR	
Balance at 31 December 2020		346 556 171	–	–	8 997 246	–	–	67 106 402	422 659 819
Total comprehensive income:									
Profit for the year								173 453 669	173 453 669
Transfer of stated capital to non-distributable reserve	11.1	(150 000 000)			150 000 000				–
Transfer to non-distributable reserve ³					155 485 401			(155 485 401)	–
Creation of par value shares	11	(369 852 303)	369 852 303						–
Transactions with owners in their capacity as owners:									
Incentive shares issued (1 499 829 shares on 19 March 2021)		687 522		(262 044)					425 478
Distribution paid – final 2020		17 513 078	–	–	(18 871 733)	–	–	–	(1 358 655)
– scrip issue (39 801 811 shares on 19 April 2021)		17 513 078			(17 513 078)				–
– cash (paid on 19 April 2021)					(1 358 655)				(1 358 655)
Distribution paid – interim 2021		24 219 573	–	–	(25 172 408)	–	–	–	(952 835)
– scrip issue (54 982 923 shares on 8 September 2021)		24 219 573			(24 219 573)				–
– cash (paid on 8 September 2021)					(952 835)				(952 835)
Bookbuild shares issued (320 987 654 shares on 20 August 2021) – net of costs		147 216 465							147 216 465
Shares repurchased (188 809 shares on 22 October 2021) – net of costs		(91 773)							(91 773)
Balance at 31 December 2021		16 248 733	369 852 303	(262 044)	270 438 506	–	–	85 074 670	741 352 168
Total comprehensive income:									
Loss for the year								(65 856 724)	(65 856 724)
Share-based payment charge				(425 478)			369 920		(55 558)
Transfer to non-distributable reserve ³					(67 405 672)			67 405 672	–
Incentive shares (acquired on 15 March 2022)				65 397					65 397
Transactions with owners in their capacity as owners:									
Distribution paid – final 2021									
– cash (paid on 10 May 2022)								(26 160 464)	(26 160 464)
Distribution paid – interim 2022		644 104	23 841 487	–	(24 485 591)	–	–	(1 726 154)	(1 726 154)
– cash (paid on 22 September 2022)								(1 726 154)	(1 726 154)
– scrip issue (64 410 356 shares on 22 September 2022)		644 104	23 841 487		(24 485 591)				–
Public offer (7 692 308 shares on 15 December 2022) – net of costs		76 924	2 631 512						2 708 436
Balance at 31 December 2022		16 969 761	396 325 302	(622 125)	178 547 243	–	369 920	58 737 000	650 327 101

¹ Refer to note 11.

² Refer to note 1.6.

³ Refer to 1.7.

⁴ Refer to 1.12.

⁵ Refer to notes 1.8 and 8.

⁶ The Directors have proposed that the balance of retained earnings, net of dividends declared related to the prior year, be carried forward to the next financial year.

 The notes on pages 109 to 185 are an integral part of these consolidated financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2022

Note	GROUP		COMPANY		
	Audited for the year ended Dec 2022 EUR	Restated for the year ended Dec 2021 EUR	Audited for the year ended Dec 2022 EUR	Restated for the year ended Dec 2021 EUR	
Operating activities					
Cash generated from operations	19.1	34 627 442	17 295 154	1 101 692	14 588 553
Finance income received		55 673	162 424	55 616	3 521 504
Finance costs paid	19.4	(10 314 714)	(3 882 331)	(16 337)	(196 072)
Income tax paid	19.2	(1 991 280)	(962 633)	–	(177 071)
Distributions paid		(27 886 618)	(2 311 490)	(27 886 618)	(2 311 490)
Cash (outflow)/inflow from operating activities		(5 509 497)	10 301 124	(26 745 647)	15 425 424
Investing activities					
Additions to investment property		(24 042 114)	(3 034 336)	–	–
Acquisition of listed security investments		–	(38 539 093)	–	(51 420 290)
Proceeds from disposal of listed security investments		14 473 162	56 190 509	14 473 162	64 832 819
Acquisition of subsidiary, net of cash acquired	19.3	(66 043 187)	(295 098 877)	–	–
Acquisition of interest in equity-accounted associate	5.4	–	(5 943 203)	–	–
Investment in subsidiaries		–	–	(1 622 224)	–
Receipts on loans made to subsidiaries		–	–	23 112 709	278 662 148
Payments on loans to subsidiaries		–	–	(8 732 536)	(466 760 307)
Financial asset receipts		2 633 839	809 605	–	–
Financial asset payments		(7 818 303)	–	(135 188)	–
Cash (outflow)/inflow from investing activities		(80 796 603)	(285 615 395)	27 095 923	(174 685 630)
Financing activities					
Issue of shares		2 708 436	–	2 708 436	–
Repurchase of shares		–	(91 773)	–	(91 773)
Treasury shares		(19 699)	149 550 367	–	149 550 367
Equity contribution by non-controlling interests		2 400 000	–	–	–
Partial disposal of interest in subsidiary	5.3	7 082 276	–	–	–
Repayment of interest-bearing borrowings		(83 681 352)	(7 862 246)	–	–
Proceeds from interest-bearing borrowings		160 000 000	113 384 416	–	–
Cash inflow from financing activities		88 489 760	254 980 764	2 708 436	149 458 594
Increase/(decrease) in cash and cash equivalents		2 183 660	(20 333 507)	3 058 712	(9 801 612)
Effect of exchange rate changes on cash held		692 059	467 363	703 168	(304 703)
Cash and cash equivalents at the beginning of the year		14 187 948	34 054 093	(888 074)	9 218 241
Cash and cash equivalents at the end of the year	10	17 063 667	14 187 949	2 873 806	(888 074)

The notes on pages 109 to 185 are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

REPORTING ENTITY

Lighthouse Properties p.l.c. ("Lighthouse Properties") (formerly known as Lighthouse Capital Limited) (the "Company") is a public company limited by shares and was incorporated in Mauritius on 14 August 2014. The Company redomiciled to Malta effective 29 December 2021. The Company's registered office is 4th Floor, Office 41, Block A, IL-Piazzetta, Tower Road, Sliema, Malta, SLM 3040. Lighthouse has a primary listing on the Johannesburg Stock Exchange. The consolidated financial statements of the Group for the year ended 31 December 2022 comprise the Company and its subsidiaries (jointly the "Group" or "Lighthouse"). The consolidated and separate financial statements ("financial statements") were authorised for issue by the Directors on 17 March 2023. These financial statements will be submitted for consideration and approval at the forthcoming Annual General Meeting ("AGM").

Lighthouse Properties was established with the primary aim of acquiring and investing globally in direct property assets as well as listed real estate and infrastructure securities. In accordance with Lighthouse Properties' business strategy, physical property investments are focused on retail, commercial and real estate assets across Europe. Lighthouse Properties targets properties with sustainable income from high-quality tenants with a strong likelihood of renewal of leases upon expiry. Lighthouse Properties also has strategic listed investments. In addition, it invests in listed real estate and infrastructure securities to provide liquidity for opportunistic acquisitions.

BASIS OF PREPARATION

Statement of compliance

The consolidated and separate financial statements of Lighthouse Properties have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU, IFRS as issued by the International Accounting Standards Board ("IASB"), and interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Johannesburg Stock Exchange Limited ("JSE") Listings Requirements and the Malta Companies Act (Cap. 386).

The accounting policies are consistent with those applied in the prior year.

These financial statements were compiled under the supervision of Jacobus van Biljon CA(SA), the Chief Financial Officer.

Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment property, investments, derivative financial instruments and financial instruments at fair value through profit or loss, which are measured at fair value. The term "substantially all" is considered to be in excess of 90%, to the extent that thresholds are measurable.

Functional and presentation currency

The functional and presentation currency of the Company and Group is Euro ("EUR"), being the currency of the issued share capital of the Company.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in future periods are set out in note 26.

1. ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparing the financial statements for the current and prior reporting periods.

References to the Group include the Company, unless otherwise noted.

1.1 Changes in significant accounting policies

There were no changes in accounting policies during the year.

1.2 Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled (directly or indirectly) by the Company. The Group controls an entity when it has the majority of the voting rights and it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Company reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the elements of control.

The results of subsidiaries are included from the date control was acquired up to the date control ceased.

Investments in subsidiaries

Investments in subsidiaries of the Company are reflected at cost less accumulated impairment losses, if any, in the Company's separate financial statements.

1. ACCOUNTING POLICIES continued

1.2 Basis of consolidation continued

Subsidiaries continued

Investments in subsidiaries continued

The accounting policies of the subsidiaries are consistent with those of the Company.

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group performs an assessment to determine whether the acquired assets and associated liabilities meet the definition of a business included in IFRS 3 Appendix B. In performing this assessment, consideration is given to determining whether an integrated set of activities and assets exists that is capable of being conducted and managed for the purpose of providing a service to customers, generating investment income or generating other income from its ordinary activities. The Group applies the concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred for the acquisition of a subsidiary that meets the definition of a business is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree (if any) over the fair value of the identifiable net assets acquired is recognised as goodwill. Any gain on a bargain purchase is recognised in profit or loss immediately.

Investment in equity-accounted associate

An associate is an entity over which the Group has significant influence, but not control or joint control over the financial and operating policies.

The results and assets and liabilities of associates have been included in these consolidated financial statements using the equity method from the date on which the investee became an associate.

Under the equity method, an investment in an associate is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate, until the date on which significant influence ceases.

Changes in ownership interests in subsidiaries without change of control:

- ▶ Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owner.
- ▶ The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Goodwill

Goodwill is initially measured at cost. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses arising from intragroup transactions are eliminated. Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.3 Investment property

Investment property is initially recognised and measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Fair values are determined annually by independent external professional valuers with appropriate and recognised professional qualifications and recent experience in the location and category of property being valued. Valuations are done on the open-market value basis and the valuers use either the discounted cash flow method or the capitalisation of net income method or a combination of the methods. Gains or losses arising from changes in the fair values are included in profit or loss for the period in which they arise. Immediately prior to disposal of investment property, the investment property is revalued to the net sales proceeds and such revaluation is recognised in profit or loss during the period in which it occurs.

Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier.

Investment property is refurbished, upgraded and maintained in order to preserve and/or to improve the value. Maintenance and repairs which neither materially add value to the properties nor prolong their useful lives are recognised in profit or loss as expenses when incurred.

1.4 Financial instruments

Financial instruments are recognised when the Group or Company has become party to the contractual provisions of the instrument. Financial instruments include investments in listed security investments, derivative cash margin, derivative assets and liabilities, loans receivable, trade and other receivables (including tenant receivables), cash and cash equivalents, interest-bearing borrowings, loans payable and trade and other payables. Financial instruments are initially recognised at fair value including transaction costs, except for those measured at fair value through profit or loss, for which related transaction costs are recognised in profit or loss as part of administrative and other expenses.

Trade receivables that do not contain a significant financing component in accordance with IFRS 15: *Revenue from Contracts with Customers* are initially measured at their transaction price. Derivatives are recognised initially at fair value at the date the derivative contracts are entered into. Directly attributable transaction costs are recognised in profit or loss when incurred.

Subsequent to initial recognition, these instruments are measured as detailed below.

Financial investments at fair value through profit or loss – these assets include listed securities investments and are measured at fair value through profit or loss, with fair value being the quoted closing price at the reporting date. Realised gains and losses on disposals of investments and unrealised gains and losses arising from changes in the fair value of these investments are recognised in profit or loss.

Loans receivable and derivative cash margin – these include loans to subsidiaries and derivative cash margin (required as cash collateral on certain derivative positions), which are measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables, when the recognition of interest would be immaterial.

Trade receivables – trade receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Any impairment charges on tenant receivables are included in property operating expenses in profit or loss.

Cash and cash equivalents – cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term,

highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. Cash and cash equivalents are carried at amortised cost.

Impairment of financial assets – the Group and Company recognise a loss allowance for expected credit losses (“ECLs”) on loans to Subsidiaries, tenant receivables and other trade receivables that are measured at amortised cost. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

Tenant receivables are categorised in overall risk buckets based on the deemed credit strength of the tenant/counterparty, i.e. categories A through C. Category A counterparties are typically international firms with high or exceptional ratings, category B counterparties tend to be national firms or firms with good credit ratings, while category C tenants usually consist of smaller, local counterparties with average to below-average credit ratings. Typical tenant receivables are considered to be in default when more than 90 days in arrears. Tenant receivables are written off when there is no reasonable expectation for further recovery and any related mandatory statutory enforcement activity has been concluded. Tenant receivables impairment losses are included in property operating expenses in profit or loss.

The Group and Company recognise lifetime ECLs for trade receivables and tenant receivables based on the simplified approach, using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current, as well as the forecast direction, of conditions at the reporting date, including time value of money where appropriate.

For non-interest-bearing loans to subsidiaries, that are repayable on demand, ECLs are based on the assumption that repayment of the loan is demanded at the reporting date. Where the investee has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the ECL is considered to be immaterial. Where the investee cannot repay the loan if demanded at the reporting date, the Company considers the expected manner of recovery to measure ECLs.

The ECL is limited to the effect of discounting the amount due on the loan at the loan's effective interest rate over the period until the balance is realised. Term loans to subsidiaries are advanced to investment and property-owning Group companies, the recoverability of which is largely dependent on the fair values of underlying investments, whether they are listed securities investments or direct property holdings. Term loans to subsidiaries are impaired if the fair valued net asset value of the borrowing company is less than the carrying value of the equity investment in said borrowing company.

For all other financial assets, the Group and Company recognise lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for the financial asset at an amount equal to the 12-month ECLs.

1. ACCOUNTING POLICIES continued

1.4 Financial instruments continued

Lifetime ECLs represent the ECLs that will result from all possible default events over the expected life of a financial instrument. 12-month ECLs represent the portion of the lifetime ECLs that result from default events on a financial asset that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- ▶ An actual or expected deterioration in the financial asset's external (if available) or internal credit rating
- ▶ Significant deterioration in external market indicators of credit risk for a particular financial asset
- ▶ Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- ▶ An actual or expected significant deterioration in the operating results of the debtor
- ▶ An actual or expected significant adverse change in the regulatory or economic conditions of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Derivative financial instruments – these include the Group's investments in interest rate derivatives and foreign exchange derivatives. The Group holds derivative financial instruments to manage the risk of its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognised in profit or loss. The fair value of derivatives is the estimated amount that the Group would receive or pay to terminate the derivative at the reporting date, taking into account the current relevant market conditions.

Derecognition of financial assets – a financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised where the contractual rights to receive cash flows from the asset have expired.

Interest-bearing borrowings – interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Finance costs are recognised in profit or loss.

Trade and other payables and financial liabilities – trade and other payables are subsequently measured at amortised cost using the effective interest method. Financial liabilities, with the exception of derivatives, are accounted for at amortised cost using the effective interest method.

Derecognition of financial liabilities – financial liabilities (or a portion thereof) are derecognised when the contractual obligation is discharged, cancelled or expires. On derecognition, the difference between the carrying amount of the financial liability and the consideration paid for it is recognised in profit or loss.

Offset – financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.5 Prepayments

Prepayments are payments in advance that entitle the entity to receive goods or services in future. Payments made by the Group and payments made by tenants are classified as current assets and current liabilities, respectively, given the expectation that consumption will occur within 12 months of the reporting date. Prepayments are carried at cost less any accumulated impairment losses.

1.6 Share capital, share premium and treasury shares

Ordinary shares are classified as equity. External costs directly attributable to the issue of shares are recognised as a deduction from the proceeds in equity.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised in equity. Repurchased shares are classified as treasury shares and presented in the treasury shares reserve until cancelled. Treasury shares are cancelled after obtaining any necessary regulatory approvals.

Capital raises

When engaging in capital raises via accelerated bookbuilds, the Company recognises a cash receivable from participants and a related derivative financial liability on the date that the bookbuild allocations are confirmed. The derivative financial liability is measured at fair value through profit or loss up to the date of the related share issuance, at which point the derivative financial liability is transferred to share capital at fair value. On the share issuance date, cash received from bookbuild participants is accounted for, with any related foreign exchange gains or losses recognised in profit or loss.

1.7 Non-distributable reserve

Transfers of share capital to reserves and returns of capital to shareholders were included in and deducted from non-distributable reserve, respectively. All realised and unrealised gains and losses considered to be of a capital nature, foreign exchange gains and losses, and the non-distributable component of the share of profits and losses from the equity-accounted associate are transferred to non-distributable reserve. Only distributions of a capital nature (i.e. capitalisation of non-distributable reserves for the purpose of issuing scrip distributions) may be made from capital transfers previously made to the

non-distributable reserve. Distributions of an income nature have to be made from the Company's retained earnings in terms of regulatory requirements and the Board's policy.

1.8 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The accrual for employee entitlements to salaries, bonuses and annual leave represents the amount which the Group has a present obligation to pay as a result of employees' services provided to the reporting date. The Group does not provide any retirement or post-retirement benefits.

Share-based payment transactions

The Group only has equity-settled share-based payment schemes. In terms of the share incentive plan, Lighthouse Properties shares are issued to certain employees. Such equity-settled share-based payments are measured at fair value at the date of the issuance as an increase in share capital, with the corresponding employee costs expense, amortised based on the corresponding service requirements over the vesting period (three years for the share-based payment scheme authorised in May 2022 and five years for the share-based payment scheme previously authorised), based on management's estimate of the shares that would have vested and adjusted for the effect of applicable non-market vesting conditions.

1.9 Revenue and related expenses

Revenue

Property rental and related revenue comprises rental revenue and recovery of expenses, excluding value-added tax ("VAT").

The IFRS 16 lessor accounting requirements require a lessor to classify a lease either as an operating lease or as a finance lease. Lighthouse acts as a lessor over its properties, and leases are classified as operating leases. The Group recognises rental revenue on a straight-line basis over the term of the lease. The difference between the contractual cash flows and the straight-lining revenue is recognised as an operating lease asset/liability.

Tenant recovery revenue (also known as service charge revenue) is recognised in terms of IFRS 15: *Revenue from Contracts with Customers* in the same period that the benefit relating to the recovered cost is enjoyed by the tenant. The Group acts as the principal in respect of tenant recovery revenue and the related property operating costs incurred, i.e. tenant recovery revenue is recognised on a gross basis.

Investing in listed real estate securities is a core part of the Company's and Group's business and is therefore recognised as revenue. Investment revenue, which primarily comprises dividend income, is recognised as revenue when the shareholder's legal right to receive payment is established.

Finance income is recognised as revenue on a time-proportion basis using the effective interest method.

Expenses

Service costs and property operating expenses

Service costs for service contracts entered into and property operating expenses are expensed as incurred.

The Group endeavoured to reach fair and reasonable agreements with tenants during the periods of trading restrictions imposed due to COVID-19. This in addition to other measures, resulted in forgiveness of certain payments contractually due for past rentals. Lighthouse elected to follow the guidance in IFRS 9: *Financial Instruments* whereby the reduction in tenant receivables is recognised as a property operating expense in profit or loss during the period in which the reduction was granted.

Letting commission and tenant installations

Letting commission and tenant installations paid for by the Group are capitalised to investment property and amortised over the period of the lease when they are assessed to be material.

Leases (in the Group's capacity as lessee)

Lease payments relating to short-term leases, i.e. less than 12 months, are expensed over the term of the lease.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

1.10 Finance income and finance costs

Finance income comprises interest income and is recognised as it accrues, calculated using the effective interest method. Finance costs comprise interest expense on borrowings calculated using the effective interest method.

1.11 Income tax

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income – in which case the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for that year of assessment, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received. Current tax assets and liabilities are offset only if certain criteria are met.

1. ACCOUNTING POLICIES continued

1.11 Income tax continued

Deferred tax

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is not recognised for the following temporary differences:

- ▶ The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- ▶ Initial recognition of goodwill
- ▶ Investments in subsidiaries to the extent that the Group is able to control the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates expected to be applied to temporary differences when they reverse, based on tax laws enacted or substantively enacted at the reporting date. The deferred tax liabilities relate primarily to cumulative fair value adjustments and statutory tax amortisation allowances on investment properties.

A deferred tax asset is recognised for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to either settle current tax liabilities and assets on a net basis or realise the assets and settle the liabilities simultaneously.

1.12 Foreign currency

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured based on historical cost are translated using the exchange rates ruling at the date of the transaction. Foreign currency differences are recognised in profit or loss.

Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated to EUR at exchange rates at the reporting date. Income and expenses are translated to EUR at the average exchange rates for the period if these rates approximate the exchange rates at the date of the transactions. The resulting exchange differences

are recognised in other comprehensive income and accumulated in equity in the foreign currency translation reserve. Such translation differences are reclassified to profit or loss in the period in which the foreign operation is disposed of.

1.13 Distributions and dividends to shareholders

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.14 Earnings per share

Basic earnings or loss per share is calculated by dividing profit or loss for the year attributable to equity holders of the Company by the weighted average number of shares in issue during the year. Headline earnings or loss per share is calculated by dividing headline earnings or loss by the weighted average number of shares in issue during the year. Headline earnings per share is determined based on Circular 1/2021 issued by the South African Institute of Chartered Accountants.

Diluted earnings or loss per share is calculated by dividing profit or loss for the year attributable to equity holders of the Company by the weighted average number of shares in issue, adjusted for the potential dilutive impact of outstanding share options.

Diluted headline earnings or loss per share is calculated by dividing headline earnings or loss by the weighted average number of shares in issue, adjusted for the potential dilutive impact of outstanding share options acquired.

2. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- ▶ Credit risk
- ▶ Liquidity risk
- ▶ Market risk (including currency risk, interest rate risk and price risk).

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has delegated the responsibility for developing and monitoring the Group's risk management policies to the Risk Committee. The committee reports to the Board of Directors on its activities. The Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

2.1 Credit risk

Credit risk is the risk of financial loss to the Group, or Company, if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's investments in listed securities, loans to subsidiaries, derivative cash margin, trade and other receivables (including tenant receivables) and cash and cash equivalents.

Investments, derivatives and derivative cash margin

The Group invests in listed securities by means of direct investments and by utilising derivatives that have corresponding cash margin requirements with recognised financial institutions. The Group limits its exposure to credit risk by investing in liquid securities and with globally recognised financial institutions and/or counterparties that are listed on a recognised stock exchange. The Group has policies and procedures in place to mitigate the credit risk associated with derivatives. Counterparty credit risk is monitored and any changes thereto are analysed and policies are in place to mitigate any risks associated with increased counterparty credit risk.

Loans to subsidiaries

As the counterparties are property and investment entities, credit risk is linked to the fair values of underlying investment property and securities investments, and is managed by ensuring appropriate investment strategies. Liquidity management is undertaken in line with the guidelines outlined by the Board of Directors.

The exposure on the loans to subsidiaries is indirectly secured as a result of the deemed fair value of the related investment in the subsidiary's equity, based substantially on the net asset value of underlying subsidiaries exceeding the carrying value of the related investments and loans to subsidiaries, as applicable. Time value of money has been considered in the assessment.

Trade and other receivables

Tenant receivables

The Group's exposure to credit risk is mainly in respect of retail property tenants and is influenced by the individual characteristics of each tenant. The Group's widespread tenant base reduces credit risk. A large proportion of the Group's tenant receivables are listed and multinational companies, which also reduces credit risk. A credit policy is in place whereby each new tenant is analysed individually for creditworthiness before appropriate payment terms and conditions are offered which include, in the majority of cases, the requirement of a deposit or guarantee of at least one month's rental. When available, the Group's credit review considers external ratings.

The Group applies the provision matrix approach allowed by IFRS 9 to assess the impairments of tenant receivables, by grouping receivables by country and classification category, as applicable. An ECL rate is calculated for each category using, among other factors, historical credit loss experience adjusted for in-country consumer confidence indices and retail sales growth figures, expected credit life cycles and collection ratios. These ECL rates are then applied to the relevant groups of tenant receivables to calculate the loss allowance at each reporting date.

Receivables related to listed investment securities and cash and cash equivalents

Listed investment securities receivable comprise derivative cash margin, fair value of currency derivatives, fair value of interest rate derivatives and receivable for securities sold. The exposure to credit risk is limited by entering into securities transactions and investing cash and cash equivalents with counterparties that have a high percentage of tier-one capital and strong credit ratings assigned by international credit rating agencies:

- ▶ ING Groep NV – Moody's short-term bank deposits rating: P-1
- ▶ CaixaBank SA – Moody's short-term bank deposits rating: P-2
- ▶ Banco Santander SA – Moody's short-term bank deposits rating: P-1
- ▶ BNP Paribas SA – Moody's short-term bank deposits rating: P-1
- ▶ Natixis SA – Moody's short-term bank deposits rating: P-1
- ▶ FirstRand Limited – S & P Global short-term local issuer credit rating: B
- ▶ Erste Group Bank AG – Moody's short-term bank deposits rating: P-1.

2.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations, comprising interest-bearing borrowings, financial liabilities and trade and other payables, as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. In this respect, the Group prepares cash flow analyses and forecasts which enable the Directors to assess the level of financing required in future periods.

The Board of Directors agrees on loan-to-value ("LTV") parameters for the Group and the LTV levels are consistently monitored, taking into account the fluctuations in the underlying investments. The Group has consistently remained within its authorised LTV parameters.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. The Group generates cash primarily from rental received on a monthly or quarterly basis, as well as from dividends received from listed security investments. Management is able to accurately budget the respective cash inflows as the dividend policies of the underlying investments are published in advance. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters or extreme market events.

2. FINANCIAL RISK MANAGEMENT continued

2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group invests in derivatives in order to manage market risks. All such transactions are carried out within the guidelines set by the Risk, Investment and Audit Committees. The Investment Committee together with the Risk Committee determine parameters by which investments in listed securities are made, taking into account an appropriate margin of safety regarding the collateral pool to ensure the portfolio is able to withstand volatile market movements.

Currency risk

The Group is exposed to foreign currency risk on investments denominated in Pound Sterling ("GBP"). The Group mitigates a portion of the risk associated with exposure to foreign currency fluctuations by borrowing in the same currency as the underlying investment. In addition, the Group manages its exposure to currency fluctuations on distributable income through the use of currency forwards. The Group does not apply hedge accounting in terms of IFRS.

Interest rate risk

The Group is exposed to interest rate risk on its loans to subsidiaries, interest-bearing borrowings and cash and cash equivalents.

Loans to subsidiaries, interest-bearing borrowings and cash and cash equivalents bear interest at rates linked to the base lending rate in the jurisdiction to which they relate. The Group adopts a policy of hedging substantially 100% of the direct property-related borrowings' exposure to interest rate risk. This is achieved primarily by entering into interest rate swaps, caps and fixed-rate loan agreements.

Equity price risk

The Group is exposed to equity price risk on its listed securities investments. It limits its exposure to equity price risk by only investing in liquid securities that are listed on a recognised stock exchange and where the Directors are in agreement with the business strategy implemented by such companies.

Fair values

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly

available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used for financial assets held by the Group is the current closing price. These instruments are included in level 1. Instruments included in level 1 comprise quoted equity investments classified as fair value through profit or loss.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments include:

- ▶ Quoted market prices or dealer quotes for similar instruments
- ▶ Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values due to the market-related terms and conditions and the short-term nature of these instruments. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

2.4 Investment property

External independent valuers who have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued, value the Group's investment properties at every financial year-end. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an orderly transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation. Valuations reflect, when appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant space and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property.

2.5 Capital management

The Group considers the equity attributable to equity holders as the permanent capital of the Group. The Board's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board also monitors the level of distributions and dividends to shareholders. The Board seeks to maintain a balance between the higher returns that may be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Board's objectives when managing capital are:

- ▶ To safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- ▶ To provide an adequate return to shareholders by pricing investments and services commensurately with the level of risk.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Board monitors capital on the basis of the LTV ratio. LTV is calculated by dividing the management account values of gross interest-bearing borrowings, adjusted for the fair value of interest rate derivatives, restricted cash and cash and cash equivalents by the total of investments in property, listed securities at fair value and investment in associate at fair value. The Board has a policy of a maximum LTV of 35,0%. At the reporting date, the LTV was 23,8% (31 December 2021 – 13,6%).

3. INVESTMENT PROPERTY AND STRAIGHT-LINING OF RENTAL REVENUE ADJUSTMENT

	GROUP	
	2022 EUR	Restated ³ 2021 EUR
Investment in property comprises:		
Investment property	778 185 220	581 539 479
Straight-lining of rental revenue adjustment	749 780	387 521
Total investment property¹	778 935 000	581 927 000
Details of investment property are as follows:		
At cost	752 849 304	579 573 869
Fair value adjustments	2 819 349	1 965 610
Straight-lining of rental revenue adjustment	749 780	387 521
Investment property under development	22 516 567	–
Investment property at fair value	778 935 000	581 927 000
Movement in investment property is as follows:		
Carrying amount at the beginning of the year	581 927 000	248 467 000
Additions from acquisitions ²	171 172 170	308 488 622
Cost capitalised	24 042 115	3 034 336
Capitalisation of borrowing costs	577 716	–
Fair value gains	853 739	21 608 075
Straight-lining of rental revenue adjustment	362 260	328 967
Carrying amount at the end of the year	778 935 000	581 927 000

¹ Refer to note 12 for details of external borrowings and the related security provided.

² The Group acquired the Torrecárdenas mall during March 2022 and four French malls during September 2021. Refer to note 19.3.

³ Refer to note 29.1.

3. INVESTMENT PROPERTY AND STRAIGHT-LINING OF RENTAL REVENUE ADJUSTMENT continued

A register of investment property is available for inspection at the registered office of the Company (refer to pages 40 and 41).

The Group's investment property was externally valued by independent valuers with recognised and relevant qualifications and with recent experience in the location and category of the investment property being valued. Details are as follows:

- ▶ Valuer of Forum Coimbra (Coimbra, Portugal): JLL Portugal. The valuers are registered with the Royal Institute of Chartered Surveyors
- ▶ Valuer of Planet Koper (Koper, Slovenia): JLL Slovenia. The valuers are registered with the Royal Institute of Chartered Surveyors
- ▶ Valuer of Torrecárdenas (Almería, Spain): JLL Spain. The valuers are registered with the Royal Institute of Chartered Surveyors
- ▶ Valuer of Docks Vauban (Le Havre, France), Docks 76 (Rouen, France), Saint Sever (Rouen, France) and Rivetoile (Strasbourg, France): JLL France (2021: Savills, France). The valuers are registered with the Royal Institute of Chartered Surveyors.

The valuations were done on an open-market basis and with consideration of the future earnings potential and appropriate discount and capitalisation rates for the properties. The fair value of investment property determined is supported by market evidence. The valuations provided by the external valuers have been recognised without adjustment.

Investment property is categorised as level 3 in the fair value hierarchy. Refer to note 25.4 for fair value information.

There are contractual commitments for the construction and refurbishment of investment property at the reporting date. Refer to note 20.2.

4. INVESTMENTS

Listed security investments are categorised as financial assets measured at fair value through profit or loss.

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Cost	–	14 911 180	–	80 303 128
Cumulative fair value gain	–	643 860	–	4 297 590
Total investments at fair value^{1,2}	–	15 555 040	–	84 600 718

¹ Refer to note 25.4 for fair value information.

² The Group held a 22,8% (2021: 22,3%) investment in Hammerson ("Hammerson") at the reporting date. With effect from 30 September 2020, the Group classified the investment in Hammerson as an associate and commenced equity accounting as of that date. As a result, the Group investments at fair value exclude the fair value of the Group's Hammerson investment, but the Company investments at fair value include the fair value of its Hammerson investment. During the current year, as part of a corporate restructuring, the Group's Hammerson investment was moved out of Lighthouse Properties. Refer to note 5.4 for details of the investment in associate. The Group disposed of all of its listed infrastructure investments during the current year.

5. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE, AND LOANS TO/(FROM) SUBSIDIARIES

5.1 Investment in and loans to subsidiaries

	Main business	Incorporated in and place of business	COMPANY								
			Effective interest 2022	Effective interest 2021	Share capital ²⁷ 2022 EUR	Investment 2022 EUR	Loan amount ^{28,29} 2022 EUR	Total 2022 EUR	Investment 2021 EUR	Loan amount ^{29,28} 2021 EUR	Total 2021 EUR
Subsidiaries											
Lighthouse Properties One Limited ("Lighthouse Properties One") ¹	Intermediate holding and finance company	Malta	100%	100%	309 038 340	590 478 824	74 277 196	664 756 020	340 001 528	327 659 173	667 660 701
Lighthouse Investments Limited ("Lighthouse Investments") ²	Dormant company	Mauritius	N/A	100%	-	-	-	-	200	(200)	-
Lighthouse One UK Limited ("Lighthouse One UK") ³	Intermediate holding and operating company	United Kingdom	100%	100%	6 766 908	6 766 909	363 537	7 130 446	6 766 908	269 273	7 036 181
Lighthouse Netherlands B.V. ("Lighthouse Netherlands") ⁴	Intermediate holding, investment, finance and operating company	Netherlands	100%	100%	160 028 230	-	-	-	-	1 129 740	1 129 740
Lighthouse Investments Netherlands B.V. ("Lighthouse Investments Netherlands") ⁵	Investment company	Netherlands	100%	100%	42 471 446	-	-	-	-	8 275	8 275
Lighthouse Netherlands Two B.V. ("Lighthouse Netherlands Two") ⁶	Investment company	Netherlands	100%	100%	59 690 263	-	-	-	-	29 897	29 897
Lighthouse Investments d.o.o. ("Lighthouse Investments doo") ⁷	Property-owning and operating company	Slovenia	100%	100%	23 773 161	-	-	-	-	-	-
Torre de Farol Properties – Sociedade de Gestão de Imóveis, S.A. ("Torre de Farol") ⁸	Intermediate holding company	Portugal	N/A	100%	-	-	-	-	-	-	-
Forum Coimbra – Sociedade Imobiliária, S.A. ("Forum Coimbra") ⁹	Property-owning and operating company	Portugal	100%	100%	50 000	-	-	-	-	-	-
RPPSE Forum Viseu – Sociedade Imobiliária, S.A. ("RPPSE Forum Viseu") ¹⁰	Dormant company	Portugal	N/A	100%	-	-	-	-	-	-	-
Lighthouse France SAS ("Lighthouse France") ¹¹	Dormant company	France	100%	100%	50 000	50 000	-	50 000	50 000	-	50 000
Retail Property Investments SAS ("Retail Property Investments") ¹²	Intermediate holding and operating company	France	60%	75%	13 468 275	8 080 965	-	8 080 965	5 601 206	1 879 519	7 480 725
Rivetoile SAS ¹³	Intermediate holding company	France	60%	75%	59 554 204	-	-	-	-	-	-
SNC Rivetoile ¹⁴	Property-owning and operating company	France	60%	75%	5 903 001	-	-	-	-	-	-
Docks Vauban SAS ¹⁵	Intermediate holding company	France	60%	75%	201	-	-	-	-	-	-
SNC Vauban ¹⁶	Property-owning and operating company	France	60%	75%	50 877 061	-	-	-	-	-	-
Docks 76 SAS ¹⁷	Intermediate holding company	France	60%	75%	65 741 571	-	-	-	-	-	-
SNC Docks 76 ¹⁸	Property-owning and operating company	France	60%	75%	5 001 000	-	-	-	-	-	-
Saint Sever SAS ¹⁹	Intermediate holding company	France	60%	75%	84 376 204	-	-	-	-	-	-
SNC Cegep et Compagnie ("Cegep") ²⁰	Parking operating company	France	60%	75%	45 735	-	-	-	-	-	-
SCI du Centre Commercial de Rouen Saint Sever ("Rouen Saint Sever") ²¹	Property-owning and operating company	France	60%	75%	1 524	-	-	-	-	-	-
SCI des Bureaux de Rouen Bretagne ("Rouen Bretagne") ²²	Property-owning and operating company	France	60%	75%	1 524	-	-	-	-	-	-
SCI Fonciere Marceau Saint Sever ("Marceau Saint Sever") ²³	Property-owning and operating company	France	60%	75%	1 000	-	-	-	-	-	-
SCI Rouen-Verrerie ("Rouen-Verrerie") ²⁴	Property-owning and operating company	France	60%	75%	101 524	-	-	-	-	-	-
Lighthouse Spanish Properties, S.A.U. ("Lighthouse Spain") ²⁵	Intermediate holding company	Spain	100%	0%	49 537 704	49 537 704	-	49 537 704	-	-	-
Torrecedenas Properties, S.L.U. ("Torrecárdenas") ²⁶	Property-owning and operating company	Spain	100%	0%	18 619 370	-	-	-	-	-	-
Gross balance at the reporting date					955 098 246	654 914 402	74 640 733	729 555 135	352 419 842	330 975 677	683 395 519

5. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE,
AND LOANS TO/(FROM) SUBSIDIARIES continued

5.1 Investment in and loans to subsidiaries continued

	COMPANY						
	Share capital ²⁵	Investment	Loan amount ^{26,27}	Total	Investment	Loan amount ^{26,27}	Total
	2022 EUR	2022 EUR	2022 EUR	2022 EUR	2021 EUR	2021 EUR	2021 EUR
Gross balance at the reporting date	955 098 246	654 914 402	74 640 733	729 555 135	352 419 842	330 975 677	683 395 519
Cumulative impairments recognised: ²⁹							
– Investment in Lighthouse Properties One		(70 553 477)	–	(70 553 477)	(19 044 608)	–	(19 044 608)
– Investment in Lighthouse One UK		(6 387 294)	–	(6 387 294)	(6 387 294)	–	(6 387 294)
Net balances at the reporting date	955 098 246	577 973 630	74 640 733	652 614 363	326 987 940	330 975 677	657 963 617
Investment in subsidiaries – non-current		577 973 630	–	577 973 630	326 987 940	–	326 987 940
Loans to subsidiaries – current		–	74 640 733	74 640 733	–	330 975 677	330 975 677
Interest-bearing loans to subsidiaries – current		–	–	–	–	–	–
Non-interest-bearing loans to subsidiaries – current		–	74 640 733	74 640 733	–	330 975 677	330 975 677
		577 973 630	74 640 733	652 614 363	326 987 940	330 975 677	657 963 617

¹ The company redomiciled from Mauritius to Malta with effect from 23 November 2021. The company's name changed from Lighthouse One Limited to Lighthouse Properties One Limited effective on the date of redomiciliation to Malta the share capital is held by Lighthouse Properties. The company is a wholly-owned subsidiary. The share capital in the prior year was EUR 309,0 million. EUR 300,0 million of Lighthouse Properties' loan to Lighthouse Properties One was capitalised during February 2022.

² The company was deregistered with an effective date of 29 June 2022.

³ Share capital held by Lighthouse Properties. The company is a wholly-owned subsidiary. The company receives asset management fees of 25% (2021: 50%) p.a. of asset management fee income received by Lighthouse Netherlands from Forum Coimbra.

⁴ The share capital is held by Lighthouse Properties One. The company is an indirect wholly-owned subsidiary. The company pays asset management fees of 25% (2021: 50%) p.a. of asset management fee income received from Forum Coimbra to Lighthouse One UK. The company receives asset management fees of 0,65% p.a. on the most recent fair value of investment properties from Forum Coimbra. The company receives asset management fees based on the recovery of actual costs incurred from Retail Property Investments. The company receives asset management fees of 0,80% p.a. on the most recent fair value of investment properties from Torrecárdenas.

⁵ Share capital is held by Lighthouse Properties One. The company is an indirect wholly-owned subsidiary.

⁶ Share capital is held by Lighthouse Properties One. The company is an indirect wholly-owned subsidiary.

⁷ Share capital is held by Lighthouse Netherlands. The company is an indirect wholly-owned subsidiary. The company pays asset management fees of 0,80% p.a. on the most recent fair value of investment properties to Lighthouse Netherlands.

⁸ The share capital was held by Lighthouse Netherlands. The company was deregistered with effective date on 31 December 2022..

⁹ Share capital is held by Lighthouse Netherlands. The company is an indirect wholly-owned subsidiary. During the prior year, the share capital was held by Torre de Farol, as Torre de Farol was deregistered and the investment in Forum Coimbra was distributed to Lighthouse Netherlands. The company pays asset management fees of 0,65% p.a. on the most recent fair value of investment properties to Lighthouse Netherlands.

¹⁰ The share capital was held by Torre de Farol. The company was deregistered with an effective date of 30 September 2022.

¹¹ Share capital is held by Lighthouse Properties. The company was incorporated on 27 July 2021, is a wholly-owned subsidiary and is in the process of being deregistered.

¹² Share capital is held by Lighthouse Properties. The company was incorporated on 8 September 2021. Lighthouse Properties holds 60% (2021: 75%) of the shares in the company, and the remaining 40% (2021: 25%) is held by Resilient REIT Limited ("Resilient"). Effective 31 August 2022, the company sold 15% of the issued shares and related loans to Resilient, effectively reducing its holding from 75% to 60% on that date. During 2022 the shareholders capitalised EUR 6 million of current shareholder loans. Refer to note 5.3.

¹³ Share capital is held by Retail Property Investments. The company is an indirectly owned subsidiary, effectively 60% (2021: 75%) held.

¹⁴ Share capital is held by Rivetoile SAS. The company is an indirectly owned subsidiary, effectively 60% (2021: 75%) held.

¹⁵ Share capital is held by Retail Property Investments. The company is an indirectly owned subsidiary, effectively 60% (2021: 75%) held.

¹⁶ Share capital is held by Docks Vauban SAS. The company is an indirectly owned subsidiary, effectively 60% (2021: 75%) held.

¹⁷ Share capital is held by Retail Property Investments. The company is an indirectly owned subsidiary, effectively 60% (2021: 75%) held.

¹⁸ Share capital is held by Docks 76 SAS. The company is an indirectly owned subsidiary, effectively 60% (2021: 75%) held.

¹⁹ Share capital is held by Retail Property Investments. The company is an indirectly owned subsidiary, effectively 60% (2021: 75%) held.

²⁰ Share capital is held by Saint Sever SAS. The company is an indirectly owned subsidiary, effectively 60% (2021: 75%) held.

²¹ Share capital is held by Saint Sever SAS. The company is an indirectly owned subsidiary, effectively 60% (2021: 75%) held.

²² Share capital is held by Saint Sever SAS. The company is an indirectly owned subsidiary, effectively 60% (2021: 75%) held.

²³ Share capital is held by Saint Sever SAS. The company is an indirectly owned subsidiary, effectively 60% (2021: 75%) held.

²⁴ Share capital is held by Saint Sever SAS. The company is an indirectly owned subsidiary, effectively 60% (2021: 75%) held.

²⁵ Share capital is held by Lighthouse Properties. Effective 10 March 2022, the Group acquired full ownership of a Spanish mall located in Almería, held through Lighthouse Spain.

²⁶ Share capital is held by Lighthouse Spain. Effective 10 March 2022, the Group acquired full ownership of a Spanish mall located in Almería. The company pays asset management fees of 0,80% p.a. on the most recent fair value of investment properties to Lighthouse Netherlands.

²⁷ Share capital amounts disclosed include share capital, share premium and supplementary share capital, as applicable. Unless disclosed otherwise in the notes above, the share capital of the relevant entity was the same in 2022 and 2021, as applicable.

²⁸ Refer to note 25.4.2 for additional details related to the estimated fair value of loans to subsidiaries.

²⁹ All of the company's investments in and loans to subsidiaries have been assessed for impairment at the reporting date. Substantially all the assets of subsidiaries are carried at fair value. Management's impairment assessments include a consideration of the subsidiaries' net asset values and the quantum and timing of cash flows via the valuations of investment properties and listed investments, which are carried at fair value. The impairments are primarily a result of the impact of fair value losses on listed and/or property investments in the underlying subsidiaries. For loans from subsidiaries, the counterparties' overall liquidity, including quantity and timing of cash flows, was considered. The value-in-use recoverable amount of the loans approximated the carrying value and accordingly no impairment loss was required on these loans. Refer to note 6 for details of impairment charges.

The class of shares held in subsidiary companies consists only of ordinary share capital.

Amounts owing by subsidiaries are unsecured, some of which bear interest at fixed rates agreed from time to time, and the terms of repayment are specific to individual tranches advanced:

- ▶ Range of interest rates: 0,00% to 5,89% (2021: 0,00% to 7,50%) p.a.
- ▶ Range of maturity dates: nil to five years (2021: nil to eight years).

5. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE, AND LOANS TO/(FROM) SUBSIDIARIES continued

5.2 Loans from Group companies

The loans from Group companies are unsecured, interest-free and repayable on demand.

	COMPANY	
	Loan amount 2022 EUR	Loan amount 2021 EUR
Lighthouse Netherlands	4 414 197	–
Lighthouse Investments Netherlands	290 652	–
Lighthouse Netherlands Two	540 103	–
Current loans from Group companies	5 244 952	–

5.3 Financial information of Retail Property Investments SAS

On 8 September 2021, Lighthouse Properties (75% shareholding) and Resilient (25% shareholding) jointly incorporated Retail Property Investments. Effective 30 September 2021, Retail Property Investments acquired the French properties. Refer to notes 5.1 and 19.3 for additional details.

Effective 31 August 2022, Lighthouse Properties sold 15% of the issued shares in and related loans to Retail Property Investments to Resilient:

- ▶ Sales price of partial holding in Retail Property Investments: EUR 7 082 276
- ▶ Profit on partial sale of holding in Retail Property Investments: EUR 5 962 035.

The transaction was accounted for as an equity transaction and the gain on the disposals to non-controlling interests was recognised in equity (non-distributable reserve).

	COMPANY	
	Total 31 Dec 2022 EUR	Total 31 Dec 2021 ² EUR
Summarised consolidated statement of financial position¹		
Non-current assets	373 042 772	331 800 000
Current assets	21 180 465	28 203 504
Total assets	394 223 237	360 003 504
Equity	62 413 897	36 903 600
Non-current liabilities	304 361 149	300 306 964
Current liabilities	27 448 191	22 792 940
Total equity and liabilities	394 223 237	360 003 504
Summarised consolidated income statement¹		
Property rental and related revenue	42 937 191	11 589 281
Fair value gain on investment property	10 101 833	25 939 204
Fair value gain on interest rate derivatives	10 152 772	–
Property operating expenses	(22 848 447)	(5 211 363)
Administrative and other expenses	(4 508 215)	(515 590)
Finance costs	(11 126 246)	(2 366 208)
Net profit	24 708 888	29 435 324

¹ The information has been extracted from the audited consolidated financial information of Retail Property Investments at 31 December 2022.

² Refer to note 29.1.

5. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE, AND LOANS TO/(FROM) SUBSIDIARIES continued

5.4 Investment in equity-accounted associate

	GROUP	
	Total 2022 EUR	Total 2021 EUR
Hammerson plc		
Carrying amount		
Carrying value at the beginning of the year	–	69 987 352
Costs capitalised during the year ¹	39 497 144	45 325 264
Share of Hammerson comprehensive profit or loss recognised during the year	1 238 578	(75 930 555)
Share of Hammerson comprehensive profit or loss during the year	(36 671 993)	(113 285 719)
Share of Hammerson comprehensive profit or loss not recognised during the year	37 190 571	37 355 164
Dividend ²	(40 735 722)	(39 382 062)
Investment in equity-accounted associate^{3,4,5}	–	–
Share of loss of equity-accounted associate	–	(70 905 185)
Share of other comprehensive income of equity-accounted associate	1 238 578	(5 025 370)
Share of Hammerson's comprehensive profit or loss recognised in Lighthouse's profit or loss and other comprehensive income	1 238 578	(75 930 555)

¹ Further investments in the associate were capitalised to the carrying amount at cost, including transaction costs.

² The dividends paid by Hammerson's were in primarily in the form of scrip dividends, and increased the cost of the investment by EUR 39,4 million (2021: EUR 39,4 million).

³ The investment carrying value was carried at nil at both the current and prior reporting dates.

⁴ Refer to note 4 for a summary of the difference in accounting treatment of the investment in Hammerson between the Group and Company.

⁵ The total cash paid for the investment in Hammerson during the prior year amounted to EUR 5,9 million, as disclosed in the consolidated statement of cash flows on page 108.

The Group obtained significant influence over Hammerson plc at close of business on 30 September 2020.

The fair value of the investment was EUR 306,9 million at the reporting date (2021: EUR 385,1 million).

5. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE,
AND LOANS TO/(FROM) SUBSIDIARIES continued

5.4 Investment in equity-accounted associate continued
Summarised financial information of Hammerson⁶

	GROUP	
	Total 31 Dec 2022 GBP	Total 31 Dec 2021 GBP
Summarised consolidated statement of financial position		
Non-current assets	4 186 800 000	4 367 300 000
Current assets	349 600 000	475 200 000
Assets held for sale	–	71 400 000
Total assets	4 536 400 000	4 913 900 000
Equity	2 586 400 000	2 746 000 000
Non-current liabilities	1 764 900 000	1 987 900 000
Current liabilities	185 100 000	180 000 000
Total equity and liabilities	4 536 400 000	4 913 900 000

	GROUP	
	Total Year ended 31 Dec 2022 GBP	Restated Total ⁷ Year ended 31 Dec 2021 GBP
Summarised consolidated income statement		
Revenue	129 500 000	137 200 000
Operating profit before other net losses and shares of results of joint ventures and associates	29 700 000	8 000 000
Other net (losses) and shares of joint ventures and associates	(130 700 000)	(318 100 000)
Operating (loss)	(101 000 000)	(310 100 000)
Net finance costs	(63 000 000)	(97 900 000)
Loss before tax	(164 000 000)	(408 000 000)
Tax charge	(200 000)	(1 300 000)
Loss from discontinued operations	–	(19 800 000)
Loss attributable to equity shareholders	(164 200 000)	(429 100 000)

⁶ The summarised financial information presented above has been extracted from Hammerson's audited IFRS financial statements. No significant differences in accounting policies were identified.

⁷ The Hammerson 2021 results have been restated to reflect the IFRIC decision on rental concessions.

5. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE,
AND LOANS TO/(FROM) SUBSIDIARIES continued

5.4 Investment in equity-accounted associate continued

Reconciliation to carrying amounts	Shareholding %	Total GBP	Lighthouse share of post-acquisition reserves GBP	Lighthouse share of post-acquisition reserves EUR
Opening net assets – 30 September 2020 ⁷	19,33	3 560 100 000	–	–
Loss for the three months ended 31 December 2020	21,10	(323 250 000)	(68 202 000)	(75 544 971)
Other comprehensive income for the three months ended 31 December 2020	21,10	(14 850 000)	(3 133 662)	(3 471 048)
Dividends paid	21,42	(71 500 000)	(14 269 997)	(15 764 469)
Scrip dividend related share issue	21,42	58 400 000	–	–
Closing net assets – 31 December 2020	21,64	3 208 900 000	(85 605 659)	(94 780 488)
Loss for the year ended 31 December 2021	21,95	(429 100 000)	(93 760 968)	(108 260 349)
Other comprehensive income for the year ended 31 December 2021	21,95	(20 000 000)	(4 363 247)	(5 025 370)
Dividends paid	21,95	(135 700 000)	(33 180 284)	(39 382 062)
Scrip dividend related share issue	21,95	122 100 000	–	–
Other changes in net equity	21,95	(200 000)	–	–
Foreign currency translation difference	21,95	–	–	(10 369 900)
Closing net assets – 31 December 2021	22,35	2 746 000 000	(216 910 159)	(257 818 168)
Loss for the year ended 31 December 2022	22,61	(164 200 000)	(37 216 251)	(42 805 746)
Other comprehensive income for the year ended 31 December 2022	22,61	22 000 000	4 933 428	5 854 829
Dividends paid	22,61	(140 300 000)	(34 930 286)	(40 735 721)
Scrip dividend related share issue	22,61	127 100 000	–	–
Other changes in net equity	22,61	(4 200 000)	–	–
Foreign currency translation difference	22,61	–	–	14 584 733
Closing net assets – 31 December 2022	22,82	2 586 400 000	(284 123 268)	(320 920 073)
Lighthouse share of post-acquisition reserves that exceed carrying value of investment in associate			–	71 350 110
Cumulative post-acquisition reserves recognised in profit or loss and other comprehensive income				(249 569 963)

⁷ Deemed date on which Lighthouse obtained significant influence in Hammerson.

Hammerson is incorporated in the UK, and is classified as a Real Estate Investment Trust ("REIT"). Its property portfolio consists of flagship retail shopping centres and premium outlets in the UK and Europe. Hammerson has a primary listing on the London Stock Exchange and secondary listings on the Johannesburg and Irish stock exchanges.

6. GOODWILL AND IMPAIRMENTS

6.1 Goodwill

Goodwill relates to the deferred tax liability assumed on acquisition of Torre de Farol during May 2017. Typically, European property transactions entail the disposal of companies instead of underlying properties and it is management's view that the deferred tax in the Torre de Farol group will not become payable. For these property transactions, buyers and sellers usually equally share the theoretical net deferred tax liability at the transaction date, which assumption was applied for purposes of the impairment assessment. The goodwill balance was assessed for impairment, as required by IFRS, and reduced to the estimated recoverable amount at the prior reporting date. Torre de Farol was deregistered with an effective date of 31 December 2022.

	GROUP	
	2022 EUR	2021 EUR
Goodwill recognised at acquisition of Torre de Farol	-	24 280 132
Cumulative goodwill impairment	-	(12 199 927)
Goodwill opening balance at the beginning of the reporting year	-	12 080 205
Goodwill charge relating to the sale of Forum Viseu	-	-
Goodwill impairment charge	-	(12 080 205)
Goodwill carrying amount at the end of the year	-	-

6.2 Impairment (loss)/reversal

	GROUP		COMPANY	
	Total 2022 EUR	Total 2021 EUR	Total 2022 EUR	Total 2021 EUR
Impairment (losses)/reversals recognised during the reporting year:				
- Investment in Lighthouse Properties One ¹			(51 508 869)	20 790 931
- Investment in Lighthouse One UK ¹			-	(6 387 293)
- Loans to Lighthouse Investments ¹			-	18 434 409
- Loans to Lighthouse One UK ¹			-	266 304
- Investment in Lighthouse Netherlands Two ¹			-	100
- Loans to Lighthouse Netherlands Two ¹			-	70 960
- Investment in Greenbay Tivoli ²	-	(1 163)		
- Goodwill ³	-	(12 080 205)		
Impairment (losses)/reversals recognised in profit or loss⁴	-	(12 081 368)	(51 508 869)	33 175 411

¹ Refer to note 5.1 for further details, including information on the changes in impairments.

² Impairment on final deregistration of the company.

³ Refer to note 6.1.

⁴ Impairment charges on tenant receivables are included in property operating expenses in profit or loss.

7. FINANCIAL ASSETS

	GROUP		COMPANY	
	Total 2022 EUR	Total 2021 EUR	Total 2022 EUR	Total 2021 EUR
Interest rate derivatives ¹	15 873 737	936 182	-	-
Restricted cash ²	7 002 408	-	-	-
Rental deposits	1 826 236	-	-	-
Derivative cash margin ³	738 217	3 108 818	-	-
Total financial assets	25 440 598	4 045 000	-	-
Financial assets – non-current	22 762 966	4 045 000	-	-
Financial assets – current	2 677 632	-	-	-
Carrying amount at the reporting date – non-current and current	25 440 598	4 045 000	-	-
Financial assets measured at fair value through profit or loss ¹	15 873 737	936 182	-	-
Fair value gain/(loss) on currency, interest rate and other derivatives recognised in profit or loss	14 432 873	3 076 368	(135 188)	2 333 600

¹ The Group utilises interest rate derivatives to hedge its interest rate exposure. Refer to note 25.4 for fair value information.

² Restricted cash relates to money held with various banks in terms of the conditions of Group companies' external debt.

³ The Company utilises derivatives to manage specific risks, e.g. interest rate and foreign currency risks. Derivative positions often have collateral or margin requirements, which are specific to each underlying security.

8. INCENTIVE PLANS

The previous Lighthouse share incentive plan ("Old Incentive") was authorised by shareholders at the AGM on 31 July 2017.

The new Lighthouse incentive plan ("Incentive Plan") was authorised by shareholders at the AGM on 20 May 2022.

The Incentive Plan replaces the Old Incentive, except for unvested incentive shares that will continue to vest over the remaining period as per the Old Incentive rules. The purpose of the Incentive Plan is to create shareholder value by aligning the interests of employees with shareholders. In terms of the Incentive Plan, eligible employees may receive annual performance awards, of which the equity-settled portion provides the conditional right to receive Lighthouse Properties plc shares for no consideration, at a future date, provided that the employee is employed by the Group at that time. The aforementioned performance awards are settled equally in shares and in cash. Equity-settled awards vest conditionally after three years from the date of the award. Incentive Plan participants have the rights to dividends on their unvested Incentive Plan shares. No loans were offered to or are outstanding from employees or directors in connection with the Incentive Plan or otherwise during the current or prior reporting periods.

	GROUP AND COMPANY	
	2022 Number of shares	2021 Number of shares
Shares issued to Directors and employees during the year:		
Directors:		
Justin Muller	246 750	506 675
Jacobus van Bijljon	180 317	421 506
Employees	(368 990)	571 648
Shares awarded during the year	58 077	1 499 829
Reconciliation of shares		
Unvested shares at the beginning of the year	1 499 829	–
Shares awarded during the year – award date: 15 March 2022 (2021: 19 March 2021)	58 077	1 499 829
Shares vested during the year	(185 638)	–
Unvested shares at the end of the year¹	1 372 268	1 499 829

	GROUP		COMPANY	
	Number of shares 2022	Number of shares 2021	Number of shares 2022	Number of shares 2021
Unvested share awards at year-end ¹	1 372 268	1 499 829	1 372 268	1 499 829

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Amortisation of long-term share incentive in profit or loss ²	260 714	194 302	–	–

¹ Included in treasury shares in the statements of financial position and changes in equity until the shares vest, as noted above.

² Included in administrative and other expenses in the statement of profit or loss and other comprehensive income, and the share-based payment reserve in the statement of changes in equity.

9. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2022 EUR	Restated ⁴ 2021 EUR	2022 EUR	2021 EUR
Trade and other receivables include the following:				
Tenant receivables ¹	9 567 948	7 732 015	–	–
VAT receivable	5 035 660	5 326 642	–	–
Trade receivables ²	3 013 635	–	–	–
Prepayments ³	638 936	6 617 701	–	–
Income tax receivable	647 525	136 000	–	–
Other receivables	559 665	1 123 896	520 601	4 605
Insurance receivable	–	796 369	–	–
Carrying amount at the reporting date	19 463 369	21 732 623	520 601	4 605

¹ Tenant receivables are net of loss allowances. Refer to note 25.1 for details of the loss allowances.

² Trade receivables primarily relate to receivables from property managers, constituting cash held in trust to settle trade payables.

³ The prepayments primarily relate to property operating expenses paid in advance, which are expensed in the periods to which they relate. The expenses paid in advance include mostly service expenses.

⁴ Refer to note 29.1.

The maximum exposure to credit risk at the reporting date pertaining to these receivables is the carrying amount of the receivables. Refer to note 25.1 for details on the credit risk of trade and other receivables. The Company typically holds limited cash deposits and/or bank guarantee collateral as security, consistent with industry practice.

10. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Cash at bank and in hand	17 063 667	15 800 460	2 873 806	724 438
	17 063 667	15 800 460	2 873 806	724 438
Reconciliation to the cash flow statement				
The above figures reconcile to the amount shown in the statement of cash flows at the end of the financial year as follows:				
Bank balance	17 063 667	15 800 460	2 873 806	724 438
Bank overdrafts (see note 12)	–	(1 612 511)	–	(1 612 512)
Balances per statement of cash flows	17 063 667	14 187 949	2 873 806	(888 074)

11. SHARE CAPITAL

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Authorised ¹ 100 000 000 000 (2021: 100 000 000 000) ordinary shares with a par value of EUR 0,01 per share				
Issued ¹ 1 696 976 208 (2021: 1 624 873 544) ordinary shares with a par value at an average of EUR 0,01	16 969 761	16 248 733	16 969 761	16 248 733

¹ The Company redomiciled from Mauritius to Malta effective 29 December 2021. On the date of redomiciliation, the Company's share capital converted from shares with no par value to shares with a par value of EUR 0,01 per share. As a result, EUR 369 852 303 was transferred from share capital to share premium on the date of redomiciliation. The Company has only one class of share in issue. Accordingly, there are no special rights, preferences or restrictions attached to any of the authorised or issued shares.

11.1 Transfers from stated capital to non-distributable reserve, share cancellations and share issuances 2021

- ▶ On 19 March 2021, the Company issued 1 499 829 share incentive shares at EUR 0,46 per share
- ▶ Shareholders authorised the transfer of EUR 150,0 million from stated capital to non-distributable reserve at a general meeting of the Company held on 30 April 2021
- ▶ The Company completed a bookbuild equity raise (the "equity raise") on 20 August 2021, wherein the Company confirmed that it issued 320 987 654 new shares at EUR 0,46 per share (net of costs)
- ▶ The Company completed scrip distributions on 19 April 2021 and 8 September 2021, whereby the Company issued 39 801 811 share at EUR 0,44 per share and 54 982 923 shares at EUR 0,44 per share, respectively
- ▶ The Company delisted from the Stock Exchange of Mauritius ("SEM") effective 29 October 2021. In anticipation of the delisting from the SEM, the Company made a buyback offer to all shareholders on the SEM register. In terms of the buyback offer, the Company repurchased 188 809 shares at EUR 0,48 per share on 22 October 2021.

2022

- ▶ The Company completed a scrip distribution on 22 September 2022, whereby the Company issued 64 410 356 new shares at EUR 0,37 per share
- ▶ The Company completed a public offer on 14 December 2022, whereby the Company issued 7 692 308 new shares at EUR 0,35 per share (net of costs).

11.2 Reconciliation of movement in issued shares during the reporting year

	GROUP		COMPANY	
	2022 Number of shares	2021 Number of shares	2022 Number of shares	2021 Number of shares
Issued shares at the beginning of the year	1 624 873 544	1 207 790 136	1 624 873 544	1 207 790 136
Scrip distribution shares issued:	64 410 356	94 784 734	64 410 356	94 784 734
19 April 2021	–	39 801 811	–	39 801 811
8 September 2021	–	54 982 923	–	54 982 923
22 September 2022	64 410 356	–	64 410 356	–
Shares cancelled or acquired during the year ¹	–	(188 809)	–	(188 809)
Incentive shares issued on 19 March 2021 ²	–	1 499 829	–	1 499 829
Bookbuild shares issued:	–	320 987 654	–	320 987 654
20 August 2021	–	320 987 654	–	320 987 654
Public offer shares issued:	7 692 308	–	7 692 308	–
15 December 2022	7 692 308	–	7 692 308	–
Issued shares at the end of the year	1 696 976 208	1 624 873 544	1 696 976 208	1 624 873 544

¹ The Company repurchased and cancelled 188 809 shares on 28 October 2021 pursuant to the delisting from the SEM.

² Shares were awarded and vested to Executive Directors and employees in terms of the Old Incentive plan.

11. SHARE CAPITAL continued

11.3 Treasury shares¹

	GROUP		COMPANY	
	2022 Number of shares	2021 Number of shares	2022 Number of shares	2021 Number of shares
Treasury shares at the beginning of the year	1 499 829	–	1 499 829	–
Incentive shares issued on 19 March 2021 ²	–	1 499 829	–	1 499 829
Incentive shares acquired on 14 March 2022 ³	58 077	–	58 077	–
Incentive share vesting on 19 March 2022 ²	(185 638)	–	(185 638)	–
Treasury shares at the end of the year	1 372 268	1 499 829	1 372 268	1 499 829

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Balance at the beginning of the year	687 522	–	262 044	–
Incentive shares issued on 19 March 2021 ²	–	687 522	–	262 044
Share-based payment charge	–	–	425 478	–
Incentive shares acquired on 14 March 2022 ³	19 699	–	19 699	–
Incentive share vesting on 19 March 2022 ²	(85 096)	–	(85 096)	–
Balance at the end of the year	622 125	687 522	622 125	262 044

¹ The Company repurchased and cancelled 188 809 shares on 28 October 2021 pursuant to the delisting from the SEM.

² Shares were awarded and vested to Executive Directors and employees in terms of the Old Incentive plan.

³ Shares purchased in the market for purposes of awards in terms of the Old Incentive plan.

12. INTEREST-BEARING BORROWINGS

The Group's interest-bearing borrowings comprise short-term and long-term interest-bearing borrowings. Shareholder equity, is used to fund the Company's investment and operating activities. The Group's investment mandate allows an LTV ratio of up to 35% of the total qualifying asset value.

	GROUP	
	2022 %	2021 %
LTV ¹	23,84	13,56

¹ The LTV ratio is calculated by dividing the management account values of gross interest-bearing borrowings, adjusted for the fair value of interest rate derivatives, restricted cash and cash and cash equivalents by the total of investments in property, listed securities at fair value and investment in associate at fair value.

The Group's exposure to interest rate and liquidity risk, inter alia, is discussed in note 25.

	GROUP			
	Nominal interest rate	Maturity	Fair value ¹ EUR	Carrying amount EUR
2022				
Interest-bearing borrowings				
France – term loan ³	3-month Euribor plus 3,00% ¹	March 2027	125 729 838	125 729 838
Torrecárdenas – term loan ⁴	12-month Euribor plus 2,50% ¹	July 2025 ⁴	77 432 626	77 432 626
Forum Coimbra – term loan ⁵	Fixed at 2,15% ²	November 2024	73 363 512	77 844 970
Planet Koper – term loan ⁶	6-month Euribor plus 2,00% ¹	March 2032	24 523 022	24 523 022
External bank borrowings			301 048 998	305 530 456
Loans from Resilient ⁸	3-month Euribor plus 3,75%	September 2026	73 149 750	73 149 750
Total interest-bearing borrowings			374 198 748	378 680 205
Current interest-bearing borrowings				
France – term loan ³				5 865 844
Torrecárdenas – term loan ⁴				12 368 486
Planet Koper – term loan ⁶				1 686 753
Forum Coimbra – term loan ⁵				8 799
Current interest-bearing borrowings				19 929 882
Non-current interest-bearing borrowings				
Interest-bearing borrowings				358 750 323
Unamortised borrowing transaction costs				(4 172 713)
Current interest-bearing borrowings				19 929 882
Interest-bearing borrowings				20 352 833
Unamortised borrowing transaction costs				(422 951)
Total interest-bearing borrowings				378 680 205

¹ Refer to the footnotes on page 136.

12. INTEREST-BEARING BORROWINGS continued

	Nominal interest rate	Maturity	GROUP	
			Fair value ¹ EUR	Carrying amount EUR
2021				
Interest-bearing borrowings				
Forum Coimbra – term loan ⁵	Fixed 2,15% ²	November 2024	78 532 877	77 524 823
Deutsche Bank – share loan ⁷	3-month Euribor plus 4,50% ¹	September 2023	39 655 811	39 655 811
Planet Koper – term loan ⁶	1-month Euribor plus 2,75% ¹	December 2026	20 698 405	20 455 810
Bank of America Merrill Lynch – overdraft	Overnight Euribor plus 0,50%	On demand	1 612 512	1 612 512
External bank borrowings			140 499 605	139 248 956
Loans from Resilient ⁸	3-month Euribor plus 3,75%	September 2026	73 864 046	73 864 046
Total interest-bearing borrowings			214 363 651	213 113 002
Current interest-bearing borrowings				
Bank of America Merrill Lynch – overdraft				1 612 512
Planet Koper – term loan ⁶				1 410 737
Forum Coimbra – term loan ⁵				(342 737)
Current interest-bearing borrowings				2 680 512
Non-current interest-bearing borrowings				
Interest-bearing borrowings				210 432 490
Unamortised borrowing transaction costs				(1 248 577)
Current interest-bearing borrowings				2 680 512
Interest-bearing borrowings				3 027 172
Unamortised borrowing transaction costs				(346 660)
Total interest-bearing borrowings				213 113 002

¹ Refer to the footnotes on page 136.

12. INTEREST-BEARING BORROWINGS continued

	GROUP	
	2022 EUR	2021 EUR
Investment property as security for interest-bearing borrowings		
Forum Coimbra – term loan ³	184 125 000	183 827 000
Planet Koper – term loan ⁴	66 900 000	66 300 000
Torrecedenas – term loan ⁵	165 020 000	–
France – term loan ⁶	362 890 000	–
	778 935 000	250 127 000
Investments as security for interest-bearing borrowings		
Deutsche Bank share loan – investment in Hammerson shares ⁷	–	316 016 915
	–	316 016 915

¹ The Euribor floating interest rate is subject to a minimum (floor) of 0%.

² The fixed interest rate is subject to a 4% stamp duty on interest, i.e. the nominal interest rate payable is approximately 2,24% (2021: 2,24%) p.a. (including stamp duties).

³ France term loan – Syndicate led by Natixis.

The Group contracted a secured loan facility from a syndication of French and German financial institutions led by Natixis, amounting to EUR 135,0 million, which matures on 31 March 2027, 25% of which is repayable in quarterly instalments with a final payment of 75%. Interest is due quarterly in arrears.

Security: A first ranking mortgage over the properties and a pledge of the borrowing entities' shares.

Covenants: France portfolio LTV ratio of maximum 50%; a debt service cover ratio of minimum 1,75; an interest coverage ratio exceeding 4,0; and a debt yield exceeding 15%.

⁴ Torrecedenas – Syndicate led by Banco Santander.

The Group contracted a secured loan facility from Banco Santander and Caixa Bank, originally amounting to EUR 91,0 million, which matures on 28 July 2025, 30% of which is repayable in quarterly instalments with a final payment of 70%. Interest is due quarterly in arrears.

Security: A first ranking mortgage over the properties and a pledge of borrowing entities' shares.

Covenants: LTV ratio of maximum 60% and a debt service cover ratio of minimum 1,10. The current loan agreement is not clear on the covenant implications of voluntary prepayments of principal and asset acquisition costs associated with the corporate reorganisation. Clarification was received from the lenders on 9 March 2023. This clarification confirmed compliance with the applicable covenants, but was received after the reporting date. Due to the fact that the clarification was obtained after the reporting date, the relevant part of the outstanding loan was classified as a current liability. As of 17 March 2023 the Group fully complies with all loan covenants, and the maturity date of July 2025 is applicable.

⁵ Forum Coimbra – Syndicate led by ING Bank Sucursal em Portugal.

The Group contracted a secured loan facility from ING Bank for Forum Coimbra amounting to EUR 85,5 million.

The facility matures on 27 November 2024 and is repayable in full at maturity. Interest is due quarterly in arrears.

Security: First ranking mortgage over the property; a pledge of credit rights and bank accounts; an assignment of receivables; and a pledge of the borrowing entity's shares.

Covenants: LTV ratio of maximum 60,0% interest cover ratio of minimum 2,5; and minimum net operating income of EUR 7,8 million p.a.

⁶ Planet Koper – term loan.

During August 2022, the Group repaid the loan from Nova Ljubljanska Banka d.d. and replaced it with a loan from Banka Sparkasse d.d. 2022 – Banka Sparkasse.

The Group contracted a secured loan facility from Banka Sparkasse d.d. for Planet Koper amounting to EUR 25 million, which matures in March 2032; 62% of which is repayable in monthly instalments with a final payment of 38%. Interest is due quarterly in arrears.

Security: A first ranking mortgage over the property; general security over the rental income of Planet Koper; and a pledge of the borrowing entity's shares.

Covenants: LTV ratio of maximum 48,5% and a debt service cover ratio of minimum 1,25.

2021 – NLB Bank: The Group contracted a secured loan facility from Nova Ljubljanska Banka d.d. for Planet Koper amounting to EUR 27,5 million, which was settled during August 2022 (maturity: December 2026), 50% of which is repayable in monthly instalments, with a final payment of 50%.

Security: A first ranking mortgage over the property; general security over the rental income of Planet Koper; suretyship by Lighthouse Properties; and a pledge of the borrowing entity's shares.

Covenants: LTV ratio of maximum 50%; debt service cover ratio of minimum 1,8; equity ratio of at least 0,5; and an interest cover ratio of minimum 1,4.

⁷ Deutsche Bank share loan

During 2022, there was a trigger event related to the Deutsche Bank loan. The loan was subsequently restructured and during September 2022, the Group settled the outstanding loan balance (including accrued interest) with Deutsche Bank.

Details of the agreement before settlement are set out below:

The Group contracted a share loan facility from Deutsche Bank amounting to EUR 40,0 million, which was settled during September 2022 (2021: matures in September 2023, 100% of which is repayable at maturity).

Security: Pledge of all shares held in Hammerson by Lighthouse Investments Netherlands, Lighthouse Investments Netherlands and Lighthouse Netherlands Two.

Covenants: LTV ratio of maximum margin of 23,5%; Hammerson share price < GBP 0,1925 per share; Hammerson level drop in rating agency debt credit rating; significant deterioration in trading liquidity of Hammerson shares; or significant short-term decrease in Hammerson share price.

⁸ The loans from Resilient relate to the French malls and comprise Resilient's 40% (2021: 25%) pro rata shareholder loans to the various French subsidiaries, which are repayable at maturity.

12. INTEREST-BEARING BORROWINGS continued

There were no breaches of covenants during the current or prior reporting periods. The loan covenants at the reporting date were as follows:

	GROUP			
	2022 Limit	2022 Measurement	2021 Limit	2021 Measurement
France – term loan				
– LTV ratio	< 50,0%	39,0%		
– Debt service coverage ratio	> 1,75	1,80		
– Interest cover ratio	> 4,00	4,17		
– Debt yield ratio	> 15,0%	16,6%		
Torrecedenas – term loan				
– LTV ratio	< 60,0%	46,0%		
– Debt service coverage ratio	> 1,10	1,11		
Forum Coimbra – term loan				
– LTV ratio	< 60,0%	44,7%	< 60,0%	42,7%
– Net operating income	> EUR 7,8 million	EUR 11,9 million	> EUR 7,8 million	EUR 10,2 million
– Interest cover ratio	> 2,50	7,20	> 2,50	7,30
Planet Koper – term loan				
– LTV ratio	< 48,5%	36,8%	< 50,0%	31,2%
– Debt service coverage ratio	> 1,25	1,72	> 1,80	1,90
– Equity ratio			> 50,0%	69,0%
– Interest cover ratio			> 1,40	5,60
Deutsche Bank – share loan				
– LTV ratio			< 23,5%	12,7%
– Share price			> GBP 0,1925	GBP 0,328
– Rating agency credit rating			Decrease in credit rating	Stable
– Significant deterioration in trading liquidity			> 60,0%	83,0%
Significant short-term decrease in share price				
During the last five days of trading			> (20,0)%	(0,2)%
During the last five days of trading			> (25,0)%	(0,2)%

13. DEFERRED TAX

	GROUP	
	2022 EUR	2021 EUR
The deferred tax liability comprises the following:		
Cumulative investment property statutory tax allowances	18 213 192	17 382 043
Cumulative fair value adjustments of investment properties	30 652 425	11 909 951
Assessed tax losses ¹	(2 426 355)	(391 744)
Other ²	(29 456)	(115 997)
Balance at the end of the year	46 409 806	28 784 253
Balance at the beginning of the year	28 784 253	27 464 475
Torrecedenas acquisition ³	16 597 669	–
Recognised in profit or loss	1 027 884	1 319 778
Balance at the end of the year	46 409 806	28 784 253

¹ The Group has not recognised deferred tax assets related to assessed losses in jurisdictions where such assessed losses are unlikely to be utilised.

² The balance substantially consists of impairment losses on tenant receivables.

³ The Group acquired a property investment entity during the year. Refer to notes 5 and 19.3.

14. FINANCIAL LIABILITIES

	GROUP	
	2022 EUR	Restated ¹ 2021 EUR
Tenant deposits	8 709 468	6 628 748
Other	–	68 000
Total financial liabilities	8 709 468	6 696 748
Financial liabilities – non-current	4 116 148	6 696 748
Financial liabilities – current	4 593 320	–
Total financial liabilities	8 709 468	6 696 748

¹ Refer to note 29.1.

15. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2022 EUR	Restated ⁴ 2021 EUR	2022 EUR	2021 EUR
Trade and other payables include the following:				
Trade payables	11 113 047	9 684 088	16	–
Tenant prepayments	5 645 963	6 663 455	–	–
VAT payable	4 243 199	4 042 188	–	–
Accrued expenses ¹	2 461 362	1 982 638	422 953	328 454
Condominium service charges payable	–	1 915 218	–	–
Intercompany loan from Resilient ²	–	626 298	–	–
Other ³	678 416	1 839 924	–	244
Total trade and other payables	24 141 987	26 753 809	422 969	328 698

¹ The accrued expenses mostly relate to audit fees accrued and property-related services received but not invoiced.

² The loans from Resilient relate to the French acquisition and comprise Resilient's 40% (2021: 25%) pro rata shareholder loans to the various French subsidiaries.

³ The 2021 balance primarily consists of project costs due to contractors and deferred amounts payable for transaction costs related to the acquisition of the French properties.

⁴ Refer to note 29.1.

16. REVENUE

16.1 Property rental and related revenue

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Property rental and related revenue includes the following:				
Property rental revenue	58 318 468	23 774 904	–	–
Tenant recovery (service charge) revenue	18 539 034	8 161 412	–	–
Property rental and related revenue^{1,2,3}	76 857 502	31 936 316	–	–

¹ All property rental and related revenue is in respect of investment properties, as disclosed in note 3.

² Property rental and related revenue of approximately EUR 3,70 million (2021: EUR 3,35 million) received from the Inditex group is the most significant concentration of counterparty revenue in the Group.

³ Substantially all property operating expenses, presented in profit or loss, related to investment properties that generated rental revenue during the current and prior reporting periods.

16.2 Investment revenue

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Investment revenue includes the following:				
Dividend income from listed equity investments	101 232	3 629 962	2 935 655	10 901 355
Total investment revenue	101 232	3 629 962	2 935 655	10 901 355

17. PROFIT/(LOSS) BEFORE TAX

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Profit/(loss) before tax includes the following items included in administrative and other expenses:				
Auditor's remuneration ¹				
– audit fee	(570 454)	(360 516)	(278 680)	(132 075)
– other assurance fees	(18 511)	(9 200)	(12 864)	(9 200)
Brokerage fees	–	(136 108)	–	(129 505)
Consulting fees	(1 766 088)	(1 249 982)	(163 679)	(672 137)
Directors' remuneration				
– services as Director (Non-Executive Directors)	(185 600)	(143 927)	(185 600)	(143 927)
– other services (Executive Directors)	(1 206 846)	(1 827 140)	–	(500 285)
Interest rate derivatives – transaction costs	(3 525 000)	–	–	–
Employee benefits ² (excluding Executive Directors' remuneration)	(1 004 587)	(808 959)	(9 513)	(16 266)
Travel and accommodation	(404 786)	(159 829)	(67 176)	(13 483)
Other administrative and other expenses	(1 442 035)	43 840	(694 726)	(55 646)
Total administrative and other expenses	(10 123 907)	(4 651 821)	(1 412 238)	(1 672 524)

¹ No non-assurance fees were incurred with respect to any of the Group auditors for 2022 or 2021.

² The Company had zero employees during the year (2021: two employees).

17. PROFIT/(LOSS) BEFORE TAX continued

17.1 Non-Executive Directors' remuneration

For additional information, refer to the Non-Executive Directors' remuneration details included in the remuneration report on pages 90 to 91.

	GROUP AND COMPANY	
	2022 EUR	2021 EUR
Non-Executive Director		
David Axten ¹	–	11 009
Stuart Bird ²	22 000	2 850
Karen Bodenstein	26 000	23 009
Desmond de Beer	24 700	19 841
Anthony Doublet ³	20 800	7 045
Paul Edwards ⁴	–	16 187
Mark Olivier	41 600	30 672
Stephen Paris ⁵	24 600	8 341
Barry Stuhler	25 900	24 973
	185 600	143 927

¹ David Axten resigned as a Non-Executive Director of the Company on 5 August 2021.

² Stuart Bird was appointed as Director of the Company on 12 February 2020. Stuart earned Non-Executive Director's fees on a pro-rated basis from the date of his appointment until he was appointed as Alternate Director to Desmond de Beer on 27 May 2020. On 5 November 2021, Stuart was appointed to the Board of Lighthouse as an Independent Non-Executive Director.

³ Anthony Doublet was appointed as Director of the Company on 5 August 2021. Anthony earned Non-Executive Director's fees on a pro-rated basis from the date of his appointment.

⁴ Paul Edwards resigned as a Non-Executive Director of the Company on 5 August 2021.

⁵ Stephen Paris was appointed as Director of the Company on 5 August 2021. Stephen earned Non-Executive Director's fees on a pro-rated basis

17. PROFIT/(LOSS) BEFORE TAX continued

17.2 Executive Directors' remuneration

For additional information, refer to the Executive Directors' remuneration details included in the remuneration report on page 89.

	Salary	Bonus	Share	Other ⁵
	2022 EUR	2022 EUR	incentive 2022 EUR	2022 EUR
Group				
2022				
Executive Director				
Justin Muller	260 000	187 850	130 000	1 170
Edward Mc Donald ¹	122 667	54 627	–	–
Jacobus van Biljon	194 500	141 177	95 000	19 855
	577 167	383 654	225 000	21 025
Company				
2022				
Justin Muller	–	–	–	–
Edward Mc Donald ¹	–	–	–	–
Jacobus van Biljon	–	–	–	–
	–	–	–	–
Group				
2021				
Executive Director				
Justin Muller	229 167	247 000	232 260	–
Edward Mc Donald ¹	40 000	–	–	–
Jacobus van Biljon	181 075	180 500	193 218	23 635
Stephen Delpoort ²	369 034	–	–	33 691
Nina Kretzmann ³	79 326	–	–	–
Jan Wandrag ⁴	16 828	1 406	–	–
	915 430	428 906	425 478	57 326
Company				
2021				
Edward Mc Donald ¹	–	–	–	–
Jacobus van Biljon	–	–	–	–
Stephen Delpoort ²	369 034	–	–	33 691
Nina Kretzmann ³	79 326	–	–	–
Jan Wandrag ⁴	16 828	1 406	–	–
	465 188	1 406	–	33 691

¹ Edward Mc Donald was appointed as Director effective on 18 October 2021.

² Stephen Delpoort resigned as Director effective on 12 July 2021. A settlement of EUR 241 695 is included in the 2021 salary amount.

³ Nina Kretzmann was appointed as Director effective on 5 February 2021 and resigned as Director effective on 18 October 2021.

⁴ Jan Wandrag resigned as Director effective on 5 February 2021.

⁵ Primarily consists of excess accrued leave

18. INCOME TAX

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Current tax	(2 127 976)	(1 192 449)	(13 748)	(76 974)
Deferred tax (refer to note 13)	(1 027 884)	(1 319 778)	–	–
Income tax recognised in profit or loss	(3 155 860)	(2 512 227)	(13 748)	(76 974)

Reconciliation of tax rate

	GROUP		COMPANY	
	2022 %	2021 %	2022 %	2021 %
Standard tax rate ¹	25,50	25,50	35,00	35,00
Tax credits and differences in foreign tax rates ²	(15,29)	(35,29)	–	–
Underprovision prior year	(0,09)	–	–	(1,37)
Permanent differences:				
Fair value gain/(loss) on investment property, investments and derivatives, gain on partial disposal of subsidiary and impairment	(4,20)	(32,58)	(35,83)	(31,39)
Non-deductible expenses	1,38	–	(0,75)	–
Non-recognition of deferred tax assets related to assessed tax losses	1,88	(4,29)	–	–
Non-taxable income ³	(0,33)	39,03	1,56	(2,20)
Other	(0,05)	(0,05)	–	–
Effective tax rate	8,80	(7,68)	(0,02)	0,04

¹ Lighthouse Properties redomiciled from Mauritius to Malta effective 29 December 2021. Lighthouse Properties' place of effective management was changed to Malta effective 5 August 2021. The Mauritian standard corporate tax rate is 15,0% (for 2021 up to 4 August 2021).

The Malta standard corporate tax rate is 35,0%, which was effective from 5 August 2021. Torre de Farol Properties (Portugal) was the most significant contributor of taxable income in the Group in the current and prior years. Accordingly, the Group standard tax rate was based on the Portugal standard marginal tax rate of Torre de Farol, i.e. 25,5%.

² Effective for 2020 and 1 January 2021 to 4 August 2021: The Company held a Category 1 Global Business ("GBC 1") Licence for the purpose of the Financial Services Act 2007 of Mauritius. The Company is subject to 15% income tax in Mauritius according to the provisions of the Income Tax Act 1995, as amended. As the Company holds a GBC 1, the Income Tax (Foreign Tax Credit) Regulations 1996 provide for the off-setting of any underlying tax, withholding tax or tax-sparing credit by the Company against the 15% tax or a deemed 80% foreign tax credit on the Company's foreign source income where written evidence of foreign tax charged is not presented to the tax authorities in Mauritius. Gains/(losses) on the sale of securities are exempted from tax in Mauritius. Pursuant to the enactment of the Finance Act 2018, all companies categorised as "GBC 1" companies, will now be licensed as "Global Business Licence" companies. Effective from January 2019, the deemed Foreign Tax Credit regime available to GBC 1 companies was abolished. Companies which had obtained their GBC 1 Licence on or before 16 October 2017, including the Company, have been grandfathered and benefited from the deemed tax credit regime up to 30 June 2021.

³ Non-taxable income relates primarily to dividend income, which is not taxable in the relevant jurisdictions due to the participation exemption on dividend income from subsidiaries and significant investees.

19. NOTES TO THE STATEMENT OF CASH FLOWS

19.1 Cash generated from operations

	GROUP		COMPANY	
	2022 EUR	Restated ¹ 2021 EUR	2022 EUR	2021 EUR
Profit/(loss) before tax	35 868 195	(37 915 033)	(65 842 976)	173 530 643
Adjusted for:				
Straight-lining of rental revenue adjustment	(362 260)	(328 967)	–	–
Finance income	(55 673)	(162 424)	(55 616)	(162 391)
Interest income from Group companies	–	–	–	(3 359 113)
Fair value gain on investment property (excluding straight-lining of rental revenue adjustment)	(853 739)	(21 608 075)	–	–
Fair value loss/(gain) on investments	1 081 878	(3 664 439)	22 426 818	(116 321 399)
Realised gain on partial disposal of investment in subsidiary	–	–	(5 962 035)	–
Fair value (gain)/loss on currency, interest rate and other derivatives	(14 432 873)	(3 076 368)	135 188	(2 333 600)
Impairment loss	–	12 081 368	51 508 869	(33 175 411)
Foreign exchange gain on cash and cash equivalents	(692 059)	(1 274 848)	(703 168)	(3 784 496)
Share of loss of associate	–	70 905 185	–	–
Cash dividends received from associate	1 238 577	–	–	–
Share incentive scheme amortisation	260 714	194 302	–	–
Depreciation (right-of-use asset)	–	132 654	–	–
Rental (lease liability)	–	(21 169)	–	–
Interest (lease liability)	–	(70 561)	–	–
Finance costs	14 229 006	4 416 699	16 337	196 072
	36 281 766	19 608 324	1 523 417	14 590 305
Changes in working capital:				
(Increase)/decrease in trade and other receivables	3 504 724	115 613	(515 996)	39 178
Financial liabilities – tenant deposits	(654 868)	134 871	–	–
Increase/(decrease) in trade and other payables	(4 504 180)	(2 563 654)	94 271	(40 930)
Cash generated from operations	34 627 442	17 295 154	1 101 692	14 588 553

¹ Refer to note 29.1.

19.2 Income tax paid

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Income tax payable at the beginning of the year	186 762	126 910	–	100 097
Recognised in profit or loss	2 127 976	1 192 449	13 748	76 974
Income tax payable at the end of the year	(1 075 598)	(322 762)	(13 748)	–
Income tax receivable at the end of the year	647 525	136 000	–	–
Acquisition of subsidiary	104 615	(169 964)	–	–
Income tax paid	1 991 280	962 633	–	177 071

19. NOTES TO THE STATEMENT OF CASH FLOWS continued

19.3 Acquisition of properties

Spain

Effective on 10 March 2022, the Group acquired full ownership of a mall located in Almería, Spain.

Refer to notes 3 and 5 for additional details.

	GROUP	
	2022 EUR	2021 EUR
Investment property	(171 172 170)	
Trade and other receivables	(619 330)	
Financial assets	(1 778 261)	
Cash	(13 986 019)	
Interest-bearing borrowings	86 368 960	
Financial liabilities	2 667 588	
Trade and other payables	1 892 358	
Deferred tax liability	16 597 669	
Total cost to obtain control	(80 029 206)	
Plus: Cash acquired	13 986 019	
Cash flow effect of investment in Spanish subsidiary	(66 043 187)	

France

Effective 30 September 2021, the Group acquired a 75% interest in four French malls, held through various legal entities.

The remaining 25% interest in the malls at that time was held by Resilient. Refer to notes 3 and 5 for additional details.

	GROUP	
	2022 EUR	2021 EUR
Investment property		(308 488 622)
Other assets		(27 846)
Trade and other receivables		(19 709 361)
Cash		(4 097 443)
Interest-bearing borrowings		293 089 976
Financial liabilities		6 035 521
Trade and other payables		25 939 464
Income tax receivable		(169 964)
Initial purchase price paid on 30 September 2021		(7 428 275)
Estimated remaining purchase price payable as at the reporting date		(545 138)
Total cost to obtain control		(7 973 413)
Non-controlling participation in acquisition		1 867 069
Plus: Cash acquired		4 097 443
Loans advanced		(293 089 976)
Cash flow effect of investment in French subsidiaries		(295 098 877)

19. NOTES TO THE STATEMENT OF CASH FLOWS continued

19.4 Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Cash and cash equivalents	17 063 667	15 800 460	2 873 806	724 438
Bank overdrafts	-	(1 612 511)	-	(1 612 512)
Borrowings (excluding bank overdrafts)	(378 680 205)	(211 500 491)	-	-
Net debt	(361 616 538)	(197 312 542)	2 873 806	(888 074)

	GROUP		
	Liabilities from financing activities Borrowings EUR	Other assets Cash/bank overdraft EUR	Total EUR
Net debt at 31 December 2020			
Financing cash flows	(105 443 953)	34 054 093	(71 389 860)
Foreign exchange adjustments	(105 522 170)	(20 333 507)	(125 855 677)
Other changes			
Interest expense	-	467 363	467 363
Interest payments (presented as operating cash flows)	(4 416 699)	-	(4 416 699)
	3 882 331	-	3 882 331
Net debt at 31 December 2021	(211 500 491)	14 187 949	(197 312 542)
Financing cash flows	(76 318 747)	2 183 658	(74 135 089)
Foreign exchange adjustments	-	692 060	692 060
Other changes			
Acquisition of subsidiary	(86 368 960)	-	(86 368 960)
Interest expense	(14 229 006)	-	(14 229 006)
Interest payments (presented as operating cash flows)	10 314 715	-	10 314 715
Capitalisation of borrowing costs	(577 716)	-	(577 716)
Net debt at 31 December 2022	(378 680 205)	17 063 667	(361 616 538)

	COMPANY		
	Liabilities from financing activities Borrowings EUR	Other assets Cash/bank overdraft EUR	Total EUR
Net debt at 31 December 2020			
Financing cash flows	-	9 218 241	9 218 241
Foreign exchange adjustments	-	(9 801 612)	(9 801 612)
	-	(304 703)	(304 703)
Net debt at 31 December 2021	-	(888 074)	(888 074)
Financing cash flows	-	3 058 712	3 058 712
Foreign exchange adjustments	-	703 168	703 168
Net debt at 31 December 2022	-	2 873 806	2 873 806

20. CONTINGENT LIABILITIES AND COMMITMENTS

20.1 Contingent liabilities

The only contingent liabilities relevant to the current and prior years relate to ongoing operational claims, of which final settlement, if any, is not likely to be significant.

20.2 Commitments

	GROUP	
	2022 EUR	2021 EUR
The Group has capital commitments related to current construction and refurbishment projects at the reporting date.	12 218 637	22 396 682

21. PROFIT/(LOSS) AND DILUTED PROFIT/(LOSS) PER SHARE

The calculation of basic profit/(loss) per share for the current and prior years is based on:

	GROUP		COMPANY	
	2022 EUR	Restated ¹ 2021 EUR	2022 EUR	2021 EUR
Profit/(loss) for the year attributable to equity holders of the Company	25 155 305	(46 486 443)	(65 856 724)	173 453 669
Weighted average ordinary shares in issue during the year	1 641 478 325	1 369 808 195	1 641 478 325	1 370 987 513

¹ Refer to Note 29.1.

Dilutionary instruments have a negligible impact on the Company's earnings and headline earnings per share.

The weighted average number of shares for basic and diluted earnings per share purposes is determined as follows:

Date	Event	GROUP		
		Number of shares	% of year	Weighted average
2022				
Saturday, 1 January 2022	Opening balance	1 623 373 715	100	1 623 373 715
Friday, 11 March 2022	Incentive shares acquired	(58 077)	80	(46 302)
Saturday, 19 March 2022	Incentive shares vested	185 638	79	145 967
Thursday, 22 September 2022	Scrip distribution	64 410 356	27	17 646 673
Thursday, 15 December 2022	Shares issued, public offer	7 692 308	5	358 272
Saturday, 31 December 2022	Balance at the reporting date	1 695 603 940		1 641 478 325

Date	Event	GROUP		
		Number of shares	% of year	Weighted average
2021				
Friday, 1 January 2021	Opening balance	1 207 790 136	100	1 207 790 136
Friday, 19 March 2021	Incentive shares issued	–	79	–
Monday, 19 April 2021	Scrip distribution	39 801 811	70	27 915 791
Friday, 20 August 2021	Issue via bookbuild	320 987 654	36	116 962 625
Wednesday, 8 September 2021	Scrip distribution	54 982 923	31	17 172 749
Thursday, 28 October 2021	Share repurchase	(188 809)	18	(33 106)
Friday, 31 December 2021	Balance at the reporting date	1 623 373 715		1 369 808 195

21. PROFIT/(LOSS) AND DILUTED PROFIT/(LOSS) PER SHARE continued

Date	Event	COMPANY		
		Number of shares	% of year	Weighted average
2022				
Saturday, 1 January 2022	Opening balance	1 624 873 544	100	1 624 873 544
Saturday, 1 January 2022	Treasury share adjustment	(1 499 829)	100	(1 499 829)
Friday, 11 March 2022	Incentive shares issued	(58 077)	80	(46 302)
Saturday, 19 March 2022	Incentive shares vested	185 638	79	145 967
Thursday, 22 September 2022	Scrip distribution	64 410 356	27	17 646 673
Thursday, 15 December 2022	Shares issued, public offer	7 692 308	5	358 272
Saturday, 31 December 2022	Balance at the reporting date	1 695 603 940		1 641 478 325

Date	Event	COMPANY		
		Number of shares	% of year	Weighted average
2021				
Friday, 1 January 2021	Opening balance	1 207 790 136	100	1 207 790 136
Friday, 19 March 2021	Incentive shares issued	1 499 829	79	1 179 318
Monday, 19 April 2021	Scrip distribution	39 801 811	70	27 915 791
Friday, 20 August 2021	Issue via bookbuild	320 987 654	36	116 962 625
Wednesday, 8 September 2021	Scrip distribution	54 982 923	31	17 172 749
Thursday, 28 October 2021	Share repurchase	(188 809)	18	(33 106)
Friday, 31 December 2021	Balance at the reporting date	1 624 873 544		1 370 987 513

22. HEADLINE EARNINGS/(LOSS) AND DILUTED HEADLINE EARNINGS/(LOSS) PER SHARE

	GROUP			
	Gross 2022 EUR	Net ¹ 2022 EUR	Gross Restated ² 2021 EUR	Net ¹ Restated ² 2021 EUR
Basic and diluted profit/(loss) per share (EUR cents)		1,53		(3,39)
Reconciliation of profit/(loss) for the year to headline earnings/(loss)				
Basic earnings – profit/(loss) for the year attributable to equity holders of the Company		25 155 305		(46 486 443)
<i>Adjusted for:</i>				
Impairment loss on goodwill	–	–	12 081 368	12 081 368
Fair value (gain)/loss on investment property	(853 739)	2 480 094	(21 608 075)	(16 184 618)
Fair value loss on investment property of associate			23 524 680	23 524 680
Headline earnings/(loss)		27 635 399		(27 065 013)
Weighted average shares in issue during the year		1 641 478 325		1 369 808 195
Headline earnings/(loss) and diluted headline earnings/(loss) per share (EUR cents)		1,68		(1,98)

¹ Net of income tax effect.

² Refer to Note 29.1.

	COMPANY			
	Gross 2022 EUR	Net ¹ 2022 EUR	Gross 2021 EUR	Net ¹ 2021 EUR
Basic and diluted (loss)/profit per share (EUR cents)		(4,01)		12,66
Reconciliation of (loss)/profit for the year to headline (loss)/earnings				
Basic earnings – profit/(loss) for the year attributable to equity holders of the Company		(65 856 724)		173 453 669
<i>Adjusted for:</i>				
Realised gain on partial disposal of investment in subsidiary	(5 962 035)	(5 962 035)		
Impairment (reversal)/expenses	51 508 869	51 508 869	(14 403 738)	(14 403 738)
Headline (loss)/earnings		(20 309 890)		159 049 931
Weighted average shares in issue during the year		1 641 478 325		1 370 987 513
Headline (loss)/earnings and diluted headline (loss)/earnings per share (EUR cents)		(1,24)		11,60

¹ Net of income tax effect.

23. EVENTS AFTER THE REPORTING PERIOD AND GOING CONCERN

23.1 Events after the reporting period

- ▶ On 17 March 2023, the Directors declared a distribution of EUR 0,01625 per share related to the last six months of the 2022 reporting period
- ▶ On 31 January 2023 the Company capitalised EUR 74 million of its current shareholder's loan to Lighthouse Properties One Limited.

23.2 Going concern

The Directors have assessed the Group and Company's ability to continue as a going concern. At and subsequent to the reporting date, the Group and Company maintained a substantial positive net asset value and strong liquidity position.

Liquidity

Lighthouse remains well positioned to meet its liquidity needs during this period of uncertainty. The Group has no significant debt maturities in the next 12 months.

Debt covenants

The value of direct investment properties impacts loan-to-value debt covenants. At the reporting date, no covenants were breached. Subsequent to the reporting date Lighthouse obtained a clarification letter from its Spanish lenders regarding certain covenant terms. As a result EUR 6,5 million of interest-bearing borrowings was reclassified as non-current subsequent to the reporting date. All debt covenants are proactively monitored to manage and address any potential breaches and the Group has a safe range for covenant compliance in the upcoming year. The Group properties' respective LTVs at the reporting date are well below the maximum thresholds of the related hard loan-to-value covenants.

Other considerations

The Group strengthened its balance sheet and liquidity position by raising EUR 2.7 million of additional equity during the year.

Overall assessment by the Board

In its assessment of the going concern assumption, the Lighthouse Board has taken cognisance of the impact of the macroeconomic environment and determined that the going concern assumption for the Group and the Company remains valid and reasonable.

24. OPERATING LEASE RENTAL REVENUE

	GROUP	
	2022 EUR	2021 EUR
Contractual rental revenue from tenants can be analysed as follows: ^{1, 2}		
Within one year	54 977 226	42 530 785
Within one to two years	45 555 881	38 320 100
Within two to three years	40 895 135	34 026 371
Within three to four years	37 229 161	29 923 759
Within four to five years	33 516 744	26 380 709
Within one to five years	212 174 147	171 181 724
More than five years	165 773 499	101 509 366
	377 947 646	272 691 090

¹ Contractual rental revenue from tenants excludes cost recovery contributions.

² The Group is party to numerous leasing contracts as the lessor of property. All leases are classified as operating leases, which are those leases where the Group retains a significant portion of the risks and rewards of ownership.

The Group is party to operating leasing arrangements as the lessor of retail properties to various tenants. Typical lease periods vary between 3 and 10 years.

25. FINANCIAL INSTRUMENTS, RISK AND FAIR VALUE MEASUREMENTS

25.1 Credit risk

The carrying amount of financial assets represents the maximum credit exposure. Refer to note 2.1 for credit risk management details. The maximum exposure to credit risk at the reporting date was:

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Loans to subsidiaries	-	-	74 640 733	330 975 677
Financial assets:				
Fair value of interest rate derivatives	15 873 737	936 182	-	-
Restricted cash	7 002 408	-	-	-
Rental deposits	1 826 234	-	-	-
Derivative cash margin	738 217	3 108 818	-	-
Trade and other receivables (excluding non-financial assets):				
Tenant receivables	9 567 948	7 732 015	-	-
Trade receivables	3 013 635	-	-	-
Insurance receivables	-	796 369	-	-
Cash and cash equivalents	17 063 667	15 800 460	2 873 806	724 438
	55 085 848	28 373 844	77 514 539	331 700 115
Loans to subsidiaries	-	-	74 640 733	330 975 677
Deemed net fair value of underlying investments allocable to loans to subsidiaries	-	-	(74 640 733)	(330 975 677)
Net exposure	-	-	-	-

	GROUP	
	2022 EUR	2021 EUR
Tenant receivables:		
Current and <90 days past due (not in default) ¹	3 099 021	4 357 399
Gross carrying amount	3 259 310	4 546 810
Loss allowance	(160 289)	(189 411)
> 90 days past due (in default) ¹	6 468 927	3 374 616
Gross carrying amount	17 346 835	17 593 396
Loss allowance	(10 877 908)	(14 218 780)
Total carrying value	9 567 948	7 732 015
Total gross carrying amount	20 606 145	22 140 206
Total loss allowance	(11 038 197)	(14 408 191)
Total gross carrying amount	20 606 145	22 140 206
A	4 578 064	7 687 841
B	4 350 001	10 191 067
C	11 678 080	4 261 298
Total impairment loss allowance	(11 038 197)	(14 408 191)
A	(1 731 077)	(4 040 171)
B	(1 838 071)	(7 849 956)
C	(7 469 048)	(2 518 064)
Reconciliation of loss allowance:		
Opening balance at the beginning of the year	(14 408 191)	(381 730)
Tenant receivables impairment charge included in property operating expenses	(1 687 967)	(557 643)
Write-offs during the year ²	3 432 868	136 299
Acquisitions of properties	1 625 093	(13 605 117)
Closing balance at the end of the year	(11 038 197)	(14 408 191)

25. FINANCIAL INSTRUMENTS, RISK AND FAIR VALUE MEASUREMENTS continued

25.1 Credit risk continued

Tenant receivables' weighted average loss rates per tenant category ³	GROUP			
	< 30 days due %	< 60 days due %	< 90 days due %	Overdue %
2022				
Category A (large international/national tenants and government)	5,0	8,0	18,0	39,0
Category B (national tenants and medium to large professional firms)	5,0	8,0	19,0	42,0
Category C (all other tenants)	8,0	11,0	22,0	67,0
2021				
Category A (large international/national tenants and government)	7,0	5,0	7,0	69,0
Category B (national tenants and medium to large professional firms)	7,0	5,0	8,0	91,0
Category C (all other tenants)	8,0	6,0	9,0	87,0

¹ Default is defined as arrears in excess of 90 days overdue.

² Write-offs occur when arrears are in default and qualify for write-offs per the applicable tax regulations and other regulations in the relevant jurisdiction.

³ The weighted average loss rates have been determined based on the historical credit loss experience for each category of tenant receivables on an ageing basis. The historical credit loss rates are then amended for the estimated impact of forward-looking adjustments for macroeconomic indicators, based on the respective consumer confidence indices and retail sales growth statistics. The historical credit losses have been increased by a factor of up to 200% (2021: 150%) (up to a maximum total ECL of 100%) during the reporting period for the estimated impact of the relevant macroeconomic indicators.

25.2 Liquidity risk

Set out below are the contractual maturities of financial liabilities including interest payments. The amounts are gross and undiscounted.

	GROUP					
	Carrying value EUR	Contractual outflows EUR	0 – 3 months EUR	4 – 12 months EUR	> 1 – 5 years EUR	More than 5 years EUR
2022						
Interest-bearing borrowings	378 680 205	446 788 529	14 040 325	20 772 870	394 588 392	17 386 942
Financial liabilities	8 709 468	8 709 468	229 666	4 363 654	4 116 148	-
Trade and other payables	21 680 623	21 680 623	16 260 467	5 420 156	-	-
2021						
Interest-bearing borrowings	213 113 002	213 113 002	1 612 512	1 068 000	210 432 490	-
Financial liabilities	6 696 748	6 696 748	-	-	6 696 748	-
Trade and other payables	22 711 621	22 711 621	17 033 716	5 677 905	-	-

	COMPANY					
	Carrying value EUR	Contractual outflows EUR	0 – 3 months EUR	4 – 12 months EUR	> 1 – 5 years EUR	More than 5 years EUR
2022						
Loans from Group companies	5 244 952	5 244 952	5 244 952	-	-	-
Trade and other payables	422 969	422 969	422 969	-	-	-
2021						
Interest-bearing borrowings	1 612 512	1 612 512	1 612 512	-	-	-
Trade and other payables	328 698	328 698	328 698	-	-	-

The Group's treasury function is rigorously managed to ensure that cash resources are adequate to meet liquidity and funding requirements.

25. FINANCIAL INSTRUMENTS, RISK AND FAIR VALUE MEASUREMENTS continued

25.2 Liquidity risk continued

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Permitted borrowings				
Total gross qualifying assets	940 672 047	899 594 633	–	84 600 718
35% borrowing limit of total gross qualifying assets	329 235 216	314 858 122	–	29 610 251
Total gross interest-bearing borrowings less cash and other adjustments	(224 257 863)	(122 731 621)	2 873 806	(888 074)
Unutilised borrowing capacity	104 977 353	192 126 501	2 873 806	28 722 177

25.3 Market risk

25.3.1 Interest rate risk

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Interest-bearing instruments comprise:				
Variable rate instruments				
Cash and cash equivalents	17 063 667	15 800 460	2 873 806	724 438
Restricted cash	7 002 408	–	–	–
Rental deposits	1 826 236	–	–	–
Derivative cash margin	738 217	3 108 818	–	–
Interest-bearing borrowings ¹	(300 835 236)	(135 588 179)	–	–
Net variable rate interest-bearing instruments	(274 204 708)	(116 678 901)	2 873 806	724 438

¹ Includes EUR 73,1 million (2021: EUR 73,9 million) of loans from Resilient REIT Limited related to the French acquisition, and comprises Resilient's 40% (2021: 25%) pro rata shareholder loans to the various French subsidiaries..

The exposure of liabilities and borrowings to contractual repricing dates of interest rates is as follows:

	GROUP				Total EUR
	1 – 3 months EUR	4 – 12 months EUR	1 – 5 years EUR	More than 5 years EUR	
2022					
Interest-bearing borrowings	198 879 588	101 955 648	–	–	300 835 236
Total liabilities and borrowings	198 879 588	101 955 648	–	–	300 835 236
2021					
Interest-bearing borrowings	1 612 512	–	133 975 667	–	135 588 179
Total liabilities and borrowings	1 612 512	–	133 975 667	–	135 588 179

25. FINANCIAL INSTRUMENTS, RISK AND FAIR VALUE MEASUREMENTS continued

25.3 Market risk continued

25.3.1 Interest rate risk continued

Cash flow sensitivity analysis for variable rate instruments

Interest

A change of 100 (2021: 50) basis points in interest rates at the reporting date would have increased/(decreased) the profit or loss before tax for the year by the amounts shown below. This analysis assumes that all other variables remain constant.

	GROUP	
	Increase EUR	Decrease EUR
2022		
Cash and cash equivalents	170 637	(170 637)
Restricted cash	70 024	(70 024)
Rental deposits	18 262	(18 262)
Derivative cash margin	7 382	(7 382)
Interest-bearing borrowings	(3 008 353)	3 008 353
Cash flow sensitivity (net)¹	(2 742 048)	2 742 048
2021		
Cash and cash equivalents	79 002	(79 002)
Derivative cash margin	15 544	(15 544)
Interest-bearing borrowings	(677 941)	677 941
Cash flow sensitivity (net)¹	(583 395)	583 395

¹ Footnote

	COMPANY	
	Increase EUR	Decrease EUR
2022		
Cash and cash equivalents	28 738	(28 738)
Cash flow sensitivity (net)²	28 738	(28 738)
2021		
Cash and cash equivalents	3 622	(3 622)
Cash flow sensitivity (net)²	3 622	(3 622)

² The cash flow sensitivity approximates the change in profit or loss before tax.

The Group adopts a policy of hedging substantially all (>90%) of the interest rates on interest-bearing borrowings related to direct property investments.

25. FINANCIAL INSTRUMENTS, RISK AND FAIR VALUE MEASUREMENTS continued

25.3 Market risk continued

25.3.1 Interest rate risk continued

Details of existing interest rate derivatives are:

	GROUP			
	Maturity	Nominal amount EUR	Strike rate %	Fair value EUR
2022				
Interest rate swap	Jul 2024	30 797 550	1,18	965 588
Interest rate cap	Jul 2025	28 798 542	-	2 742 724
Interest rate cap	Jul 2025	22 770 388	-	2 012 654
Interest rate cap	Mar 2027	129 487 500	1,00	10 152 772
Total		211 853 980		15 873 737
Weighted average maturity/rate	3,4 years		0,78	-
2021				
Interest rate cap	Jan 2022	27 385 417	-	-
Interest rate cap	Jul 2024	25 000 000	0,46	69 460
Interest rate cap	Dec 2025	25 000 000	0,63	200 229
Interest rate cap	Jul 2026	25 000 000	0,70	258 612
Interest rate cap	Nov 2027	25 000 000	0,87	407 881
Total		127 385 417		936 182
Weighted average maturity/rate	3,3 years		0,52	
	COMPANY			
	Maturity	Nominal amount EUR	Strike rate %	Fair value EUR
2022				
Interest rate cap				
Total		-	-	-
Weighted average maturity/rate		-		
2021				
Interest rate cap	Jan 2022	27 385 417	-	-
Total		27 385 417		
Weighted average maturity/rate	0 years			

25. FINANCIAL INSTRUMENTS, RISK AND FAIR VALUE MEASUREMENTS continued

25.3 Market risk continued

25.3.2 Equity price risk

The carrying amount of financial assets and fair value of investment in associate represent the maximum equity price risk exposure.

The maximum exposure to equity price risk at the reporting date was:

	GROUP		COMPANY	
	2022 EUR	2021 EUR	2022 EUR	2021 EUR
Listed security investments	306 893 047	400 617 633	-	84 600 718
Gross exposure to listed equity securities investments	306 893 047	400 617 633	-	84 600 718

A 35% (2021: 20%) change in the market value of gross listed securities investments at the reporting date would have increased/ (decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	GROUP	
	Profit or (loss) before tax	
	Increase EUR	Decrease EUR
2022		
Listed security investments ¹	107 412 566	(107 412 566)
	107 412 566	(107 412 566)
2021		
Listed security investments	80 123 527	(80 123 527)
	80 123 527	(80 123 527)

¹ Includes the impact on the fair value of the investment in associate.

	COMPANY	
	Profit or (loss) before tax	
	Increase EUR	Decrease EUR
2022		
Listed security investments ¹	-	-
	-	-
2021		
Listed security investments	16 920 144	(16 920 144)
	16 920 144	(16 920 144)

¹ Includes the impact on the fair value of the investment in associate.

25. FINANCIAL INSTRUMENTS, RISK AND FAIR VALUE MEASUREMENTS continued

25.3 Market risk continued

25.3.3 Currency risk

The Group's and Company's reporting currency is EUR. The Group companies' functional currencies are set out below.

	2022	2021
Lighthouse Properties p.l.c.	EUR	EUR
Lighthouse Properties One Limited	EUR	EUR
Lighthouse Investments Limited	N/A	EUR
Lighthouse One UK Limited	EUR	EUR
Lighthouse Netherlands B.V.	EUR	EUR
Lighthouse Investments Netherlands B.V.	EUR	EUR
Lighthouse Netherlands Two B.V.	EUR	EUR
Lighthouse Investments d.o.o.	EUR	EUR
Torre de Farol Properties – Sociedade de Gestão de Imóveis, S.A.	N/A	EUR
Forum Coimbra – Sociedade Imobiliária, S.A.	EUR	EUR
RPPSE Forum Viseu – Sociedade Imobiliária, S.A.	N/A	EUR
Lighthouse France SAS	EUR	EUR
Retail Property Investments SAS	EUR	EUR
Rivetoile SAS	EUR	EUR
SNC Rivetoile	EUR	EUR
Docks Vauban SAS	EUR	EUR
SNC Vauban	EUR	EUR
Docks 76 SAS	EUR	EUR
SNC Docks 76	EUR	EUR
Saint Sever SAS	EUR	EUR
SNC Cegep et Compagnie	EUR	EUR
SCI du Centre Commercial de Rouen Saint Sever	EUR	EUR
SCI des Bureaux de Rouen Bretagne	EUR	EUR
SCI Foncière Marceau Saint Sever	EUR	EUR
SCI Rouen-Verrerie	EUR	EUR
Lighthouse Spanish Properties, S.A.U.	EUR	N/A
TorreCardenas Properties, S.L.U.	EUR	N/A

The Group and Company's exposure to foreign currency risk, respectively, is primarily as a result of:

- ▶ Investments in listed equity securities denominated in foreign currencies
- ▶ Lighthouse Properties raising capital and paying distributions in South African Rand ("ZAR") on the JSE from time to time.

The foreign currency sensitivities and rates below have been applied in calculating the effect that the Group and Company's exposure to foreign currencies could have on profit or loss.¹

	2022 FX sensitivity % applied	2021 FX sensitivity % applied	2022 Average FX rate for the reporting year	2021 Average FX rate for the reporting year	2022 Closing FX rate at the reporting date	2021 Closing FX rate at the reporting date
GBP/EUR	5,2%	5,9%	0,85	0,86	0,89	0,84
ZAR/EUR	6,0%	3,9%	17,20	17,49	18,24	18,13

¹ The foreign exchange sensitivities were determined by selecting the larger of each respective currency pair

- ▶ Absolute percentage change between the opening and closing spot rates of the reporting year
- ▶ Absolute percentage change between the average and closing spot rates of the reporting year.

25. FINANCIAL INSTRUMENTS, RISK AND FAIR VALUE MEASUREMENTS continued

25.3 Market risk continued

25.3.3 Currency risk continued

At the reporting date, if the EUR had weakened/strengthened by the relevant sensitivity against the other currencies, with all variables constant, profit or loss before tax for the year would have been impacted as follows:

	Changes in profit or (loss) before tax			
	GROUP		COMPANY	
	EUR weakened ² EUR	EUR strengthened ² EUR	EUR weakened ² EUR	EUR strengthened ² EUR
2022				
Net financial assets and liabilities	938 808	(938 808)	-	-
Cash and cash equivalents	(4 154)	4 154	(1 928)	1 928
	934 654	(934 654)	(1 928)	1 928
GBP/EUR	936 697	(936 697)	(117)	117
ZAR/EUR	(2 043)	2 043	(1 811)	1 811
	934 654	(934 654)	(1 928)	1 928
2021				
Investments at fair value through profit or loss	22 718 693	(22 718 693)	4 046 077	(4 046 077)
Loans to subsidiaries	-	-	-	-
Net financial assets and liabilities	-	-	10 115	(10 115)
Trade and other receivables	3 067	(3 067)	178	(178)
Cash and cash equivalents	28 332	(28 332)	24 422	(24 422)
Trade and other payables	(1 224)	1 224	(18)	18
	22 748 868	(22 748 868)	4 080 774	(4 080 774)
GBP/EUR	22 740 336	(22 740 336)	4 064 867	(4 064 867)
ZAR/EUR	8 532	(8 532)	15 907	(15 907)
	22 748 868	(22 748 868)	4 080 774	(4 080 774)

² The foreign exchange sensitivities were determined by selecting the larger of each respective currency pair:

- ▶ Absolute percentage change between the opening and closing spot rates of the reporting year
- ▶ Absolute percentage change between the average and closing spot rates of the reporting year.

At the reporting date, the fair value of the Group's non-EUR-denominated investments comprised the following:

- ▶ Investment in associate, Hammerson: GBP 271,7 million (2021: GBP 324,0 million), which is carried at nil in the statement of financial position.

The Group has no non-EUR-denominated debt. The Group is therefore exposed to currency movements associated with its investments in Hammerson in 2022 and 2021.

Foreign exchange hedging profile:

	0 – 12 months Gross FX hedge foreign currency	0 – 12 months weighted average hedge rate	0 – 12 months hedge fair value EUR	1 – 2 years Gross FX hedge foreign currency	1 – 2 years weighted average hedge rate	1 – 2 years hedge fair value EUR
GBP/EUR	18 054 000	0,89	-	-	-	-

25. FINANCIAL INSTRUMENTS, RISK AND FAIR VALUE MEASUREMENTS continued

25.4 Fair values

25.4.1 Classification of financial assets and liabilities

	GROUP				
	Fair value through profit or loss EUR	Financial assets at amortised cost EUR	Financial liabilities at amortised cost EUR	Not in scope of IFRS 9 EUR	Total EUR
2022					
Financial assets					
Financial assets	15 873 737	9 566 861	-	-	25 440 598
Trade and other receivables	-	13 868 044	-	5 595 325	19 463 369
Cash and cash equivalents	-	17 063 667	-	-	17 063 667
	15 873 737	40 498 572	-	5 595 325	61 967 634
Financial liabilities					
Interest-bearing borrowings	-	-	378 680 204	-	378 680 204
Financial liabilities	-	-	8 709 468	-	8 709 468
Trade and other payables	-	-	19 220 372	4 921 615	24 141 987
	-	-	406 610 044	4 921 615	411 513 659
2021					
Financial assets					
Investments	15 555 040	-	-	-	15 555 040
Financial assets	936 182	3 108 818	-	-	4 045 000
Trade and other receivables	-	15 282 085	-	6 450 538	21 732 623
Cash and cash equivalents	-	15 800 460	-	-	15 800 460
	16 491 222	34 191 363	-	6 450 538	57 133 123
Financial liabilities					
Interest-bearing borrowings	-	-	213 113 002	-	213 113 002
Financial liabilities	-	-	6 628 748	68 000	6 696 748
Trade and other payables	-	-	24 913 885	1 839 924	26 753 809
	-	-	244 655 635	1 907 924	246 563 559

25. FINANCIAL INSTRUMENTS, RISK AND FAIR VALUE MEASUREMENTS continued

25.4 Fair values continued

25.4.1 Classification of financial assets and liabilities continued

	COMPANY				
	Fair value through profit or loss EUR	Financial assets at amortised cost EUR	Financial liabilities at amortised cost EUR	Not in scope of IFRS 9 EUR	Total EUR
2022					
Financial assets					
Loans to subsidiaries	-	74 640 733	-	-	74 640 733
Trade and other receivables	-	-	-	520 601	520 601
Cash and cash equivalents	-	-	2 873 806	-	2 873 806
	-	74 640 733	2 873 806	520 601	78 035 140
Financial liabilities					
Trade and other payables	-	-	-	422 969	422 969
	-	-	-	422 969	422 969
2021					
Financial assets					
Investments	84 600 718	-	-	-	84 600 718
Loans to subsidiaries	-	330 975 677	-	-	330 975 677
Trade and other receivables	-	-	-	4 605	4 605
Cash and cash equivalents	-	-	724 438	-	724 438
	84 600 718	330 975 677	724 438	4 605	416 305 438
Financial liabilities					
Trade and other payables	-	-	-	328 698	328 698
	-	-	-	328 698	328 698

25. FINANCIAL INSTRUMENTS, RISK AND FAIR VALUE MEASUREMENTS continued

25.4 Fair values continued

25.4.2 Fair value measurement of assets and liabilities

The table below analyses financial instruments and investments carried at fair value by valuation method. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The carrying amounts of financial instruments that are not measured at fair value reasonably approximate their fair value due to:

- ▶ For loans to subsidiaries: market-related terms and conditions
- ▶ For trade and other receivables, cash and cash equivalents and trade and other payables: market-related terms and conditions.

The different levels have been defined as:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no transfers between levels 1, 2 and 3 during the year. The valuation methods applied are consistent with those applied in preparing the previous audited consolidated financial statements. Quarterly discussions of valuation processes and results are held between the Chief Financial Officer and management where any changes in level 2 and 3 fair values are analysed for period-end reporting.

	GROUP			
	Level 1 EUR	Level 2 EUR	Level 3 EUR	Fair value EUR
2022				
Investment property	-	-	778 935 000	778 935 000
Financial investments at fair value through profit or loss	-	-	-	-
Financial assets	-	15 873 737	-	15 873 737
Total assets measured at fair value	-	15 873 737	778 935 000	794 808 737
2021				
Investment property	-	-	581 927 000	581 927 000
Financial investments at fair value through profit or loss	15 555 040	-	-	15 555 040
Financial assets	-	936 182	-	936 182
Total assets measured at fair value	15 555 040	936 182	581 927 000	598 418 222
	COMPANY			
	Level 1 EUR	Level 2 EUR	Level 3 EUR	Fair value EUR
2022				
Financial investments at fair value through profit or loss	-	-	-	-
Financial assets	-	-	-	-
Total assets measured at fair value	-	-	-	-
2021				
Financial investments at fair value through profit or loss	84 600 718	-	-	84 600 718
Financial assets	-	-	-	-
Total assets measured at fair value	84 600 718	-	-	84 600 718

The carrying amounts of financial instruments that are not measured at fair value reasonably approximate their fair value due to:

- ▶ For loans to subsidiaries: market-related terms and conditions
- ▶ For trade and other receivables, cash and cash equivalents and trade and other payables: market-related terms and conditions.

25. FINANCIAL INSTRUMENTS, RISK AND FAIR VALUE MEASUREMENTS continued

25.4 Fair values continued

25.4.2 Fair value measurement of assets and liabilities continued

The following table shows the valuation techniques used in measuring level 2 and 3 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Investment property ¹	<p>Fair value is determined by capitalising the net revenue stream evidenced by market-related rentals and deducting market-related expenses.</p> <p>Spare land value added to the capitalised value is based on comparative sales of similar land.</p> <p>Assumptions are made on the expiry of leases for reasonable vacancies. Capital costs in respect of fit-outs for new tenants as well as agency commission fees are calculated in the cash flow estimates.</p> <p>Among other factors, the capitalisation and discount rate estimations consider the quality of the building, its location, the tenants' credit quality and their lease terms.</p>	<ul style="list-style-type: none"> ▶ Estimated rental growth. Range: 1,70% – 2,80% (2021: 1,25% – 1,60%). Weighted average: 1,98% (2021: 1,50%) ▶ Assumptions regarding vacancy levels. Range: 0 to 4 months (2021: 3 to 15 months). Weighted average: 1,7 months (2021: 8 months) ▶ Discount rate. Range: 8,00% to 9,25% (2021: 7,60% to 9,25%). Weighted average: 8,71% (2021: 8,62%) ▶ Capitalisation rate. Range: 6,20% to 7,50% (2021: 6,00% to 7,50%). Weighted average: 6,67% (2021: 6,91%). 	<p>The estimated fair value would increase if:</p> <ul style="list-style-type: none"> ▶ The expected market rental growth increased ▶ Vacant periods were shorter ▶ The discount rate declined, or ▶ The capitalisation rate declined.
Derivative assets and liabilities: interest rate swaps and caps ²	Valued by discounting the future cash flows using the applicable swap curve at the dates when the cash flows will take place.	Not applicable	Not applicable
Derivative assets and liabilities: currency forward exchange contracts ²	Valued by discounting the currency forward exchange rates applied at the reporting date to the open hedge positions.	Not applicable	Not applicable

¹ The investment property valuations have been performed by independent property experts: JLL (2021: Savills (France), JLL (Portugal), JLL (Spain) and JLL (Hungary) (2021: CBRE (Serbia)), respectively.

² The valuations of the interest rate and foreign exchange derivatives have been performed externally by independent experts.

The Group measures its investment properties at fair value. The Group engaged independent valuation specialists to determine fair value at the reporting date. The valuation techniques are detailed in note 3. Changes in the discount or capitalisation rates attributable to changes in market conditions can have a significant impact on property valuations.

A 0,50% (2021: 0,50%) (decrease)/increase in the exit capitalisation rate used to determine the fair value of investment properties would have increased/(decreased) profit/(loss) by the amounts in the following table. This table presents sensitivity to other inputs and the analysis assumes that all other variables remain constant.

25. FINANCIAL INSTRUMENTS, RISK AND FAIR VALUE MEASUREMENTS continued

25.4 Fair values continued

25.4.2 Fair value measurement of assets and liabilities continued

	GROUP			
	Profit or (loss) before tax		Profit or (loss) before tax	
	2022 Increase EUR	2022 Decrease EUR	2021 Increase EUR	2021 Decrease EUR
A 0,50% (2021: 0,50%) (decrease)/increase in the exit capitalisation rate used to determine the fair value of investment properties would have increased/(decreased) profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant.				
Investment property	40 333 000	(34 490 000)	29 565 000	(25 750 000)
	40 333 000	(34 490 000)	29 565 000	(25 750 000)
A 0,50% (2021: 0,50%) (decrease)/increase in the discount rate used to determine the fair value of investment properties would have increased/(decreased) profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant.				
Investment property	35 813 000	(32 490 000)	29 865 000	(26 550 000)
	35 813 000	(32 490 000)	29 865 000	(26 550 000)
A 2,00% (2021: 2,00%) (decrease)/increase in the rental growth used to determine the fair value of investment properties would have increased/(decreased) profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant.				
Investment property	36 567 000	(28 192 000)	19 920 000	(20 176 000)
	36 567 000	(28 192 000)	19 920 000	(20 176 000)
A three-month (2021: three-month) (decrease)/increase in estimated vacancy periods used to determine the fair value of investment properties would have increased/(decreased) profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant.				
Investment property	2 770 000	(3 090 000)	1 052 000	(1 988 760)
	2 770 000	(3 090 000)	1 052 000	(1 988 760)

There were no transfers between levels 1, 2 and 3 during the year. Refer to note 3 for the movements in investment property.

26. ACCOUNTING ESTIMATES AND JUDGEMENTS

Management discusses with the Audit Committee the development, selection, application and disclosure of the Group's critical accounting policies and estimates. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the future are discussed below.

26.1 Limitation of sensitivity analysis

The sensitivity analysis, as set out in note 25.3, in respect of market risk, demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risks that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

26.2 Impairment of non-financial assets

Applicable assets are tested for impairment as per the relevant aforementioned accounting policies. The recoverable amounts of relevant assets and/or cash-generating units have been determined based on the estimated fair value of the related assets and liabilities, as adjusted for expected fair value differences. Estimates are based on the Group's reasonable judgement considering all applicable factors and circumstances.

26.3 Investment properties

The fair value measurement of investment properties requires judgement in the determination of future net cash flows from leases and appropriate discount/capitalisation rates to be applied. Independent external valuations have been obtained for all investment properties at the reporting date.

The Directors are of the view that the independent external valuation of the investment property sufficiently mitigates the estimation uncertainty.

Refer to notes 3 and 25.4.2 for additional details.

26.4 Impairments of tenant receivables

Management applied judgement in determining the impairment of tenant receivables. Refer to notes 2.1 and 25.1 for details of the judgements made and assumptions applied.

27. RELATED PARTY TRANSACTIONS

Various transactions were entered into between related parties. These transactions were entered into on market-related terms in the normal course of business.

Identity of related parties with whom material transactions have occurred

Resilient, the Group subsidiaries, key management personnel and Directors are related parties. The subsidiaries of the Company are identified in note 5.

Material related party transaction

Investments in and loans to subsidiaries are set out in note 5.1.

Loans from Group companies are set out in note 5.2.

The Company received no revenue from subsidiaries during the current year. Revenue and interest received from subsidiaries in the prior year is presented in profit or loss.

Asset management fee revenues and expenses are set out in note 5.1.

Effective 31 August 2022, Lighthouse Properties sold 15% of the issued shares in and related loans to Retail Property Investments to Resilient; refer to note 5.3.

Due to Lighthouse's small number of employees, substantially all employee benefits may be considered as relating to key management personnel, as set out in note 17.

Remuneration paid to Directors is disclosed in note 17.

For the year ended 31 December 2022, the Company recognised a net impairment of EUR 51 508 869 (2021: net impairment reversal of EUR 33 175 411) of investments in and receivables owed by related parties. This assessment is undertaken at each reporting date by examining the related party's fair value of net assets and liquidity. Refer to notes 5.1 and 6 for additional details.

At the reporting date, Resilient held 30,9% of Lighthouse's issued shares. Resilient granted various loans, pro rata with Lighthouse, to the entities acquired as part of the French transaction. Refer to notes 12 and 15.

There are no related party loans or receivables other than those disclosed in notes 5, 12 and 15.

28. STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

28.1 Issued but not yet effective

The Company applies all applicable IFRS as issued by the IASB in preparation of the financial statements. Consequently, all IFRS statements that were effective at the date of issuing these financial statements and are relevant to the Group's operations have been applied.

At the date of authorisation of these financial statements, the following applicable standards were in issue but not yet effective:

IFRS		Effective date
IFRS 10	IFRS 10: <i>Consolidated Financial Statements</i> Amendments on sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IFRS 16	IFRS 16: <i>Leases</i> Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	Annual periods beginning on or after 1 January 2024

International Accounting Standards ("IAS")		Effective date
IAS 1	IAS 1: <i>Presentation of Financial Statements</i> Amendments regarding the classification of liabilities	Annual periods beginning on or after 1 January 2023
IAS 1	IAS 1: <i>Presentation of Financial Statements</i> Amendments to defer the effective date of the January 2020 amendments	Annual periods beginning on or after 1 January 2023
IAS 1	IAS 1: <i>Presentation of Financial Statements</i> Amendments regarding the disclosure of accounting policies	Annual periods beginning on or after 1 January 2023
IAS 1	IAS 1: <i>Presentation of Financial Statements</i> Amendments regarding the classification of debt with covenants	Annual periods beginning on or after 1 January 2024
IAS 8	IAS 8: <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> Amendments regarding the definition of accounting estimates	Annual periods beginning on or after 1 January 2023
IAS 12	IAS 12: <i>Income Taxes</i> Amendments regarding assets and liabilities arising from a single transaction	Annual periods beginning on or after 1 January 2023.
IAS 28	IAS 28: <i>Investments in Associates and Joint Ventures</i> Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely

None of these standards are expected to have a material impact on the consolidated and separate financial statements.

29. RESTATEMENT

29.1 Acquisition of French properties

In September 2021, Lighthouse acquired a 75% interest in Retail Property Investments SAS, a company incorporated in France. Retail Property Investments group owns four French malls: Docks Vauban, Docks 76, Saint Sever and Rivetoile. In the current reporting period, Retail Property Investments finalised the purchase price of the four French malls it acquired on 30 September 2021. This resulted in an adjustment to the working capital in respect of the assets acquired. The comparative balances at December 2021 are therefore restated for these adjustments.

This results in a prior period error in terms of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*, and as such the decision has been taken to restate the Group's results. The financial statement line items impacted by this have been amended as follows:

- ▶ Statement of financial position: Trade and other receivables have been decreased by EUR 3 125 981, financial liabilities have been increased by EUR 1 313 162, trade and other payables have been increased by EUR 759 449 and investment property cost has been increased by EUR 5 198 592. This led to a change in the net asset value per share decreasing from 22,68 EUR cents to 22,36 EUR cents
- ▶ Statement of profit or loss and other comprehensive income: Fair value gain on investment property was reduced by EUR 5 198 592, which resulted in the basic and diluted loss per share increasing from (3,11) EUR cents to (3,39) EUR cents. There has been no change to headline earnings per share
- ▶ Cash flow statement: No change to the primary statement.

In terms of IAS 8, the comparative amounts together with the opening balances of assets and equity for the 2022 financial year have been restated.

IAS 1 requires that when an entity makes a retrospective restatement of items in its financial statements and such restatement has a material effect on the information in the statement of financial position at the beginning of the preceding period, it shall present, as a minimum, three statements of financial position. As the opening balance sheet on 1 January 2021 is not affected, the balance sheet on 31 December 2020 is not presented. The Group therefore presents statements of financial position at the end of the prior period restated: 31 December 2021, and for the current period at 31 December 2022.

29. RESTATEMENT continued

29.1 Acquisition of French properties continued

Consolidated statements of financial position	Audited Dec 2021 EUR	Adjustment Dec 2021 EUR	Restated Dec 2021 EUR
ASSETS			
Non-current assets	601 527 040	–	601 527 040
Investment property	581 927 000	–	581 927 000
Investments	15 555 040	–	15 555 040
Investment in equity-accounted associate	–	–	–
Financial assets	4 045 000	–	4 045 000
Current assets	40 659 064	(3 125 981)	37 533 083
Trade and other receivables	24 858 604	(3 125 981)	21 732 623
Cash and cash equivalents	15 800 460	–	15 800 460
Total assets	642 186 104	(3 125 981)	639 060 123
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	368 588 141	(5 198 592)	363 389 549
Share capital	16 248 733	–	16 248 733
Share premium	369 852 303	–	369 852 303
Treasury shares	(687 522)	–	(687 522)
Non-distributable reserve	(165 463 935)	(3 898 944)	(169 362 879)
Foreign currency translation reserve	(1 393 006)	–	(1 393 006)
Share-based payment reserve	194 302	–	194 302
Retained earnings	140 611 366	–	140 611 366
Equity attributable to owners	359 362 241	(3 898 944)	355 463 297
Non-controlling interest	9 225 900	(1 299 648)	7 926 252
Total liabilities	273 597 963	2 072 611	275 670 574
Non-current liabilities	244 600 329	1 313 162	245 913 491
Interest-bearing borrowings	210 432 490	–	210 432 490
Deferred tax liabilities	28 784 253	–	28 784 253
Financial liabilities	5 383 586	1 313 162	6 696 748
Current liabilities	28 997 634	759 449	29 757 083
Interest-bearing borrowings	2 680 512	–	2 680 512
Trade and other payables	25 994 360	759 449	26 753 809
Current tax liabilities	322 762	–	322 762
Total equity and liabilities	642 186 104	(3 125 981)	639 060 123
Total number of shares in issue	1 624 873 544	–	1 624 873 544
Net asset value per share (EUR cents)	22,68	(0,32)	22,36

29. RESTATEMENT continued

29.1 Acquisition of French properties continued

	Audited for the year ended Dec 2021 EUR	Adjustment for the year ended Dec 2021 EUR	Restated for the year ended Dec 2021 EUR
Consolidated statements of profit or loss and other comprehensive income			
Property rental and related revenue	31 936 316	–	31 936 316
Investment revenue	3 629 962	–	3 629 962
Finance income	162 424	–	162 424
Total revenue	35 728 702	–	35 728 702
Fair value gain on investment property, investments and derivatives	21 466 106	(5 198 592)	16 267 514
Fair value gain on investment property	26 806 667	(5 198 592)	21 608 075
Fair value gain on investments	3 664 439	–	3 664 439
Fair value gain on currency, interest rate and other derivatives	3 076 368	–	3 076 368
Impairment loss	(12 081 368)	–	(12 081 368)
Property operating expenses	(11 482 988)	–	(11 482 988)
Administrative and other expenses	(4 651 821)	–	(4 651 821)
Foreign exchange gain	1 274 848	–	1 274 848
Share of loss of equity-accounted associate	(70 905 185)	–	(70 905 185)
Operating loss	(28 570 338)	(5 198 592)	(33 768 930)
Finance costs	(4 346 138)	–	(4 346 138)
Other income	200 035	–	200 035
Loss before tax	(32 716 441)	(5 198 592)	(37 915 033)
Income tax	(2 512 227)	–	(2 512 227)
Loss for the year	(35 228 668)	(5 198 592)	(40 427 260)
Other comprehensive income net of tax:			
Items that may subsequently be reclassified to profit or loss:			
Share of other comprehensive income of equity-accounted associate	(5 025 370)	–	(5 025 370)
	(5 025 370)	–	(5 025 370)
Total comprehensive loss for the year	(40 254 038)	(5 198 592)	(45 452 630)
Loss for the year attributable to:			
Equity holders of the Company	(42 587 499)	(3 898 944)	(46 486 443)
Non-controlling interests	7 358 831	(1 299 648)	6 059 183
	(35 228 668)	(5 198 592)	(40 427 260)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company	(47 612 869)	(3 898 944)	(51 511 813)
Non-controlling interests	7 358 831	(1 299 648)	6 059 183
	(40 254 038)	(5 198 592)	(45 452 630)
Basic and diluted loss per share (EUR cents)	(3,11)	(0,28)	(3,39)
Loss for the year	(42 587 499)	(3 898 944)	(46 486 443)
Basic and diluted loss per share (EUR cents)	(3,11)	(0,28)	(3,39)
Weighted average number of shares	1 369 808 195	–	1 369 808 195

SEGMENTAL ANALYSIS

A segment is a distinguishable component of the Group that is engaged in providing services (business segments) or in providing services within a particular economic environment (geographical segments), which is subject to risks and returns that are different from those of other segments. The Group's operating segments are based on business segments.

The Group determines and presents operating segments based on the information that is provided internally to the Company's Board and Investment Committee, jointly the Group's Chief Operating Decision-maker ("CODM"). The Group comprises three business segments (direct property, listed real estate and listed infrastructure) and two geographical segments (Europe and the UK). Each operating segment's operating results are reviewed quarterly by the CODM to make decisions about the segment's performance, resource allocation, risk assessment and for which discrete financial information is available. More information on the segments is provided in the following tables.

Segment	Description
Primary segments	
Direct property	Investments in dominant and defensive retail malls located in large and mid-sized cities with a strong economic underpin and economic growth.
Listed real estate	Investments in liquid listed real estate securities on recognised exchanges.
Listed infrastructure	Investments in liquid listed infrastructure securities on recognised exchanges.

Segment	Description
Geographical segments	
Europe	Specifically including France, Portugal, Slovenia, and Spain, with currency exposure to Euro.
UK	The UK, with currency exposure primarily to GBP.

RECONCILIATION OF SEGMENTAL REPORTING TO IFRS FINANCIAL STATEMENTS

The reconciliation of the segmental reporting with financial information extracted from the consolidated financial statements for the year ended 31 December 2022 and 31 December 2021, respectively, is included in the segmental analyses and primarily relates to the matters below, i.e. management accounts' adjustments.

Retail Property Investments – pro rata exclusion of Resilient's share

Effective 30 September 2021, Lighthouse acquired a 75% interest in four French malls. Related party, Resilient, acquired the remaining 25% at that time. Effective 31 August 2022, Lighthouse Properties sold 15% of the issued shares in and related loans to Retail Property Investments to Resilient. After the transaction, Lighthouse held 60% of Retail Property Investments, and Resilient held the remaining 40%. To provide a clear understanding of Lighthouse's economic exposure to the French properties, Resilient's pro rata share of assets, liabilities, profits and losses has been removed.

Torrecedenas and Forum Coimbra

Iberian property transactions usually entail the disposal of companies instead of underlying properties, with the buyer and seller sharing the net deferred tax liability related to cumulative property valuation differences on a 50/50 basis. It is management's view that the Torrecedenas and Forum Coimbra properties', respectively, deferred tax related to cumulative fair value gains on investment property is unlikely to become payable, and, in the event of a disposal, that 50% of the net deferred tax liability would be recovered from the purchaser. As such, the applicable component of the deferred tax liability has been transferred to non-distributable reserve.

Derivative collateral


The cash component of the Group's derivative collateral and restricted cash on borrowings has been reclassified to cash and cash equivalents to appropriately reflect the LTV position of the Group.

Adjust Hammerson equity accounting to fair value

To disclose Lighthouse's interest in and economic exposure to Hammerson, the investment in equity-accounted associate is removed and the fair value of the Group's interest in Hammerson included.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – SECTORAL

	BUSINESS SEGMENTS – MANAGEMENT ACCOUNTS				GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS				GROUP – IFRS
	Direct property Dec 2022 EUR	Listed real estate Dec 2022 EUR	Listed infrastructure Dec 2022 EUR	Corporate Dec 2022 EUR	Dec 2022 EUR	Retail Property Investments – pro rata exclusion of Resilient's 40% share Dec 2022 EUR	Torrecárdenas and Forum Coimbra Dec 2022 EUR	Derivative collateral Dec 2022 EUR	Adjust Hammerson equity accounting to fair value Dec 2022 EUR	Audited Dec 2022 EUR
ASSETS										
Non-current assets	652 480 857	306 893 047	–	–	959 373 904	149 217 109	–	–	(306 893 047)	801 697 966
Investment property	633 779 000	–	–	–	633 779 000	145 156 000	–	–	–	778 935 000
Investments	–	306 893 047	–	–	306 893 047	–	–	–	(306 893 047)	–
Investment in equity-accounted associate	–	–	–	–	–	–	–	–	–	–
Financial assets	18 701 857	–	–	–	18 701 857	4 061 109	–	–	–	22 762 966
Current assets	22 828 767	738 217	–	7 165 497	30 732 481	8 472 187	–	–	–	39 204 668
Financial assets	–	–	–	–	–	775 766	–	1 901 866	–	2 677 632
Trade and other receivables	12 227 900	–	–	1 306 948	13 534 848	5 928 521	–	–	–	19 463 369
Cash and cash equivalents	10 600 867	738 217	–	5 858 549	17 197 633	1 767 900	–	(1 901 866)	–	17 063 667
Total assets	675 309 624	307 631 264	–	7 165 497	990 106 385	157 689 296	–	–	(306 893 047)	840 902 634
EQUITY AND LIABILITIES										
Total equity attributable to equity holders	–	–	–	686 655 921	686 655 921	24 965 558	(22 842 862)	–	(306 893 047)	381 885 570
Share capital				16 969 761	16 969 761	–	–	–	–	16 969 761
Share premium				396 325 302	396 325 302	–	–	–	–	396 325 302
Share-based payment reserve				369 919	369 919	–	–	–	–	369 919
Treasury shares				(622 125)	(622 125)	–	–	–	–	(622 125)
Non-distributable reserve				149 545 654	149 545 654	–	(22 842 862)	–	(305 654 469)	(178 951 676)
Foreign currency translation reserve				1 084 150	1 084 150	–	–	–	(1 238 578)	(154 428)
Retained earnings				122 983 260	122 983 260	–	–	–	–	122 983 260
Equity attributable to owners	–	–	–	686 655 921	686 655 921	–	(22 842 862)	–	(306 893 047)	356 920 012
Non-controlling interest				–	–	24 965 558	–	–	–	24 965 558
Total liabilities	301 720 409	–	–	1 730 055	303 450 464	132 723 738	22 842 862	–	–	459 017 064
Non-current liabilities	264 688 956	–	–	–	264 688 956	121 744 459	22 842 862	–	–	409 276 277
Interest-bearing borrowings	237 654 976	–	–	–	237 654 976	121 095 347	–	–	–	358 750 323
Deferred tax liabilities	23 566 944	–	–	–	23 566 944	–	22 842 862	–	–	46 409 806
Financial liabilities	3 467 036	–	–	–	3 467 036	649 112	–	–	–	4 116 148
Current liabilities	37 031 453	–	–	1 730 055	38 761 508	10 979 279	–	–	–	49 740 787
Interest-bearing borrowings	17 583 544	–	–	–	17 583 544	2 346 338	–	–	–	19 929 882
Financial liabilities	2 817 423	–	–	–	2 817 423	1 775 897	–	–	–	4 593 320
Trade and other payables	15 982 437	–	–	1 302 506	17 284 943	6 857 044	–	–	–	24 141 987
Current tax liabilities	648 049	–	–	427 549	1 075 598	–	–	–	–	1 075 598
Total equity and liabilities	301 720 409	–	–	688 385 976	990 106 385	157 689 296	–	–	(306 893 047)	840 902 634

 Refer to the segmental analysis on pages 169 to 185.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – SECTORAL continued

	BUSINESS SEGMENTS				GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS				GROUP
	Direct property Dec 2021 EUR	Listed real estate Dec 2021 EUR	Listed infrastructure Dec 2021 EUR	Corporate Dec 2021 EUR	Audited Dec 2021 EUR	Torre de Farol Dec 2021 EUR	Financial liability derivatives from bookbuilds Dec 2021 EUR	Retail Property Investments – pro rata exclusion of Resilient's 25% share Dec 2021 EUR	Listed equities and derivative margin Dec 2021 EUR	Audited Dec 2021 EUR
ASSETS										
Non-current assets	498 977 000	385 062 593	15 555 040	936 182	900 530 815	–	–	82 950 000	(381 953 775)	601 527 040
Investment property	498 977 000	–	–	–	498 977 000	–	–	82 950 000	–	581 927 000
Investments	–	385 062 593	15 555 040	–	400 617 633	–	–	–	(385 062 593)	15 555 040
Investment in equity-accounted associate	–	–	–	–	–	–	–	–	–	–
Financial assets	–	–	–	936 182	936 182	–	–	–	3 108 818	4 045 000
Current assets	28 624 810	–	724 438	5 023 272	–	–	–	6 269 381	(3 108 818)	37 533 083
Trade and other receivables	17 083 117	–	–	113 013	17 196 130	–	–	4 536 493	–	21 732 623
Cash and cash equivalents	11 541 693	–	724 438	4 910 259	17 176 390	–	–	1 732 888	(3 108 818)	15 800 460
Total assets	527 601 810	385 062 593	16 279 478	5 959 454	934 903 335	–	–	89 219 381	(385 062 593)	639 060 123
EQUITY AND LIABILITIES										
Total equity attributable to equity holders	–	–	–	752 606 095	752 606 095	(12 080 205)	–	7 926 252	(385 062 593)	363 389 549
Share capital	–	–	–	18 582 634	18 582 634	–	(2 333 901)	–	–	16 248 733
Share premium	–	–	–	369 852 303	369 852 303	–	–	–	–	369 852 303
Treasury shares	–	–	–	(687 522)	(687 522)	–	–	–	–	(687 522)
Non-distributable reserve	–	–	–	225 446 018	225 446 018	(12 080 205)	2 333 901	–	(385 062 593)	(169 362 879)
Foreign currency translation reserve	–	–	–	(1 393 006)	(1 393 006)	–	–	–	–	(1 393 006)
Share-based payment reserve	–	–	–	194 302	194 302	–	–	–	–	194 302
Retained earnings	–	–	–	140 611 366	140 611 366	–	–	–	–	140 611 366
Non-controlling interest	–	–	–	–	–	–	–	7 926 252	–	7 926 252
Total liabilities	139 851 656	39 655 811	–	2 789 773	182 297 240	12 080 205	–	81 293 129	–	275 670 574
Non-current liabilities	118 756 037	39 655 811	–	–	158 411 848	12 080 205	–	75 421 438	–	245 913 491
Interest-bearing borrowings	96 912 633	39 655 811	–	–	136 568 444	–	–	73 864 046	–	210 432 490
Deferred tax liabilities	16 704 048	–	–	–	16 704 048	12 080 205	–	–	–	28 784 253
Financial liabilities	5 139 356	–	–	–	5 139 356	–	–	1 557 392	–	6 696 748
Current liabilities	21 095 619	–	–	2 789 773	23 885 392	–	–	5 871 691	–	29 757 083
Interest-bearing borrowings	1 068 000	–	–	1 612 512	2 680 512	–	–	–	–	2 680 512
Trade and other payables	19 750 467	–	–	1 131 651	20 882 118	–	–	5 871 691	–	26 753 809
Current tax liabilities	277 152	–	–	45 610	322 762	–	–	–	–	322 762
Total equity and liabilities	139 851 656	39 655 811	–	755 395 868	934 903 335	–	–	89 219 381	(385 062 593)	639 060 123

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – GEOGRAPHICAL

	GEOGRAPHICAL SEGMENTS			GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS				GROUP – IFRS
	Europe Dec 2022 EUR	United Kingdom Dec 2022 EUR	Corporate Dec 2022 EUR	Audited Dec 2022 EUR	Retail Property Investments – pro rata exclusion of Resilient's 40% share Dec 2022 EUR	Torrecedenas and Forum Coimbra Dec 2022 EUR	Derivative collateral Dec 2022 EUR	Adjust Hammerson equity accounting to fair value Dec 2022 EUR	Audited Dec 2022 EUR
ASSETS									
Non-current assets	652 480 857	306 893 047	–	959 373 904	149 217 109	–	–	(306 893 047)	801 697 966
Investment property	633 779 000	–	–	633 779 000	145 156 000	–	–	–	778 935 000
Investments	–	306 893 047	–	306 893 047	–	–	–	(306 893 047)	–
Investment in equity-accounted associate	–	–	–	–	–	–	–	–	–
Financial assets	18 701 857	–	–	18 701 857	4 061 109	–	–	–	22 762 966
Current assets	22 828 767	738 217	7 165 497	30 732 481	8 472 187	–	–	–	39 204 668
Investments	–	–	–	–	–	–	–	–	–
Financial assets	–	–	–	–	775 766	–	1 901 866	–	2 677 632
Trade and other receivables	12 227 900	–	1 306 948	13 534 848	5 928 521	–	–	–	19 463 369
Cash and cash equivalents	10 600 867	738 217	5 858 549	17 197 633	1 767 900	–	(1 901 866)	–	17 063 667
Total assets	675 309 624	307 631 264	7 165 497	990 106 385	157 689 296	–	–	(306 893 047)	840 902 634
EQUITY AND LIABILITIES									
Total equity attributable to equity holders	–	–	686 655 921	686 655 921	24 965 558	(22 842 862)	–	(306 893 047)	381 885 570
Share capital	–	–	16 969 761	16 969 761	–	–	–	–	16 969 761
Share premium	–	–	396 325 302	396 325 302	–	–	–	–	396 325 302
Share-based payment reserve	–	–	369 919	369 919	–	–	–	–	369 919
Treasury shares	–	–	(622 125)	(622 125)	–	–	–	–	(622 125)
Non-distributable reserve	–	–	149 545 654	149 545 654	–	(22 842 862)	–	(305 654 469)	(178 951 677)
Foreign currency translation reserve	–	–	1 084 150	1 084 150	–	–	–	(1 238 578)	(154 428)
Retained earnings	–	–	122 983 260	122 983 260	–	–	–	–	122 983 260
Equity attributable to owners	–	–	686 655 921	686 655 921	–	(22 842 862)	–	(306 893 047)	356 920 012
Non-controlling interest	–	–	–	–	24 965 558	–	–	–	24 965 558
Total liabilities	301 720 409	–	1 730 055	303 450 464	132 723 738	22 842 862	–	–	459 017 064
Non-current liabilities	264 688 956	–	–	264 688 956	121 744 459	22 842 862	–	–	409 276 277
Interest-bearing borrowings	237 654 976	–	–	237 654 976	121 095 347	–	–	–	358 750 323
Deferred tax liabilities	23 566 944	–	–	23 566 944	–	22 842 862	–	–	46 409 806
Financial liabilities	3 467 036	–	–	3 467 036	649 112	–	–	–	4 116 148
Current liabilities	37 031 453	–	1 730 055	38 761 508	10 979 279	–	–	–	49 740 787
Interest-bearing borrowings	17 583 544	–	–	17 583 544	2 346 338	–	–	–	19 929 882
Financial liabilities	2 817 423	–	–	2 817 423	1 775 897	–	–	–	4 593 320
Trade and other payables	15 982 437	–	1 302 506	17 284 943	6 857 044	–	–	–	24 141 987
Current tax liabilities	648 049	–	427 549	1 075 598	–	–	–	–	1 075 598
Total equity and liabilities	301 720 409	–	688 385 976	990 106 385	157 689 296	–	–	(306 893 047)	840 902 634

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – GEOGRAPHICAL continued

	GEOGRAPHICAL SEGMENTS			GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS				GROUP
	Europe Dec 2021 EUR	United Kingdom Dec 2021 EUR	Corporate Dec 2021 EUR	Audited Dec 2021 EUR	Torre de Farol Dec 2021 EUR	Financial liability derivatives from bookbuilds Dec 2021 EUR	Retail Property Investments – pro rata exclusion of Resilient's 25% share Dec 2021 EUR	Listed equities Dec 2021 EUR	Restated' Dec 2021 EUR
ASSETS									
Non-current assets	514 532 040	385 062 593	936 182	900 530 815	–	–	82 950 000	(381 953 775)	601 527 040
Investment property	498 977 000	–	–	498 977 000	–	–	82 950 000	–	581 927 000
Investments	15 555 040	385 062 593	–	400 617 633	–	–	–	(385 062 593)	15 555 040
Investment in equity-accounted associate	–	–	–	–	–	–	–	–	–
Financial assets	–	–	936 182	936 182	–	–	–	3 108 818	4 045 000
Current assets	29 687 252	66 775	4 618 493	34 372 520	–	–	6 269 381	(3 108 818)	37 533 083
Investments	–	–	–	–	–	–	–	–	–
Financial and other assets	–	–	–	–	–	–	–	–	–
Trade and other receivables	17 187 106	3 669	5 355	17 196 130	–	–	4 536 493	–	21 732 623
Cash and cash equivalents	12 500 146	63 106	4 613 138	17 176 390	–	–	1 732 888	(3 108 818)	15 800 460
Total assets	544 219 292	385 129 368	5 554 675	934 903 335	–	–	89 219 381	(385 062 593)	639 060 123
EQUITY AND LIABILITIES									
Total equity attributable to equity holders	–	–	752 606 095	752 606 095	(12 080 205)	–	7 926 252	(385 062 593)	363 389 549
Share capital	–	–	18 582 634	18 582 634	–	(2 333 901)	–	–	16 248 733
Share premium	–	–	369 852 303	369 852 303	–	–	–	–	369 852 303
Treasury shares	–	–	(687 522)	(687 522)	–	–	–	–	(687 522)
Non-distributable reserve	–	–	225 446 018	225 446 018	(12 080 205)	2 333 901	–	(385 062 593)	(169 362 879)
Foreign currency translation reserve	–	–	(1 393 006)	(1 393 006)	–	–	–	–	(1 393 006)
Share-based payment reserve	–	–	194 302	194 302	–	–	–	–	194 302
Retained earnings	–	–	140 611 366	140 611 366	–	–	–	–	140 611 366
Non-controlling interest	–	–	–	–	–	–	7 926 252	–	7 926 252
Total liabilities	180 289 828	41 966	1 965 446	182 297 240	12 080 205	–	81 293 129	–	275 670 574
Non-current liabilities	158 411 848	–	–	158 411 848	12 080 205	–	75 421 438	–	245 913 491
Interest-bearing borrowings	136 568 444	–	–	136 568 444	–	–	73 864 046	–	210 432 490
Deferred tax liabilities	16 704 048	–	–	16 704 048	12 080 205	–	–	–	28 784 253
Financial liabilities	5 139 356	–	–	5 139 356	–	–	1 557 392	–	6 696 748
Current liabilities	21 877 980	41 966	1 965 446	23 885 392	–	–	5 871 691	–	29 757 083
Interest-bearing borrowings	1 068 000	–	1 612 512	2 680 512	–	–	–	–	2 680 512
Financial liabilities	–	–	–	–	–	–	–	–	–
Trade and other payables	20 532 827	20 595	328 696	20 882 118	–	–	5 871 691	–	26 753 809
Current tax liabilities	277 153	21 371	24 238	322 762	–	–	–	–	322 762
Total equity and liabilities	180 289 828	41 966	754 571 541	934 903 335	–	–	89 219 381	(385 062 593)	639 060 123

¹ Refer to note 29.1.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS – SECTORAL

	BUSINESS SEGMENTS – MANAGEMENT ACCOUNTS				GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS			GROUP – IFRS
	Direct property for the year ended Dec 2022 EUR	Listed real estate for the year ended Dec 2022 EUR	Listed infrastructure for the year ended Dec 2022 EUR	Corporate for the year ended Dec 2022 EUR	For the year ended Dec 2022 EUR	Retail Property Investments – pro rata exclusion of Resilient's 25% to 40% share for the year ended Dec 2022 EUR	Investment property and interest rate derivative adjustments for the year ended Dec 2022 EUR	Adjust Hammerson equity accounting to fair value for the year ended Dec 2022 EUR	Revised total for the year ended Dec 2022 EUR
Property rental and related revenue	63 976 345	–	–	–	63 976 345	12 881 157	–	–	76 857 502
Investment revenue	–	40 456 798	101 232	–	40 558 030	–	–	(40 456 798)	101 232
Finance income	–	–	–	55 673	55 673	–	–	–	55 673
Total revenue¹	63 976 345	40 456 798	101 232	55 673	104 590 048	12 881 157	–	(40 456 798)	77 014 407
Fair value gain/(loss) on investment property, investments and derivatives	18 700 030	(102 607 255)	(1 081 878)	203 630	(84 785 473)	6 155 122	(9 772 170)	102 607 255	14 204 734
Fair value gain/(loss) on investment property	7 445 611	–	–	–	7 445 611	3 180 298	(9 772 170)	–	853 739
Fair value gain/(loss) on investments	–	(102 607 255)	(1 081 878)	–	(103 689 133)	–	–	102 607 255	(1 081 878)
Fair value loss on currency, interest rate and other derivatives	11 254 419	–	–	203 630	11 458 049	2 974 824	–	–	14 432 873
Impairment loss	–	–	–	–	–	–	–	–	–
Property operating expenses	(25 170 288)	–	–	–	(25 170 288)	(6 519 804)	–	–	(31 690 092)
Administrative and other expenses	(938 802)	–	–	(5 391 723)	(6 330 525)	(1 510 944)	(2 282 438)	–	(10 123 907)
Foreign exchange loss	–	–	–	692 059	692 059	–	–	–	692 059
Share of loss of equity-accounted associate	–	40 456 798	–	–	40 456 798	–	–	(40 456 798)	–
Operating profit/(loss)	56 567 285	(21 693 659)	(980 646)	(4 440 361)	29 452 619	11 005 531	(12 054 608)	21 693 659	50 097 201
Finance costs	(7 854 518)	(2 862 675)	–	(63 312)	(10 780 505)	(3 448 501)	–	–	(14 229 006)
Other income	–	–	–	–	–	–	–	–	–
Profit/(loss) before income tax	48 712 767	(24 556 334)	(980 646)	(4 503 673)	18 672 114	7 557 030	(12 054 608)	21 693 659	35 868 195
Income tax	(2 752 241)	–	–	(403 619)	(3 155 860)	–	–	–	(3 155 860)
Profit/(loss) for the year attributable to equity holders of the Company	45 960 526	(24 556 334)	(980 646)	(4 907 292)	15 516 254	7 557 030	(12 054 608)	21 693 659	32 712 335

¹ All segmental revenues in 2022 and 2021, respectively, were generated from external customers and from countries other than Malta, the Company's domicile.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS – SECTORAL continued

	BUSINESS SEGMENTS				GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS				GROUP
	Direct property for the year ended Dec 2021 EUR	Listed real estate for the year ended Dec 2021 EUR	Listed infrastructure for the year ended Dec 2021 EUR	Corporate for the year ended Dec 2021 EUR	For the year ended Dec 2021 EUR	Retail Property Investments – pro rata exclusion of Resilient's 25% share for the year ended Dec 2021 EUR	Torre de Farol for the year ended Dec 2021 EUR	Financial liability derivatives from bookbuilds for the year ended Dec 2021 EUR	Listed equities for the year ended Dec 2021 EUR	Restated ² for the year ended Dec 2021 EUR
Property rental and related revenue	29 038 996	–	–	–	29 038 996	2 897 320	–	–	–	31 936 316
Investment revenue	–	39 678 484	3 333 540	–	43 012 024	–	–	–	(39 382 062)	3 629 962
Finance income	29	–	–	162 395	162 424	–	–	–	–	162 424
Total revenue¹	29 039 025	39 678 484	3 333 540	162 395	72 213 444	2 897 320	–	–	(39 382 062)	35 728 702
Fair value gain/(loss) on investment property, investments and derivatives	16 422 922	93 842 598	3 566 175	741 304	114 572 999	5 185 153	(12 080 205)	2 333 901	(93 744 334)	16 267 514
Fair value gain/(loss) on investment property	16 422 922	–	–	–	16 422 922	5 185 153	–	–	–	21 608 075
Fair value gain/(loss) on investments	–	93 842 598	3 566 175	–	97 408 773	–	–	–	(93 744 334)	3 664 439
Fair value gain/(loss) on currency, interest rate and other derivatives	–	–	–	742 467	742 467	–	–	2 333 901	–	3 076 368
Impairment loss	–	–	–	(1 163)	(1 163)	–	(12 080 205)	–	–	(12 081 368)
Property operating expenses	(10 180 147)	–	–	–	(10 180 147)	(1 302 841)	–	–	–	(11 482 988)
Administrative and other expenses	126 832	–	–	(4 513 648)	(4 386 816)	(128 897)	–	–	(136 108)	(4 651 821)
Foreign exchange gain/(loss)	–	–	–	1 274 848	1 274 848	–	–	–	–	1 274 848
Share of loss of equity-accounted associate	–	–	–	–	–	–	–	–	(70 905 185)	(70 905 185)
Operating profit/(loss)	35 408 632	133 521 082	6 899 715	(2 335 101)	173 494 328	6 650 735	(12 080 205)	2 333 901	(204 167 689)	(33 768 930)
Finance costs	(3 575 413)	–	–	(179 173)	(3 754 586)	(591 552)	–	–	–	(4 346 138)
Other income	–	–	–	200 035	200 035	–	–	–	–	200 035
Profit/(loss) before income tax	31 833 219	133 521 082	6 899 715	(2 314 239)	169 939 777	6 059 183	(12 080 205)	2 333 901	(204 167 689)	(37 915 033)
Income tax	(2 389 644)	–	–	(122 583)	(2 512 227)	–	–	–	–	–
Profit/(loss) for the year attributable to equity holders of the Company	29 443 575	133 521 082	6 899 715	(2 436 822)	167 427 550	6 059 183	(12 080 205)	2 333 901	(204 167 689)	(40 427 260)

¹ All segmental revenues in 2021 and 2020, respectively, were generated from external customers and from countries other than Malta, the Company's domicile.

² Refer to note 29.1.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS – GEOGRAPHICAL

	GEOGRAPHICAL SEGMENTS			GROUP – MANAGEMENT ACCOUNTS		MANAGEMENT ACCOUNTS' ADJUSTMENTS			GROUP – IFRS
	Europe for the year ended Dec 2022 EUR	United Kingdom for the year ended Dec 2022 EUR	Corporate for the year ended Dec 2022 EUR	For the year ended Dec 2022 EUR		Retail Property Investments – pro rata exclusion of Resilient's 25% to 40% share for the year ended Dec 2022 EUR	Investment property and interest rate derivative adjustments for the year ended Dec 2022 EUR	Adjust Hammerson equity accounting to fair value for the year ended Dec 2022 EUR	Revised total for the year ended Dec 2022 EUR
Property rental and related revenue	63 976 345	–	–	63 976 345		12 881 157	–	–	76 857 502
Investment revenue	101 232	40 456 798	–	40 558 030		–	–	(40 456 798)	101 232
Finance income	–	–	55 673	55 673		–	–	–	55 673
Total revenue	64 077 577	40 456 798	55 673	104 590 048		12 881 157	–	(40 456 798)	77 014 407
Fair value gain/(loss) on investment property, investments and derivatives	17 922 963	(102 912 066)	203 630	(84 785 473)		6 155 122	(9 772 170)	102 607 255	14 204 734
Fair value gain/(loss) on investment property	7 445 611	–	–	7 445 611		3 180 298	(9 772 170)	–	853 739
Fair value gain/(loss) on investments	(777 067)	(102 912 066)	–	(103 689 133)		–	–	102 607 255	(1 081 878)
Fair value loss on currency, interest rate and other derivatives	11 254 419	–	203 630	11 458 049		2 974 824	–	–	14 432 873
Impairment loss	–	–	–	–		–	–	–	–
Property operating expenses	(25 170 288)	–	–	(25 170 288)		(6 519 804)	–	–	(31 690 092)
Administrative and other expenses	(938 802)	–	(5 391 723)	(6 330 525)		(1 510 944)	(2 282 438)	–	(10 123 907)
Foreign exchange loss	–	–	692 059	692 059		–	–	–	692 059
Share of loss of equity-accounted associate	–	40 456 798	–	40 456 798		–	–	(40 456 798)	–
Operating profit/(loss)	55 891 450	(21 998 470)	(4 440 361)	29 452 619		11 005 531	(12 054 608)	21 693 659	50 097 201
Finance income	(7 854 518)	(2 862 675)	(63 312)	(10 780 505)		(3 448 501)	–	–	(14 229 006)
Other income	–	–	–	–		–	–	–	–
Profit/(loss) before income tax	48 036 932	(24 861 145)	(4 503 673)	18 672 114		7 557 030	(12 054 608)	21 693 659	35 868 195
Income tax	(2 752 241)	–	(403 619)	(3 155 860)		–	–	–	(3 155 860)
Profit/(loss) for the year attributable to equity holders of the Company	45 284 691	(24 861 145)	(4 907 292)	15 516 254		7 557 030	(12 054 608)	21 693 659	32 712 335

CONSOLIDATED STATEMENT OF PROFIT OR LOSS – GEOGRAPHICAL continued

	GEOGRAPHICAL SEGMENTS			GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS				GROUP
	Europe for the year ended Dec 2021 EUR	United Kingdom for the year ended Dec 2021 EUR	Corporate for the year ended Dec 2021 EUR	For the year ended Dec 2021 EUR	Retail Property Investments – pro rata exclusion of Resilient's 25% share for the year ended Dec 2021 EUR	Torre de Farol for the year ended Dec 2021 EUR	Financial liability derivatives from bookbuilds for the year ended Dec 2021 EUR	Listed equities for the year ended Dec 2021 EUR	Restated ² for the year ended Dec 2021 EUR
Property rental and related revenue	29 038 996	–	–	29 038 996	2 897 320	–	–	–	31 936 316
Investment revenue	717 888	39 382 062	2 912 074	43 012 024	–	–	–	(39 382 062)	3 629 962
Finance income	29	–	162 395	162 424	–	–	–	–	162 424
Total revenue¹	29 756 913	39 382 062	3 074 469	72 213 444	2 897 320	–	–	(39 382 062)	35 728 702
Fair value gain/(loss) on investment property, investments and derivatives	18 005 379	93 744 334	–	2 823 286	5 185 153	(12 080 205)	2 333 901	2 333 901	(93 744 334)
Fair value gain/(loss) on investment property	16 422 922	–	–	16 422 922	5 185 153	–	–	–	21 608 075
Fair value gain/(loss) on investments	1 582 457	93 744 334	2 081 982	97 408 773	–	–	–	(93 744 334)	3 664 439
Fair value gain/(loss) on currency, interest rate and other derivatives	–	–	742 467	742 467	–	–	2 333 901	–	3 076 368
Impairment loss	–	–	(1 163)	(1 163)	–	(12 080 205)	–	–	(12 081 368)
Property operating expenses	(10 180 147)	–	–	(10 180 147)	(1 302 841)	–	–	–	(11 482 988)
Administrative and other expenses	(2 460 224)	(229 013)	(1 697 579)	(4 386 816)	(128 897)	–	–	(136 108)	(4 651 821)
Foreign exchange gain/(loss)	–	–	1 274 848	1 274 848	–	–	–	–	1 274 848
Share of loss of equity-accounted associate	–	–	–	–	–	–	–	(70 905 185)	(70 905 185)
Operating profit/(loss)	35 121 921	132 897 383	5 475 024	173 494 328	6 650 735	(12 080 205)	2 333 901	(204 167 689)	(33 768 930)
Finance costs	(3 610 037)	(33)	(144 516)	(3 754 586)	(591 552)	–	–	–	(4 346 138)
Other income	200 035	–	–	200 035	–	–	–	–	200 035
Profit/(loss) before income tax	31 711 919	132 897 350	5 330 508	169 939 777	6 059 183	(12 080 205)	2 333 901	(204 167 689)	(37 915 033)
Income tax	(2 389 644)	(21 371)	(101 212)	(2 512 227)	–	–	–	–	(2 512 227)
Profit/(loss) for the year attributable to equity holders of the Company	29 322 275	132 875 979	5 229 296	167 427 550	6 059 183	(12 080 205)	2 333 901	(204 167 689)	(40 427 260)

¹ All segmental revenues in 2022 and 2021, respectively, were generated from external customers and from countries other than Malta, the Company's domicile.

² Refer to note 29.1.

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Planet Koper

GLA 31 240m² | Value EUR 66 900 000

SHAREHOLDER ANALYSIS

	Number of shares held	Percentage of issued shares
Public	782 781 020	46,13
Non-public		
Directors and associates	389 212 147	22,93
Treasury shares	1 372 268	0,08
Shareholders interest in 10% or more of issued shares	523 610 773	30,86
Total	1 696 976 208	100,00

	Percentage of total shareholders	Number of shareholders	Number of shares held	Percentage of issued shares
SIZE OF HOLDING				
1 to 2 500	75,35	5 312	1 496 019	0,09
2 501 to 10 000	9,28	654	3 402 079	0,20
10 001 to 100 000	9,22	650	21 221 864	1,25
100 001 to 1 000 000	4,31	304	99 279 550	5,85
1 000 001 to 3 500 000	1,16	82	153 331 473	9,04
More than 3 500 000	0,68	48	1 418 245 223	83,57
Total	100,00	7 050	1 696 976 208	100,00

REGISTERED SHAREHOLDERS OWNING 5% AND MORE OF THE SHARES IN ISSUE

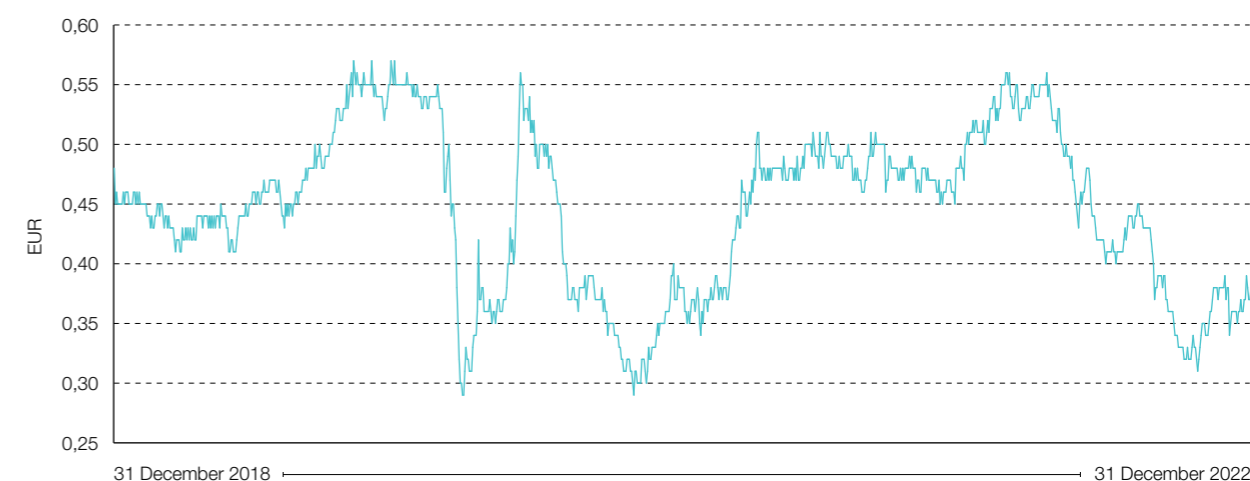
	Number of shares held	Percentage of issued shares
Resilient REIT Limited	523 610 673	30,86
Delsa Investments Proprietary Limited	211 274 483	12,45
Grace Investments One Nine Five Proprietary Limited	86 349 612	5,09
Optimprop 3 Proprietary Limited	86 261 859	5,08
Total	907 496 627	53,48

SUMMARY OF FINANCIAL PERFORMANCE

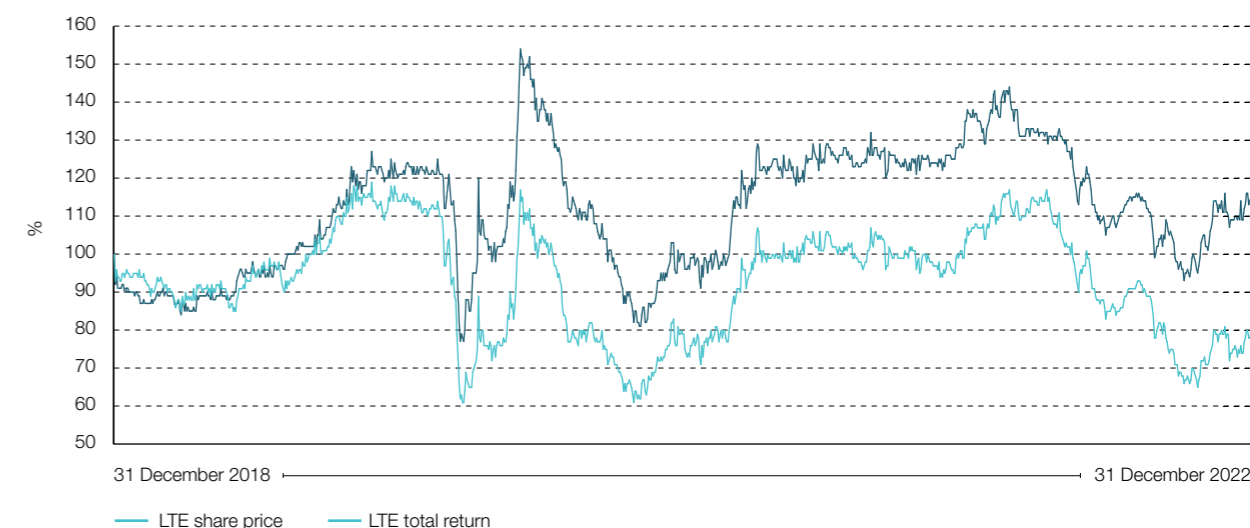
The Board is committed to creating sustainable stakeholder value by managing the portfolio and maximising returns on Lighthouse's assets.

The graphs below indicate the share price performance of Lighthouse on both a price return and total return basis. The performance of the Lighthouse shares is indexed using a base of 100 on 18 December 2018, the date of the share consolidation on a 1 for 20 basis.

CLOSING BALANCE



RELATIVE PERFORMANCE



NOTICE OF ANNUAL GENERAL MEETING



LIGHTHOUSE PROPERTIES p.l.c.
 (Registered in Malta)
 (Registration number: C 100848)
 JSE share code: LTE
 ISIN: MU0461N00015 | LEI: 549300UG27SWRF0X2U62
 ("Lighthouse" or the "Company")

This document is important and requires your immediate attention.

If you are in any doubt as to what action you should take arising from the following resolutions, please consult your stockbroker, banker, attorney, accountant or other professional advisors immediately. Lighthouse has a primary listing on the Main Board of the Johannesburg Stock Exchange Limited ("JSE").

Notice is hereby given that the eighth annual general meeting of the shareholders of Lighthouse ("Annual General Meeting" or "AGM") will be held at the Company's registered office on the 4th Floor, Office 41, Block A, IL-Piazzetta, Tower Road, Sliema, SLM 1605, Malta on Wednesday, 26 April 2023 at 10:00 for the purpose of:

- ▶ Presenting the audited consolidated and separate financial statements for the year ended 31 December 2022 together with the reports of the Directors, the Audit Committee and the Auditor
- ▶ Considering and, if deemed fit, adopting, with or without modification, the shareholder ordinary resolutions and non-binding resolutions set out below
- ▶ Considering and, if deemed fit, adopting the shareholder extraordinary resolutions set out below
- ▶ Unless otherwise stated, ordinary resolutions may be passed at the AGM by a simple majority representing more than 50% (fifty percent) of the voting rights attached to shares represented and entitled to vote at the AGM

ORDINARY RESOLUTION NUMBER 4

Resolved that, the following Directors, who retire from office following the expiration of their period of appointment as set out at the previous annual general meeting held on 20 May 2022, and who are eligible and offering themselves for re-election are hereby re-elected for the periods set out below, each by way of a separate vote.

Resolution	Member/Chairperson	Expiry date of period of appointment
4.1	Mark Olivier	End of 2026 AGM
4.2	Karen Bodenstein	End of 2026 AGM
4.3	Jacobus van Biljon	End of 2026 AGM

Explanatory note

In order to ensure adequate rotation among the Directors, they have been appointed for different periods of up to a maximum of 3 (three) years in terms of Article 118 of the Company's Articles of Association as approved by the shareholders at the previous AGM held on 20 May 2022. The periods of appointment of the Directors listed above have expired, resulting in their re-election at this AGM. The remaining Directors are still within their periods of appointment. Brief curricula vitae of the above Directors are included on page 196 of this notice of AGM.

- ▶ Extraordinary resolutions require a 75% (seventy-five percent) majority by the nominal value of shares represented at the AGM and entitled to vote and at least 51% (fifty-one percent) in nominal value of all the shares entitled to vote at the AGM.

ORDINARY RESOLUTION NUMBER 1

Resolved that, the audited consolidated and separate financial statements for the financial year ended 31 December 2022, and the Directors' and Auditor's reports thereon be received and adopted.

ORDINARY RESOLUTION NUMBER 2

Resolved that, PricewaterhouseCoopers Malta ("PwC Malta" or the "Auditor") be and is hereby reappointed as the auditor of the Company.

Explanatory note

The Audit Committee has assessed and confirmed the suitability for the appointment of PwC Malta and Mr Christopher Cardona in accordance with paragraph 3.84(g)(iii) of the JSE Listings Requirements.

ORDINARY RESOLUTION NUMBER 3

Resolved that, the Directors be and are hereby authorised to determine the remuneration of the Company's Auditor.

ORDINARY RESOLUTION NUMBER 5

Resolved that, fees to be paid by the Company to the Non-Executive Directors for their services as Directors, and as members of the Company's sub-committees, be and are hereby approved as follows:

Non-Executive Directors' Remuneration

Proposed Non-Executive Directors' fees for the year ending 31 December 2023

Participation	Member/ chairperson	Annual remuneration EUR
Board of Directors	Chairperson	33 300
Board of Directors	Member	16 600
Audit Committee	Chairperson	7 100
Audit Committee	Member	4 200
Risk Committee	Chairperson	4 200
Risk Committee	Member	2 800
Investment Committee	Chairperson	7 100
Investment Committee	Member	4 200
Remuneration Committee	Chairperson	4 200
Remuneration Committee	Member	2 800
Nomination Committee	Chairperson	4 200
Nomination Committee	Member	2 800
Social and Ethics Committee	Chairperson	2 800
Social and Ethics Committee	Member	1 500

ORDINARY RESOLUTION NUMBER 6

Resolved that, subject to the provisions of the Maltese Companies Act (Cap 386, Laws of Malta) ("Companies Act") and the JSE Listings Requirements, and pursuant to, inter alia, the Company's Memorandum and Articles of Association ("MAs"), the Board of Directors ("Board") of the Company be and is hereby authorised to allot and issue additional shares of the Company for cash, until this authority lapses which shall be at the next AGM or 15 (fifteen) months from the date hereof, whichever is the earlier, and which authority is subject to the restrictions below:

- ▶ The allotment and issue of shares must be made to persons qualifying as public shareholders and not to related parties, as defined in the JSE Listings Requirements, provided that if the Company undertakes an equity raise via a bookbuild process, shares may be allotted and issued to related parties on the basis that such related parties may only participate in the equity raise at the maximum bid price at which they are prepared to take up shares or at the book close price in accordance with the provisions contained in paragraph 5.52(f) of the JSE Listings Requirements
- ▶ The shares, which are the subject of the issue for cash, must be of a class already in issue or, where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue

- ▶ The total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 509 092 862 shares, being 30% (thirty percent) of the total issued share capital as at the date of this AGM notice. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 509 092 862 shares the Company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority
- ▶ In the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio
- ▶ The maximum discount at which the shares may be issued is 10% (ten percent) of the weighted average traded price of such shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the shares
- ▶ After the Company has issued shares for cash which represent, on a cumulative basis, within the period that this authority is valid, 5% (five percent) or more of the number of shares in issue prior to that issue, the Company shall publish an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average trading price of the shares over the 30 (thirty) days prior to the date that the issue is agreed in writing and an explanation, including supporting information (if any), of the intended use of the funds
- ▶ Shareholders should note that for as long as the Board is authorised to issue shares (whether in terms of the authorisation proposed in this ordinary resolution number 6 or otherwise) the Board will, pursuant to Article 5 of the Company's Articles of Association, withdraw or restrict the pre-emption rights of shareholders in respect of any such issuance.

Explanatory note

In terms of the JSE Listings Requirements, in order for ordinary resolution number 6 to be adopted, the support of at least 75% (seventy-five percent) of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

ORDINARY RESOLUTION NUMBER 7

Resolved that, without prejudice to the authority granted under ordinary resolution number 6 and subject to the provisions of the Companies Act and the JSE Listings Requirements, where applicable, the Board of Directors of the Company be and is hereby authorised to allot and issue such number of additional ordinary shares up to the authorised share capital of the Company at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, until this authority lapses, which shall be at the next AGM or 15 (fifteen) months from the date of passing this ordinary resolution, whichever is the earlier. Provided that, when issuing shares under this authority, the Board shall observe all applicable

rules and requirements including, inter alia, (i) the Companies Act, (ii) the JSE Listings Requirements and (iii) where the allotment or issue is undertaken in terms of a vendor consideration placement pursuant to the JSE Listings Requirements, the pricing mechanism is subject to the pricing limitations set out in the JSE Listings Requirements.

Shareholders should note that for as long as the Board is authorised to issue shares (whether in terms of the authorisation proposed in this ordinary resolution number 6 or otherwise) the Board will, pursuant to Article 5 of the Company's Articles of Association, withdraw or restrict the pre-emption rights of shareholders in respect of any such issuance.

Explanatory note

The reason for this ordinary resolution number 7 is to authorise the Board to allot and issue additional shares of the Company without the need for further shareholder approval.

The effect of the resolution, if passed, will be to grant the requisite authority to the Board to issue new ordinary shares in the issued share capital of the Company such that the issued share capital of the Company may be less than or equal to the authorised share capital of the Company.

The effect of this authority shall be without prejudice to the authority granted to the Board under ordinary resolution number 6.

ORDINARY RESOLUTION NUMBER 8

Resolved that, any Director of the Company and/or the Company Secretary, each acting singly and with full power of substitution and delegation, be and are hereby authorised to do all such things and sign all such documents as may be required to give effect to ordinary resolutions numbers 1 to 7, non-binding resolutions numbers 1 and 2 and extraordinary resolutions numbers 1 and 2.

NON-BINDING RESOLUTION NUMBER 1

Resolved that, in accordance with the JSE Listings Requirements and the King IV report on Corporate Governance for South Africa, 2016™ (“King IV™”), and through a non-binding advisory vote, the Company's remuneration policy be and is hereby approved.

NON-BINDING RESOLUTION NUMBER 2

Resolved that, in accordance with the JSE Listings Requirements and King IV™, and through a non-binding advisory vote, the remuneration implementation report be and is hereby approved.

Explanatory note

The remuneration policy and remuneration implementation report are disclosed in detail on pages 86 to 91 of the Integrated Report.

Should non-binding resolutions numbers 1 and/or 2, which are of an advisory nature, be voted against by 25% (twenty-five percent) or more of the voting rights exercised, the Board undertakes to engage with those shareholders who voted against non-binding resolutions numbers 1 and/or 2 in order to ascertain the reasons therefore and to address legitimate and reasonable objections or concerns.

EXTRAORDINARY RESOLUTION NUMBER 1

Resolved that, the Company be and is hereby authorised by way of a general authority to acquire shares issued by the Company pursuant to Article 19 of the Articles of Association of the Company and in accordance with Article 106 of the Companies Act and subject to the following requirements:

- ▶ Any acquisition of shares shall be implemented through the order book of the JSE and without prior arrangement
- ▶ This general authority shall be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of passing this extraordinary resolution
- ▶ The Company is duly authorised by its MAs to do so
- ▶ The number of shares that may be acquired in terms of this resolution may not exceed 5% (five percent) of the Company's issued ordinary share capital as at the date of passing this extraordinary resolution
- ▶ In determining the price at which shares issued by the Company are acquired by it or any of its subsidiaries in terms of this general authority: (i) the maximum premium at which such shares may be acquired will be 10% (ten percent) of the weighted average of the market value of the shares on the JSE over the 5 (five) business days immediately preceding the repurchase of such shares; and (ii) the minimum price at which such shares may be acquired will be the nominal value of the shares
- ▶ At any point in time, the Company (or any subsidiary) may appoint only one agent to effect repurchases on its behalf
- ▶ Repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless a repurchase programme is in place (where the dates and quantities of shares to be repurchased during the prohibited period are fixed) and has been submitted to the JSE in writing prior to commencement of the prohibited period
- ▶ An announcement will be published as soon as the Company or any of its subsidiaries have acquired shares constituting, on a cumulative basis, 3% (three percent) of the number of shares in issue prior to the granting of the repurchase authority and pursuant to which the aforesaid threshold is reached, and for each 3% (three percent) in aggregate acquired thereafter, containing full details of such repurchases
- ▶ The Board of the Company must resolve that the repurchase is authorised, the Company and its subsidiaries have passed the solvency and liquidity test and since that test set out in terms of Article 106(1)(e) of the Companies Act was performed, there have been no material changes in the financial position of the Group.

Explanatory note

In accordance with the JSE Listings Requirements, the Directors record that, although there is no immediate intention to effect a repurchase of the shares of the Company, the Directors will utilise this general authority to repurchase shares, as and when suitable opportunities present themselves, which may require expeditious and immediate action.

The Directors undertake that, after considering the maximum number of shares that may be repurchased and the price at which the repurchases may take place pursuant to the general authority,

for a period of 12 (twelve) months after the date of notice of this AGM:

- ▶ The Company and the Group will, in the ordinary course of business, be able to pay their debts
- ▶ The consolidated assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards (“IFRS”), will exceed the consolidated liabilities of the Company and the Group, fairly valued in accordance with IFRS, and
- ▶ The Company's and the Group's share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in the Integrated Report, is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of this general authority:

- ▶ Major beneficial shareholders – page 198 of this notice.
- ▶ Share capital of the Company – page 198 of this notice.

The reason for and effect of extraordinary resolution number 1

The reason for extraordinary resolution number 1 is to afford the Company a general authority to effect a repurchase of the Company's shares on the JSE.

The effect of the resolution will be that the Directors will have the authority, subject to the JSE Listings Requirements, the Companies Act and the Company's MAs, to effect repurchases of the Company's shares.

EXTRAORDINARY RESOLUTION NUMBER 2

Resolved that, the Memorandum of Association and the Articles of Association be and are hereby amended as set out below:

Memorandum of Association:

- ▶ by the insertion of a new Clause 4A in substitution of the existing Clause 4A and by the insertion of a new Clause 4H and the renaming of the existing Clause 4H to Clause 4I
- ▶ by the amendment of the name of the Company Secretary from Maitland Malta Limited to Stonehage Fleming Malta Limited.

Articles of Association:

- ▶ by the insertion of new clauses 163 and 164 and the insertion of a new clause 165 in substitution of the existing clause 165 and the updating of the remaining clause numbers to reflect the insertions.

Memorandum of Association

4 The objectives of the Company are:

Mainly to:

- (A) directly or indirectly (through companies that it controls and manages):
 - (a) acquire any urban (or with an analogous condition) land, real estate or property rights, as well as any assets and rights that may constitute an accessory or annex to said real estate,

- (b) construct buildings and all operations directly or indirectly related to the construction of these buildings, with a view to:
 - ▶ the exploitation and development by way of rental of these real estate assets; and
 - ▶ the leasing of all real estate
- (c) invest in the capital of other entities:
 - (i) applying the SOCIMI (Sociedades Anónimas Cotizadas de Inversión Inmobiliaria) regime regulated under Law 11/2009 of 26 October (“SOCIMI Law”) or other non-Spanish resident entities which have the same corporate purpose and are subject to a similar regulation to SOCIMI, either legal or statutory, regarding the mandatory policy of distributing dividends.
 - (ii) Spanish tax residents or not, which have as their main corporate objective the acquisition or development of urban (or with an analogous condition) real estate assets and which are subject to a similar regulation to SOCIMI, either legal or statutory, regarding the mandatory policy of distributing dividends and meeting the investment requirements foreseen in the SOCIMI Law.
- (H) consolidate its results pursuant to any requirement or right in terms of Maltese law, including but not limited to the Companies Act, the Income Tax Act (Chapter 123 of the laws of Malta) and the Income Tax Management Act (Chapter 372 of the laws of Malta), including any subsidiary legislation enacted thereto; and
- (I) do all such other things which are incidental, ancillary or conducive to the attainment of the above objectives or any of them.

Articles of Association

163. On an annual basis and within six months after the financial year of the Company, the Directors shall subject to Article 164 below and to the provisions of the Companies Act, resolve to declare a distribution of the following profits, subject to the conditions set out below:
- (a) one hundred percent (100%) of the profits obtained from dividends or participation in profits distributed by entities mentioned in Clause 4(A)(c) of the Memorandum;
 - (b) at least fifty percent (50%) of the profits obtained from the (i) transfer of real estate assets or (ii) shares of entities mentioned in Clause 4.(A).(c) of the Memorandum held during at least three years, and
 - (c) at least eighty percent (80%) of any other profits of the Company:
 - i. after all contractual obligations, such as financial commitments, are duly met; and
 - ii. provided that any such distribution will be permissible in terms of all applicable legislation and regulations, including but not limited to the fulfilment of solvency and liquidity requirements immediately after completing any distribution.

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164. Payment of dividends shall be made on or about one month from the date a resolution of the Directors is passed.
165. Subject to the limits established in Article 163 above, the Directors may, before recommending any dividend, set aside, out of the profits of the Company available for distribution, any such sum as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the Company) as the Directors may from time to time think fit. The Directors may also divide any such reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think fit. The Directors may also, without placing the same to reserve, carry forward any profits which they think prudent not to divide.

The reason for and effect of extraordinary resolution number 2

The reason for extraordinary resolution number 2 is to align the MAs with the requirements of the Spanish SOCIMI regime.

The effect of the resolution will be that the MAs will comply with all relevant Spanish SOCIMI regime requirements applicable to the Group.

The existing MAs of Lighthouse, together with the proposed amendments, will be available for inspection on the Company's website, at the registered office of the Company as well as at the offices of its JSE sponsor, Java Capital, from the date of posting of this notice of AGM until the commencement of the AGM.

DIRECTORS' RESPONSIBILITY STATEMENT IN RELATION TO THE ABOVE RESOLUTIONS

The Directors, whose names appear in the corporate information section of this notice, collectively and individually accept full responsibility for the accuracy of the information pertaining to the above extraordinary resolutions and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the extraordinary resolutions contain all information required by the JSE Listings Requirements.

STATEMENT OF THE DIRECTORS

The Directors consider that the passing of ordinary resolutions numbers 1 to 8, non-binding resolutions numbers 1 and 2 and extraordinary resolution numbers 1 and 2 are in the best interest of the Company and its shareholders as a whole, and accordingly recommend that you vote in favour of all the resolutions to be proposed at the AGM.

DATES

The salient dates and times in relation to the AGM are set out below.

	2023
Last day to trade to receive notice of, participate in and vote at the AGM	Wednesday, 22 March
Record date to receive notice of, participate in and vote at the AGM	Monday, 27 March
Notice of AGM posted to shareholders*	Tuesday, 28 March
Last day to lodge forms of proxy for the AGM by 10:00	Monday, 24 April
AGM held at 10:00	Wednesday, 26 April
Results of AGM released on the Stock Exchange News Service on or before	Friday, 28 April

* Members who have consented to receive communication by electronic means will be emailed accordingly.

VOTING AND PROXIES

To be entitled to attend and vote at the AGM (and for the Company, to be able to determine the number of votes that may be cast), shareholders must be entered in the register of members maintained by the Company Secretary on the record date.

Members holding shares in dematerialised form in "own-name":

- ▶ May attend and vote at the AGM, alternatively
- ▶ May appoint an individual as a proxy (who need not also be a member of the Company) to attend, participate in and speak and vote in your place at the AGM by completing the attached form of proxy and returning it to the Company Secretary (by hand, by post, by fax or by email), by no later than 10:00 on Monday, 24 April 2023. Please note that the attached form of proxy must be delivered to the Company Secretary (by hand, by post, by fax or by email) or JSE Investor Services Proprietary Limited ("Transfer Secretary(ies)") by the deadline stipulated above, before your proxy may exercise any of your rights as a member of the Company at the AGM.

Please note that any member of the Company that is a company may authorise any person to act as its representative at the AGM.

Please note that if you are the owner of dematerialised shares held through a Central Securities Depository Recipient ("CSDP") or broker (or their nominee) and are not registered as an "own-name" dematerialised shareholder, then you are not a registered shareholder of the Company, but your CSDP or broker (or their nominee) would be.

Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker as the case may be:

- ▶ If you wish to attend the AGM you must contact your CSDP or broker and obtain the relevant letter of representation from it, alternatively
- ▶ If you are unable to attend the AGM but wish to be represented at the AGM, you must contact your CSDP or broker and furnish it with your voting instructions in respect of the AGM and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, within the time period required by your CSDP or broker
- ▶ CSDPs or brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the AGM or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the Company Secretary or delivering it to the Transfer Secretaries (by hand, by post, by fax or by email or delivering it to the Transfer Secretaries), by no later than 10:00 on Monday, 24 April 2023.

VOTING AT THE ANNUAL GENERAL MEETING

In order to more effectively record the votes and give effect to the intentions of members, voting on all resolutions will be conducted by way of a poll.

RIGHT TO ASK QUESTIONS

Each shareholder (or proxy holder) shall have the right to submit questions which are pertinent and related to items on the agenda of the AGM to the Company Secretary by email to lighthouse@stonehagefleming.com by not later than 7 (seven) days prior to the AGM. An answer to a question will not be given in those cases specified in Article 90 of the Company's Articles of Association.

OTHER

As at the date of this notice, the Company has 1 696 976 208 ordinary shares in issue (one vote per share). All documents to be submitted to the AGM including the Integrated Report (which includes inter alia (i) the audited consolidated and separate financial statements for the financial year ended 31 December 2022 and the Directors' and Auditor's reports thereon, (ii) the Company's remuneration policy and (iii) the remuneration implementation report) will be made available on the Company's website at <https://www.lighthouse.mt/financials/> and <https://www.lighthouse.mt/corporate-governance/> respectively with effect from 17 March 2023.

By order of the Board



Stonehage Fleming Malta Limited

4th Floor, Avantech Building, St Julian's Road, San Gwann, SGN 2805, Malta
Company Secretary

17 March 2023

Address of the registered office

4th Floor, Office 41, Block A, IL-Piazzetta, Tower Road, Sliema, SLM 1605, Malta

Address of the Transfer Secretaries (South Africa)

JSE Investor Services Proprietary Limited
5th Floor, One Exchange Square, Gwen Lane, Sandown, 2196, South Africa.
(PO Box 4844, Johannesburg, 2000)

Address of the Company Secretary (Malta)

Stonehage Fleming Malta Limited
4th Floor, Avantech Building, St Julian's Road, San Gwann, SGN 2805, Malta

Address of the JSE sponsor

Java Capital Trustees and Sponsors Proprietary Limited
6th Floor, 1 Park Lane, Wierda Valley, Sandown, 2196

BRIEF CURRICULA VITAE OF THE DIRECTORS STANDING FOR RE-ELECTION

CHAIRPERSON

Mark Olivier (54)

CA(SA)

(British – based in Mauritius)

Date of appointment: 28 June 2016

Mark has over 25 years' experience in managing debt, property and private equity assets and providing corporate finance and strategic advice, predominantly to public companies in the United Kingdom.

Prior to founding Hibridge Capital UK Limited (a London-based, boutique private equity and advisory business) in 2003, he was a shareholder and employee of Hawkpoint Partners UK Limited, which was previously the corporate finance division of NatWest Markets Limited. He worked for BoE Limited, where he served on the Executive Committee of the Group's international business headquartered in London and worked at KPMG as a manager in their London offices.

For over 12 years he has managed a closed-ended fund investing in affordable, residential properties located in central London and rented predominantly to local councils. He is currently the Chairperson of African Rainbow Capital Investments Limited and Trellidor Holdings Limited, both listed on the Main Board of the JSE. He was previously Chairperson of Rockcastle Global Real Estate Company Limited ("Rockcastle") prior to its merger with New Europe Property Investments plc. Mark was also Chairperson of a China and retail-focused real estate company managed by Blackstone Inc. and Macquarie Asset Management prior to its disposal.

CHIEF FINANCIAL OFFICER

Jacobus van Biljon (47)

CA(SA), CFA, CAIA, CGMA, MSc Finance

(South African – based in the Netherlands)

Date of appointment: 16 August 2017

Jacobus commenced his career at KPMG in Johannesburg, completed his articles in 2003 and focused on the banking and real estate sectors. In 2006, he transferred to KPMG in New York City where he spent several years as advisor and consultant to global real estate, private equity and other alternative asset management firms. He joined Rockcastle in 2014, initially working on Zambian and Polish retail property investments. In March 2015, he joined the Resilient Africa team in Lagos, Nigeria as Chief Financial Officer. He joined Lighthouse in 2017.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Karen Bodenstein (41)

BCom (Accounting Sciences)

(Mauritian)

Date of appointment: 27 September 2016

Karen is an accountant with over 20 years' experience in financial reporting and oversight roles. She works as a consultant providing management and financial accounting services to global and domestic companies in Mauritius. She has exposure to Directorships on listed companies on both the Stock Exchange of Mauritius and the JSE. She was an Executive Director of Rockcastle, where she was the Chairperson of the Risk and Ethics Committee. She is currently the Chief Financial Officer of African Rainbow Capital Investments Limited and an Independent Non-Executive Director of Pembani Remgro Infrastructure Fund. She holds a BCompt (Accounting Sciences) degree from the University of South Africa and an Advanced Diploma in Management Accounting from the Chartered Institute of Management Accountants. Karen has been living in Mauritius since 2007.

ELECTRONIC COMMUNICATION ELECTION

Dear shareholder

You are invited to help reduce the impact on the environment and save costs

By electing to receive all of your communication electronically, you can help to reduce paper use, cut carbon emissions and save costs.

The Transfer Secretaries on behalf of Lighthouse will:

Email you when Company announcements, Integrated Reports and notice of meeting documents are made available for downloading from Lighthouse's website.

No longer send you a printed version of these documents in the mail.

You are invited to help reduce the impact on the environment and save costs.

SHAREHOLDERS HOLDING SHARES THROUGH A STOCKBROKER OR CUSTODIAN

Please contact your broker and request that they ensure your email address is made available on the share register for you to receive electronic communication.

If you have an online login to your account, update your preferences and ensure you select email communication.

Alternatively, please complete the fields below and return to the Transfer Secretaries, on ValerieR@jseinvestorservices.co.za or meetfax@jseinvestorservices.co.za or the Company Secretary on lighthouse@stonehagefleming.com.

Name of shareholder

Email address

Contact number

Signature

ADDITIONAL INFORMATION

MAJOR BENEFICIAL SHAREHOLDERS

	Number of shares held	Percentage of issued shares
Registered shareholders owning 5% or more of issued shares		
Resilient REIT Limited	523 610 673	30,9
Delsa Investments Proprietary Limited	211 274 483	12,4
Grace Investments One Nine Five Proprietary Limited	86 349 612	5,1
Optimprop 3 Proprietary Limited	86 261 859	5,1
Total	907 496 627	53,4

SHARE CAPITAL OF THE COMPANY

	2022 EUR	2021 EUR
Authorised		
100 000 000 000 (2021: 100 000 000 000) ordinary shares with a par value of EUR 0,01 per share		
Issued		
1 696 976 208 (2021: 1 624 873 544) ordinary shares with a par value at an average of EUR 0,01	16 969 761	16 248 733

FORM OF PROXY



LIGHTHOUSE PROPERTIES p.l.c.
 (Registered in Malta)
 (Registration number: C 100848)
 JSE share code: LTE
 ISIN: MU0461N00015 | LEI: 549300UG27SWRF0X2U62
 ("Lighthouse" or the "Company")

This document is important and requires your immediate attention.

For use by the holders of the Company's dematerialised shares held through a CSDP or broker who have selected "own-name" registration ("own-name" dematerialised shareholders), at the AGM of members of the Company to be held at the Company's registered office, 4th Floor, Office 41, Block A, IL-Piazzetta, Tower Road, Sliema, Malta on Wednesday, 26 April 2023 at 10:00 or at any adjournment thereof if required. Additional forms of proxy are available from the Company's registered office.

Not for use by dematerialised shareholders who have not selected "own-name" registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the AGM and request that they be issued with the necessary letter of representation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the AGM in order for the CSDP or broker to vote in accordance with their instructions at the AGM.

I/We _____ (name(s) in block letters)

of (address) _____

being the registered holder of _____ ordinary shares in the capital of the Company do hereby appoint:

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the Chairperson of the AGM

as my/our proxy to act for me/us on my/our behalf at the AGM to be held on Wednesday, 26 April 2023 at 10:00 or any adjournment thereof, which will be held for purposes of considering and, if deemed fit, passing, the ordinary and extraordinary resolutions to be proposed thereat as detailed in the notice of AGM, and to vote for and/or against such resolutions and/or to abstain from voting for and/or against the resolutions in respect of the shares registered in my/our name in accordance with the following instructions:

	For	Against	Abstain
Ordinary resolution number 1 (Receiving and adopting the audited consolidated and separate financial statements for the 12 months ended 31 December 2022)			
Ordinary resolution number 2 (Reappointment of the Auditor)			
Ordinary resolution number 3 (Authorising Directors to determine the Auditor's remuneration)			
Ordinary resolution number 4.1 (Re-election of Mark Olivier as a Director and election as Chairperson)			
Ordinary resolution number 4.2 (Re-election of Karen Bodenstein as a Director)			
Ordinary resolution number 4.3 (Re-election of Jacobus van Biljon as a Director)			


	For	Against	Abstain
Ordinary resolution number 5 (Approving Non-Executive Directors' fees)			
Ordinary resolution number 6 (General authority to issue shares for cash)			
Ordinary resolution number 7 (Control over unissued shares)			
Ordinary resolution number 8 (Authority for Directors and/or the Company Secretary to implement resolutions)			
Non-binding resolution number 1 (Non-binding advisory vote on the remuneration policy)			
Non-binding resolution number 2 (Non-binding advisory vote on the remuneration implementation report)			
Extraordinary resolution number 1 (Approval of the repurchase of shares)			
Extraordinary resolution number 2 (Amendments to the Memorandum of Association and Articles of Association)			

Signed at _____ on _____ 2023

Signature _____

Assisted by (where applicable) _____

(Indicate instructions to proxy in the spaces provided above.) Unless otherwise instructed, my proxy may vote as he/she thinks fit.

 Please read the notes on page 201.

NOTES TO THE FORM OF PROXY

- Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
- Members that are "own-name" dematerialised shareholders or hold ordinary shares in certificated form and are entitled to attend and vote at the AGM may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space(s) provided, with or without deleting "the Chairperson of the AGM", but any such deletion must be initialled by the shareholder(s). Such proxy(ies) may participate in, speak and vote at the AGM in the place of that shareholder at the AGM. The person whose name stands first on the form of proxy, and who is present at the meeting, will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy, the Chairperson shall be deemed to be appointed as the proxy.
- A member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the member in the appropriate box(es) provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the Chairperson, to vote or abstain from voting as deemed fit and, in the case of the Chairperson, to vote in favour of the resolution.
- A member or his/her proxy is not obliged to use all the votes exercisable by the member, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the shares held by the member.
- A shareholder may revoke the proxy appointment by:
 - Cancelling it in writing, or making a later inconsistent appointment of a proxy.
 - Delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered in the required manner.
- The Chairperson of the AGM may reject or accept any form of proxy which is completed and/or received otherwise than in compliance with these notes and the Company's Articles of Association, provided that, in respect of acceptances, the Chairperson is satisfied as to the manner in which the member concerned wishes to vote.
- The completion and lodging of this form of proxy will not preclude the relevant member from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
- Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company or the Company Secretary or waived by the Chairperson of the AGM.
- A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company or the Company Secretary.
- Where there are joint holders of shares, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted and only that holder whose name appears first in the register in respect of such shares needs to sign this form of proxy. Forms of proxy must be deposited at, posted, faxed or emailed, to be received by no later than 10:00 on Monday, 24 April 2023 to either:

The Company Secretary – Stonehage Fleming Malta Limited
4th Floor, Avantech Building, St Julian's Road, San Gwann, SGN 2805, Malta
Tel: +356 2144 6377
Fax: +356 2144 6330
Email: lighthouse@stonehagefleming.com

The Transfer Secretary – JSE Investor Services Proprietary Limited
5th Floor, One Exchange Square, Gwen Lane, Sandown, 2196
Tel: +27 11 713 0800
Email: meetfax@jseinvestorservices.co.za

GLOSSARY

AGM	Annual General Meeting
Board	The Board of Directors of Lighthouse Properties p.l.c.
BREEAM	Building Research Establishment's Environmental Assessment Method
CO2	Carbon dioxide
CODM	Chief Operating Decision-maker
Companies Act	Maltese Companies Act (Cap. 386. Laws of Malta)
COVID-19	Coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
CPI	Consumer Price Index
CSI	Corporate social investment
ECL(s)	Expected credit loss(es)
ESG	Environmental, social and governance
EU	European Union
EUR	Euro
Euribor	Euro Interbank Offered Rate
FX	Foreign exchange
GBC 1	Category 1 Global Business Licence
GBP	Pound Sterling
GHG	Greenhouse gas
GLA	Gross lettable area
Hammerson	Hammerson plc
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
ISAs	International Standards on Auditing
IT	Information technology
JSE	Johannesburg Stock Exchange Limited
kg	kilogramme
King IV™	King IV Report on Corporate Governance for South Africa, 2016™
km	Kilometre
KPI	Key performance indicator
kWh	Kilowatt hour
kWp	Kilowatt peak power output of a system
LED	Light-emitting diode

Lighthouse or the Group	The Company and its subsidiaries
Lighthouse Properties or the Company	Lighthouse Properties p.l.c. (formerly known as Lighthouse Capital Limited)
LTE	Lighthouse Properties p.l.c.'s share code on the JSE
LTV	Loan-to-value
m2	Square metre
m3	Cubic metre
MAs	The Company's Memorandum and Articles of Association
MWh	Megawatt hour
NAV	Net asset value
PV	Photovoltaic
PwC Malta	PricewaterhouseCoopers Malta
REIT	Real Estate Investment Trust
Resilient	Resilient REIT Limited
Retail Property Investments	Retail Property Investments SAS
SDGs	Sustainable Development Goals
SEM	Stock Exchange of Mauritius
SENS	Stock Exchange News Service
SOCIMI Law	The Spanish Societies Anónimas Cotizadas de Inversión Inmobiliaria regime regulated under Law 11/2009 of 26 October
Stonehage	Stonehage Fleming Malta Limited
TCFD	Task Force on Climate-related Financial Disclosures
tCO2e	Tonnes of carbon dioxide equivalent
TGP	Total guaranteed package
TorreCárdenas	Centro Commercial TorreCárdenas
UK	United Kingdom
UN SDGs	United Nations Sustainable Development Goals
VAT	Value-added tax
ZAR	South African Rand

CORPORATE INFORMATION

COMPANY DETAILS AND REGISTERED OFFICE

Lighthouse Properties p.l.c.
Registration number: C 100848
Registered in Malta on 29 December 2021
ISIN: MU0461N00015
JSE share code: LTE
LEI: 549300UG27SWRFOX2U62
4th Floor, Office 41, Block A, IL-Plazzetta, Tower Road,
Sliema SLM 1605, Malta
Email: info@lighthouse.mt
Website: www.lighthouse.mt
Tel: +356 2134 4560

BOARD OF DIRECTORS

Mark Olivier* (*Chairperson*)
Justin Muller*** (*Chief Executive Officer*)
Edward Mc Donald*** (*Chief Operating Officer*)
Jacobus van Bijljon*** (*Chief Financial Officer*)
Stuart Bird*
Karen Bodenstein*
Desmond de Beer**
Anthony Doublet*
Stephen Paris*
Barry Stuhler*

* *Independent Non-Executive Director*
** *Non-Independent Non-Executive Director*
*** *Executive Director*

NETHERLANDS OFFICE

World Trade Centre Tower A
Level 7, Strawinskylaan 703
1077XX
Amsterdam
The Netherlands

SOUTH AFRICAN TRANSFER SECRETARY

JSE Investor Services Proprietary Limited
5th Floor, One Exchange Square, Gwen Lane, Sandown, 2196
(PO Box 4844, Johannesburg, 2000)
South Africa

JSE SPONSOR

Java Capital
6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196
(PO Box 522606, Saxonwold, 2132)
South Africa

MALTESE MANAGEMENT COMPANY AND COMPANY SECRETARY

Stonehage Fleming Malta Limited
4th Floor, Avantech Building, St Julian's Road
San Gwann
SGN 2805
Malta

MALTESE REGISTRAR AND TRANSFER AGENT

Stonehage Fleming Malta Limited
4th Floor, Avantech Building, St Julian's Road
San Gwann
SGN 2805
Malta

AUDITOR

PricewaterhouseCoopers Malta
78 Mill Street, Zone 5, Central Business District
Qormi, CBD 5090
Malta

COMMERCIAL BANKERS

ING Bank B.V.
Bijlmerdreef 106
1102 CT
Amsterdam
The Netherlands





www.lighthouse.mt