LIGHTHOUSE PROPERTIES p.l.c.

2023 INTEGRATED REPORT

Saint Sever, Rouen, France

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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 retail 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 western European cities with strong economic support and growth.

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 refer to our business model on **page 14**.*

ABOUT OUR REPORT

This report reviews our performance for the year ended 31 December 2023. 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 the Lighthouse Group companies are set out in note 5.1 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 18*** *to* ***20****.*

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 21*** *to* ***27****, and ESG material matters can be found on* ***page 56****.*

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 38*** *to* ***41*** *and property metrics disclosed on* ***pages 42*** *to* ***45****.*

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 Lighthouse Properties p.l.c. 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 11 March 2024.

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

Lighthouse's direct property portfolio as a whole achieved earnings ahead of expectations and guidance, with like-for-like growth in net operating income of 3,1% for FY2023.

FINANCIAL CAPITAL

Distributable earnings per share of
1,76 EUR cents
(2022: **3,66 EUR cents**)

Payout ratio
153,3%
(2022: **88,8%**)

Distribution per share
2,70 EUR cents
(2022: **3,25 EUR cents**)

Net asset value ("NAV") per share
42,00 EUR cents
(2022: **40,50 EUR cents**)

Shares in issue
1 830 409 794
(2022: **1 696 976 208**)

Loan-to-value ("LTV") ratio
14,0%
(2022: **23,8%**)

Weighted average loan margin
2,5%
(2022: **2,5%**)

Weighted average loan maturity
2,47 years
(2022: **3,50 years**)

Price per share (JSE-ZAR)
ZAR 7,35
(2022: **ZAR 6,80)**

MANUFACTURED CAPITAL

Direct property portfolio value
EUR 642 million
(2022: **EUR 634 million**)

Seven properties
(2022: **seven properties**)

Gross lettable area ("GLA")
275 486m²
(2022: **269 612m²**)

NATURAL CAPITAL

Total volume of electricity self-generated
1 060 160kWh
during the year

50% of all waste recycled and c. 9,29% of waste diverted to energy creation

INTELLECTUAL CAPITAL

71 new leases
concluded across the portfolio

20 429m²
of new space let

ABOUT LIGHTHOUSE

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 retail malls located in large and mid-sized western European cities with strong economic support and growth.

OUR PURPOSE

To provide shareholders with a stable investment opportunity with 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 14** to **17** for more information about our other value-creation outcomes for stakeholders.*

OUR GEOGRAPHICAL PROFILE IS BASED ON THE FAIR VALUE OF ASSETS

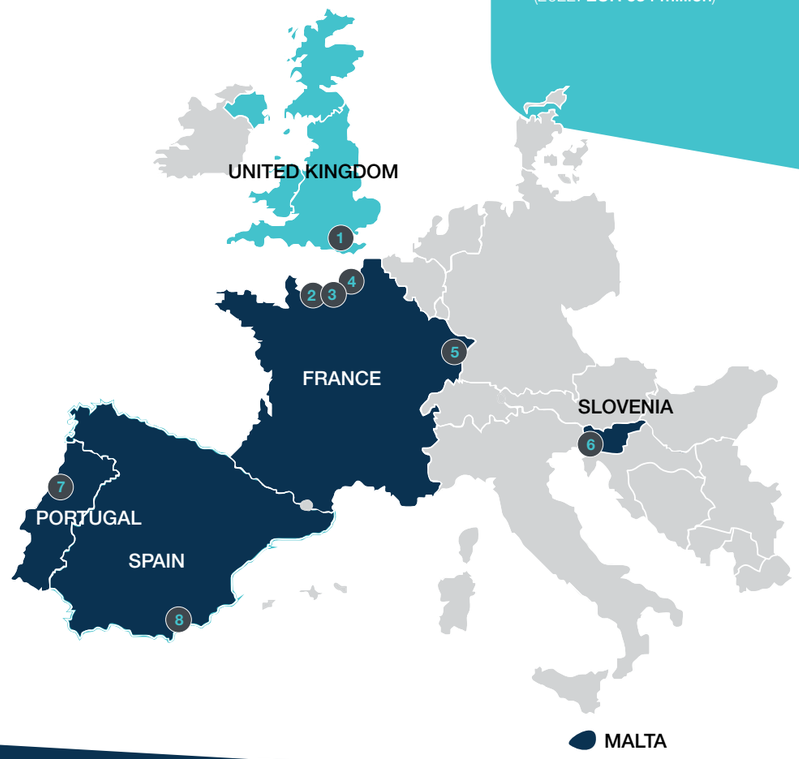
We have investments in France, Portugal, Slovenia, Spain and the UK, with physical property investments focused on malls predominantly located in western Europe.

Europe

Fair value of investment property and investments#

EUR 642 million

(2022: **EUR 634 million**)



United Kingdom

Fair value of investments#

EUR 267 million

(2022: **EUR 307 million**)

UNITED KINGDOM

1 Lighthouse has an 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

*# Based on information extracted from the management accounts disclosed on **pages 38** to **41**.*

02 HOW WE CREATE VALUE

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Salera, Castellón de la Plana, Spain

CHAIRPERSON'S STATEMENT

Mark Olivier
Chairperson

"Despite a poor macroeconomic environment, quality malls were resilient with low vacancies, sales growth in excess of inflation and footfalls continued to grow."

OPERATING ENVIRONMENT

The start of 2023 was characterised by sharply higher interest rates in Europe reflecting high levels of inflation caused by excessive monetary stimulus, disruptions in global supply and elevated energy prices caused by geopolitical friction.

The pace of the increase in interest rates has been unprecedented with the three-month Euribor moving from a negative rate in July 2022 to 3,9% at the end of 2023. The massive tightening of monetary policy and higher energy costs brought economic growth to a standstill in western Europe, which grew gross domestic product ("GDP") by only 0,7% in 2023.

Of note is that Iberian GDP growth of approximately 2,4% was one of the strongest performances in Europe compared to the French and UK economies, which grew only 1% and 0,5%, respectively. Lighthouse will have 54% of its capital invested in Iberia, 21% in France and 18% in Hammerson on a gross basis, post the acquisitions of Salera Centro Comercial ("Salera") and H2O Centro Comercial ("H2O").

Despite a poor macroeconomic environment, quality malls were resilient with low vacancies, sales growth in excess of inflation and growing footfall.

Since September 2023, the three-month Euribor has stabilised at around 3,9% and it appears that the European Central Bank ("ECB") has reached the end of its tightening cycle. In this respect, the five-year Euribor swap rate decreased from a high of 3,5% during September 2023 to the current level of 2,6%. Despite this, inflation continues to exceed the ECB's 2% inflation target and, therefore, rates may remain elevated for longer as reflected in the market's current projection of medium-term swap rates.

This year's broad-based economic resilience will likely give way to weakness in 2024 as the delayed effects of tighter monetary policy exert a stronger influence. As we enter a new cycle of lower economic growth and interest rates, Lighthouse is well positioned to continue performing and to take advantage of acquisition opportunities in the market as they arise. The Board will continue its discipline of allocating capital only to quality and appropriately priced assets.

STRATEGIC DEVELOPMENTS DURING THE YEAR

Acquisition growth

During 2023, the uncertain and challenging economic environment, along with high interest rates, gave rise to some deep value opportunities as pressure had been placed on the owners of quality malls to release capital either to reduce leverage or, in the case of asset managers, to honour fund redemptions.

During the last quarter of 2023, Lighthouse secured two attractive opportunities to acquire quality malls in Spain that meet Lighthouse's stringent investment criteria of investing in dominant malls in growing regions underpinned by strong economic dynamics and high-quality leases.

Lighthouse, along with Resilient REIT Limited ("Resilient"), secured the acquisition of Salera, the dominant mall in the province of Castellón, Spain. The total purchase consideration was EUR 174,5 million at an ungeared net initial yield of 7,7%. This acquisition was finalised and the transaction closed during January 2024. Effectively, Lighthouse acquired 50% of Salera with Resilient being the owner of the remaining 50%. Lighthouse's share of the acquisition proceeds was funded by existing cash resources that had been accumulated from disposing of Hammerson shares during 2023. The management team is in the process of raising a senior secured debt facility, secured by Salera, which will provide Lighthouse with a further EUR 38 million in cash resources to pursue further acquisitions.

In addition to Salera, Lighthouse concluded a binding sale and purchase agreement to acquire H2O for a total purchase consideration of EUR 121,6 million (including deferred capital expenditure) at an ungeared net initial yield of 7,5%. This acquisition has been finalised with the closing anticipated during late March 2024, after the handover of a newly developed unit to Primark. H2O is being acquired with an existing debt facility in place of EUR 61,5 million. The net acquisition price of approximately EUR 50,1 million (including transaction costs) will be acquired by utilising existing cash resources that have been accumulated from the disposal of Hammerson shares.

These acquisitions have grown Lighthouse's property portfolio from EUR 642 million at 31 December 2023 to EUR 855 million.

Management of financial risk

Adopting a prudent approach, Lighthouse refinanced its EUR 77 million facility secured against Torrecárdenas during February 2024. This facility was due to mature in 2025 and has now been extended for five years of which three years are non-amortising. The unutilised mark-to-market benefit of the interest rate hedge on the old loan was used to reduce the rate on the new loan.

The appetite from lenders to lend against quality retail assets has significantly improved. In this respect, there was strong interest from institutions to finance the facility secured by Salera. Most of the major lending institutions active in Iberia submitted competitive bids resulting in optimal pricing of the facility. The Board expects a competitive process in relation to the refinancing of the Coimbra asset in late 2024.

Post the recent acquisitions, Lighthouse's financial risk is well managed, with an LTV of c. 27%, providing capacity to access investment opportunities at attractive yields, and Lighthouse is well placed to take advantage of this. 91% of the pre-acquisition interest rate risk exposure is hedged.

Existing portfolio enhancements – property upgrades and new tenancies

During the financial year, Lighthouse invested EUR 15,6 million in capital projects to enhance the existing portfolio.

A large proportion of this capital was invested in establishing a new 6 709m² Primark unit at Saint Sever which was successfully opened during December 2023. The addition of Primark resulted in footfall increasing by 29% for the month of December 2023 and has further established this centre as the dominant centre in the city of Rouen.

This capital was also invested in introducing new key fashion tenants to the portfolio such as New Yorker, Normal, Action, ONLY Fashion and Bershka in order to further enhance the quality of the portfolio's income stream.

Hammerson

Lighthouse has reduced its holding in Hammerson from 22,8% at 31 December 2022 to the current level of c. 12,7%. Exposure to Hammerson, as a percentage of invested capital, has reduced from 30% at 31 December 2022 to the current level of c. 18%, representing approximately EUR 189 million of capital.

Lighthouse acquired Hammerson predominantly through a deeply discounted issue of shares at a time when it was in financial distress. Hammerson has generated a double-digit internal rate of return for shareholders since its acquisition in 2020.

During 2023, Lighthouse was public in its criticism of the Hammerson board's capital allocation decisions and remuneration policies. In particular, Lighthouse believes that Hammerson is underperforming its full potential and that shareholders would be better served in the current economic cycle, given a 42% discount to NAV, if the board focused on dividend growth, disposed of Value Retail, was more aggressive in improving operating efficiency and applied a more prudent approach to allocating capital to higher-risk developments.

The current yield on Hammerson is approximately 5% after tax. During 2023, Lighthouse redeployed capital invested in Hammerson into two acquisitions that are both yield accretive for shareholders.

CHAIRPERSON'S STATEMENT continued

CORPORATE GOVERNANCE

During 2022, the Lighthouse incentive plan was adopted. This is a 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 allocation of up to EUR 0,5 million of shares to senior management. These incentive shares will vest after a three-year period. The incentive plan not only aligns with the economic interests of senior management and shareholders, but this delayed "payment" provides an effective mechanism to retain talent in the business.

With effect from 17 March 2023, Barry Stuhler resigned as an Independent Non-Executive Director. Barry's depth of property experience and independent and lucid thinking have been invaluable to the Board's decision-making process and will be missed. The Board would like to thank him for his dedicated service over many years. Barry was Chairperson of the Remuneration Committee and a member of the Investment and Nomination Committees.

Stuart Bird has replaced Barry as a member of the Nomination Committee and as the Chairperson of the Remuneration Committee. Desmond de Beer was appointed as a member of the Remuneration Committee.

The Board and its committees operated effectively throughout the 2023 financial year. Following appropriate review, I am satisfied that the committees are constituted with members of relevant skills, knowledge and experience so that our stakeholders can take comfort with the governance that is in place. I am 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 2024

There is strong conviction in the market that short-term interest rates in Europe have peaked and the risk of a hard landing has dissipated. While financing pressures should be manageable, we still anticipate refinancing distress in Europe in the coming years.

Also, while property yields are close to a peak, given the uncertain economic environment, we doubt that a fall in government benchmark interest rates will trigger material reductions in the return required from shareholders over the short term and, therefore, our base case is that the economic recovery will be modest by past standards.

However, the current phase of the economic cycle represents an ideal time for companies to acquire malls, as yields on quality assets have risen, interest rates have stabilised and, due to the consolidation of key retailers, the cash flow of quality dominant malls has further improved.

During 2024, Lighthouse intends, through acquisitions, to continue growing its portfolio of dominant and defensive malls in western Europe. In this respect, Lighthouse has developed a strong reputation as an entity that can secure and deliver on acquisition opportunities, and it receives numerous approaches by counterparties even before a formal marketing process begins.

Lighthouse will fund acquisitions using its strong balance sheet and will continue to redeploy capital invested in Hammerson into acquisitions that are value-accretive for shareholders. Effective management of Lighthouse's capital during this transitory period will be a key focus for the Board. In addition, capital will be deployed in existing portfolio assets to grow future income and improve the quality of the tenants occupying Lighthouse's portfolio. The benefit of this strategy will be more visible in earnings in 2025.

A forecast of distributable income for 2024 is provided in the Directors' Report and Commentary on **page 33**. The Board is focused on delivering sustainable and high-quality dividend growth.

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

On behalf of the Board, I would also like to thank our Executive Directors and the senior management team for their dedication and discipline towards Lighthouse's strategy through a challenging 2023.

Mark Olivier
Chairperson

Docks 76, Rouen, France

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	KEY FOCUS AREAS	TIME FRAME
Deliver sustainable income growth	▶ Invest in long-term, well-positioned quality assets ▶ Efficient treasury management ▶ Increase distribution yield for shareholders	Short, medium and long term
Maintain and grow the portfolio	▶ Acquisitions, redevelopments and improvements ▶ Disposal of non-core assets ▶ Diversified direct property portfolio ▶ Invest in assets that meet our investment criteria ▶ Recycle capital ▶ Repurpose space	Short, medium and long term
Attract and retain high-quality tenants	▶ Optimise tenant mix ▶ Active productive tenant engagement ▶ Enhance tenant retention ▶ Reduce and manage variable costs	Short to medium term
Optimal capital structure	▶ Conservative gearing ▶ Diverse debt structure ▶ Optimise funding ▶ Prudent financial management	Short to medium term
Business sustainability	▶ 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	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 667 million
(2022: **EUR 632 million**)

Distribution per share
2,70 EUR cents
(2022: **3,25 EUR cents**)

Direct property
EUR 642 million
(2022: **EUR 634 million**)

Listed real estate
EUR 266 million
(2022: **EUR 307 million**)

*Refer to **pages 38** to **41**.*

*Refer to **pages 38** to **41**.*

INPUTS AND PROCESSES

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 western 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 investments in listed real estate equity 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 equity 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 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 18** to **20** 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 six 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.

OUR BUSINESS MODEL continued

Forum Coimbra, Coimbra, Portugal

	FINANCIAL CAPITAL	MANUFACTURED CAPITAL	SOCIAL AND RELATIONSHIP CAPITAL	HUMAN AND INTELLECTUAL CAPITAL	NATURAL CAPITAL
STAKEHOLDERS	▶ Investors and analysts ▶ Financiers	▶ Government and local authorities ▶ Property managers ▶ Suppliers and service providers	▶ Communities ▶ Industry associations and regulatory bodies ▶ Investors ▶ Suppliers and service providers ▶ Tenants	▶ Board ▶ Employees ▶ IT service providers and applications	▶ Sustainability
OUTCOMES	▶ At the reporting date, effectively 91% (2022: 90,5%) of the Group's interest rate exposure was hedged ▶ NAV per share: 42,00 EUR cents (2022: 40,5 EUR cents) ▶ Total weighted average hedged cost of debt at the reporting date was 3,69% p.a. (2022: 3,53% p.a.) *Our direct property portfolio is disclosed on **pages 42** to **45**.*	▶ Achieved above-inflation rental escalations of 4,1% (excluding the impact of indexation) ▶ Lighthouse's holding in Hammerson at the reporting date is 16,27% (2022: 22,8%) ▶ New space let: 13 770m² (2022: 8 598m²) of GLA ▶ Renewals worth EUR 1,8 million (2022: EUR 2,4 million) concluded ▶ The Group received EUR 7,8 million (2022: EUR 40,7 million) of net dividends from Hammerson during the year ▶ 41 (2022: 46) new leases concluded across the portfolio	▶ Management frequently engages with tenants to understand their trading performance and future prospects ▶ Vacancy: 3,3% (2022: 3,2%) *Lighthouse's tenant and lease expiry profiles are disclosed on **pages 44** and **45**.* *The Social and Ethics Committee activities are included on **page 91**.*	▶ Multiskilled team ▶ Nicolaas Hanekom was appointed to the Board of Directors as an alternate to Desmond de Beer ▶ Stable workforce	▶ Building Research Establishment's Environmental Assessment Method ("BREEAM") certifications obtained or in progress ▶ To date, 1 060 160 kWh of Green Energy and 186 metric tons of CO_2 emission savings have been produced on site *Further details on sustainability have been disclosed on **pages 58** to **61**.*

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

WHAT IS MATERIAL TO THEM

A clear, long-term sustainable growth strategy with the successful execution/performance against it

DESIRED OUTCOME

Attractive dividend yield and long-term sustainable capital growth

METHODS OF ENGAGEMENT

Lighthouse is committed to providing shareholders with timely and relevant information. Communication is open, honest and transparent. Shareholders are provided with information via:

- Annual General Meetings
- Interim General Meetings
- Investor presentations and roadshows
- Lighthouse website
- Media
- One-on-one meetings
- Market updates
- Press releases
- Stock Exchange News Service ("SENS") announcements and circulars

Financiers

WHAT IS MATERIAL TO THEM

- Adequate security
- Loan covenant compliance
- Quality of assets
- Solvency
- To pay contracted amounts timeously

DESIRED OUTCOME

Good credit rating

METHODS OF ENGAGEMENT

Lighthouse meets with its financiers regularly to discuss their requirements. Information is provided through:

- Annual General Meetings
- Interim General Meetings
- Investor presentations and roadshows
- Compliance reporting
- One-on-one meetings
- Market updates
- Press releases
- SENS announcements and circulars
- Lighthouse website

Tenants

WHAT IS MATERIAL TO THEM

- Rental and occupancy costs
- Quality property management
- Health and safety
- To be treated fairly and promptly

DESIRED OUTCOME

Attract and retain sustainable, quality and successful tenants

METHODS OF ENGAGEMENT

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:

- Brokers
- Contact with property and centre management teams
- Lighthouse website
- One-on-one meetings
- Social media
- Tenant site visits
- Tenant surveys
- Written communication

Suppliers and service providers

WHAT IS MATERIAL TO THEM

- To be treated fairly and paid timeously
- Repeat business from Lighthouse

DESIRED OUTCOME

Reliable suppliers

METHODS OF ENGAGEMENT

Lighthouse maintains professional working relationships with 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:

- Electronic, telephonic and written communication
- Meetings
- Procurement policy and framework
- Service level agreements

Property managers

WHAT IS MATERIAL TO THEM

Clear standards and expectations

DESIRED OUTCOME

Successful partnerships

METHOD OF ENGAGEMENT

Lighthouse maintains professional working relationships with its property managers who regularly meet with senior management.

ORGANISATIONAL STAKEHOLDERS

Employees

WHAT IS MATERIAL TO THEM

- Fair remuneration
- Good working environment
- Job security
- Safe, secure and rewarding employment

DESIRED OUTCOME

Challenging and fulfilling careers in a progressive environment

METHODS OF ENGAGEMENT

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.

SOCIETAL STAKEHOLDERS

Government and local authorities

WHAT IS MATERIAL TO THEM

- Compliance with statutes and regulations
- Payment of taxes

DESIRED OUTCOME

Compliance and a good reputation

METHODS OF ENGAGEMENT

Lighthouse endeavours to pay all its taxes and abide by all applicable laws and regulations.

The Group engages with local authorities both directly and via its property managers and external consultants regarding utility issues, rates clearances, zoning, etc.

Engagement tools include:

- Electronic, telephonic and written communication
- Meetings
- Interactions via advisors

Industry associations and regulatory bodies

WHAT IS MATERIAL TO THEM

Active participation

DESIRED OUTCOME

Insight and knowledge

METHOD OF ENGAGEMENT

Lighthouse's asset managers, property managers and centre management teams engage with various local industry bodies and regularly attend industry conferences

Communities

WHAT IS MATERIAL TO THEM

- Optimising sustainability
- Employment opportunities

DESIRED OUTCOME

Responsible corporate citizenship

METHODS OF ENGAGEMENT

Lighthouse is committed to caring for the environment. The Group evaluates the impact of its projects and developments on society. Engagement tools include:

- Social media
- Meetings
- Centre websites

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.

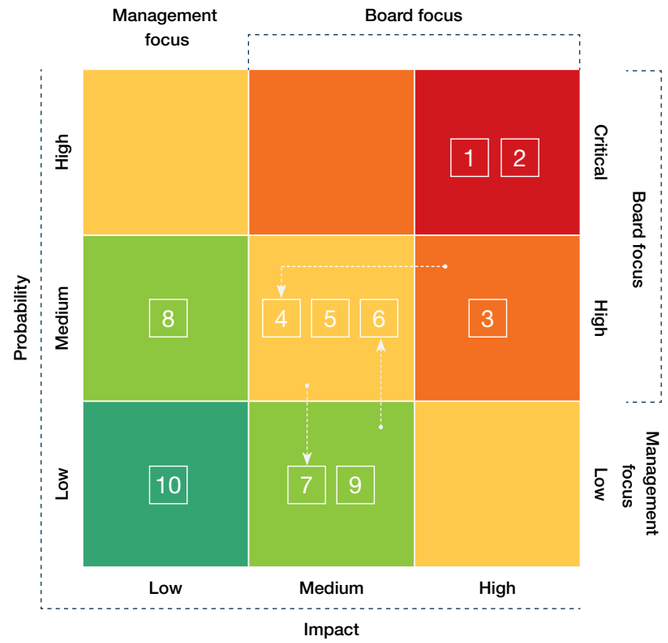
Risk management is an integral part of the strategic management of the Group, and it is essential for improved performance, growth and sustainable value creation. The process for identifying and managing risks has been set by the Board. The Board has overall responsibility for risk management and has 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 arrow indicates a change in the risk rating from the prior year.

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.

OUR RISKS continued

1. AVAILABILITY AND COST OF FINANCE

Risk description
- Adverse changes in geopolitical and/or macroeconomic conditions adversely impacting the availability and cost of capital
- Adverse interest rate movements

Effect on value creation
- 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
- Shareholders
- Financiers
- Brokers

Key mitigants
- 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

Management accounts items affected
- Interest-bearing borrowings (statement of financial position)
- Finance costs (statement of profit or loss)

KPIs impacted
- Growth in distributions
- Growth in NAV per share
- LTV ratio

The risk rating has remained consistent with the prior year

2. LISTED SECURITIES

Risk description
- Market risk – investment in listed equity securities introduces the risk of potential loss of capital due to factors affecting performance of the financial markets, including geopolitical risk
- Price risk – the performance of listed equity 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
- 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
- Shareholders
- Financiers
- Brokers

Key mitigants
- 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 engages regularly with the boards of directors of investee companies where the Group holds a significant stake to provide feedback 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

Management accounts items affected
- Investments (statement of financial position)
- Investment revenue (statement of profit or loss)

KPIs impacted
- Growth in distributions
- Growth in NAV per share
- LTV ratio

The risk rating has remained consistent with the prior year

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

3. INVESTMENT PROPERTY

Risk description
- 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
- Lower equity value
- Lower distributions
- Lower total direct property returns (income and capital)

Strategic value pillars impacted

Stakeholders affected
- Shareholders
- Financiers
- Tenants
- Service providers
- Property managers
- Employees
- Suppliers

Key mitigants
- Robust investment strategy
- Independent asset appraisal process by market leaders
- 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

Management accounts items affected
- 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
- 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
- Reduced demand for or increased supply of retail space
- 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
- Aggressive capital structures with solvency and liquidity constraints increase the risk of tenant defaults

Effect on value creation
- 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 pillars impacted

Stakeholders affected
- Shareholders
- Tenants
- Property managers
- Financiers
- Suppliers

Key mitigants
- High-quality tenants
- Diversified tenant base
- Tenant credit assessments
- 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

Management accounts items affected
- 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
- 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 reduced from the prior year

OUR RISKS continued

5. REGULATION AND LEGISLATION

Risk description
- Regulatory and legislation risk
- Risks relating to stock exchange listings requirements
- Compliance with tax requlations
- Adverse changes to tax laws
- Disruptions to rental income arising from regulatory or legal changes

Effect on value creation
- 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
- Shareholders
- Tenants
- Financiers
- Property managers
- Suppliers

Key mitigants
- Engagement with the Group's regulatory, tax, legal and other professional advisors, including stock exchange sponsors
- Active monitoring by management and professional advisors

Management accounts items affected
- 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
- Growing distributable income
- Growth in like-for-like net property income
- LTV ratio

The risk rating has remained consistent with the prior year

6. INVESTOR DEMAND

Risk description
- Decrease in demand by investors for real estate investments

Effect on value creation
- Lower equity value
- Potential pressure on financing covenants

Strategic value pillar impacted

Stakeholders affected
- Shareholders
- Financiers

Key mitigants
- Investing in quality properties with a clear investment strategy
- Generate strong sustainable income
- Maintaining strong financial covenants
- Active asset management
- Ongoing engagement with investors and other key stakeholders
- Focus on optimising sustainable distributions

Management accounts items affected
- Investment property (statement of financial position)
- Fair value change on investment property (statement of profit or loss)

KPIs impacted
- Growing distributable income
- Growth in NAV per share
- LTV ratio

The risk rating has increased from the prior year

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

7. REFURBISHMENT, EXTENSION AND REDEVELOPMENT

Risk description
- Risks associated with the refurbishment, extension and redevelopment of direct property including contractor solvency, performance and availability
- Refurbishment, extension and redevelopment construction costs

Effect on value creation
- Reduced returns
- Cost overruns
- Programme delays leading to potential loss of occupier revenue
- Failure to secure planning permission

Strategic value pillars impacted

Stakeholders affected
- Shareholders
- Tenants
- Financiers
- Service providers
- Property managers
- Suppliers

Key mitigants
- Close project and development consultant relationships facilitate effective assessment and monitoring
- Assessment of contractors prior to appointment
- Rigorous monitoring of project timelines and costs

Management accounts items affected
- Investment property (statement of financial position)
- Fair value change on investment property (statement of profit or loss)

KPIs impacted
- Growing distributable income
- Growth in like-for-like net property income
- LTV ratio

The risk rating has reduced from the prior year

8. ENVIRONMENTAL

Risk description
- Risks associated with the impact of climate change, environmental impact, consumer and tenant trends, related regulation and capital markets requirements

Effect on value creation
- 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 pillars impacted

Stakeholders affected
- Shareholders
- Financiers
- Tenants
- Property managers
- Suppliers

Key mitigants
- Engagement with stakeholders to manage environmental priorities
- Continuous monitoring and management of environmental risks and regulations
- 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:
  - Availability and cost of finance
  - Investment property
  - Direct property occupier market
  - Regulation and legislation
  - Refurbishment, extension and redevelopment
  - Investor demand

Management accounts items affected
- 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
- 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

OUR RISKS continued

Deliver sustainable income growth
Maintain and grow the portfolio

Attract and retain high-quality tenants
Optimal capital structure

Business sustainability

9. OPERATIONAL

Risk description
- Business continuity risk
- Underperformance of property managers
- Increase in property operating expenses
- Retention of key employees

Effect on value creation
- 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
- Shareholders
- Tenants
- Property managers
- Financiers
- Suppliers

Key mitigants
- 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

Management accounts items affected
- Property rental and related revenue (statement of profit or loss)
- Property operating expenses (statement of profit or loss)

KPIs impacted
- 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
- Counterparty credit risk

Effect on value creation
- Loss of financial assets
- Cost of changing financing, banking and brokerage facilities
- Increase in financing costs

Strategic value pillars impacted

Stakeholders affected
- Shareholders
- Financiers
- Brokers

Key mitigants
- 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

Management accounts items affected
- 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
- Growing distributable income
- Growth in NAV per share
- LTV ratio

The risk rating has remained consistent with the prior year

Forum Coimbra, Coimbra, Portugal

03 OUR PERFORMANCE

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Forum Coimbra, Coimbra, Portugal

DIRECTORS' REPORT AND COMMENTARY

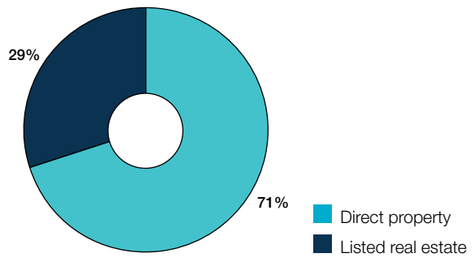
The current phase of the economic cycle represents an ideal time for companies to acquire malls, as yields on quality assets have risen, interest rates have stabilised, and due to the consolidation of key retailers, the cash flow of quality dominant malls has further improved.

Justin Muller
Chief Executive Officer

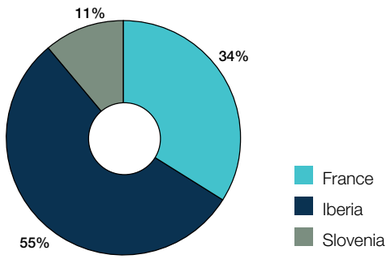
INVESTMENT PORTFOLIO

At December 2023, Lighthouse's sectoral composition was as follows:

Sectoral profile based on fair value of assets



Direct property (%)



NATURE OF THE BUSINESS

Lighthouse is domiciled in Malta and is listed on the Main Board of the JSE. The Group invests directly and indirectly in dominant and defensive retail malls located in large and mid-sized western European cities with a strong economic underpin and economic growth. A key component of the Group's strategy is to evolve and adapt malls to cater for the ever-changing demands of retailers.

DISTRIBUTABLE EARNINGS AND COMMENTARY ON RESULTS

Lighthouse achieved 1,14 EUR cents of distributable earnings per share for 2H2023. Together with the 0,62 EUR cents per share achieved for 1H2023, the total distributable earnings was 1,76 EUR cents per share for FY2023. Lighthouse received no distribution from Hammerson during 1H2023 and the distribution received during 2H2023 was at a payout ratio lower than anticipated. In line with guidance and previous communication to shareholders, distributions for FY2023 have been supplemented from retained earnings, substantially utilising the remaining distributable retained earnings.

The Board of Directors has declared a final distribution of 1,35 EUR cents per share for 2H2023, payable in cash. The total distribution for FY2023 of 2,70 EUR cents is as per the guidance provided at 1H2023.

Shareholders will have the option to elect a scrip distribution instead of cash. A circular in this regard will be released in due course.

DIRECT INVESTMENTS

Lighthouse's direct property portfolio as a whole achieved earnings ahead of expectations and guidance, with like-for-like growth in net operating income of 3,1% for FY2023. During the year, sales and footfall across the portfolio increased by 8,7% and 7,8%, respectively, compared to 2023.

After an initial increase in the portfolio vacancy from 3,2% at December 2022 to 3,9% at June 2023, vacancies in the portfolio improved to 3,3% at December 2023. This was as a result of improved letting in France and is expected to continue to decline during 2024. Outside of France there are currently no vacancies in the Lighthouse property portfolio.

During 2H2023, Lighthouse secured the acquisition of two substantial malls in Spain, being Salera in Castellón de la Plana and H2O in Madrid. These acquisitions were concluded after December 2023 (the "Acquisitions").

Acquisitions

In December 2023, Lighthouse announced the acquisition of 50% of Salera. The purchase consideration of EUR 87,25 million for Lighthouse's 50% share (inclusive of transaction costs) represents an annualised net initial yield of 7,7% based on the forecast 2024 net operating income. The acquisition of Salera closed on 31 January 2024.

Salera opened in 2006 and is the dominant regional mall in the province of Castellon (c. 600 000 inhabitants). The mall provides a comprehensive retail offering of 68 752m^2, including a 13 693m^2 Alcampo Hypermarket (under separate ownership). Salera is fully let to 147 major international and national tenants including Primark, H&M, JD Sports, FNAC, Primor, C&A and eight Inditex brands (Zara, Massimo Dutti, Lefties, Bershka, Pull&Bear, Oysho, Zara Home and Stradivarius). The entertainment offering includes a 14-screen cinema, an arcade, a bowling alley and a large food court. The current annual footfall is 9 million, which is 8,7% above 2019 levels. The mall is well located with easy access to the A-7 motorway (the main motorway between Valencia and Barcelona).

The retail offering in Castellón de la Plana is consolidating into Salera and Zara closed its high-street location in the city in January 2024. Salera now offers the only Zara to the region.

The acquisition of Salera is in line with Lighthouse's investment policy and strategy to invest in dominant and defensive malls located in large western European cities that have a strong economic underpin.

During November 2023, Lighthouse entered into an exclusive agreement to acquire 100% of H2O. A binding sale and purchase agreement was concluded during March 2024 conditional on the handover of a newly completed unit to Primark for tenant installation. Completion is anticipated during late March 2024. H2O is the dominant mall in Rivas-Vaciamadrid, which forms part of the greater Madrid metropolitan region. This region of Madrid has been one of the fastest-growing municipalities in Spain and is a major beneficiary of the urbanisation trend currently being experienced in western Europe.

The purchase consideration for H2O of EUR 121,6 million (including deferred capital expenditure and transaction costs) represents an annualised net initial yield of 7,5% based on the forecast 2024 net operating income. The purchase consideration net of existing senior bank debt of EUR 61,5 million from Aareal Bank AG (which will be retained), will be funded from existing cash resources.

The mall provides a comprehensive retail offering of 52 190m^2 and is let to 98 major international and national tenants including Primark, Mercadona, H&M, JD Sports, Primor, C&A and the main Inditex brands (Zara, Bershka, Pull&Bear and Stradivarius). The mall has a strong entertainment offering comprising of an 8-screen cinema, an arcade, a bowling alley, padel courts, a trampoline park, as well as a large food court with an extensive food offering. The mall's current annual footfall is 8,2 million. Primark is being introduced to the mall and is scheduled to open during 2H2024.

Lighthouse is in negotiations to acquire further regional malls in Iberia.

Iberia

At year-end Lighthouse owned two malls in Iberia representing 55% of Lighthouse's direct property investments. Following the acquisition of Salera and H2O the Iberian portfolio will constitute 66% of Lighthouse's direct property investments.

This growing Iberian portfolio comprises dominant core assets which have been a major beneficiary of the consolidation of retailers in their respective catchments. The core Iberian portfolio continued to outperform with growth in net operating income of 10,5% for FY2023.

Comparable sales for FY2023 grew by 12,1%, comfortably above the region's full-year inflation rate (4,3% in Portugal and 3,2% in Spain), with footfall increasing by 5,8%.

At Forum Coimbra, leases were concluded with North Face, Suits Inc and Primor. Lighthouse anticipates commencement of the expansion and refurbishment of four of the Inditex brands and the Primark store during 2024. The extension of these stores to full flagship offerings of these market-leading fashion retailers will further entrench the mall's dominance in the region.

At Torrecárdenas, VIPS, Casa, MiFactory, Claires, Bombon Boss and Parfois have opened. Alvero Marino, a leading men's fashion retailer, took occupation of their store during December 2023.

France

Lighthouse owns a 60% share of Retail Property Investments which owns four regional malls in northern France. The French portfolio comprises 34% of Lighthouse's direct property investments (26% post implementation of the Acquisitions).

In 1H2023, the French portfolio was negatively affected by a number of tenant failures and receiverships, including Go-Sport, La Grande Recre, Kookai, Don't Call Me Jennyfer and San Marina. A common theme was that most of these retailers had private equity capital structures. Administrative procedures in France are challenging, resulting in delays of up to 12 months to recover space from failing tenants. These tenant failures increased the French vacancies from 7,2% at FY2022 to 9,0% at 1H2023. At December 2023, vacancies reduced to 7,9% following lettings to national retailers such as Chaussea, Bershka, Action and Normal. Although economic conditions remain subdued, terms have been agreed (pending lease signature) with international tenants for 3 877m^2 of currently vacant space. The conclusion of these leases will further reduce vacancies in the French portfolio to 5,2%.

Comparable sales for FY2023 grew by 6,5% with footfall increasing by 9,6%. The improved footfall was driven by the introduction of new retailers including Action, New Yorker and Primark.

At Saint Sever, Primark successfully opened its 6 709m² flagship store and is trading ahead of expectations. The Primark opening increased December's footfall by over 29% year-on-year. The introduction of Primark has resulted in a significant increase in tenant demand. During the year, New Yorker, ONLY and Crep'eat opened for trading and Bershka, Normal and Chaussea have either concluded leases or taken beneficial occupation to open new stores during FY2024. Footlocker has agreed to relocate from its current 250m² store to a new 450m² flagship concept on the upper level of the mall. Terms have been agreed with a large international sports retailer to occupy the majority of the space vacated by Go-Sport (which went into receivership in February 2023) and the remaining space has been let to Chaussea, a leading French footwear retailer.

In 1Q2024, the expansion project at Rivetoile commenced. This project will improve the flow on the upper level of the mall. JD Sports is currently fitting out its store and will open during 2Q2024.

At Docks Vauban, Starbucks opened during August 2023. Leases have been concluded with Action and Pull&Bear to enter the mall. The extensive road infrastructure upgrade in the immediate vicinity of the mall was completed during November 2023, which has improved access and egress to the mall.

Action opened a 1 247m² store on the first floor of Docks 76 during December 2023. A lease has been concluded with Snipes for a 426m² store which is scheduled to open during March 2024.

Slovenia

Planet Koper is Lighthouse's only investment in Slovenia and is the dominant mall in the region. The mall is anchored by Bershka, Tus, Mohito and Sinsay. Planet Koper represents 11% of Lighthouse's direct property investments (8% post implementation of the Acquisitions).

Decathlon took beneficial occupation of its 2 359m² store on the upper level of the mall, previously occupied by Cropp and House. Decathlon is scheduled to open for trade during May 2024 and will expand the regional catchment of the mall.

Since 1H2023, Tom Tailor, T2, BiggR, Douglas, MASS and Sanlobar all opened for trading. Mercator, a leading grocer retailer in Slovenia, concluded a transaction for the acquisition of the grocer retailer, Tus, a tenant that anchors the mall. The transaction, concluded in November 2023, is subject to Competition Commission approval and is expected to be finalised by mid-2024.

HAMMERSON

During FY2023, Lighthouse disposed of 329 million Hammerson shares at an average price of 27,27 GBP pence per share, raising the equivalent of EUR 104 million. EUR 87,25 million of the proceeds were utilised to acquire Lighthouse's interest in Salera at the end of January 2024 with the balance being applied towards the acquisition of H2O.

Hammerson declared a final dividend of 0,78 GBP pence per share for 2H2023. The Hammerson board further reduced their payout ratio to 64%, which negatively affected Hammerson's dividend yield. Given this low payout ratio, the rotation from Hammerson into the Acquisitions has been yield-accretive.

Since December 2023, a further 178 million Hammerson shares were sold. Lighthouse currently holds 12,7% of Hammerson's shares in issue.

Lighthouse previously had equity-accounted for its investment in Hammerson. In terms of IFRS, this investment was carried at EUR nil at FY2022. Following the disposals during FY2023, it was determined that Lighthouse no longer exercises significant influence over Hammerson and as such the investment has been accounted for at fair value at year-end. This change in classification resulted in a EUR 363 million net gain being recorded in the statement of comprehensive income.

FACILITIES AND LTV

The Group's LTV ratio reduced from 23,8% at December 2022 to 14,0% at December 2023 primarily as a result of the disposal of Hammerson shares. Following the acquisition of Salera on 31 January 2024, the LTV has increased to c. 20% and is anticipated to increase to c. 27% after finalising the H2O acquisition.

During February 2024, the EUR 77,5 million debt facility secured by Torrecárdenas due to mature in 2025, was refinanced. The facility has been extended for five years at a margin of 2,5%. Lighthouse also entered into a five-year Euribor interest rate swap at a fixed rate of 1,9% (the remaining mark-to-market benefit was utilised to secure a reduced base rate as five-year interest rate swaps are currently c. 2,8%).

The remaining debt maturity during FY2024 is a EUR 78,5 million senior debt facility secured by Forum Coimbra. Lighthouse is in negotiations to refinance this debt facility.

A domestic Spanish bank has approved an eight-year senior debt facility secured by Salera. This EUR 38,5 million (Lighthouse's 50% share) facility is currently being implemented and will be available to invest in further yield-accretive opportunities in Iberia.

OUTLOOK

The macroeconomic landscape continues to improve with inflation abating and short-term interest rates anticipated to decline during 2024. Dominant malls have proven their resilience in recent years and continue to outperform most other property sectors. Lighthouse's LTV remains low (currently c. 27%) and its access to capital allows the Company to take advantage of attractive opportunities currently available in the market.

The current phase of the economic cycle represents an ideal time for companies to acquire malls, as yields on quality assets have risen, interest rates have stabilised and, due to the consolidation of key retailers, the cash flow of quality dominant malls continues to improve. With two substantial acquisitions already achieved, 2024 will be a transitory year for Lighthouse as it takes advantage of the current situation to further grow its direct portfolio with quality assets. This transition will however bring short-term challenges regarding the timing and implementation of acquisitions.

Lighthouse forecasts a distribution of 2,40 to 2,50 EUR cents per share for FY2024. The distribution is based on the following assumptions:

- No material change in the current macroeconomic environment
- No unforeseen failures of large national retailers
- Primark takes beneficial occupation of its new premises at H2O and the transaction is effective from 31 March 2024
- No further acquisitions or disposals of investment properties or listed investments
- Hammerson declaring a minimum dividend of 0,66 GBP pence per share for 1H2024
- No material movement in long-term interest rates prior to taking transfer of H2O.

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 Office

Stonehage Fleming Malta Limited
Company Secretary

11 March 2024

Additional Directors' report considerations

1. *For more details on principal risks and uncertainties, refer to our risks and opportunities on **pages 21** to **27**.*
2. *For more details on financial risk management, refer to note 2 on **pages 122** to **124**.*
3. *For more details on results and dividends, refer to our distribution analysis and key ratios on **pages 34** to **37** and the Directors' report and commentary above.*
4. *For more details on Directors, refer to Board of Directors on **pages 81** to **88**.*
5. *For more details on the statement of Director's responsibilities for the financial statements, refer to **page 102**.*
6. *Our auditor, PricewaterhouseCoopers Malta, has 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 114** and **115** 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 34** to **45**.*
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 112** to **115**.*

Salera, Castellón de la Plana, Spain

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 38 to 41. The calculation of distributable earnings per share is based on the 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 2023 and 31 December 2022, respectively.

Reconciliation of IFRS profit to distributable earnings for the year	Unaudited 31 December 2023 EUR	Unaudited 31 December 2022 EUR
Profit for the year attributable to equity holders of the Company	**407 711 380**	25 155 305
Fair value loss/(gain) on investment property	**16 087 241**	(853 739)
Fair value (gain)/loss on investments	**(11 907 798)**	1 081 878
Gain on partial/deemed disposal of investment in associate	**(358 223 510)**	–
Fair value loss/(gain) on currency, interest rate and other derivatives	**7 877 620**	(14 432 873)
Related party income	**(45 023)**	–
Recycling of other comprehensive income of investment in associate	**7 257 840**	–
Foreign exchange loss/(gain)	**388 313**	(692 059)
Unamortised interest rate hedging transaction costs	**(705 000)**	2 996 250
Financing costs related to non-controlling interests	**5 297 313**	2 266 440
Income tax effect	**(27 583 991)**	995 390
Non-controlling interests – non-distributable	**(15 198 872)**	3 174 870
Non-distributable portion of loss from equity-accounted associate	**–**	40 456 798
Antecedent distribution – interim	**639 916**	–
Antecedent distribution – final	**332 157**	685 107
Distributable earnings for the year	**31 927 586**	60 833 367
Less:	**(48 720 236)**	(53 641 414)
Interim distribution declared	**(24 009 704)**	(26 211 744)
Final distribution declared	**(24 710 532)**	(27 429 670)
Distributable earnings (utilised)/retained	**(16 792 650)**	7 191 953
Distributable retained earnings at the beginning of the year	**20 064 934**	12 872 981
Distributable retained earnings at the end of the year	**3 272 284**	20 064 934
Number of shares entitled to distribution	**1 830 409 794**	1 696 976 208
Weighted average shares in issue during the year	**1 763 017 092**	1 641 478 325
Distributable earnings (EUR cents per share)	**1,7618**	3,6593
Less distribution (EUR cents per share):	**(2,7000)**	(3,2500)
Interim distribution (EUR cents per share) – declared	**(1,3500)**	(1,6250)
Final distribution (EUR cents per share) – declared	**(1,3500)**	(1,6250)
Distributable retained earnings (utilised)/retained during the year (EUR cents per share)	**(0,9382)**	0,4093
Distribution payout ratio (%)	**153,3**	88,8
Net asset value per share (EUR cents)	**42,00**	40,50
Tangible net asset value per share (EUR cents)[1]	**42,00**	40,50
Property cost-to-income ratio (%)[2]	**42,3**	39,3
Administrative cost-to-income ratio (%)[3]	**8,5**	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 revenue and investment revenue, as disclosed in the management accounts.*

DISTRIBUTION CALCULATION (BASED ON MANAGEMENT ACCOUNTS)

	Management accounts for the year ended 31 December 2023 EUR	Management accounts for the year ended 31 December 2022 EUR
Property rental and related revenue	**68 207 976**	63 976 345
Investment revenue	**7 770 989**	40 558 030
Finance income	**329 175**	55 673
Property operating expenses	**(28 869 941)**	(25 170 288)
Administrative and other expenses	**(6 436 632)**	(6 330 525)
Finance costs	**(8 637 220)**	(10 780 505)
Income tax	**(1 584 898)**	(3 155 860)
Non-distributable adjustments	**176 064**	995 390
Antecedent distribution – interim	**639 916**	–
Antecedent distribution – final	**332 157**	685 107
Distributable earnings for the year	**31 927 586**	60 833 367
Less:	**(48 720 236)**	(53 641 414)
Interim distribution declared	**(24 009 704)**	(26 211 744)
Final distribution declared	**(24 710 532)**	(27 429 670)
Distributable retained earnings utilised during the year	**(16 792 650)**	7 191 953
Distributable retained earnings at the beginning of the year	**20 064 935**	12 872 981
Distributable retained earnings at the end of the year	**3 272 285**	20 064 934

DEBT AND INTEREST RATE HEDGING (BASED ON MANAGEMENT ACCOUNTS)

	GROUP		
	Gross amount outstanding EUR	Base rate	Margin %
2023			
Loan maturity			
27 November 2024	**78 500 652**	**Fixed**	**2,150**
28 July 2025[4]	**72 949 948**	**12-month Euribor**	**2,500**
31 March 2027	**73 658 865**	**3-month Euribor**	**3,000**
1 March 2032	**23 046 339**	**6-month Euribor**	**2,000**
	248 155 804		
Weighted average margin			**2,491**
2022			
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

[4] *The existing loan was replaced with a new loan effective 14 February 2024, with a maturity date of 28 January 2029, a base rate of six-month Euribor and an interest margin of 2,500%. Refer to note 22.1 Events after the reporting period for additional details.*

DISTRIBUTION ANALYSIS AND KEY RATIOS continued

DEBT AND INTEREST RATE HEDGING (BASED ON MANAGEMENT ACCOUNTS) continued

	GROUP		
	Notional amount EUR	Years to maturity	Cap strike rate %
2023			
Interest rate cap profile			
Cap maturity			
28 July 2025[5]	**27 611 150**	**1,58**	**0,000**
28 July 2025[5]	**21 922 250**	**1,58**	**0,000**
8 March 2027	**73 642 500**	**3,19**	**1,000**
	123 175 900		
Weighted average		**2,54**	**0,598**
2022			
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

	GROUP		
	Notional amount EUR	Years to maturity	Fixed rate %
2023			
Interest rate swap profile			
Swap maturity			
28 July 2024[5]	**28 796 040**	**0,58**	**1,176**
Total notional amount cap and swap maturity	**151 971 940**		
Total cap and swap weighted average		**2,18**	
Total weighted average base rate, adjusted for hedging and fixed rates			**0,710**
2022			
28 July 2024	30 797 550	1,58	1,176
Weighted average		1,58	1,176
Total notional amount cap and swap maturity	160 058 980		
Total cap and swap weighted average		3,16	
Total weighted average base rate, adjusted for hedging and fixed rates			0,650

[5] *The existing loan and related hedging instruments were replaced with a new loan effective 14 February 2024, with a maturity date of 28 January 2029, and a fixed hedge rate of 1,900%. Refer to note 22.1 Events after the reporting period for additional details.*

LOAN-TO-VALUE (BASED ON MANAGEMENT ACCOUNTS)

	GROUP	
	31 December 2023 EUR	31 December 2022 EUR
Interest-bearing borrowings (non-current)	**156 169 070**	237 654 976
Interest-bearing borrowings (current)	**89 463 431**	17 583 544
Total interest-bearing borrowings	**245 632 501**	255 238 520
Adjustments:		
Unamortised borrowing transaction costs (non-current)	**1 427 940**	3 023 310
Unamortised borrowing transaction costs (current)	**1 095 363**	69 290
Fair value of interest rate derivatives	**(6 800 657)**	(11 812 629)
Restricted cash	**(10 930 884)**	(5 062 995)
Cash and cash equivalents	**(102 944 503)**	(17 197 633)
Net debt	**127 479 760**	224 257 863
Investment property	**641 694 000**	633 779 000
Investments[6]	**266 273 015**	306 893 047
Total assets for LTV calculation	**907 967 015**	940 672 047
LTV (%)	**14,04**	23,84

[6] *Investments at fair value include the Group's investment in Hammerson at a fair value of EUR 266 273 015 (2022: EUR 306 893 047) at the reporting date.*

COST OF DEBT (BASED ON MANAGEMENT ACCOUNTS)

	GROUP	
	31 December 2023 %	31 December 2022 %
Weighted average unhedged base rate	**2,75**	1,93
Weighted average margin	**2,49**	2,50
Weighted average transaction costs	**0,46**	0,35
Weighted average other loan costs	**0,03**	0,03
Total weighted average unhedged cost of debt	**5,73**	4,81
Weighted average impact of hedging on base rate	**(2,04)**	(1,28)
Total weighted average hedged cost of debt	**3,69**	3,53

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 2023 EUR	Listed real estate Dec 2023 EUR	Listed infrastructure Dec 2023 EUR	Corporate Dec 2023 EUR	Dec 2023 EUR	Direct property Dec 2022 EUR	Listed real estate Dec 2022 EUR	Listed infrastructure Dec 2022 EUR	Corporate Dec 2022 EUR	Dec 2022 EUR
ASSETS										
Non-current assets	**656 721 653**	**207 855 061**	**–**	**–**	**864 576 714**	652 480 857	306 893 047	–	–	959 373 904
Investment property	**641 694 000**	**–**	**–**	**–**	**641 694 000**	633 779 000	–	–	–	633 779 000
Investments	**–**	**207 855 061**	**–**	**–**	**207 855 061**	–	306 893 047	–	–	306 893 047
Investment in equity-accounted associate	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Financial assets	**15 027 653**	**–**	**–**	**–**	**15 027 653**	18 701 857	–	–	–	18 701 857
Current assets	**40 753 335**	**62 089 395**	**–**	**84 423 503**	**187 266 233**	22 828 767	738 217	–	7 165 497	30 732 481
Investments	**–**	**58 417 954**	**–**	**–**	**58 417 954**					
Financial assets	**897 078**	**3 671 441**	**–**	**–**	**4 568 519**	–	–	–	–	–
Trade and other receivables	**21 196 151**	**–**	**–**	**139 107**	**21 335 258**	12 227 900	–	–	1 306 948	13 534 848
Cash and cash equivalents	**18 660 106**	**–**	**–**	**84 284 396**	**102 944 502**	10 600 867	738 217	–	5 858 549	17 197 633
Total assets	**697 474 988**	**269 944 456**	**–**	**84 423 503**	**1 051 842 947**	675 309 624	307 631 264	–	7 165 497	990 106 385
EQUITY AND LIABILITIES										
Total equity attributable to equity holders				**768 690 941**	**768 690 941**				686 655 921	686 655 921
Share capital				**18 304 098**	**18 304 098**				16 969 761	16 969 761
Share premium				**434 951 796**	**434 951 796**				396 325 302	396 325 302
Treasury shares				**(1 078 723)**	**(1 078 723)**				369 919	369 919
Non-distributable reserve				**137 190 889**	**137 190 889**				(622 125)	(622 125)
Currency translation reserve				**(1 393 006)**	**(1 393 006)**				149 545 654	149 545 654
Share-based payment reserve				**556 116**	**556 116**				1 084 150	1 084 150
Retained earnings				**180 159 771**	**180 159 771**				122 983 260	122 983 260
Equity attributable to owners				**768 690 941**	**768 690 941**				686 655 921	686 655 921
Non-controlling interest										
Total liabilities	**280 928 437**	**115 596**	**–**	**2 107 973**	**283 152 006**	301 720 409	–	–	1 730 055	303 450 464
Non-current liabilities	**172 445 850**	**–**	**–**	**–**	**172 445 850**	264 688 956	–	–	–	264 688 956
Interest-bearing borrowings	**156 169 070**	**–**	**–**	**–**	**156 169 070**	237 654 976	–	–	–	237 654 976
Deferred tax liabilities	**10 026 143**	**–**	**–**	**–**	**10 026 143**	23 566 944	–	–	–	23 566 944
Financial liabilities	**6 250 637**	**–**	**–**	**–**	**6 250 637**	3 467 036	–	–	–	3 467 036
Current liabilities	**108 482 587**	**115 596**	**–**	**2 107 973**	**110 706 156**	37 031 453	–	–	1 730 055	38 761 508
Interest-bearing borrowings	**89 463 431**	**–**	**–**	**–**	**89 463 431**	17 583 544	–	–	–	17 583 544
Financial liabilities	**279 925**	**–**	**–**	**–**	**279 925**	2 817 423	–	–	–	2 817 423
Trade and other payables	**18 739 231**	**115 596**	**–**	**1 062 156**	**19 916 983**	15 982 437	–	–	1 302 506	17 284 943
Current tax liabilities	**–**	**–**	**–**	**1 045 817**	**1 045 817**	648 049	–	–	427 549	1 075 598
Total equity and liabilities	**280 928 437**	**115 596**	**–**	**770 798 914**	**1 051 842 947**	301 720 409	–	–	688 385 976	990 106 385

*Refer to the segmental analysis on **pages 165** to **181**.*

MANAGEMENT ACCOUNTS continued

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 2023 EUR	Listed real estate for the year ended Dec 2023 EUR	Listed infrastructure for the year ended Dec 2023 EUR	Corporate for the year ended Dec 2023 EUR	For the year ended Dec 2023 EUR	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
Property rental and related revenue	**68 207 976**	**–**	**–**	**–**	**68 207 976**	63 976 345	–	–	–	63 976 345
Investment revenue	**–**	**7 770 989**	**–**	**–**	**7 770 989**	–	40 456 798	101 232	–	40 558 030
Finance income	**59**	**–**	**–**	**329 116**	**329 175**	–	–	–	55 673	55 673
Total revenue[1]	**68 208 035**	**7 770 989**	**–**	**329 116**	**76 308 140**	63 976 345	40 456 798	101 232	55 673	104 590 048
Fair value (loss)/gain on investment property, investments and derivatives	**(13 538 702)**	**62 950 510**	**–**	**–**	**49 411 808**	18 700 030	(102 607 255)	(1 081 878)	203 630	(84 785 473)
Fair value (loss)/gain on investment property	**(7 770 641)**	**–**	**–**	**–**	**(7 770 641)**	7 445 611	–	–	–	7 445 611
Fair value (loss)/gain on investments	**–**	**63 238 526**	**–**	**–**	**63 238 526**	–	(102 607 255)	(1 081 878)	–	(103 689 133)
Fair value loss on currency, interest rate and other derivatives	**(5 768 061)**	**(288 016)**	**–**	**–**	**(6 056 077)**	11 254 419	–	–	203 630	11 458 049
Property operating expenses	**(28 869 941)**	**–**	**–**	**–**	**(28 869 941)**	(25 170 288)	–	–	–	(25 170 288)
Administrative and other expenses	**(1 280 023)**	**–**	**–**	**(5 156 609)**	**(6 436 632)**	(938 802)	–	–	(5 391 723)	(6 330 525)
Foreign exchange (loss)/gain	**–**	**–**	**–**	**(388 313)**	**(388 313)**	–	–	–	692 059	692 059
Share of loss of equity-accounted associate	**–**	**–**	**–**	**–**	**–**	–	40 456 798	–	–	40 456 798
Operating profit/(loss)	**24 519 369**	**70 721 499**	**–**	**(5 215 806)**	**90 025 062**	56 567 285	(21 693 659)	(980 646)	(4 440 361)	29 452 619
Finance costs	**(8 622 388)**	**–**	**–**	**(14 832)**	**(8 637 220)**	(7 854 518)	(2 862 675)	–	(63 312)	(10 780 505)
Profit/(loss) before income tax	**15 896 981**	**70 721 499**	**–**	**(5 230 638)**	**81 387 842**	48 712 767	(24 556 334)	(980 646)	(4 503 673)	18 672 114
Income tax	**(367 358)**	**–**	**–**	**(1 217 540)**	**(1 584 898)**	(2 752 241)	–	–	(403 619)	(3 155 860)
Profit/(loss) for the year attributable to equity holders of the Company	**15 529 623**	**70 721 499**	**–**	**(6 448 178)**	**79 802 944**	45 960 526	(24 556 334)	(980 646)	(4 907 292)	15 516 254

[1] *All segmental revenues in 2023 and 2022, respectively, were generated from external customers and from countries other than Malta, the Company's domicile.*

PROPERTY PORTFOLIO OVERVIEW

Direct property investments are focused on retail malls in Iberia and France. Lighthouse constantly assesses opportunities to upgrade, refurbish, extend and redevelop our properties.

Fair value
EUR 642 million
(2022: **EUR 633,8 million**)

Gross lettable area
275 486m²
(2022: **269 612m²**)

Vacancy
3,3%
(2022: **3,2%**)

Weighted average rent per m² per month
EUR 18,71
(2022: **EUR 18,49**)

Property name	Primary use	Geographical location	Ownership %	Acquisition date	Occupancy %	Retail gross lettable area m²	Weighted average rent per m² per month EUR	Fair value EUR	Purchase price/cost EUR	Address
Forum Coimbra	Retail	Coimbra, Portugal	**100**	31 May 2017	**99,8**	**33 934**[1]	**31,99**	**190 940 000**	**202 150 276**	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	**99,8**	**61 238**	**16,40**	**163 960 000**	**163 037 899**	Aveda. Medico Francisco Perez, 04009 Almeria, Spain
Planet Koper	Retail	Koper, Slovenia	**100**	30 August 2016	**100,0**	**31 223**	**14,00**	**69 300 000**	**74 889 592**	Ankaranska cesta 2, 6000 Koper, Slovenia
Saint Sever	Retail	Rouen, France	**60**[5]	30 September 2021	**89,8**	**35 816**[2,4]	**18,48**	**64 902 000**[3]	**72 406 544**[3]	Avenue de Bretagne, 76100 Rouen, France
Rivetoile	Retail	Strasbourg, France	**60**[5]	30 September 2021	**90,7**	**28 246**[4]	**23,03**	**56 262 000**[3]	**53 011 345**[3]	3 Place Dauphiné, 67100 Strasbourg, France
Docks 76	Retail	Rouen, France	**60**[5]	30 September 2021	**89,7**	**36 768**[4]	**18,22**	**51 306 000**[3]	**49 109 785**[3]	Boulevard Ferdinand de Lesseps, 76047 Rouen, France
Docks Vauban	Retail	Le Havre, France	**60**[5]	30 September 2021	**96,6**	**48 261**[4]	**11,15**	**45 024 000**[3]	**36 388 407**[3]	70 Quai Frissard, 76600 Le Havre, France
Total					**96,7**[6]	**275 486**	**18,71**[7]	**641 694 000**	**650 993 848**	
Total weighted average increase in rental by rentable area from the prior year							**3,3%**[8]			
Weighted average annualised property yield							**6,6%**[8]			

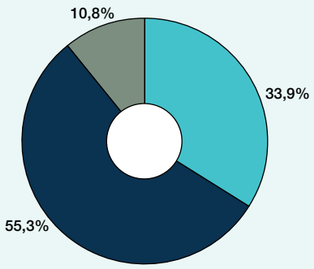
[1] *Excluding a 17 700m² Continente hypermarket that is separately owned.*
[2] *Excluding a 13 529m² E.Leclerc supermarket that is separately owned.*
[3] *The purchase price and fair value of the French properties reflect Lighthouse's effective 60% ownership.*
[4] *The GLA reflects 100% of the French properties' GLA.*
[5] *Refers to the effective ownership in the property.*
[6] *Weighted average occupancy rate at 31 December 2023.*
[7] *Weighted average rent per square metre at 31 December 2023.*
[8] *The weighted average has been* pro-rated *for Lighthouse's effective 60% ownership.*

PROPERTY PORTFOLIO OVERVIEW continued

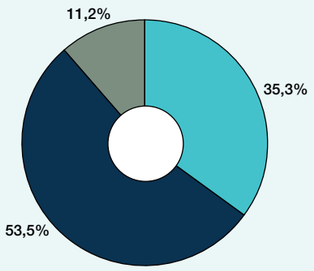
GEOGRAPHICAL PROFILE

	By fair value %	By rental revenue %	By rental area (GLA) %
France	33,9	35,3	41,4
Iberia	55,3	53,5	44,1
Slovenia	10,8	11,2	14,5

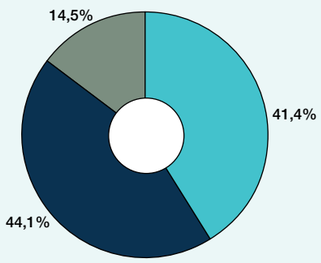
Fair value (%)



Revenue (%)



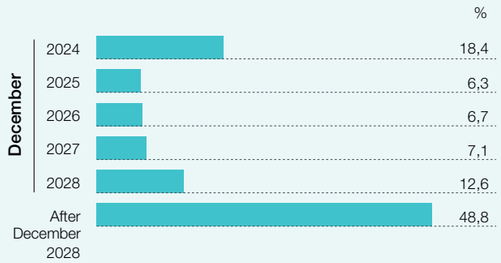
Rental area (GLA) (%)



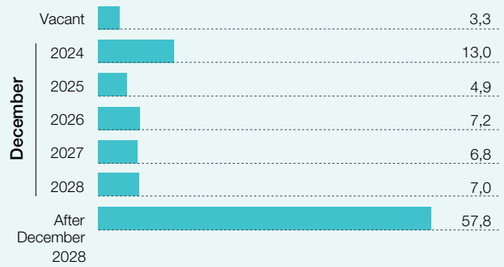
LEASE EXPIRY PROFILE

	By monthly rental %	By rental area (GLA) %
Vacant	–	3,3
2024	18,4	13,0
2025	6,3	4,9
2026	6,7	7,2
2027	7,1	6,8
2028	12,6	7,0
After December 2028	48,8	57,8

Lease expiry profile by monthly rental



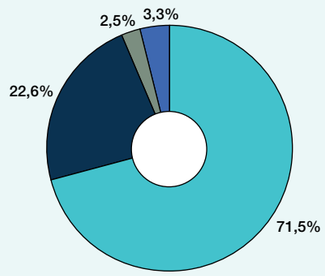
Lease expiry profile by area (GLA)



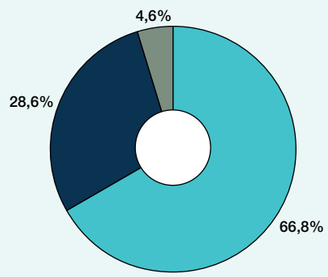
TENANT PROFILE

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

Rental area (GLA) (%)



Monthly rental (%)



- Large national tenants, large listed tenants and government. These include, *inter alia*, C&A, FNAC, JD Sports, H&M, Inditex, New Yorker, Primark, Action, Media Markt and Leroy Merlin
- National tenants, listed tenants, franchisees and medium to large professional firms. These include, *inter alia*, Muerde La Pasta, Perfumes e Companhia, Histoire d'Or, Inside, La Grande Recre, Foster's Hollywood, Quiksilver and Taco Bell
- Other (this comprises 71 tenants)
- Vacant

Top 10 tenants	By monthly rental %	By rental area (GLA) %
Inditex	9,3	8,3
Primark	4,0	8,0
Hennes & Mauritz	2,8	4,9
Leroy Merlin	2,6	5,6
Pathe Cinemas	2,5	4,9
JD Sports	2,2	1,1
Mango	1,8	1,2
C&A	1,7	1,6
E.Leclerc	1,5	2,4
Cortefiel	1,4	0,8

Tenant type/grade	By monthly rental %	By rental area (GLA) %
Fashion	40,7	37,8
Food and beverage	11,4	9,0
Leisure	9,5	17,4
Sports, toys and hobbies	6,0	5,1
Jewellery and accessories	5,9	2,0
Personal care	4,9	2,1
Shoes and bags	4,3	3,5
Services	3,2	1,8
Electronics	3,1	2,5
Household and furniture	2,5	2,8
DIY and garden	2,6	5,6
Groceries	2,4	3,9
Food specialist	1,8	1,8
Other	1,7	4,7
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 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 annual footfall is c. 8,5 million.

The mall is anchored by a refurbished Continente hypermarket (in separate ownership) and is tenanted by 139 retailers and has 2 591 parking spaces. Forum Coimbra was refurbished in 2022 and 2023. This included an extensive food court offering featuring 30 different restaurant options, a playground 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, Oysho, Zara Home and Lefties), H&M and JD Sports. The tenant mix also includes FNAC, a clinic and a premium gym offering.

Valuation (EUR)	190 940 000
Ownership (%)	100
Retail GLA (m²)	33 934 excluding a 17 700m² Continente hypermarket (separately owned)
Occupancy (%)	99,8
Average monthly rental (EUR per m²)	31,99
Acquired	31 May 2017
Anchor tenants	Continente (separately owned), Primark, Zara, Worten, FNAC, H&M, Mango, Cinema NOS
Major tenants	Bershka, Stradivarius, C&A, Massimo Dutti, Pull&Bear, Lefties, McDonald's, JD Sports, Bimba y Lola, Benetton, Adidas, IKEA

https://www.forum-coimbra.com

TORRECÁRDENAS
Almeria, Spain

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

The annual footfall of c. 7 million is supported by leading fashion retailers Primark, Zara, Stradivarius, Lefties, Bershka, H&M, JD Sports, Pull&Bear and Mango.

Torrecárdenas has a strong entertainment offering including 15 restaurants, a 10-screen Yelmo Cinema and an Illusiona games arcade for children. The retail park has leading anchor tenants Leroy Merlin and Media Markt. The mall is tenanted by 92 retailers and has 2 579 parking spaces.

Valuation (EUR)	163 960 000
Ownership (%)	100
Retail GLA (m²)	61 238
Occupancy (%)	99,8
Average monthly rental (EUR per m²)	16,40
Acquired	10 March 2022
Anchor tenants	Primark, Zara, Mercadona, Yelmo Cinemas
Major tenants	Media Markt, Leroy Merlin, Bershka, H&M, Alvaro Moreno, JD Sports, Mango, Primor, Illusiona, Stradivarius, Sprinter, Lefties, Zara Home

https://www.torrecárdenas.com

OUR PROPERTIES continued

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 the LPP Group (Sinsay and Mohito). The mall has a full retail offering, including international brands such as Douglas, L'Occitane, Tom Tailor, C&A, H&M, Bershka, Stradivarius, New Yorker, Champion, Sport Vision and Polleo Sport.

In 2024, we are pleased to be introducing Decathlon to the centre, the premier sports retailer in Europe.

Valuation (EUR)	69 300 000
Ownership (%)	100
Retail GLA (m²)	31 223
Occupancy (%)	100
Average monthly rental (EUR per m²)	14,00
Acquired	30 August 2016
Anchor tenants	Bershka, Stradivarius, C&A, H&M, New Yorker, Cineplexx, Tus Hypermarket, Sinsay, Mohito, Decathlon
Major tenants	Baby Centre, Hervis, Teta Frida, CCC, Mass, L'Occitane, Galileo, Tom Tailor, Europa 92, Champion, Sport Vision, Deichman, Polleo Sport, Douglas

https://www.plantekoper.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.

In 2022, Saint Sever was 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. With the opening of a 6 700m² Primark store that trades over two floors on 1 December 2023, the mall has become 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 Kinepolis Cinema. A 1 200m² New Yorker opened in November and has been performing well. In January 2024, a new lease was signed with Normal, the well-known European retailer. Normal will occupy a previously vacant space of 550m² on the first floor of the centre.

Valuation (EUR)	64 902 000[1]
Ownership (%)	60
Retail GLA (m²)	35 816[2]
Occupancy (%)	89,8
Average monthly rental (EUR per m²)	18,48
Acquired	30 September 2021
Anchor tenants	Primark, E.Leclerc (separate ownership), Kinepolis Cinema
Major tenants	H&M, Primark, Bershka, Mango, JD Sports, Foot Locker, KFC, New Yorker

https://www.saintsever.com

[1] *The fair value of the French properties reflects Lighthouse's effective 60% ownership.*
[2] *Excludes the E.Leclerc supermarket of 13 529m².*

OUR PROPERTIES continued

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 moving forward, 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, Bershka, Pull&Bear, Stradivarius, Sephora and Sostrene Grene.

In spring of 2024, we will be introducing a flagship JD Sports store to the shopping centre. 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 and Fresh Burritos.

Valuation (EUR)	56 262 000[1]
Ownership (%)	60
Retail GLA (m²)	28 246[2]
Occupancy (%)	90,7
Average monthly rental (EUR per m²)	23,03
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

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 a Gulli Parc kids playground. The fashion offering includes H&M, Hollister, Mango, Sephora and Superdry.

The Biltoki concept that was opened in the fourth quarter of 2022 has been a major success and has increased footfall to the centre in 2023 by over 25% against 2022 numbers. Action opened on the first floor occupying a total of 1 200m². In January 2024, a new lease with the well-known European retailer Normal was signed. Normal will occupy a previously vacant space of 550m² on the first floor of the centre.

Valuation (EUR)	51 306 000
Ownership (%)	60
Retail GLA (m²)	36 768[1]
Occupancy (%)	89,7
Average monthly rental (EUR per m²)	18,22
Acquired	30 September 2021
Anchor tenants	Pathe Cinema, Carrefour City, Biltoki
Major tenants	Hollister, Esprit, Superdry, Chaussea, H&M, Accrosport Fitness, Action

https://www.docks76.com

[1] *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, Bershka and New Yorker.

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.

Valuation (EUR)	45 024 000[1]
Ownership (%)	60
Retail GLA (m²)	48 261[2]
Occupancy (%)	96,6
Average monthly rental (EUR per m²)	11,15
Acquired	30 September 2021
Anchor tenants	Pathe Cinema, Lidl, Primark
Major tenants	New Yorker, Bershka, Accrosport, Zara, KFC, Jennyfer, Chaussea, H&M, La Halle, Guilli Parc

[1] The fair value of the French properties reflects Lighthouse's effective 60% ownership.
[2] The GLA reflects 100% of the French properties' GLA.

https://www.docksvauban.com

GROUP STRUCTURE

LIGHTHOUSE PROPERTIES p.l.c.[1]

Hammerson plc
16,27%[3]

Forum Coimbra Mall
100%

Torrecárdenas Mall
100%

Planet Koper Mall
100%

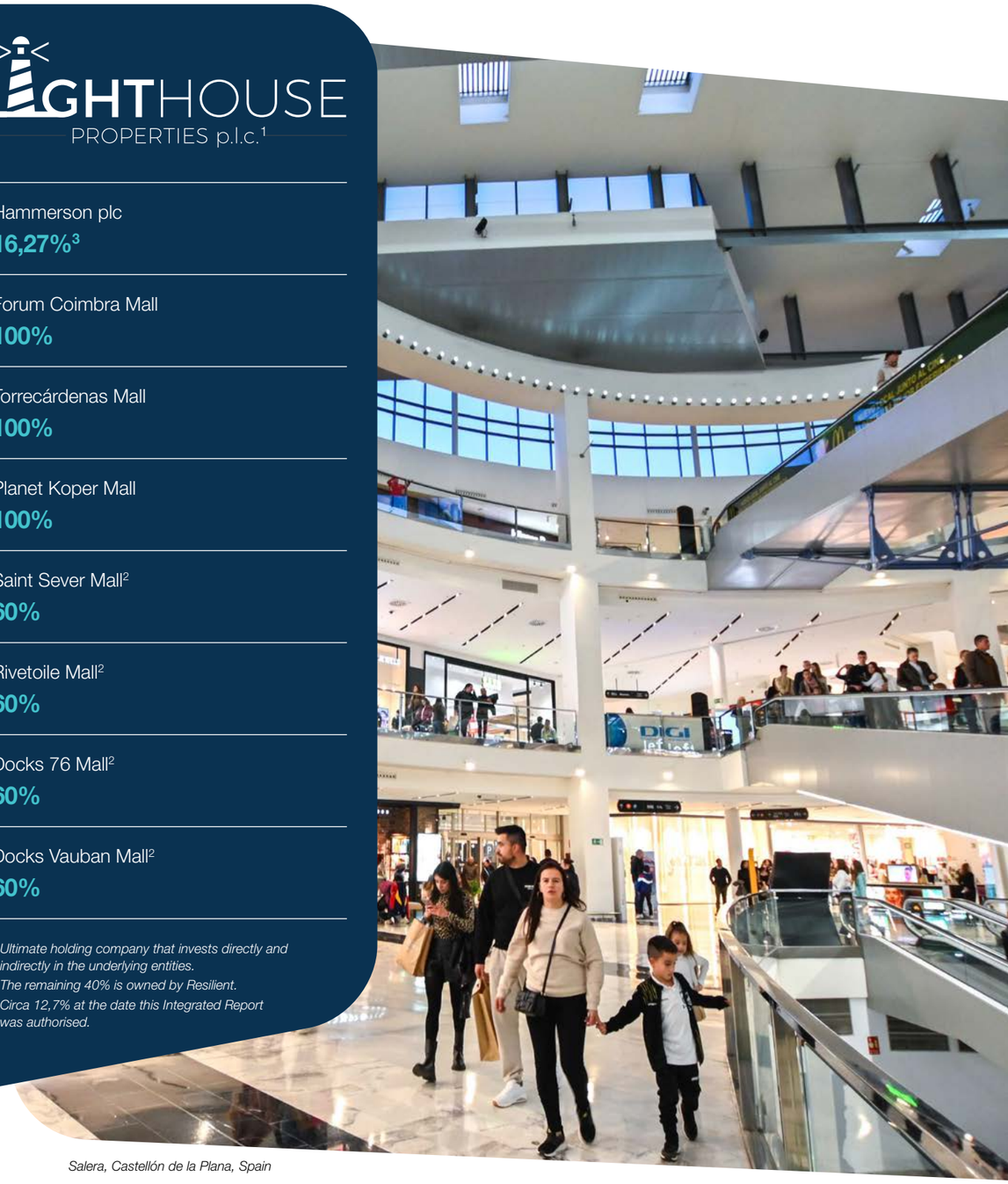
Saint Sever Mall[2]
60%

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.
[3] Circa 12,7% at the date this Integrated Report was authorised.



Salera, Castellón de la Plana, Spain

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Good corporate citizenship and governance 71

Docks Vauban, Le Havre, France

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.

LIGHTHOUSE'S ESG STRATEGY

Lighthouse recognises the increased importance of ESG matters to stakeholders. Lighthouse is committed to action in order to reduce the impact of its business on the environment, improve the efficient use of scarce resources, employ good governance practices and meaningfully contribute to society.

To achieve this, we have formulated a comprehensive ESG strategy that is focused on a future-proof approach to the environment, a meaningful contribution to society and good governance. Our ESG strategy is premised on long-term sustainability and achieving carbon neutrality within the principles set out in the following frameworks:

- The 2030 Agenda for Sustainable Development adopted by the United Nations providing a blueprint with 17 Sustainable Development Goals ("SDGs") aimed at protecting the planet
- The Financial Stability Board Task Force on Climate-related Financial Disclosures ("TCFD")
- The Paris Agreement with the goal to limit global warming by employing strategies to lower long-term greenhouse gas ("GHG") emissions and achieve net zero.

THE ENVIRONMENT: A FUTURE-PROOF APPROACH

Our strategic focus in respect of the environment is to minimise our carbon footprint with the intention of achieving net zero by 2050.

Our strategy, focused on minimising our carbon footprint in the three pillars of energy, water and waste, can be summarised as follows:

- **Measuring building performance:** Decarbonising our buildings requires accurate measurement of the consumption of energy, water and waste and the associated carbon emissions. Our immediate focus is to improve our collection of this data in order to achieve a baseline benchmark from which future performance and initiatives can be measured. This will inform our setting of appropriate targets.
- **Aligning operational carbon performance:** Once an understanding of the environmental performance is obtained, we will focus on how to reduce operational carbon emissions on each asset in alignment with the Paris Agreement. We will make use of science-based methodologies (including the use of the Carbon Risk Real Estate Monitor (tool) to develop a roadmap for each asset which will include reduction pathways and targets for energy and carbon intensity. Our initial focus is to assess and reduce our Scope 1 and 2 emissions and we will then investigate our ability to reduce Scope 3 emissions (tenant consumption).
- **Building improvements:** With the objective of achieving net zero by 2050, the roadmap for each asset will include phased efficiency improvements and capex initiatives. Investing in building improvements focused on energy consumption and carbon emissions (including sourcing clean energy, generation of on-site renewable electricity and working with tenants to procure green energy, improved insulation and installing energy-efficient equipment and appliances) will be outlined and assessed on each asset with the broader strategic intent in mind.

The environmental component of the strategy will be complemented with the following:

- Our intention to obtain BREEAM green building certifications for each of our assets in our portfolio by 2025 with a minimum rating of Very Good
- Minimising waste reduction and maximising recycling of waste
- Reduction of water consumption
- Improving biodiversity and habitat.

SOCIAL: MAKING A MEANINGFUL CONTRIBUTION

We recognise that our business plays an important role in the communities in which we operate, and our strategic focus remains to actively and meaningfully contribute to society. Our strategic intent is as follows:

- Inform and involve communities and tenants to collaborate on environmental and social initiatives
- Include ESG topics in lease agreements to improve collaboration towards reducing tenants' environmental impacts
- Cooperation with the local community by organising various social and community events in all shopping centres, combined with charitable events and allowing space for workshops, training and events
- Understand tenant needs by conducting tenant satisfaction surveys and engage them through programmes focused on their needs
- Support diversity and inclusion in both our own organisation as well as facilitating this in our assets
- Ensure standards, codes and certifications for our contractors and suppliers regarding health and safety of workers
- Provide fit-out and refurbishment solutions that reduce the use of resources and materials
- Health and well-being programmes for employees
- Provide training and personal development plans
- Facilitate mobility around our shopping centres by increasing accessibility, safety and walkability, as well as stimulating green mobility by ensuring access to public transport and electric car chargers
- Assess local needs to foster communities (i.e. local disaster support, partnerships with municipalities, business and institutions to address priority issues and opportunities, affordable work and retail spaces to support local arts and culture, networking events).

GOVERNANCE: GOOD GOVERNANCE

Good corporate governance remains a key strategic imperative to Lighthouse. Our strategic focus in respect of our ESG governance practices and commitments includes:

- Ensure our ESG ambition is embedded throughout the entire organisation. This includes making ESG a core responsibility within the executive management team, as well as setting up a multidisciplinary Board committee to ensure effective implementation
- Investigate the introduction of a green lease programme for new leases signed
- Ensure careful handling and storage of (confidential) information
- Share our ESG ambition with external stakeholders (e.g. investors, advisors, banks, property managers, suppliers, contractors, etc.) to ensure alignment and collaboration across the value chain
- Ensure responsible employment by investing in training and qualifications and providing a safe working environment for our employees and contractors
- Foster diversity and equal opportunity across the organisation
- Ensure responsible procurement by requiring standards and qualifications from contractors and set minimum procurement standards
- Ensure good practices across our value chain by introducing a supplier code of conduct for all major services
- Lighthouse's good corporate governance is embedded in the organisation through clear policies, focusing on issues including cybersecurity, whistle-blowing, data protection and privacy, code of conduct, fraud, bribery and corruption.

This comprehensive ESG strategy seeks to complement our existing practices and forms part of the work towards achieving Global Real Estate Sustainability Benchmark ("GRESB") certification.

GRESB is an independent validation of ESG performance data and is well regarded by investors as the industry benchmark in respect of ESG assessment.

LONG-TERM SUSTAINABILITY

The United Nations Brundtland Commission defined sustainability as "meeting the needs of the present without compromising the ability of future generations to meet their own needs."

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 actionable for leaders.

In 2022, we undertook a materiality assessment through engagement with employees, management, the Board, service providers, financiers and investors. Our ESG strategy is premised on 11 SDGs that were identified and prioritised accordingly.

Sustainability is built on three pillars: environmental, social and economic or more simply put, the planet, people and profit. Our long-term sustainability ambitions are based on our commitments and targets categorised under each pillar which are aligned with the principles of the UN SDGs and the disclosure requirements set out in the TCFD guidelines.

SUSTAINABLE DEVELOPMENT GOALS

SDGs		THE PURPOSE OF THE GOAL
Good health and well-being	3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all.
Quality education	4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and learning opportunities.
Gender equality	5 GENDER EQUALITY	Achieve gender equality and empowerment of women.
Clean water and sanitation	6 CLEAN WATER AND SANITATION	Ensure the availability and sustainable management of water and sanitation.
Clean and affordable energy	7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy.
Decent work and economic growth	8 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	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Construct resilient infrastructure that promotes inclusive and sustainable development goals.
Sustainable cities	11 SUSTAINABLE CITIES AND COMMUNITIES	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	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns.
Climate action	13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts.
Partnerships for the goals	17 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
FINANCIAL CAPITAL	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.	17 PARTNERSHIPS FOR THE GOALS
MANUFACTURED CAPITAL	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.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
SOCIAL AND RELATIONSHIP CAPITAL	We invest in long-term relationships with various stakeholders: ▶ Our communities ▶ Our employees ▶ Our investors ▶ Our financiers ▶ Our patrons ▶ Our suppliers and service providers ▶ Our tenants.	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES 6 CLEAN WATER AND SANITATION
HUMAN AND INTELLECTUAL CAPITAL	Our employees are an essential part of our business. We aim to attract and retain motivated, high-calibre employees whose values and interests are aligned with our corporate values.	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
NATURAL CAPITAL	We aim to improve the sustainability of our properties by investing in energy and water measurement and efficiency technologies.	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

OUR PROGRESS TOWARDS THE SDGs

We engaged and collaborated with accredited leaders, industry partners and local authorities who subscribe to the principles of long-term sustainability. Our efforts included:

- 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
- 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
- We promote sustainable communities by partnering with established community-based organisations
- 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 continue to support local economic development through job creation, skills development opportunities and by offering employment to numerous people at our malls
- 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 on new leases
- Asset-specific strategies aimed at reducing our GHG emissions.

OUR FUTURE PLANS

We expect the impact of ESG-related practices will influence all investment and operational decisions going forward. BREEAM In-Use certifications on all assets will be initiated with the objective of improving performance and ratings achieving GRESB certification.

- We will continue investing in technology to improve monitoring; this helps us reduce consumption
- Continue investing in a diverse range of initiatives to positively create value for our communities
- Continuation 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
- Reduce water consumption and/or increase our water recycling
- Expand solar photovoltaic ("PV") 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
- Continue focusing on pursuing water and electricity measurement and efficient technologies to reduce GHG emissions
- Setting GHG reduction targets as well as focusing on more nature-based solutions to reduce ecosystem impacts
- Asset-specific consumption targets and actions to be established.

ENVIRONMENTAL IMPACT

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 enhancements 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 measurement of building resource consumption of energy, water and waste and associated carbon emissions
- Decreased 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 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.

The Board and its committees have committed to addressing climate risks 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 74** to **80**.*

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 21** to **27**.*

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.

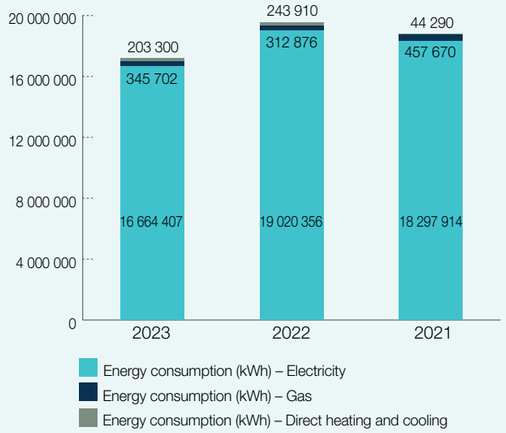
Within the context of our support of the Paris Agreement and the ultimate objective of achieving net zero, appropriate targets are set for each mall to measure and reduce our carbon footprint as part of our ambitions towards net zero emissions.

ENVIRONMENTAL IMPACT continued

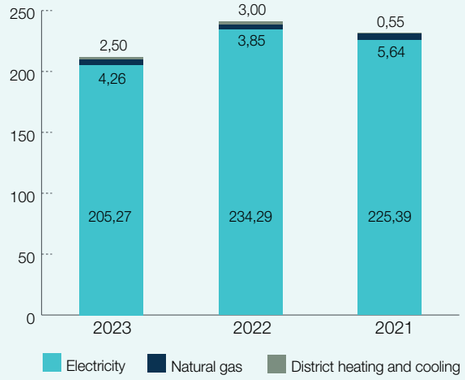
Portfolio consumption data

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).

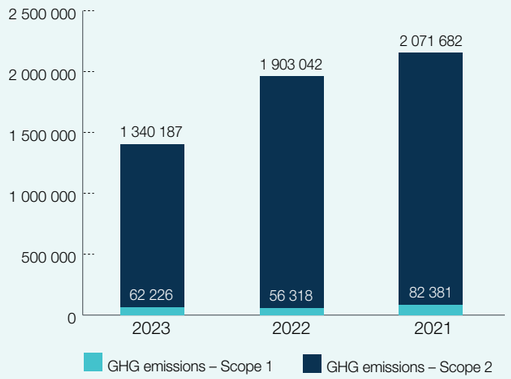
Energy consumption (kWh) – energy source



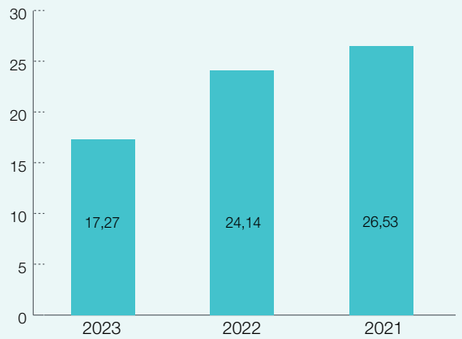
Energy use intensity (kWh/m²)



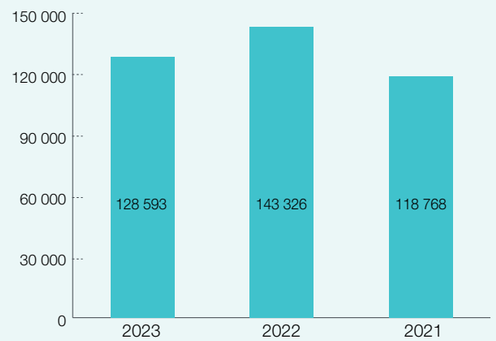
GHG emissions Scope 1 and 2 ($kgCO_2$)



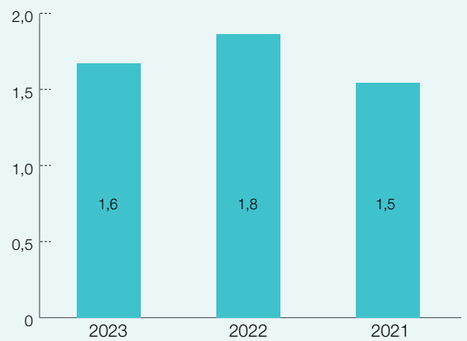
Carbon intensity – $kgCO_2/m^2$



Water consumption (m³)



Water intensity (m³/m²)



Forum Coimbra, Coimbra, Portugal

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 areas to reduce consumption and improve efficiencies
  - To date, solar PV plants with a combined capacity of 1,100kWp have been installed at Torrecárdenas and Planet Koper. These resulted in a production of 1 060 160kWh of green energy on-site and 186 metric tons of carbon dioxide 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
- Replacement of the cooling fans with more energy-efficient systems.

Metrics and measurements

- Total electricity consumption in the common areas: 16 664 407kWh (2022: 18 117 643kWh)
- Total volume of electricity self-generated: 1 060 160kWh
- Total GHG emissions: 2023: 1 402 413 (2022: 1 959 360):

Emissions tCO_2e	2023	2022
Scope 1	**62**	56
Scope 2	**1 304**	1 903
	1 366	1 959

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

Targets

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

- Installation of smart meters to measure water consumption accurately and detect leaks
- Installation of tab sensors to reduce water consumption
- Introduce grey water reusage
- Controlled water pressure to limit consumption
- Planting indigenous plants that require less water.

Metrics and measurements

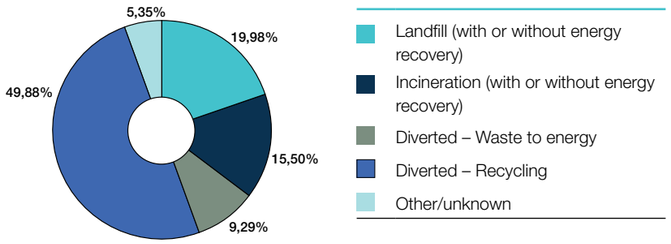
Total consumption: 128 593m³ (2022: 143 325m³).

Targets

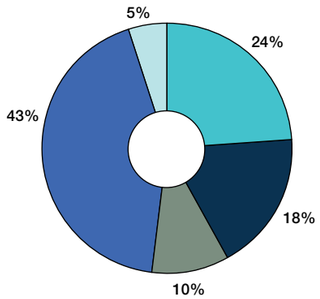
Appropriate asset-specific targets, with baseline consumption from which to measure progress, will be set this year.

ENVIRONMENTAL IMPACT continued

Waste disposal routes 2023 (%)



Waste disposal routes 2022 (%)



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

3 524 tonnes of waste generated in 2023 (2022: 3 572) with 50% in 2023 (2022: 43%) of all waste recycled and c. 9% (2022: 10%) of waste diverted to energy creation.

Docks 76, Rouen, France

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. The BREEAM certification process has been completed for Forum Coimbra and Planet Koper and we are awaiting the final results.

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

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

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 ("EV") charging stations (in a joint investment with an industry leader) demonstrating our commitment to sustainable mobility. Estimated generation capacity: c. 550kWh
- We completed the BREEAM In-Use certification process and are awaiting the results
- 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 install submeters in their units on lease renewal to better understand the consumption in the building
- We produced 937 502kWh from our solar PV installation savings of an estimated 175,3 metric tons carbon dioxide
- We completed the BREEAM In-Use certification process and are awaiting the final results
- We are in the process of installing an energy efficiency assessment and updated our energy certificate
- We are in the process of installing eight EV charging stations

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 maintain 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 exits

Torrecárdenas

- Green electricity sourced from renewable sources
- We have completed the BREEAM In-Use certification process
- 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 122 658kW from our solar PV installation with savings of an estimated 10,7 metric tons carbon dioxide

CORPORATE SOCIAL IMPACT

OUR PEOPLE

Lighthouse currently employs 12 people (2022: 11 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 more than 6 000 people at our malls.

Forum Coimbra	1 589 people
Torrecárdenas	1 154 people
Planet Koper	527 people
Docks Vauban	657 people
Docks 76	590 people
Rivetoile	746 people
Saint Sever	765 people

Employees

We offer competitive remuneration, which, in turn, translates into low employee turnover. 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.

Torrecárdenas, Almería, Spain

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 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 mall community CSI initiatives include:

Forum Coimbra

Forum Coimbra is a proud sponsor and supporter of various community-focused initiatives, including:

- Continuing cooperation with the Mayor of Coimbra's city through the sponsorship of a community urban art piece installed downtown at the Book Fair and a local rock event – Luna Fest, developed in partnership with the city council
- Providing financial support to the Academic Federation of Coimbra and University of Coimbra
- Partnering with "Mamãs & Bebés", giving pregnant women the opportunity to have a 5D emotional ultrasound and raise awareness of important themes like the preservation of stem cells
- Hosting the cycle of debates "Europa no Centro", with the aim of promoting dialogue between the Portuguese Member of the European Parliament and citizens
- Collaborating with "Liga dos Pequeninos", a non-profit organisation which works with families at the Coimbra Pediatrics Hospital by providing space in the mall for awareness-raising and fundraising activities
- Portuguese League Against Cancer awareness initiatives that took place at Forum Coimbra several times during the year, including fundraising at the Pink Land event (Barbie film)
- Hosting the early screening campaign where the medical students from the University of Coimbra performed free cardiovascular screenings for visitors in the mall
- Partnering with the Portuguese Blood and Transplantation Institute to encourage blood donation and raise awareness of the topic
- Communication of Jansen's awareness-raising campaign in partnership with the Portuguese Shopping Centre Association on the theme of prostate cancer – Movember initiative

Torrecárdenas

Torrecárdenas is an active supporter of community-focused initiatives including:

- Fundraising for the construction of a school in Bangladesh
- Collaboration with the Breast Cancer Association in creating awareness as well as fundraising and a "message mural" for breast cancer patients
- Launching our new campaign "Imagine…" to raise awareness of Alzheimer's disease in collaboration with the Alzheimer's Association of Almeria
- Healthy days: In collaboration with the hospital and more than 10 associations, we organise health days to bring healthcare closer to the public through medical tests and first aid courses
- Promoting a sustainable environment among mall visitors
- Contributing towards the conservation of CASTALA, a natural park of the province damaged by several fires, by planting new trees; planting will continue in 2024
- Hosting various environmental associations on World Environment Day and creating awareness with children through various activities for the children
- Hosting a fashion show for the Downs Syndrome Association in collaboration with our fashion retailers and other tenants

Planet Koper

Planet Koper supports the local community through partnerships with numerous local organisations, including:

- Providing educational activities for customers on how to reduce their 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
- Annually, a carnival for children is held 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'Etablissement Français du Sang Plantes pour Tous, Association Burkina Caux, HAC Football Club, STB Basket, Amnesty International, Ville du Havre, Communauté Urbaine Le Havre Seine Métropole 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 local market (local producers event), Un Eté au Havre event (city cultural event) and Les Révélations (a cinema event)
- We established an urban vegetable garden and held seven gardening workshops for the community. Visitors are encouraged to share in the harvest
- 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, "La Ligue Nationale contre le Cancer" against cancer and the Norman Committee against respiratory diseases
- Partnering with the local medical student association "We Can Bridge" 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 7

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

Every year, Rivetoile tries to highlight local associative and cultural initiatives by partnering with diverse associations and institutions in the region. Throughout the year, the centre hosts a variety of events, including workshops, informative booths, exhibitions and collections.

Initiatives for 2023 included:

- Solidarity tulip sale in partnership with the Kiwanis Strasbourg Kleber association: the funds raised were donated to the Kiwanis association, which helps sick children, those with disabilities or in financial need
- Setting up a diabetes awareness and screening booth organised by the European Centre for the Study of Diabetes
- Autism awareness day organised by the "Autisme Aujourd'hui" association
- Organisation of a large collection of used books to benefit the Alsatian cultural association "Tôt ou T'ar" in partnership with "Recyclivre"
- Free upcycling workshops with "Le Relais EST" to learn how to give a second life to your clothes plus clothing collection
- Exhibition on AIDS: "The Artery – Gardens of Drawings" by artist Fabrice Hyber and a discussion on the disease with volunteers from the "AIDES" association, which fights against AIDS
- Toy collection organised in partnership with the French charity organisation, Secours Populaire
- Promoting biodiversity within the community by organising a special day for customers to visit the mall beehives

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, a 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 collaboration across our value chain.

05 CORPORATE GOVERNANCE OVERVIEW

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Rivetoile, Strasbourg, France

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, applying the recommended practices set out in King IV™. 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 and confirms it is satisfied with the role clarity between the Board, its committees and executive management and that it comprises a balance of power. 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. In accordance with the Board charter ("Board Charter") and the Code of Ethical Conduct (the "Code"), members of the Board are individually and collectively required to possess the relevant characteristics and exhibit them in their conduct. 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. The Board is transparent in the way it exercises its governance roles and responsibilities.
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 and has accepted responsibility for ensuring that management activity cultivates a culture of ethical conduct. 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 the Code. The Code provides guidance to ensure all Directors act with honesty and integrity and 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 them. *Refer to Lighthouse's business model on* ***pages 14*** *to* ***17*** *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 110*** *to* ***181*** *for Lighthouse's detailed performance over the past year.* *Refer to* ***page 10*** *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.

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 86**.*

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.

The Board, with the assistance of the Nomination Committee, considers its composition on an annual basis. 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 diversity at Board level which requires the Nomination Committee to consider a broad and diverse pool of talent when considering Board appointments.

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 five 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 82** to **85**.*

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 sub-committees 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 82** to **85** for the members of each committee.*

Governance outcome three: Adequate and effective control continued

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 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 limited 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.

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.

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 87**.*

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

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.

In terms of the Board 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.

Governance outcome three: Adequate and effective control continued

Principle 11

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

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 21** to **27** for an overview of the top risks to Lighthouse.*

Principle 12

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

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.

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.

A framework of financial reporting, internal and operating controls has been established by the Board to ensure reasonable assurance as to the accurate and timeous 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.

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 92** to **99**.*

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

Governance outcome three: Adequate and effective control continued

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 assumes responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions.

*Refer to **pages 89** and **90** 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 2023 (2022: 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.

Rivetoile, Strasbourg, France

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. Responsibility for the implementation and execution of effective stakeholder relationship management is delegated to management subject to Board oversight. *Refer to **pages 18** to **20** 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 regarding its investee companies. Sustainability is a key focus area of the Board and is managed in the context of the Group's various investments.

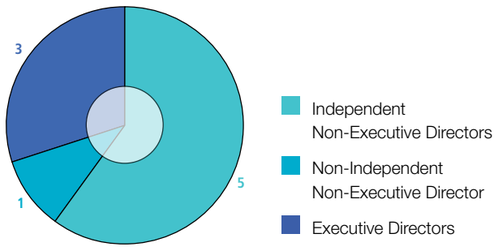
- A more comprehensive King IV™ compliance register is available on our website at **www.lighthouse.mt/corporate governance/**
- A framework of financial reporting, internal and operating controls has been established by the Board
- The Board confirms that Lighthouse has complied with the provisions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

BOARD OF DIRECTORS

BOARD COMPOSITION

	Number	Percentage
Number of Board members	9	100
Board members who are non-executive	6	67
Board members who are deemed independent	5	56

Number of Board members



The Board consists of three Executive Directors and five 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 are 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	Nicolaas Hanekom as an alternate to Desmond de Beer – 11 May 2023
Resignations	Barry Stuhler – 17 March 2023

Torrecárdenas, Almería, Spain

BOARD OF DIRECTORS continued

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

Independent

CHAIRPERSON
Mark Olivier (55)
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 which is listed on the Main Board of the JSE. He is also an Independent Director of CIE Immobilière Limitée listed on the Stock Exchange of Mauritius ("SEM").

Previously, Mark was the Chairperson of Rockcastle Global Real Estate Company Limited ("Rockcastle") prior to its merger with New Europe Property Investments plc. He 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 (40)
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 in 2013 with an emphasis on acquisitions, transaction structuring and developments in Africa.

Executive Director

CHIEF OPERATING OFFICER
Edward Mc Donald (60)
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 Proprietary Limited ("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 (47)
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.

BOARD OF DIRECTORS continued

Stuart Bird (64)
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 (42)
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 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 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)*, Nomination and Remuneration

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, a South African Real Estate Investment Trust, where he has served as Chief Executive Officer since its listing in 2002 until stepping down at the end of December 2023. 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. Desmond serves as a Non-Executive Director at Resilient.

Anthony Doublet (63)
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 (59)
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.

Nicolaas ("Nick") Hanekom (44)
BCom, BAcc, CA(SA)
(South African – based in the UK)
Date of appointment: 11 May 2023
Listed company Directorships: One
Committees: Investment, Nomination and Remuneration

Nick completed his articles with PwC in Johannesburg and then joined PwC London. On his return to South Africa in August 2005, he was employed by Resilient, initially as Company Secretary and, with effect from May 2011, as Financial Director. In March 2020, his role changed to that of Chief Operating Officer. Nick resigned from Resilient at the end of 2022 and emigrated to the UK where he started a financial consulting business.

BOARD OF DIRECTORS continued

	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					3/3	
Non-Executive Directors							
Mark Olivier (Chairperson of the Board from 17 January 2019)	4/4 (Chair)		4/4	1/1 (Chair)	2/2		
Stuart Bird (Appointed on 12 February 2020)	4/4		4/4	1/1	2/2 (appointed Chair with the resignation of Barry Stuhler)		
Karen Bodenstein (Appointed on 27 September 2016)	4/4	4/4 (Chair)				3/3 (Chair)	
Desmond de Beer[1] (Appointed on 27 May 2020)	4/4		4/4	1/1	2/2		
Anthony Doublet (Appointed on 5 August 2021)	4/4	4/4					2/2
Stephen Paris (Appointed on 5 August 2021)	4/4	4/4				3/3	2/2 (Chair)
Barry Stuhler (Appointed on 16 August 2017 – resigned on 17 March 2023)	1/1		1/1		1/1		

[1] *Nicolaas Hanekom was appointed as an alternate to Desmond de Beer on 11 May 2023.*

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	
	2023	2022	2023	2022	2023	2022	2023	2022
Mark Olivier *(Chairperson)*	**–**	–	**4 029 801**	1 974 225	**4 029 801**	1 974 225	**0,22**	0,116
Justin Muller*	**2 954 229**	2 112 723	**–**	–	**2 954 229**	2 112 723	**0,16**	0,124
Jacobus van Biljon*	**1 835 263**	1 239 245	**–**	–	**1 835 263**	1 239 245	**0,10**	0,073
Desmond de Beer*	**–**	–	**306 920 956**	254 405 413	**306 920 956**	254 405 413	**16,77**	14,99
Nicolaas Hanekom	**–**	–	**8 540 328**	–	**8 540 328**	–	**0,47**	–
Edward Mc Donald	**180 536**	–	**–**	–	**180 536**	–	**0,01**	–
Barry Stuhler#	**–**	–	**–**	86 349 610	**–**	86 349 610	**–**	5,088
Total	**4 970 028**	3 351 968	**319 491 085**	342 729 248	**324 461 113**	346 081 216	**17,73**	20,39

* *Desmond de Beer's full holding serves as collateral.*

\# *Barry Stuhler resigned effective 17 March 2023.*

† *1 063 514 shares of Justin Muller, 819 605 shares of Jacobus van Biljon and 163 462 shares of Edward Mc Donald relate to shares issued in terms of the Incentive Plan which are pledged until they vest. Desmond 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.

Forum Coimbra, Coimbra, Portugal

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 (Chairperson)	Mark is the Chairperson of African Rainbow Capital Investments Limited which is 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 and Project Management Limited, GridX Dura Limited, Zimborders Mauritius Limited and Genavest Holdings Limited.
Desmond de Beer	Desmond is a Director of Optimprops 3 Proprietary Limited, Resilient REIT Limited, Resilient Africa Proprietary Limited, Resilient Africa Managers Proprietary Limited, Pure Diamond Investments Proprietary Limited and Jutlander Investments Proprietary Limited.
Stephen Paris	Alpha FX Europe Limited, Arcem Trust Limited, AX Real Estate PLC, BDX Mexico Holdings, S. de R.L. de C.V., 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) Merill SICAV PLC, Merkanti Bank Limited, NBG Malta Limited (Liquidator), NBG Malta Holdings Limited (Liquidator), nextmarkets Trading Limited, ST Anthony Co. PLC and TH Investments PLC.
Stuart Bird	Stuart is a Director of Resilient REIT Limited and Trellidor Holdings Limited, both listed on the JSE.
Anthony Doublet	Trident Trust Company (Malta) Limited, Trident Corporate Services (Malta) Limited, Trident Fund Services (Malta) Limited and Momentum Pensions Limited.
Nicolaas Hanekom (Alternate to Desmond de Beer)	Resilient Africa Proprietary Limited, Resilient Africa Managers Proprietary Limited, Anchor Energy Holdings Proprietary Limited, and 247 Consulting 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 and 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 – SIC Imobiliária Fechada, S.A., Lighthouse Spanish Properties SOCIMI, S.A.U., Torrecárdenas Properties, S.L.U., Spanish Retail Investments SOCIMI, S.A, Salera Properties, S.L.U. and Retail Property Investments SAS.
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 year ended 31 December 2023.

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 2023 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 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 86**.*

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 2023.

Non-audit assurance fees for 2023 amounted to EUR 3 377. The fees are deemed insignificant when compared to the total audit fees of the Group. 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 2023 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, significant judgements and estimates adopted in the preparation of the financial statements for the 2023 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

11 March 2024

Salera, Castellón de la Plana, Spain

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, Rouen, France

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.

*Refer to note 7 to the annual financial statements on **page 133** 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 2023 remuneration policy and the 2022 remuneration implementation report were voted in favour of by 89,08% and 89,97% respectively, at the AGM held on 26 April 2023 (for the year ended 31 December 2022).

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	▶ TGPs are benchmarked at the median of the peer group ▶ The Remuneration Committee considers the following when reviewing TGPs: – 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	▶ TGPs are benchmarked at the median of the peer group ▶ The Remuneration Committee considers the following when reviewing TGPs: – 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	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. There are three different participation levels where identified employees are placed (tiers 1, 2 and 3). The aforementioned awards comprise a cash bonus and Lighthouse shares, each of which represents 50% of the aggregate value of the award.	
Key drivers	**Tier 1:** The key driver in determining whether a participant qualifies for an award is the performance of the Group.	
	Tiers 2 and 3: The key driver is both the performance of the Group and the individual participant's performance.	
Award formula used to determine the aggregate quantum of the award	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.	
	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 2023 EUR	Leave pay 2023 EUR	Bonus 2023 EUR	Share incentive[1] 2023 EUR	Salary 2022 EUR	Leave pay 2022 EUR	Bonus 2022 EUR	Share incentive[1] 2022 EUR
GROUP								
Executive Director								
Justin Muller	**276 105**	**–**	**165 482**	**187 850**	260 000	1 170	187 850	130 000
Edward Mc Donald	**130 017**	**–**	**54 245**	**54 627**	122 667	–	54 627	–
Jacobus van Biljon	**205 984**	**21 747**	**124 366**	**141 177**	194 500	19 855	141 177	95 000
Total	**612 106**	**21 747**	**344 093**	**383 654**	577 167	21 025	383 654	225 000
COMPANY								
Executive Director								
Justin Muller	**–**	**–**	**–**	**–**	–	–	–	–
Edward Mc Donald	**–**	**–**	**–**	**–**	–	–	–	–
Jacobus van Biljon	**–**	**–**	**–**	**–**	–	–	–	–
Total	**–**	**–**	**–**	**–**	–	–	–	–

[1] *Share incentive consists of Lighthouse shares issued to Executive Directors in terms of the Incentive Plan.*

The bonuses reflected in the 2023 section relating to the performances during the 2023 financial year were provided for in the 2023 financial year and will be paid in the 2024 financial year.

The table below sets out the approved increases in Executive Director TGP effective from 1 January 2023. Note that the actual Executive Directors' salaries paid is disclosed in the table above.

	Annual TGP at December 2023 EUR	Annual TGP at December 2022 EUR	Increase %
Director			
Justin Muller	**276 100**	260 000	6,2
Edward Mc Donald	**130 000**	123 200	5,5
Jacobus van Biljon	**206 000**	195 400	5,4
	612 100	578 600	

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	Upper quartile
Financial performance		35%			
Distributable income target per share (excluding Hammerson dividends)	1,34 EUR cents	10%	1,23 EUR cents	1,33 EUR cents	1,43 EUR cents
Growth in like-for-like property income	3,1%	10%	2,00%	3,00%	4,00%
Growth in NAV per share	5,5%	10%	5,00%	10,00%	15,00%
Gearing ratio	14%	5%	35,00%	30,00%	25,00%
Operational performance		30%			
Limiting vacancies (% GLA)	3,3%	15%	<4,0%	<3,5%	<3,0%
Maintaining arrears (provision expense as % of revenue)	3,8%	5%	<2,5%	<2,0%	<1,5%
Gross property expense ratio	42,3%	10%	<37,5%	<35%	<32,5%
ESG performance		10%			
Commencement of additional solar projects	1 mall	5%	1 mall	2 malls	3 malls
Governance/risk and compliance practices	Meet expectations	5%	n/a	Meet 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 86.

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) 2023 EUR	For services as a Director (paid by the Company) 2022 EUR
Mark Olivier	Chairperson Nomination Committee Chairperson Remuneration Committee member Investment Committee member	**44 500**	41 600
Stuart Bird	Investment Committee member Remuneration Committee Chairperson Nomination Committee member	**26 913**	22 000
Karen Bodenstein	Audit Committee Chairperson Risk Committee Chairperson	**27 900**	26 000
Desmond de Beer	Investment Committee Chairperson Remuneration Committee member Nomination Committee member	**22 270**	24 700
Anthony Doublet	Audit Committee member Social and Ethics Committee member	**22 300**	20 800
Nicolaas Hanekom[1]	Investment Committee member Remuneration Committee member Investment Committee member	**6 439**	–
Stephen Paris	Audit Committee member Risk Committee member Social and Ethics Committee Chairperson	**26 400**	24 600
Barry Stuhler[2]	Remuneration Committee Chairperson Investment Committee member Nomination Committee member	**6 475**	25 900
		183 197	185 600

[1] *Nicolaas Hanekom was appointed as a Non-Executive Director as an alternate to Desmond de Beer on 11 May 2023. Nicolaas earned a portion of remuneration due to Desmond in his role as his alternate from the date of his appointment.*

[2] *Barry Stuhler resigned as a Non-Executive Director effective 17 March 2023 and earned remuneration up to the date of his resignation.*

The 2023 Non-Executive Directors' fees are as follows:

Participation	Member/ Chairperson	Annual remuneration EUR	Mark Olivier EUR	Stuart Bird EUR	Karen Boden-stein EUR	Desmond de Beer* EUR	Anthony Doublet EUR	Stephen Paris EUR	Barry Stuhler EUR	Total EUR
Board of Directors	Member	**16 600**		**16 600**	**16 600**	**16 600**	**16 600**	**16 600**	**3 875**	**86 875**
Board of Directors	Chairperson	**33 300**	**33 300**							**33 300**
Audit Committee	Member	**4 200**					**4 200**	**4 200**		**8 400**
Audit Committee	Chairperson	**7 100**			**7 100**					**7 100**
Risk Committee	Member	**2 800**						**2 800**		**2 800**
Risk Committee	Chairperson	**4 200**			**4 200**					**4 200**
Investment Committee	Member	**4 200**	**4 200**	**4 200**					**975**	**9 375**
Investment Committee	Chairperson	**7 100**				**7 100**				**7 100**
Remuneration Committee	Member	**2 800**	**2 800**	**679**		**2 209**				**5 009**
Remuneration Committee	Chairperson	**4 200**		**3 225**					**975**	**4 879**
Nomination Committee	Member	**2 800**		**2 209**		**2 800**			**650**	**5 659**
Nomination Committee	Chairperson	**4 200**	**4 200**							**4 200**
Social and Ethics Committee	Member	**1 500**					**1 500**			**1 500**
Social and Ethics Committee	Chairperson	**2 800**						**2 800**		**2 800**
		97 800	**44 500**	**26 913**	**27 900**	**28 709**	**22 300**	**26 400**	**6 475**	**183 197**

** A portion of the fees due to Desmond de Beer was paid to Nicolaas Hanekom in his capacity as Alternate Director, the remaining fees due were paid to Resilient.*

PAYMENTS TO PAST DIRECTORS

There were no payments to past Directors in 2023.

PAYMENTS FOR LOSS OF OFFICE

There were no payments for loss of office to any employees or past Directors in 2023.

07 ANNUAL FINANCIAL STATEMENTS

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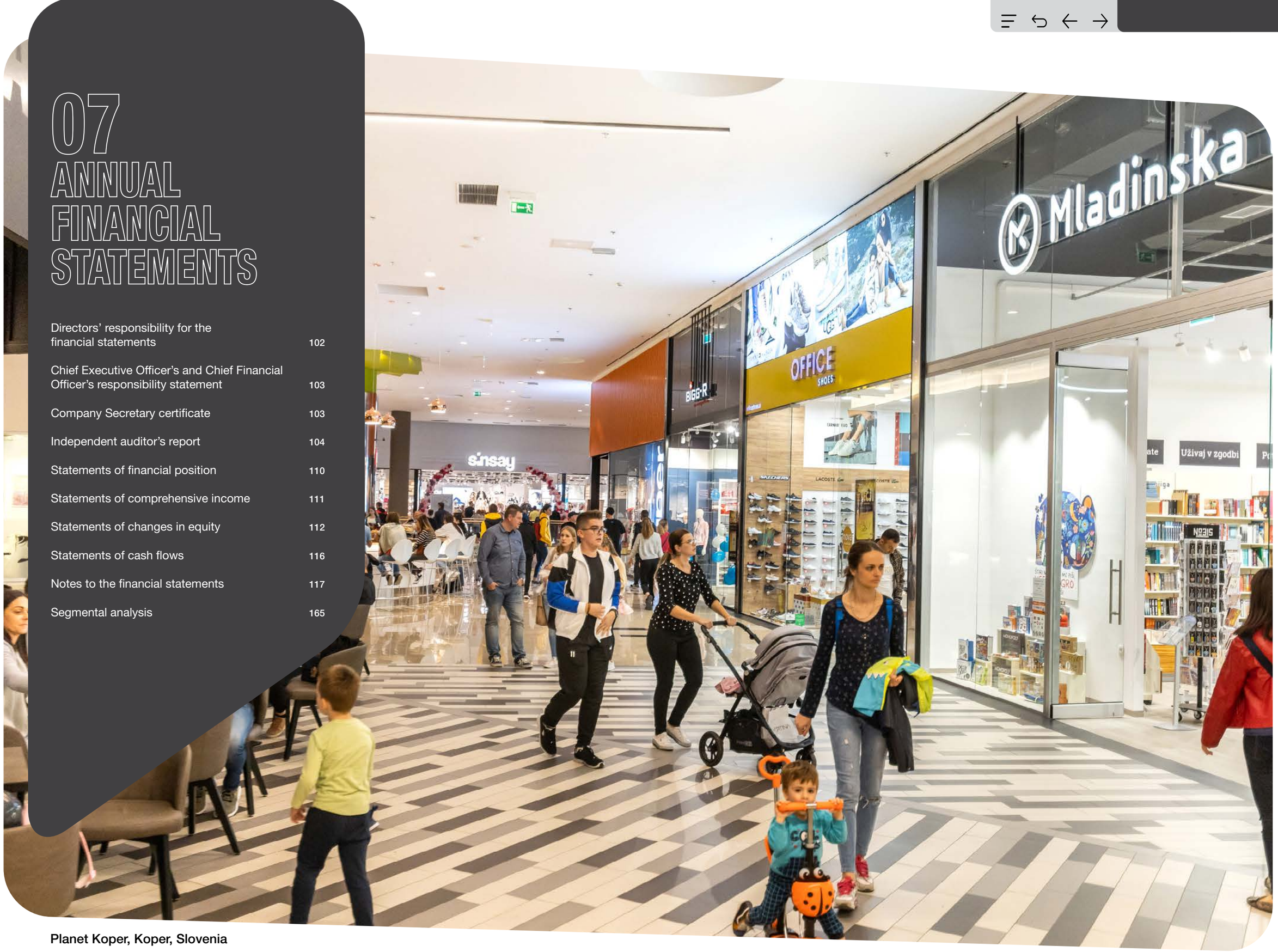


Planet Koper, Koper, Slovenia

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

ACKNOWLEDGEMENT OF RESPONSIBILITIES

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.

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 11 March 2024 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 110** to **181**, 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

Jacobus van Biljon
Chief Financial Officer

11 March 2024

COMPANY SECRETARY CERTIFICATE

for the year ended 31 December 2023

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

11 March 2024

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 2023, 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, set out on **pages 110** to **181**, comprise:

- the Consolidated and Parent Company statements of financial position as at 31 December 2023;
- the Consolidated and Parent Company statements of 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 material accounting policy information, 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.

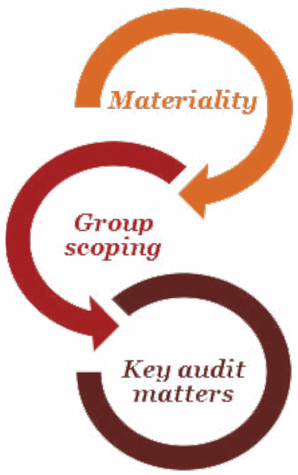
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

OUR AUDIT APPROACH

Overview



- **Overall group materiality:** €12 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 and Spain and eight holding companies. Full scope audits were performed at each of the property-owning components with the exception of Slovenia. 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

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.

Materiality

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

Overall group materiality	€12 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. 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 €600,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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
Valuation of investment properties of the group Refer to the following accounting policies and notes to the consolidated financial statements for details: ▶ Note 1.3 *(Accounting policies – Investment property)*; ▶ Note 2.4 *(Financial risk management – Investment property)*; ▶ Note 3 *(Investment property and straight-lining of rental revenue adjustment)*; ▶ Note 24.4 *(Financial Instruments, risk and fair value measurements – Fair values)*; and ▶ Note 25.2 *(Accounting estimates and judgements – Investment properties).* The Group carries investment property at fair value in accordance with International Accounting Standard (IAS) 40 – *Investment Property.* At 31 December 2023, the carrying value of the Group's total investment property portfolio amounted to €786.7 million, which included a fair value loss of €16.1 million. The Group's accounting policy is to subsequently measure investment properties at fair value based on annual external valuations. The external valuers use the discounted cash flow method. This method takes 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. The valuation of investment properties was considered to be a matter of most significance to the current year audit due to the following: ▶ 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.	Our audit addressed this key audit matter as follows: ▶ 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
Investments in subsidiaries of the company Refer to the following accounting policies and notes to the parent company's financial statements for details: ▶ Note 5.1 *(Investments in and loans to subsidiaries)*; and ▶ Note 24 *(Financial instruments, risk and fair value measurements)* The Company holds investments in subsidiaries of €737.5 million. 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 reversal of €70.6 million on the investments in subsidiaries. We considered investments in subsidiaries to be a matter of most significance to our current year audit due to the following: ▶ The financial significance of the investments in subsidiaries and the impairment losses (or reversal thereof) relating to subsidiaries to the Company's financial statements; and ▶ Estimation involved in assessing impairment and determining the recoverable amount of the subsidiaries.	We obtained management's calculation of the recoverable amount for the investment in subsidiaries and performed the following procedures: ▶ 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. ▶ Where indicators of impairment were identified or reversals were noted by management, we assessed management's assumptions and estimation with regard to the impairment or reversal. ▶ We also assessed the extent of disclosures in the financial statements. No material exceptions were noted for the audit procedures performed.

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 and Spain and eight holding companies. Full scope audits were performed at each of the property-owning components with the exception of Slovenia. 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 2023", (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 2023* 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 2023*, 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 2023* AND THE RELATED DIRECTORS' RESPONSIBILITIES	OUR RESPONSIBILITIES	OUR REPORTING
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.	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.	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.

Christopher Cardona
Principal

For and on behalf of

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

11 March 2024

STATEMENTS OF FINANCIAL POSITION

at 31 December 2023

	Notes	GROUP Audited 2023 EUR	GROUP Audited 2022 EUR	COMPANY Audited 2023 EUR	COMPANY Audited 2022 EUR
ASSETS					
Non-current assets		**1 020 412 280**	801 697 966	**746 100 797**	577 973 630
Investment property	3	**786 690 000**	778 935 000	**–**	–
Investments	4	**207 855 061**	–	**–**	–
Investment in Group companies	5.1	**–**	–	**737 500 797**	577 973 630
Investment in equity-accounted associate	5.4	**–**	–	**–**	–
Loan to joint venture	5.5	**8 600 000**	–	**8 600 000**	–
Financial assets	6	**17 267 219**	22 762 966	**–**	–
Current assets		**187 862 374**	39 204 668	**5 043 677**	78 035 140
Investments	4	**58 417 954**	–	**–**	–
Loans to Group companies	5.1	**–**	–	**4 834 858**	74 640 733
Financial assets	6	**5 166 572**	2 677 632	**–**	–
Trade and other receivables	8	**18 190 839**	19 463 369	**2 250**	520 601
Cash and cash equivalents	9	**106 087 009**	17 063 667	**206 569**	2 873 806
Total assets		**1 208 274 654**	840 902 634	**751 144 474**	656 008 770
EQUITY AND LIABILITIES					
Total equity		**783 926 165**	381 885 570	**707 443 719**	650 327 101
Share capital	10	**18 304 098**	16 969 761	**18 304 098**	16 969 761
Share premium		**434 951 796**	396 325 302	**434 951 796**	396 325 302
Treasury shares	10.3	**(1 078 723)**	(622 125)	**(1 078 723)**	(622 125)
Non-distributable reserve		**128 640 241**	(178 951 677)	**209 564 547**	178 547 243
Foreign currency translation reserve		**(1 393 006)**	(154 428)	**–**	–
Share-based payment reserve		**556 116**	369 919	**556 117**	369 920
Retained earnings		**180 159 771**	122 983 260	**45 145 884**	58 737 000
Equity attributable to equity holders		**760 140 293**	356 920 012	**707 443 719**	650 327 101
Non-controlling interest		**23 785 872**	24 965 558	**–**	–
Total liabilities		**424 348 489**	459 017 064	**43 700 755**	5 681 669
Non-current liabilities		**303 066 632**	409 276 277	**–**	–
Interest-bearing borrowings	11	**275 815 393**	358 750 323	**–**	–
Deferred tax liabilities	12	**18 576 791**	46 409 806	**–**	–
Financial liabilities	13	**8 674 448**	4 116 148	**–**	–
Current liabilities		**121 281 857**	49 740 787	**43 700 755**	5 681 669
Interest-bearing borrowings	11	**91 820 679**	19 929 882	**–**	–
Loans from Group companies	5.2	**–**	–	**43 325 921**	5 244 952
Financial liabilities	13	**279 925**	4 593 320	**–**	–
Trade and other payables	14	**28 135 436**	24 141 987	**295 730**	422 969
Current tax liabilities		**1 045 817**	1 075 598	**79 104**	13 748
Total equity and liabilities		**1 208 274 654**	840 902 634	**751 144 474**	656 008 770

The notes on **pages 117** to **181** are an integral part of these financial statements.

The financial statements on **pages 110** to **181** were authorised for issue by the Board of Directors on 11 March 2024 and were signed on its behalf by:

Justin Muller
Chief Executive Officer

Jacobus van Biljon
Chief Financial Officer

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 December 2023

	Notes	GROUP Audited for the year ended Dec 2023 EUR	GROUP Audited for the year ended Dec 2022 EUR	COMPANY Audited for the year ended Dec 2023 EUR	COMPANY Audited for the year ended Dec 2022 EUR
Property rental and related revenue	15.1	**87 077 348**	76 857 502	**–**	–
Investment revenue	15.2	**–**	101 232	**–**	2 935 655
Finance income		**329 175**	55 673	**151 554**	55 616
Total revenue		**87 406 523**	77 014 407	**151 554**	2 991 271
Fair value gain/(loss) on investment property, investments and derivatives, gains on partial disposal of subsidiary, associate and impairment		**346 166 447**	14 204 734	**70 569 667**	(68 108 840)
Fair value (loss)/gain on investment property	3	**(16 087 241)**	853 739	**–**	–
Fair value gain/(loss) on investments	4	**11 907 798**	(1 081 878)	**–**	(22 426 818)
Realised gain on partial disposal of investment in subsidiary		**–**	–	**–**	5 962 035
Gain on partial/deemed disposal of investment in associate	5.4	**358 223 510**	–	**–**	–
Fair value (loss)/gain on currency, interest rate and other derivatives	6	**(7 877 620)**	14 432 873	**–**	(135 188)
Impairment reversal/(loss)	5.1	**–**	–	**70 569 667**	(51 508 869)
Property operating expenses	16.1	**(40 934 654)**	(31 690 092)	**–**	–
Administrative and other expenses	16.2	**(6 911 480)**	(10 123 907)	**(1 080 613)**	(1 412 238)
Recycling of other comprehensive income of investment in associate		**(7 257 840)**	–	**–**	–
Foreign exchange (loss)/gain		**(388 313)**	692 059	**(127 569)**	703 168
Dividend received from equity-accounted associate	5.4	**7 770 989**	–	**–**	–
Operating profit/(loss)		**385 851 672**	50 097 201	**69 513 039**	(65 826 639)
Finance costs	16.5	**(15 917 561)**	(14 229 006)	**–**	(16 337)
Other income		**–**	–	**14 000**	–
Profit/(loss) before tax	16	**369 934 111**	35 868 195	**69 527 039**	(65 842 976)
Income tax	17	**26 597 583**	(3 155 860)	**(661 482)**	(13 748)
Profit/(loss) for the year		**396 531 694**	32 712 335	**68 865 557**	(65 856 724)
Other comprehensive income net of tax:					
Items reclassified to profit or loss:					
Reclassification of foreign currency translation reserves		**(1 238 578)**	–	**–**	–
Reclassification of non-distributable reserves[1]		**8 496 418**	–	**–**	–
Items that may subsequently be reclassified to profit or loss:					
Share of other comprehensive income of equity-accounted associate		**–**	1 238 578	**–**	–
		7 257 840	1 238 578	**–**	–
Total comprehensive income/(loss) for the year		**403 789 534**	33 950 913	**68 865 557**	(65 856 724)
Profit/(loss) for the period attributable to:					
Equity holders of the Company		**407 711 380**	25 155 305	**68 865 557**	(65 856 724)
Non-controlling interests		**(11 179 686)**	7 557 030	**–**	–
		396 531 694	32 712 335	**68 865 557**	(65 856 724)
Total comprehensive income/(loss) for the year attributable to:					
Equity holders of the Company		**414 969 220**	26 393 883	**68 865 557**	(65 856 724)
Non-controlling interests		**(11 179 686)**	7 557 030	**–**	–
		403 789 534	33 950 913	**68 865 557**	(65 856 724)
Basic earnings per share (EUR cents)	21	**23,13**	1,53		
Diluted earnings per share (EUR cents)	21	**23,11**	1,52		

[1] *The amount recycled in the non-distributable reserve relates to other comprehensive income, previously equity-accounted, and includes cash flow hedges, net investment hedge reserves and foreign currency translation reserves that are able to be reclassified through profit or loss.*

The notes on **pages 117** to **181** are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2023

	GROUP									
	Share capital[1,2] EUR	Share premium[1,2] EUR	Treasury shares[2] EUR	Non-distributable reserve[3] EUR	Foreign currency translation reserve[4] EUR	Share-based payment reserve[5] EUR	Retained earnings EUR	Equity attributable to equity holders EUR	Non-controlling interests EUR	Total equity EUR
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)	–	(1 726 154)
– cash (paid on 22 September 2022)							(1 726 154)	(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**
Total comprehensive income:										
Profit for the year							**407 711 380**	**407 711 380**	**(11 179 686)**	**396 531 694**
Other comprehensive income recycled through profit or loss[6]				**8 496 418**	**(1 238 578)**			**7 257 840**		**7 257 840**
Equity contributed by non-controlling shareholders								**–**	**10 000 000**	**10 000 000**
Share-based employee remuneration						**337 647**		**337 647**		**337 647**
Share of other comprehensive income of equity-accounted associate								**–**		**–**
Transfer to non-distributable reserve[3]				**338 520 294**			**(338 520 294)**	**–**		**–**
Transactions with owners in their capacity as owners:										
Incentive shares issued (1 667 888 shares on 16 March 2023)	**16 680**	**540 709**	**(557 389)**					**–**		**–**
Incentive shares vesting			**100 791**			**(151 450)**		**(50 659)**		**(50 659)**
Distribution paid – final 2022	**798 525**	**25 071 386**		**(25 869 911)**			**(1 559 759)**	**(1 559 759)**	**–**	**(1 559 759)**
– cash (paid on 20 April 2023)							**(1 559 759)**	**(1 559 759)**		**(1 559 759)**
– scrip issue (79 852 500 shares on 20 April 2023)	**798 525**	**25 071 386**		**(25 869 911)**				**–**		**–**
Distribution paid – interim 2023	**519 132**	**13 035 751**		**(13 554 883)**			**(10 454 816)**	**(10 454 816)**	**–**	**(10 454 816)**
– cash (paid on 12 October 2023)							**(10 454 816)**	**(10 454 816)**		**(10 454 816)**
– scrip issue (51 913 198 shares on 12 October 2023)	**519 132**	**13 035 751**		**(13 554 883)**				**–**		**–**
Share issuance costs		**(21 351)**						**(21 351)**		**(21 351)**
Balance at 31 December 2023	**18 304 098**	**434 951 796**	**(1 078 723)**	**128 640 241**	**(1 393 006)**	**556 116**	**180 159 771**	**760 140 293**	**23 785 872**	**783 926 165**

[1] *Refer to note 10.*
[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 7.*
[6] *The amount recycled in the non-distributable reserve relates to other comprehensive income, previously equity-accounted, and includes cash flow hedges, net investment hedge reserves and foreign currency translation reserves that are able to be reclassified through profit or loss.*

The notes on **pages 117** to **181** are an integral part of these consolidated financial statements.

STATEMENTS OF CHANGES IN EQUITY continued

for the year ended 31 December 2023

	COMPANY							
	Share capital[1,2] EUR	Share premium[1,2] EUR	Treasury shares[2] EUR	Non-distributable reserve[3] EUR	Foreign currency translation reserve[4] EUR	Share-based payment reserve[5] EUR	Retained earnings[6] EUR	Total equity EUR
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**
Total comprehensive income:								
Profit for the year							**68 865 557**	**68 865 557**
Share-based payment charge						**337 647**		**337 647**
Transfer to non-distributable reserve[3]				**70 442 098**			**(70 442 098)**	**–**
Transactions with owners in their capacity as owners:								
Incentive shares issued (1 667 888 shares on 16 March 2023)	**16 680**	**540 709**	**(557 389)**					**–**
Incentive shares vesting			**100 791**			**(151 450)**		**(50 659)**
Distribution paid – final 2022	**798 525**	**25 071 386**		**(25 869 911)**			**(1 559 759)**	**(1 559 759)**
– cash (paid on 20 April 2023)							**(1 559 759)**	**(1 559 759)**
– scrip issue (79 852 500 shares on 20 April 2023)	**798 525**	**25 071 386**		**(25 869 911)**				**–**
Distribution paid – interim 2023	**519 132**	**13 035 751**		**(13 554 883)**			**(10 454 816)**	**(10 454 816)**
– cash (paid on 12 October 2023)							**(10 454 816)**	**(10 454 816)**
– scrip issue (51 913 198 shares on 12 October 2023)	**519 132**	**13 035 751**		**(13 554 883)**				**–**
Share issuance costs		**(21 351)**						**(21 351)**
Balance at 31 December 2023	**18 304 098**	**434 951 796**	**(1 078 723)**	**209 564 547**	**–**	**556 117**	**45 145 884**	**707 443 719**

[1] *Refer to note 10.*
[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 7.*
[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 117** to **181** are an integral part of these consolidated financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2023

	Notes	GROUP Audited for the year ended Dec 2023 EUR	GROUP Audited for the year ended Dec 2022 EUR	COMPANY Audited for the year ended Dec 2023 EUR	COMPANY Audited for the year ended Dec 2022 EUR
Operating activities					
Cash generated from/(used in) operations	18.1	**40 652 563**	34 627 442	**(675 501)**	1 101 692
Finance and hedging income received		**5 181 053**	55 673	**151 554**	55 616
Finance and hedging costs paid		**(15 148 778)**	(10 314 714)	**–**	(16 337)
Cash dividends received from associate included in profit or loss	5.4	**7 770 989**	–	**–**	–
Income tax paid	18.2	**(1 591 136)**	(1 991 280)	**(596 126)**	–
Distributions paid		**(12 014 575)**	(27 886 618)	**(12 014 575)**	(27 886 618)
Cash inflow/(outflow) from operating activities		**24 850 116**	(5 509 497)	**(13 134 648)**	(26 745 647)
Investing activities					
Development and improvement of investment property	3	**(22 493 162)**	(24 042 114)	**–**	–
Proceeds from disposal of listed equity investments		**27 806 748**	14 473 162	**–**	14 473 162
Proceeds from partial disposal of investment in associate	5.4	**76 051 545**	–	**–**	–
Acquisition of subsidiary, net of cash acquired		**–**	(66 043 187)	**–**	–
Investment in subsidiaries		**–**	–	**(7 500)**	(1 622 224)
Receipts on loans made to subsidiaries		**–**	–	**22 688 031**	23 112 709
Payments on loans to subsidiaries		**–**	–	**(3 464 200)**	(8 732 536)
Payments on loan to joint venture	5.5	**(8 600 000)**	–	**(8 600 000)**	–
Financial assets receipts		**–**	2 633 839	**–**	–
Financial assets payments		**–**	(7 818 303)	**–**	(135 188)
Cash inflow/(outflow) from investing activities		**72 765 131**	(80 796 603)	**10 616 331**	27 095 923
Financing activities					
Issue of shares		**(21 351)**	2 708 436	**(21 351)**	2 708 436
Treasury shares		**–**	(19 699)	**–**	–
Equity contribution by non-controlling interests		**–**	2 400 000	**–**	–
Partial disposal of interest in subsidiary		**–**	7 082 276	**–**	–
Repayment of interest-bearing borrowings		**(13 782 241)**	(83 681 253)	**–**	–
Proceeds from interest-bearing borrowings		**5 600 000**	160 000 000	**–**	–
Cash (outflow)/inflow from financing activities		**(8 203 592)**	88 489 760	**(21 351)**	2 708 436
Increase/(decrease) in cash and cash equivalents		**89 411 655**	2 183 660	**(2 539 668)**	3 058 712
Effect of exchange rate changes on cash held		**(388 313)**	692 059	**(127 569)**	703 168
Cash and cash equivalents at the beginning of the year		**17 063 667**	14 187 948	**2 873 806**	(888 074)
Cash and cash equivalents at the end of the year	9	**106 087 009**	17 063 667	**206 569**	2 873 806

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

REPORTING ENTITY

Lighthouse Properties p.l.c. ("Lighthouse Properties") (the "Company") is a public Company limited by shares. The Company is domiciled in Malta and its registered office is 4th Floor, Office 41, Block A, IL-Piazzetta, Tower Road, Sliema, Malta, SLM 1605. Lighthouse has a primary listing on the Johannesburg Stock Exchange Limited ("JSE"). The consolidated financial statements of the Group for the year ended 31 December 2023 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 11 March 2024. 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 investing directly and indirectly in dominant and defensive retail shopping centres located in medium- to large-sized western European cities that have a strong economic underpin and growing populations. Lighthouse Properties targets properties with sustainable income from high-quality tenants with a strong likelihood of renewal of leases upon expiry. In addition to its direct property investments, the Group has an investment in a listed property entity.

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 European Union ("EU"), IFRS as issued by the International Accounting Standards Board ("IASB"), and interpretations as issued by the International Financial Reporting Interpretations Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements, and with the Maltese 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 the future periods are set out in note 25.

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 material 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.

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 owners
- 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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

1. ACCOUNTING POLICIES continued

1.2 Basis of consolidation continued

Subsidiaries continued

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.

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 associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The results and assets and liabilities of associates and joint ventures are incorporated into these consolidated financial statements using the equity method of accounting from the date on which the investee becomes an associate or joint venture.

Under the equity method, an investment in an associate and joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Distributions received from an associate or joint venture reduce the carrying amount of the investment. To the extent distributions are received in excess of the carrying value of the investment, these excess distributions are recognised immediately in profit or loss.

On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as notional goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture, or when the investment is classified as held for sale.

In the Company's separate financial statements, investments in joint ventures are measured at cost less accumulated impairment losses. The net investment in an associate or joint venture is impaired and impairment losses are incurred by the Group if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated.

Transactions eliminated on consolidation

Intra-Group balances and any unrealised gains and losses arising from intra-Group transactions are eliminated. Unrealised gains arising from transactions with equity-accounted associates or joint ventures are eliminated against the investment to the extent of the Group's interest in the associate or joint venture. 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. 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 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 has become party to the contractual provisions of the instrument. Financial instruments include investments in listed equity securities, 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 transactions costs are recognised in profit or loss when incurred.

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

Financial investments at fair value through profit or loss – These assets include listed equity securities 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, associate, and joint ventures, 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 not be significant.

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 ("ECL(s)") 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.

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. The Group determines ECL allowances both on a specific (credit impaired) and a general (not credit impaired) basis.

Tenants are required to either provide a cash deposit or bank guarantee prior to taking occupation of the premises. Ongoing revision of credit evaluations of the financial position of tenants is done on a regular basis. These considerations have been taken into account on an individual and collective basis when determining the recoverability of debtors. The Group has a specific loss allowance and a general loss allowance. The Group defines "outside terms" debtors as all debtors more than 90 days outside terms.

The specific loss allowance is determined on all "outside terms" debtors as their risks are different than the rest of the debtors book that are still within terms. These outside terms debtors are assessed individually for impairment. The assessment for the specific loss allowance considers deposits and bank guarantees held, reputation and expected payments in the future to determine the value of the specific loss allowance.

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.

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 security 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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

1. ACCOUNTING POLICIES continued

1.4 Financial instruments continued

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.

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, a 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 is 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 raisings 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 may be made from 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 were 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 *Leases* lessor accounting stipulations 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 utilised 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, are recognised on a gross basis.

Investing in listed real estate securities is a core part of the Company 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

1. ACCOUNTING POLICIES continued

1.11 Income tax continued

Deferred tax continued

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 Group 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 1/2023 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 Group 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 (the "Board") 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 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 investments in listed equity securities, loans to subsidiaries, joint ventures, derivative cash margin, trade and other receivables (including tenant receivables), and cash and cash equivalents.

Derivatives, and derivative cash margin

The Group invests in listed equity securities and enters into derivatives, which have cash margin collateral requirements, with recognised financial institutions. The Group limits its exposure to credit risk by investing in liquid securities and with reputable 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 equity security investments, and is managed by ensuring appropriate investment strategies and liquidity management are undertaken in line with the guidelines outlined by the Board.

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 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 the 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.

Receivables related to listed investment equity securities and cash and cash equivalents

Listed investment equity securities receivables 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 high capital ratios 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's short-term local issuer credit rating: B
- Erste Group Bank AG – Moody's short-term bank deposits rating: P-1
- Investec Bank (Switzerland) 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 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 equity security investments. Management is able to 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.

2.3 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.

Currency risk

The Group is exposed to foreign currency risk on investments denominated in Pound Sterling ("GBP"). 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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

2. FINANCIAL RISK MANAGEMENT continued

2.3 Market risk continued

Interest rate risk

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

Loans to subsidiaries, joint venture, 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 equity security 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 instrument, or
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The nominal values 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 the 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 equity securities at fair value, and investment in associate at fair value. The Board has a policy of maximum LTV of 35,0%. At the reporting date, LTV was 14,0% (2022: 23,8%).

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

	GROUP	
	2023 EUR	2022 EUR
Investment in property comprises:		
Investment property	**785 616 089**	778 185 220
Straight-lining of rental revenue adjustment	**1 073 911**	749 780
Total investment property[1]	**786 690 000**	778 935 000
Details of investment property are as follows:		
At cost	**786 787 470**	752 849 304
Fair value adjustments	**(13 267 892)**	2 819 349
Straight-lining of rental revenue adjustment	**1 073 911**	749 780
Investment property under development	**12 096 511**	22 516 567
Investment property at fair value	**786 690 000**	778 935 000
Movement in investment property is as follows:		
Carrying amount at the beginning of the year	**778 935 000**	581 927 000
Additions from acquisitions – Torrecárdenas Properties	**–**	171 172 170
Cost capitalised	**22 493 162**	24 042 115
Capitalisation of borrowing costs	**1 024 948**	577 716
Fair value (losses)/gains	**(16 087 241)**	853 739
Straight-lining of rental revenue adjustment	**324 131**	362 260
Carrying amount at the end of the year	**786 690 000**	778 935 000

[1] *Refer to note 11 for details of external borrowings and the related security provided.*

A register of investment property is available for inspection at the registered office of the Company (refer to **page 42**).

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
- Valuer of Torrecárdenas (Almeria, Spain): JLL Spain
- Valuer of Planet Koper (Koper, Slovenia): iO Partners – JLL Preferred Partner (2022: JLL Slovenia)
- Valuer of Docks Vauban (Le Havre, France), Docks 76 (Rouen, France), Saint Sever (Rouen, France), and Rivetoile (Strasbourg, France): JLL France.

All valuers are registered with the Royal Institute of Chartered Surveyors.

The valuations were done on an open-market basis, 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 24.4.2 for fair value information.

There are contractual commitments for the construction and refurbishment of investment property at the reporting date. Refer to note 19.2.

4. INVESTMENTS

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

	GROUP	
	2023 EUR	2022 EUR
Fair value at 1 December 2023	**282 171 965**	–
Disposals	**(27 806 748)**	–
Fair value gain	**11 907 798**	–
Total investments at fair value[1,2]	**266 273 015**	–
Investments at fair value – non-current	**207 855 061**	–
Investments at fair value – current[3]	**58 417 954**	–
Carrying amount at the reporting date – non-current and current	**266 273 015**	–

[1] *Refer to note 24.4 for fair value information.*

[2] *On 30 November 2023, the Group's share in Hammerson plc reduced to below 20%, resulting in the Group no longer having significant influence over the investee, (refer to note 5.4). From this date, the investment is classified as an investment at fair value through profit or loss. At 31 December 2023, the Group held 16,27% in Hammerson.*

[3] *The investments at fair value – current represent Hammerson shares sold after the reporting date up to the date of the approval of the financial statements.*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES, ASSOCIATE, JOINT VENTURE, AND LOANS TO/(FROM) GROUP COMPANIES

5.1 Investment in and loans to Group companies

			COMPANY								
Group companies	Main business	Registered in and place of business	Effective interest 2023	Effective interest 2022	Share capital[18] 2023 EUR	Investment 2023 EUR	Loan amount[19] 2023 EUR	Total 2023 EUR	Investment 2022 EUR	Loan amount[19] 2022 EUR	Total 2022 EUR
Lighthouse Properties One Limited ("Lighthouse Properties One")[1]	Intermediate holding and finance company	Malta	**100%**	100%	**309 038 340**	**664 478 824**	**–**	**664 478 824**	590 478 824	74 277 196	664 756 020
Lighthouse One UK Limited ("Lighthouse One UK")[2]	Intermediate holding and operating company	United Kingdom	**100%**	100%	**6 766 908**	**6 766 908**	**–**	**6 766 908**	6 766 909	363 537	7 130 446
Lighthouse Netherlands B.V. ("Lighthouse Netherlands")[3]	Intermediate holding, investment, finance, and operating company	Netherlands	**100%**	100%	**160 028 230**	**–**	**4 819 858**	**4 819 858**	–	–	–
Lighthouse Investments Netherlands B.V. ("Lighthouse Investments Netherlands")[4]	Investment company	Netherlands	**100%**	100%	**42 471 446**	**–**	**–**	**–**	–	–	–
Lighthouse Netherlands Two B.V. ("Lighthouse Netherlands Two")[4]	Investment company	Netherlands	**100%**	100%	**59 690 263**	**–**	**15 000**	**15 000**	–	–	–
Lighthouse Investments d.o.o. ("Lighthouse Investments doo")[5]	Property-owning and operating company	Slovenia	**100%**	100%	**23 773 161**	**–**	**–**	**–**	–	–	–
Forum Coimbra – SIC Imobiliária Fechada, S.A ("Forum Coimbra")[6]	Property-owning and operating company	Portugal	**100%**	100%	**300 000**	**–**	**–**	**–**	–	–	–
Lighthouse France SAS ("Lighthouse France")[7]	Dormant company	France	**100%**	100%	**–**	**–**	**–**	**–**	50 000	–	50 000
Retail Property Investments SAS ("Retail Property Investments")[8]	Intermediate holding and operating company	France	**60%**	60%	**38 468 275**	**23 080 965**	**–**	**23 080 965**	8 080 965	–	8 080 965
Rivetoile SAS[9]	Intermediate holding company	France	**60%**	60%	**59 554 204**	**–**	**–**	**–**	–	–	–
Docks Vauban SAS[9]	Intermediate holding company	France	**60%**	60%	**25 000 201**	**–**	**–**	**–**	–	–	–
Docks 76 SAS[9]	Intermediate holding company	France	**60%**	60%	**65 741 571**	**–**	**–**	**–**	–	–	–
Saint Sever SAS[9]	Intermediate holding company	France	**60%**	60%	**84 376 204**	**–**	**–**	**–**	–	–	–
SNC Rivetoile[10]	Property-owning and operating company	France	**60%**	60%	**5 903 001**	**–**	**–**	**–**	–	–	–
SNC Vauban[11]	Property-owning and operating company	France	**60%**	60%	**50 877 061**	**–**	**–**	**–**	–	–	–
SNC Docks 76[12]	Property-owning and operating company	France	**60%**	60%	**5 001 000**	**–**	**–**	**–**	–	–	–
SNC Cegep et Compagnie ("Cegep")[13]	Parking operating company	France	**60%**	60%	**45 735**	**–**	**–**	**–**	–	–	–
SCI du Centre Commercial de Rouen Saint Sever ("Rouen Saint Sever")[13]	Property-owning and operating company	France	**60%**	60%	**1 524**	**–**	**–**	**–**	–	–	–
SCI des Bureaux de Rouen Bretagne ("Rouen Bretagne")[13]	Property-owning and operating company	France	**60%**	60%	**1 524**	**–**	**–**	**–**	–	–	–
SCI Fonciere Marceau Saint Sever ("Marceau Saint Sever")[13]	Property-owning and operating company	France	**60%**	60%	**1 000**	**–**	**–**	**–**	–	–	–
SCI Rouen-Verrerie ("Rouen-Verrerie")[13]	Property-owning and operating company	France	**60%**	60%	**101 524**	**–**	**–**	**–**	–	–	–
Lighthouse Spanish Properties, S.A.U. ("Lighthouse Spain")[14]	Intermediate holding company	Spain	**100%**	100%	**49 537 704**	**49 537 704**	**–**	**49 537 704**	49 537 704	–	49 537 704
Torrecárdenas Properties, S.L.U. ("Torrecárdenas")[15]	Property-owning and operating company	Spain	**100%**	100%	**18 619 370**	**–**	**–**	**–**	–	–	–
Spanish Retail Investments SOCIMI, S.A.[16]	Intermediate holding company	Spain	**50%**	0%	**15 000**	**7 500**	**8 600 000**	**8 607 500**	–	–	–
Salera Properties, S.L.U.[17]	Property-owning and operating company	Spain	**50%**	0%	**3 000**	**–**	**–**	**–**	–	–	–
Gross balance at the reporting date					**1 005 316 247**	**743 871 901**	**13 434 858**	**757 306 760**	654 914 402	74 640 733	729 555 135
Cumulative impairments recognised[19]											
– Investment in Lighthouse Properties One						**–**	**–**	**–**	(70 553 477)	–	(70 553 477)
– Investment in Lighthouse One UK						**(6 371 104)**	**–**	**(6 371 104)**	(6 387 294)	–	(6 387 294)
Net balances at the reporting date					**1 005 316 247**	**737 500 797**	**13 434 858**	**750 935 655**	577 973 630	74 640 733	652 614 363
Investment in Group companies						**737 500 797**	**–**	**737 500 797**	577 973 630	–	577 973 630
Loans to subsidiaries and joint venture						**–**	**13 434 858**	**13 434 858**	–	74 640 733	74 640 733
Interest-bearing loans to joint venture – non-current						**–**	**8 600 000**	**8 600 000**	–	–	–
Non-interest-bearing loans to subsidiaries – current						**–**	**4 834 858**	**4 834 858**	–	74 640 733	74 640 733
						737 500 797	**13 434 858**	**750 935 655**	577 973 630	74 640 733	652 614 363

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES, ASSOCIATE, JOINT VENTURE, AND LOANS TO/(FROM) GROUP COMPANIES continued

5.1 Investment in and loans to Group companies continued

[1] *The share capital is held by Lighthouse Properties. The share capital in the prior year was EUR 309,0 million. EUR 74,0 million of Lighthouse Properties' loan to Lighthouse Properties One was capitalised to a capital contribution reserve during January 2023. EUR 300,0 million of Lighthouse Properties' loan to Lighthouse Properties One was capitalised to a capital contribution reserve during February 2022.*

[2] *The share capital is held by Lighthouse Properties. The company receives asset management fees of 25,0% p.a. of asset management fee income received by Lighthouse Netherlands from Forum Coimbra.*

[3] *The share capital is held by Lighthouse Properties One. The company receives asset management fees of 0,65% p.a. on the most recent fair value of investment properties of Forum Coimbra. The company receives asset management fees of 0,80% p.a. on the most recent fair value of investment properties of Planet Koper. 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. The company pays asset management fees of 25% p.a. of asset management fee income received from Forum Coimbra to Lighthouse One UK.*

[4] *The share capital is held by Lighthouse Properties One.*

[5] *The share capital is held by Lighthouse Netherlands. The company pays asset management fees of 0,80% p.a. on the most recent fair value of investment properties to Lighthouse Netherlands.*

[6] *The share capital is held by 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. On 19 December 2023, the name officially changed from Forum Coimbra – Sociedade Imobiliária, S.A. when the company became a Portuguese-regulated private real estate investment trust ("SIC"). The SIC conversion required an increase in share capital to EUR 300 000 (2022: EUR 50 000).*

[7] *The share capital was held by Lighthouse Properties. The company was deregistered with an effective date of 3 May 2023.*

[8] *The share capital is held by Lighthouse Properties. Lighthouse Properties holds 60% (2022: 60%) of the shares in the company, and the remaining 40% (2022: 40%) is held by Resilient REIT Limited ("Resilient").*

During 2023, the shareholders capitalised EUR 25 million of shareholder loans. The capitalisation occurred in the ratio of the respective shareholding of the company and Resilient.

[9] *The share capital is held by Retail Property Investments. The company is an indirectly owned subsidiary, effectively 60% held. During 2023, Retail Property Investments capitalised EUR 25 million of its shareholder loans to Docks Vauban SAS.*

[10] *The share capital is held by Rivetoile SAS. The company is an indirectly owned subsidiary, effectively 60% held. During 2023, Docks Vauban SAS capitalised EUR 25 million of its shareholder loans to SNC Vauban.*

[11] *The share capital is held by Docks Vauban SAS. The company is an indirectly owned subsidiary, effectively 60% held.*

[12] *The share capital is held by Docks 76 SAS. The company is an indirectly owned subsidiary, effectively 60% held.*

[13] *The share capital is held by Saint Sever SAS. The company is an indirectly owned subsidiary, effectively 60% held.*

[14] *The share capital is held by Lighthouse Properties.*

[15] *The share capital is held by Lighthouse Spain. The company pays asset management fees of 0,80% p.a. on the most recent fair value of investment properties to Lighthouse Netherlands.*

[16] *The share capital is held by Lighthouse Properties p.l.c. and 50% of the issued share capital of the company was acquired on 13 December 2023. The company is accounted for as a joint venture.*

[17] *The share capital is held by Spanish Retail Investments SOCIMI, S.A. The issued share capital of the company was acquired on 13 December 2023. The company is accounted for as a joint venture.*

[18] *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 2023 and 2022, as applicable.*

[19] ***The impairment assessment of the investment in Lighthouse Properties One***

The Company performs an annual assessment of the recoverable amount of the investment held in Lighthouse Properties One. The recoverable amount of the subsidiary is determined through a sum-of-the-parts calculation. The calculation is determined based on the net asset values of the underlying subsidiaries. The investments within the various subsidiaries are either investments in properties or investments in equity-listed securities, which are measured at fair value. Effectively, the sum-of-the-parts recoverable amount of Lighthouse Properties One is driven by the performance of the various underlying fair values within each of the Group companies.

In the current year, the recoverable amount of the investment exceeded the carrying value by EUR 71 million, which indicated a possible impairment reversal. The improvement of the recoverable amount of the investment was largely driven by the improvement of the fair value of the underlying companies' investment in listed equity securities. The listed share price improved by 21,86% for the year under review.

An impairment reversal of EUR 71 million (2022: EUR 52 million impairment loss) was recognised in the statement of comprehensive income. The reversal was limited to previously recognised impairment losses.

ECL consideration for loans to Group companies

For loans to Group companies, 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.

The functional and reporting currency for the above-listed affiliates is Euro.

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

Amounts owing by affiliates 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 7,70% (2022: 0,00% to 5,89%) p.a.
- Range of maturity dates: nil to four years (2022: nil to seven years).

5. INVESTMENTS IN SUBSIDIARIES, ASSOCIATE, JOINT VENTURE, AND LOANS TO/(FROM) GROUP COMPANIES continued

5.2 Loans from Group companies

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

	COMPANY	
	2023 EUR	2022 EUR
Lighthouse Properties One	**38 155 948**	–
Lighthouse One UK	**373 074**	–
Lighthouse Netherlands	**102 436**	4 414 197
Lighthouse Investments Netherlands	**4 694 463**	290 652
Lighthouse Netherlands Two	**–**	540 103
Current loans from Group companies	**43 325 921**	5 244 952

5.3 Financial information of Retail Property Investments SAS

During the year, EUR 25 million in shareholders' loans was capitalised.

	GROUP	
	Total 2023 EUR	Total 2022 EUR
Summarised consolidated statement of financial position[1]		
Non-current assets	**368 088 914**	373 042 772
Current assets	**23 021 373**	21 180 465
Total assets	**391 110 287**	394 223 237
Equity	**59 464 681**	62 413 897
Non-current liabilities	**305 175 334**	304 361 149
Current liabilities	**26 470 272**	27 448 191
Total equity and liabilities	**391 110 287**	394 223 237
Summarised consolidated statement of comprehensive income[1]		
Property rental and related revenue	**47 173 429**	42 937 191
Fair value (loss)/gain on investment property	**(20 791 501)**	10 101 833
Fair value (loss)/gain on interest rate derivatives	**(4 553 858)**	10 152 772
Property operating expenses	**(30 161 783)**	(22 848 447)
Administrative and other expenses	**(1 413 216)**	(4 508 215)
Finance costs	**(18 200 853)**	(11 126 246)
Net (loss)/profit	**(27 947 782)**	24 708 888

[1] *The information has been extracted from the consolidated financial information of Retail Property Investments at 31 December 2023.*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES, ASSOCIATE, JOINT VENTURE, AND LOANS TO/(FROM) GROUP COMPANIES continued

5.4 Investment in equity-accounted associate

From January 2023 to 30 November 2023, the Group sold shares held in Hammerson in the open market.

At 30 November 2023, the Group's investment in Hammerson fell below 20% of its shares in issue. On this date, it was deemed that significant influence over the investee was lost, resulting in the cessation of equity accounting. On the day of the deemed disposal, the carrying value of the investment in Hammerson was nil due to the Group's share of Hammerson's losses recognised exceeding its cost of the investment. The Group derecognised the investment on this date and all equity reserves relating to the investment were recycled through profit or loss. Refer to note 4 for subsequent measurement.

Reconciliation to carrying amounts	Cost EUR	Post-acquisition reserves EUR	Cumulative unrecognised share of loss of associate EUR	Carrying value EUR
Balance at December 2021	210 093 105	(257 818 168)	47 725 063	–
Movement for the year	39 497 144	(63 122 191)	23 625 047	–
Loss for the year		(42 805 746)		
Other comprehensive income for the year		20 419 276		
Scrip dividends capitalised/dividends paid	39 497 144	(40 735 721)		
Balance at December 2022	**249 590 249**	**(320 940 359)**	**71 350 110**	**–**
Movement for the period		**(36 632 892)**	**36 632 892**	**–**
Loss for the 11 months ended 30 November 2023		**(10 882 047)**		
Other comprehensive income for the 11 months ended 30 November 2023		**(9 344 764)**		
Dividends paid[1]		**(7 770 990)**		
Foreign currency translation difference		**(8 635 091)**		
Cost of partial investment in Hammerson sold[2]	**(69 316 220)**	**69 316 220**		**–**
Balance at 30 November 2023	**180 274 029**	**(288 257 031)**	**107 983 002**	**–**
Gain on deemed disposal of investment in associate				**282 171 965**
Transfer to Investments on 30 November 2023 – see note 4				**(282 171 965)**
Investment in associate at 30 November 2023				**–**
Profit on partial disposal of investment in associate				
Proceeds on partial disposal of investment in associate				**76 051 545**
Carrying value at time of disposal				**–**
Profit/proceeds on partial disposal of investment in associate				**76 051 545**
Amounts recognised in statement of comprehensive income				
Gain on deemed disposal of investment in associate				**282 171 965**
Profit/proceeds on partial disposal of investment in associate				**76 051 545**
Gain on partial/deemed disposal of investment in associate				**358 223 510**

[1] *In October 2023, Hammerson declared and paid a cash dividend of EUR 7,8 million. As the carrying value of the investment at the date of the dividend was EUR nil, the dividend is recognised in other comprehensive income.*

[2] *As the investment in associate had been carried at Euro nil at the time of the partial disposal of the shares, an equivalent amount of post-acquisition reserves was allocated to the sales.*

5. INVESTMENTS IN SUBSIDIARIES, ASSOCIATE, JOINT VENTURE, AND LOANS TO/(FROM) GROUP COMPANIES continued

5.4 Investment in equity-accounted associate continued

Summarised financial information of Hammerson

Summarised consolidated statement of financial position	GROUP 2022 GBP
Non-current assets	4 186 800 000
Current assets	349 600 000
Total assets	4 536 400 000
Equity	2 586 400 000
Non-current liabilities	1 764 900 000
Current liabilities	185 100 000
Total equity and liabilities	4 536 400 000

Summarised consolidated income statement	GROUP Year ended 2022 GBP
Revenue	129 500 000
Operating profit before other net losses and shares of results of joint ventures and associates	29 700 000
Other net losses and shares of joint ventures and associates	(130 700 000)
Operating loss	(101 000 000)
Net finance costs	(63 000 000)
Loss before tax	(164 000 000)
Tax charge	(200 000)
Loss attributable to equity shareholders	(164 200 000)

The summarised financial information presented above has been extracted from Hammerson's audited IFRS financial statements. The functional and reporting currency of Hammerson is GBP.

Hammerson is incorporated in the UK, and is classified as a 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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

5. INVESTMENTS IN SUBSIDIARIES, ASSOCIATE, JOINT VENTURE, AND LOANS TO/(FROM) GROUP COMPANIES continued

5.5 Loan to joint venture

	GROUP		COMPANY	
	Total 2023 EUR	Total 2022 EUR	Total 2023 EUR	Total 2022 EUR
Spanish Retail Investments SOCIMI, S.A.	**8 600 000**	–	**8 600 000**	–

The loan to joint venture is an initial payment to enable the acquisition of Salera Centro Comercial. Refer to note 22.1 for details of the conclusion of the transaction on 31 January 2024. The loan is deemed fully recoverable and no ECL has been recognised.

The loan matures on 30 June 2029 and attracts interest of three-month Euribor plus 2,5%. Shareholders' loans are advanced *pro rata* to the respective shareholding.

6. FINANCIAL ASSETS

	GROUP		COMPANY	
	Total 2023 EUR	Total 2022 EUR	Total 2023 EUR	Total 2022 EUR
Interest rate derivatives[1]	**9 040 222**	15 873 737	**–**	–
Restricted cash[2]	**7 857 496**	7 002 408	**–**	–
Rental deposits	**1 864 632**	1 826 236	**–**	–
Derivative cash margin	**3 671 441**	738 217	**–**	–
Total financial assets	**22 433 791**	25 440 598	**–**	–
Financial assets – non-current	**17 267 219**	22 762 966	**–**	–
Financial assets – current	**5 166 572**	2 677 632	**–**	–
Carrying amount at the reporting date – non-current and current	**22 433 791**	25 440 598	**–**	–
Financial assets measured at fair value through profit or loss[1]	**9 040 222**	15 873 737	**–**	–
Fair value (loss)/gain on currency, interest rate and other derivatives recognised in profit or loss	**(7 877 620)**	14 432 873	**–**	(135 188)

[1] *The Group utilises interest rate derivatives to hedge its interest rate exposure. Refer to note 24.4 for fair value information.*

[2] *Restricted cash primarily relates to debt service reserve accounts in terms of applicable senior debt loan agreements. Refer to note 11 for additional details.*

7. 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 right 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 period.

	GROUP AND COMPANY	
	2023 Number of shares	2022 Number of shares
Shares issued to Directors and employees during the year:		
Directors:		
Justin Muller	**562 109**	246 750
Jacobus van Biljon	**422 447**	180 317
Edward Mc Donald	**163 462**	–
Employees	**519 870**	(368 990)
Shares awarded during the year	**1 667 888**	58 077
Reconciliation of shares		
Unvested shares at the beginning of the year	**1 372 268**	1 499 829
Shares awarded during the year – award date: 16 March 2023 (2022: 15 March 2022)	**1 667 888**	58 077
Shares vested during the year	**(311 577)**	(185 638)
Unvested shares at the end of the year[1]	**2 728 579**	1 372 268

[1] *Included in treasury shares in the statements of financial position and changes in equity until the shares vest, as noted above.*

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Amortisation of long-term share incentive in profit or loss[2]	**337 647**	260 713	**–**	–

[2] *Included in administrative and other expenses in the statement of comprehensive income, and in the share-based payment reserve in the statement of changes in equity.*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

8. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Trade and other receivables include the following:				
Tenant receivables[1]	**10 076 641**	9 567 948	**–**	–
VAT receivable	**5 379 559**	5 035 660	**–**	–
Trade receivables	**3 790**	3 013 635	**–**	–
Prepayments	**790 599**	638 936	**–**	–
Income tax receivable	**973 448**	647 525	**–**	–
Other receivables	**966 802**	559 665	**2 250**	520 601
Carrying amount at the reporting date	**18 190 839**	19 463 369	**2 250**	520 601

[1] *Tenant receivables are net of loss allowances. Refer to note 24.1 for details of the loss allowances.*

The maximum exposure to credit risk at the reporting date pertaining to these receivables is the carrying amount of the receivables. Refer to note 24.1 for details on credit risk of trade and other receivables. The Group typically holds cash deposits and/or bank guarantee collateral as security, consistent with industry practice.

9. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Cash at bank and in hand	**106 087 009**	17 063 667	**206 569**	2 873 806

10. SHARE CAPITAL

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Authorised[1]				
100 000 000 000 (2022: 100 000 000 000) ordinary shares with a par value of EUR 0,01 per share				
Issued[1]				
1 830 409 794 (2022: 1 696 976 208) ordinary shares with a par value at an average of EUR 0,01 per share	**18 304 098**	16 969 761	**18 304 098**	16 969 761

[1] *The Company has only one class of shares in issue. Accordingly, there are no special rights, preferences or restrictions attached to any of the authorised or issued shares.*

10.1 Transfers from stated capital to non-distributable reserve, share cancellation, and share issuances

2023:

The Company completed the following scrip distribution, whereby the Company issued new shares:

- 20 April 2023: 79 852 500 shares issued at EUR 0,32 per share.
- 12 October 2023: 51 913 198 shares issued at EUR 0,26 per share.

2022:

The Company completed the following scrip distribution, whereby the Company issued new shares:

- 22 September 2022: 64 410 356 shares at EUR 0,37 per share.

On 15 December 2022, 7 692 308 new shares at EUR 0,35 per share were issued via a public offering.

10.2 Reconciliation of movement in issued shares during the reporting period

	GROUP		COMPANY	
	2023 Number of shares	2022 Number of shares	2023 Number of shares	2022 Number of shares
Issued shares at the beginning of the year	**1 696 976 208**	1 624 873 544	**1 696 976 208**	1 624 873 544
Scrip distribution shares issued:	**131 765 698**	64 410 356	**131 765 698**	64 410 356
22 September 2022	**–**	64 410 356	**–**	64 410 356
20 April 2023	**79 852 500**	–	**79 852 500**	–
12 October 2023	**51 913 198**	–	**51 913 198**	–
Incentive shares issued:				
16 March 2023	**1 667 888**	–	**1 667 888**	–
Public offer shares issued:				
15 December 2022	**–**	7 692 308	**–**	7 692 308
Issued shares at the end of the year	**1 830 409 794**	1 696 976 208	**1 830 409 794**	1 696 976 208

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

10. SHARE CAPITAL continued

10.3 Treasury shares

	GROUP		COMPANY	
	2023 Number of shares	2022 Number of shares	2023 Number of shares	2022 Number of shares
Treasury shares at the beginning of the year	**1 372 268**	1 499 829	**1 372 268**	1 499 829
Incentive shares acquired on 14 March 2022[1]	**–**	58 077	**–**	58 077
Incentive shares issued on 16 March 2023	**1 667 888**	–	**1 667 888**	–
Incentive shares vested	**(311 577)**	(185 638)	**(311 577)**	(185 636)
Treasury shares at the end of the year	**2 728 579**	1 372 268	**2 728 579**	1 372 268

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Balance at the beginning of the year	**622 125**	687 522	**622 125**	262 044
Incentive shares acquired on 14 March 2022[1]	**–**	19 699	**–**	19 699
Incentive shares issued on 16 March 2023	**557 389**	–	**557 389**	–
Share-based payment charge	**–**	–	**–**	425 478
Incentive shares vested	**(100 791)**	(85 096)	**(100 791)**	(85 096)
Balance at the end of the year	**1 078 723**	622 125	**1 078 723**	622 125

[1] *Shares purchased in the market for purposes of awards in terms of the Old Incentive plan.*

11. 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	
	2023 %	2022 %
LTV[1]	**14,04**	23,84

[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 equity securities at fair value, and investment in associate at fair value.*

11. INTEREST-BEARING BORROWINGS continued

The Group's exposure to interest rate and liquidity risk, *inter alia*, is discussed in note 24.

	Nominal interest rate	Maturity	GROUP Fair value EUR	GROUP Carrying amount EUR
2023				
Interest-bearing borrowings				
Forum Coimbra – term loan[5]	Fixed at 2,15%[2]	November 2024	**76 882 894**	**78 182 894**
Torrecárdenas – term loan[4]	12-month Euribor plus 2,50%[1]	July 2025	**72 562 238**	**72 562 238**
France – term loan[3]	3-month Euribor plus 3,00%[1]	March 2027	**119 891 268**	**119 891 268**
Planet Koper – term loan[6]	6-month Euribor plus 2,00%[1]	March 2032	**22 952 609**	**22 952 609**
External bank borrowings			**292 289 009**	**293 589 009**
Loans from Resilient REIT Limited[7]	3-month Euribor plus 3,75%	September 2026	**74 047 063**	**74 047 063**
Total interest-bearing borrowings			**366 336 072**	**367 636 072**
Current interest-bearing borrowings				
Forum Coimbra – term loan[5]				**78 182 894**
Torrecárdenas – term loan[4]				**5 997 889**
France – term loan[3]				**5 893 119**
Planet Koper – term loan[6]				**1 746 777**
Current interest-bearing borrowings				**91 820 679**
Non-current interest-bearing borrowings				**275 815 393**
Interest-bearing borrowings				**278 039 074**
Unamortised borrowing transaction costs				**(2 223 681)**
Current interest-bearing borrowings				**91 820 679**
Interest-bearing borrowings				**93 269 705**
Unamortised borrowing transaction costs				**(1 449 026)**
Total interest-bearing borrowings				**367 636 072**

*Refer to the footnotes on **page 139**.*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

11. INTEREST-BEARING BORROWINGS continued

	Nominal interest rate	Maturity	GROUP Fair value EUR	GROUP Carrying amount EUR
2022				
Interest-bearing borrowings				
Forum Coimbra – term loan[5]	Fixed at 2,15%[2]	November 2024	73 363 512	77 844 970
Torrecárdenas – term loan[4]	12-month Euribor plus 2,50%[1]	July 2025	77 432 626	77 432 626
France – term loan[3]	3-month Euribor plus 3,00%[1]	March 2027	125 729 838	125 729 838
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 REIT Limited[7]	3-month Euribor plus 3,75%[1]	September 2026	73 149 750	73 149 750
Total interest-bearing borrowings			374 198 748	378 680 205
Current interest-bearing borrowings:				
Forum Coimbra – term loan[5]				8 799
Torrecárdenas – term loan[4]				12 368 486
France – term loan[3]				5 865 844
Planet Koper – term loan[6]				1 686 753
Current interest-bearing borrowings				19 929 882
Non-current interest-bearing borrowings				358 750 323
Interest-bearing borrowings				362 923 036
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

	GROUP 2023 EUR	GROUP 2022 EUR
Investment property as security for interest-bearing borrowings		
Forum Coimbra – term loan[5]	**190 940 000**	184 125 000
Torrecárdenas – term loan[4]	**163 960 000**	165 020 000
France – term loan[3]	**362 490 000**	362 890 000
Planet Koper – term loan[6]	**69 300 000**	66 900 000
	786 690 000	778 935 000

11. INTEREST-BEARING BORROWINGS continued

[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% (2022: 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% on maturity. Interest is due quarterly in arrears.
***Security:** A first ranking mortgage over the properties and a pledge of the borrowing entities' shares.*

[4] *Torrecárdenas – 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% on maturity. Interest is due quarterly in arrears.
***Security:** A first ranking mortgage over the properties and a pledge of the borrowing entities' shares. Collateral cash is included in the debt service reserve account required by the loan agreement.*

[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.*

[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. 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. Collateral cash is included in the debt service reserve account required by the loan agreement.*

[7] *The loans from Resilient relate to the French shopping centres, and comprise Resilient's 40% (2022: 25%)* pro rata *shareholder loans to the various French subsidiaries, which are repayable at maturity.*

The loan covenants at the reporting date were as follows:

	GROUP 2023 Limit	GROUP 2023 Measurement	GROUP 2022 Limit	GROUP 2022 Measurement
Forum Coimbra – term loan				
– LTV ratio	**< 60,0%**	**41,3%**	< 60,0%	44,7%
– Net operating income	**> EUR 7,8 million**	**EUR 13 million**	> EUR 7,8 million	EUR 11,9 million
– Interest cover ratio	**> 2,50**	**7,95**	> 2,50	7,20
Torrecárdenas – term loan				
– LTV ratio	**< 60,0%**	**44,4%**	< 60,0%	46,0%
– Debt service coverage ratio	**> 1,10**	**1,31**	> 1,10	1,11
– Capital expenditure	**< EUR 890 000**	**EUR 537 000**	Not applicable	Not applicable
France – term loan				
– LTV ratio	**< 47,50%**	**36,0%**	< 50,0%	39,0%
– Debt service coverage ratio	**> 1,75**	**1,92**	> 1,75	1,80
– Interest cover ratio	**> 4,00**	**4,56**	> 4,00	4,17
– Debt yield ratio	**> 15,0%**	**18,20%**	> 15,0%	16,6%
Planet Koper – term loan				
– LTV ratio[8]	**< 46,0%**	**33,3%**	< 48,5%	36,8%
– Debt service coverage ratio[8]	**> 1,25**	**0,97**	> 1,25	1,72

[8] *The Planet Koper primary loan covenant is a joint covenant consisting of meeting both the LTV and debt service coverage ratios. At the reporting date, the LTV covenant had significant headroom. The debt service coverage ratio, though, was below the minimum threshold in 2023, and was remedied by increasing the restricted cash collateral on the loan by EUR 1,3 million during February 2024, as allowed for in terms of the loan agreement.*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

12. DEFERRED TAX

	GROUP	
	2023 EUR	2022 EUR
The deferred tax liability comprises the following:		
Cumulative investment property statutory tax allowances	**2 930 139**	18 213 192
Cumulative fair value adjustments of investment properties	**18 046 951**	30 652 425
Assessed tax losses[1]	**(2 364 391)**	(2 426 355)
Other[2]	**(35 908)**	(29 456)
Balance at the end of the year	**18 576 791**	46 409 806
Balance at the beginning of the year	**46 409 806**	28 784 253
Torrecárdenas acquisition	**–**	16 597 669
Recognised in profit or loss[3]	**(27 833 015)**	1 027 884
Balance at the end of the year	**18 576 791**	46 409 806

[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 consists primarily of impairment losses on tenant receivables.*

[3] *During the year, the Group converted Forum Coimbra to an SIC (regulated privately held Portuguese REIT). Within the SIC regime, a company does not pay corporate income tax or capital gains tax. Consequently, the previously recognised deferred tax liability in relation to Forum Coimbra was derecognised in the consolidated statement of comprehensive income. Refer to note 17.*

13. FINANCIAL LIABILITIES

	GROUP	
	2023 EUR	2022 EUR
Tenant deposits	**8 838 777**	8 709 468
Fair value of currency derivatives[1]	**115 596**	–
Total financial liabilities	**8 954 373**	8 709 468
Financial liabilities – non-current	**8 674 448**	4 116 148
Financial liabilities – current	**279 925**	4 593 320
Total financial liabilities	**8 954 373**	8 709 468

[1] *Refer to note 24.1.*

14. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Trade and other payables include the following:				
Trade payables	**8 443 739**	11 113 047	**31**	16
Tenant prepayments	**2 475 529**	5 645 963	**–**	–
VAT payable	**6 332 026**	4 243 199	**–**	–
Accrued expenses	**10 301 771**	2 461 362	**295 699**	422 953
Other	**582 371**	678 416	**–**	–
Total trade and other payables	**28 135 436**	24 141 987	**295 730**	422 969

15. REVENUE

15.1 Property rental and related revenue

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Property rental and related revenue includes the following:				
Property rental revenue	**61 163 047**	58 318 468	**–**	–
Tenant recovery (service charge) revenue	**25 914 301**	18 539 034	**–**	–
Property rental and related revenue[1,2,3]	**87 077 348**	76 857 502	**–**	–

[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 5 million (2022: EUR 3,7 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.*

15.2 Investment revenue

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Dividend income from listed equity investments	**–**	101 232	**–**	2 935 655
Total investment revenue	**–**	101 232	**–**	2 935 655

16. PROFIT/(LOSS) BEFORE TAX

16.1 Profit/(loss) before tax

	GROUP AND COMPANY	
	2023 EUR	2022 EUR
Property operating expenses		
Recoverable property operating expenses	**(37 123 642)**	(24 981 487)
Non-recoverable property operating expenses	**(3 811 012)**	(6 708 605)
Total property operating expenses	**(40 934 654)**	(31 690 092)

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

16. PROFIT/(LOSS) BEFORE TAX continued

16.2 Administrative and other expenses

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Profit/(loss) before tax includes the following items included in administrative and other expenses:				
Auditor's remuneration				
PricewaterhouseCoopers				
– audit fee	**(426 451)**	(438 905)	**(206 410)**	(278 680)
– other assurance fees	**(3 377)**	(14 964)	**–**	(12 864)
Other auditors				
– audit fee	**(84 266)**	(131 549)	**–**	–
– other assurance fees	**–**	(3 547)	**–**	–
Bank and custody fees	**(408 976)**	(230 702)	**(9 908)**	(10 570)
Consulting fees	**(1 886 369)**	(1 766 088)	**(206 331)**	(163 679)
Directors' remuneration				
– services as Director (Non-Executive Directors)	**(183 197)**	(185 600)	**(183 197)**	(185 600)
– other services (Executive Directors)	**(1 361 600)**	(1 206 846)	**–**	–
Interest rate derivatives – transaction costs	**–**	(3 525 000)	**–**	–
Employee benefits[1] (excluding Executive Director remuneration)	**(1 332 997)**	(1 004 587)	**(24 528)**	(9 513)
Travel and accommodation	**(376 495)**	(404 786)	**(53 961)**	(67 176)
Other administrative expenses	**(847 752)**	(1 211 333)	**(396 278)**	(684 156)
Total administrative and other expenses	**(6 911 480)**	(10 123 907)	**(1 080 613)**	(1 412 238)

[1] *The Company had no employees during the current and prior year. The costs incurred relate to time spent as an employee of Lighthouse Properties p.l.c., French branch.*

16.3 Non-Executive Directors' remuneration

For additional details refer to the Non-Executive Directors' remuneration included in the remuneration report on **pages 92** to **99**.

	GROUP AND COMPANY	
	2023 EUR	2022 EUR
Non-Executive Director:		
Mark Olivier	**44 500**	41 600
Stuart Bird	**26 913**	22 000
Karen Bodenstein	**27 900**	26 000
Desmond de Beer	**22 270**	24 700
Anthony Doublet	**22 300**	20 800
Nicolaas Hanekom[1]	**6 439**	–
Stephen Paris	**26 400**	24 600
Barry Stuhler[2]	**6 475**	25 900
	183 197	185 600

[1] *Nicolaas Hanekom was appointed as an Non-Executive Director and an alternate to Desmond de Beer on 11 May 2023. Nicolaas earned a portion of remuneration due to Desmond de Beer in his role as his alternate from the date of his appointment.*

[2] *Barry Stuhler resigned as Non-Executive Director effective 17 March 2023 and earned remuneration up to the date of his resignation.*

16. PROFIT/(LOSS) BEFORE TAX continued

16.4 Executive Directors' remuneration

For additional details, refer to the Executive Directors' remuneration details included in the remuneration report on **pages 92** to **99**.

	Salary EUR	Bonus EUR	Share incentive EUR	Other[3] EUR
2023				
GROUP				
Executive Director:				
Justin Muller	**276 105**	**165 482**	**187 850**	**–**
Edward Mc Donald	**130 017**	**54 245**	**54 627**	**–**
Jacobus van Biljon	**205 984**	**124 366**	**141 177**	**21 747**
	612 106	**344 093**	**383 654**	**21 747**
COMPANY				
Executive Director:				
Justin Muller	**–**	**–**	**–**	**–**
Edward Mc Donald	**–**	**–**	**–**	**–**
Jacobus van Biljon	**–**	**–**	**–**	**–**
	–	**–**	**–**	**–**
2022				
GROUP				
Executive Director:				
Justin Muller	260 000	187 850	130 000	1 170
Edward Mc Donald	122 667	54 627	–	–
Jacobus van Biljon	194 500	141 177	95 000	19 855
	577 167	383 654	225 000	21 025
COMPANY				
Executive Director:				
Justin Muller	–	–	–	–
Edward Mc Donald	–	–	–	–
Jacobus van Biljon	–	–	–	–
	–	–	–	–

[3] *Relates primarily to accrued leave paid out.*

Beneficial shareholding of directors

	Direct holding		Indirect holding		Total shares held		Percentage of issued shares	
	2023	2022	2023	2022	2023	2022	2023	2022
Mark Olivier *(Chairperson)*	**–**	–	**4 029 801**	1 974 225	**4 029 801**	1 974 225	**0,22**	0,116
Justin Muller*	**2 954 229**	2 112 723	**–**	–	**2 954 229**	2 112 723	**0,16**	0,124
Jacobus van Biljon*	**1 835 263**	1 239 245	**–**	–	**1 835 263**	1 239 245	**0,10**	0,073
Desmond de Beer*	**–**	–	**306 920 956**	254 405 413	**306 920 956**	254 405 413	**16,77**	14,99
Nicolaas Hanekom	**–**	–	**8 540 328**	–	**8 540 328**	–	**0,47**	–
Edward Mc Donald	**180 536**	–	**–**	–	**180 536**	–	**0,01**	–
Barry Stuhler#	**–**	–	**–**	86 349 610	**–**	86 349 610	**–**	5,088
Total	**4 970 028**	3 351 968	**319 491 085**	342 729 248	**324 461 113**	346 081 216	**17,73**	20,39

* *Desmond de Beer's full holding serves as collateral.*

\# *Barry Stuhler resigned effective 17 March 2023.*

[1] *1 063 514 shares of Justin Muller, 819 605 shares of Jacobus van Biljon and 163 462 shares of Edward Mc Donald relate to shares issued in terms of the Incentive Plan which are pledged until they vest. Desmond de Beer's full holding serves as collateral.*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

16. PROFIT/(LOSS) BEFORE TAX continued

16.5 Finance costs

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Finance costs – Resilient	**5 297 313**	2 266 440	**–**	–
Finance costs – third-party borrowings	**9 166 620**	9 652 949	**–**	–
Finance costs	**14 484 694**	9 843 373	**–**	–
Hedging impact	**(5 318 074)**	(190 424)	**–**	–
Finance costs – third party – amortisation of borrowing costs	**1 418 797**	2 225 568	**–**	–
Finance costs – brokers	**14 831**	15 242	**–**	11 790
Finance costs – other	**20 000**	68 807	**–**	4 547
	15 917 561	14 229 006	**–**	16 337

17. INCOME TAX

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Current tax	**(1 235 432)**	(2 127 976)	**(661 482)**	(13 748)
Deferred tax (refer to note 12)	**27 833 015**	(1 027 884)	**–**	–
Income tax recognised in profit or loss	**26 597 583**	(3 155 860)	**(661 482)**	(13 748)

Reconciliation of tax rate

	GROUP		COMPANY	
	2023 %	Restated 2022 %	2023 %	2022 %
Weighted average corporate income tax rate[1]	**31,13**	32,58	**35,00**	35,00
REIT regime tax impact[2]	**1,56**	4,86		
Weighted average statutory income tax rate	**32,69**	37,44		
Tax credits and differences in foreign tax rates	**(3,24)**	29,58	**–**	–
Change in tax rate[3]	**(7,56)**	–	**–**	
Underprovision prior year	**0,02**	(0,09)	**0,02**	–
Permanent differences:				
Fair value gain/(loss) on investment property, investments and derivatives, gain on disposal of associate, and impairment[4]	**(29,07)**	(74,45)	**(35,46)**	(35,83)
Non-deductible expenses	**0,10**	1,38	**0,54**	(0,75)
Non-recognition of deferred tax assets related to assessed tax losses	**0,08**	1,88	**–**	–
Non-taxable income	**0,73**	13,14	**(0,01)**	1,56
Other	**(0,95)**	(0,08)	**0,86**	–
Effective income tax rate	**(7,20)**	8,80	**0,95**	(0,02)

[1] *The basis for calculating the applicable tax rate has been changed from using the statutory tax rate in Portugal to the weighted average tax rate of the Group. As the Group has REIT status in the majority of the territories that it operates, the weighted average rate provides more relevant and reliable information due to the different tax rates applied across the various jurisdictions. As a result, the comparatives have been restated for the Group. The weighted average applicable tax rate is the result from applying the relevant domestic statutory tax rates to profits or losses before taxes of each entity in the country where it operates.*

[2] *An adjustment has been made to the weighted corporate income tax rate to reflect the tax impact of the Group's REIT status in Portugal, Spain and France.*

[3] *Due to the conversion of Forum Coimbra to a SIC (Portuguese REIT). Within the SIC regime a company does not pay corporate income tax. The previously recognised deferred tax liability in relation to Forum Coimbra was de-recognised in the consolidated statement of other comprehensive income.*

[4] *Relates primarily to the gains realised on the sale of the shares held in Hammerson plc.*

17. INCOME TAX continued

Corporate income tax rates per jurisdiction

	GROUP	
	Statutory rate 2023 %	Statutory rate 2022 %
Malta	**35,00**	35,00
UK	**19,00**	19,00
Netherlands	**25,00**	25,00
Portugal	**25,50**	25,50
Spain	**25,00**	25,00
France	**25,00**	25,00
Slovenia	**19,00**	19,00

18. NOTES TO THE STATEMENTS OF CASH FLOWS

18.1 Cash generated from operations

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Profit/(loss) before tax	**369 934 111**	35 868 195	**69 527 039**	(65 842 976)
Adjusted for:				
Straight-lining of rental revenue adjustment	**(324 131)**	(362 260)	**–**	–
Finance income	**(329 175)**	(55 673)	**(151 554)**	(55 616)
Fair value loss/(gain) on investment property	**16 087 241**	(853 739)	**–**	–
Fair value (gain)/loss on investments	**(11 907 798)**	1 081 878	**–**	22 426 818
Realised gain on partial disposal of investment in subsidiary	**–**	–	**–**	(5 962 035)
Realised gain on partial/deemed disposal of investment in associate	**(358 223 510)**	–	**–**	–
Recycling of other comprehensive income of investment in associate	**7 257 840**	–	**–**	–
Fair value loss/(gain) on currency, interest rate and other derivatives	**7 877 620**	(14 432 873)	**–**	135 188
Impairment (reversal)/loss	**–**	–	**(70 569 667)**	51 508 869
Foreign exchange loss/(gain) on cash and cash equivalents	**388 313**	(692 059)	**127 569**	(703 168)
Cash dividends received from associate	**–**	1 238 577	**–**	–
Cash dividends received from associate included in profit or loss	**(7 770 989)**	–	**–**	–
Share incentive scheme amortisation	**286 987**	260 714	**–**	–
Finance costs	**15 917 561**	14 229 006	**–**	16 337
	39 194 070	36 281 766	**(1 066 613)**	1 523 417
Changes in working capital:				
(Increase)/decrease in trade and other receivables	**1 598 453**	3 504 724	**518 351**	(515 996)
(Increase)/decrease in financial liabilities – tenant deposits	**(4 133 409)**	(654 868)	**–**	–
Increase/(decrease) in trade and other payables	**3 993 449**	(4 504 180)	**(127 239)**	94 271
Cash generated from/(used in) operations	**40 652 563**	34 627 442	**(675 501)**	1 101 692

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

18. NOTES TO THE STATEMENTS OF CASH FLOWS continued

18.2 Income tax paid

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Income tax payable at the beginning of the year	**428 073**	186 762	**13 748**	–
Recognised in profit or loss	**1 235 432**	2 127 976	**661 482**	13 748
Income tax payable at the end of the year	**(1 045 817)**	(1 075 598)	**(79 104)**	(13 748)
Income tax receivable at the end of the year	**973 448**	647 525	**–**	–
Acquisition of subsidiary	**–**	104 615	**–**	–
Income tax paid	**1 591 136**	1 991 280	**596 126**	–

18.3 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	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Cash and cash equivalents	**106 087 009**	17 063 667	**206 569**	2 873 806
Interest-bearing borrowings	**(367 636 072)**	(378 680 205)	**–**	–
Net debt	**(261 549 063)**	(361 616 538)	**206 569**	2 873 806

	GROUP		
	Liabilities from financing activities Borrowings EUR	Cash/bank overdraft EUR	Total EUR
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)
Finance costs	(14 229 006)	–	(14 229 006)
Finance costs paid	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)**
Financing cash flows	**8 182 241**	**89 411 655**	**97 593 896**
Foreign exchange adjustments	**–**	**(388 313)**	**(388 313)**
Other changes			
Finance costs	**(15 917 561)**	**–**	**(15 917 561)**
Finance costs paid	**15 148 778**	**–**	**15 148 779**
Finance income received (hedging impact)	**(4 851 877)**	**–**	**(4 851 878)**
Hedging interest accrual	**(492 500)**	**–**	**(492 500)**
Retail Property Investments capitalisation of Resilient loan	**10 000 000**	**–**	**10 000 000**
Capitalisation of borrowing costs	**(1 024 948)**	**–**	**(1 024 948)**
Net debt at 31 December 2023	**(367 636 072)**	**106 087 009**	**(261 549 063)**

18. NOTES TO THE STATEMENTS OF CASH FLOWS continued

18.3 Net debt reconciliation continued

	COMPANY		
	Liabilities from financing activities Borrowings EUR	Cash/bank overdraft EUR	Total EUR
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**
Financing cash flows	**–**	**(2 539 668)**	**(2 539 668)**
Foreign exchange adjustments	**–**	**(127 569)**	**(127 569)**
Net debt at 31 December 2023	**–**	**206 569**	**206 569**

19. CONTINGENT LIABILITIES AND COMMITMENTS

19.1 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.

19.2 Commitments

	GROUP	
	2023 EUR	2022 EUR
Capital commitments related to current construction and refurbishment projects at the reporting date.	**1 150 000**	12 218 637
Acquisition of Salera Centro Comercial[1]	**85 500 000**	–
	86 650 000	12 218 637

[1] *Refer to note 22.1.*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

20. EARNINGS AND DILUTED EARNINGS PER SHARE

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Profit/(loss) for the year attributable to equity holders of the Company	**407 711 380**	25 155 305	**68 865 557**	(65 856 724)
Weighted average ordinary shares in issue during the year	**1 763 017 092**	1 641 478 325	**1 763 017 092**	1 641 478 325

The weighted average number of shares for basic and diluted earnings per share purposes is determined as follows:

		GROUP		
Date	Event	Number of shares	% of period	Weighted average
2023				
1 January 2023	Opening balance	**1 695 603 940**	**100**	**1 695 603 940**
16 March 2023	Incentive shares issued	**311 577**	**79**	**247 554**
20 April 2023	Scrip distribution	**79 852 500**	**71**	**55 787 363**
12 October 2023	Scrip distribution	**51 913 198**	**22**	**11 378 235**
31 December 2023	**Balance at the reporting date**	**1 827 681 215**		**1 763 017 092**
2022				
1 January 2022	Opening balance	1 623 373 715	100	1 623 373 715
11 March 2022	Incentive shares acquired	(58 077)	80	(46 302)
19 March 2022	Incentive shares vested	185 638	79	145 967
22 September 2022	Scrip distribution	64 410 356	27	17 646 673
15 December 2022	Shares issued, public offer	7 692 308	5	358 272
31 December 2022	**Balance at the reporting date**	1 695 603 940		1 641 478 325

		COMPANY		
Date	Event	Number of shares	% of period	Weighted average
2023				
1 January 2023	Opening balance	**1 695 603 940**	**100**	**1 695 603 940**
16 March 2023	Incentive shares issued	**311 577**	**79**	**247 554**
20 April 2023	Scrip distribution	**79 852 500**	**71**	**55 787 363**
12 October 2023	Scrip distribution	**51 913 198**	**22**	**11 378 235**
31 December 2023	**Balance at the reporting date**	**1 827 681 215**		**1 763 017 092**
2022				
1 January 2022	Opening balance	1 624 873 544	100	1 624 873 544
1 January 2022	Treasury share adjustment	(1 499 829)	100	(1 499 829)
11 March 2022	Incentive shares acquired	(58 077)	80	(46 302)
19 March 2022	Incentive shares vested	185 638	79	145 967
22 September 2022	Scrip distribution	64 410 356	27	17 646 673
15 December 2022	Shares issued, public offer	7 692 308	5	358 272
31 December 2022	**Balance at the reporting date**	1 695 603 940		1 641 478 325

21. HEADLINE EARNINGS AND DILUTED HEADLINE EARNINGS PER SHARE

	GROUP			
	Gross 2023 EUR	Net[1] 2023 EUR	Gross 2022 EUR	Net[1] 2022 EUR
Basic earnings per share (EUR cents)		**23,13**		1,53
Diluted earnings per share (EUR cents)		**23,11**		1,52
Reconciliation of profit/(loss) for the year to headline earnings/(loss):				
Basic profit/(loss) for the year attributable to equity holders of the Company		**407 711 380**		25 155 305
Adjusted for:				
Fair value loss/(gain) on investment property	**16 087 241**	**7 515 712**	(853 739)	2 480 094
Realised gain on disposal of investment in associate	**(350 965 670)**	**(350 965 670)**	–	–
Headline earnings/(loss)		**64 261 422**		27 635 399
Weighted average shares in issue during the year		**1 763 017 092**		1 641 478 325
Headline earnings per share (EUR cents)		**3,65**		1,68
Diluted headline earnings per share (EUR cents)		**3,62**		1,66

[1] *After non-controlling interest and income tax effect.*

22. EVENTS AFTER THE REPORTING PERIOD AND GOING CONCERN

22.1 Events after the reporting period

On 31 January 2024, the Group concluded the acquisition of Salera, a retail shopping centre in Castellón de la Plana, Spain, through Spanish Retail Investments SOCIMI, S.A. ("SRI"), a joint venture between the Company and Resilient, each owning a 50% interest. Salera was acquired by Salera Properties, S.L.U., a wholly-owned subsidiary of SRI. The purchase consideration paid by the Group for the property was EUR 85,5 million (excluding transaction costs). As this is a property acquisition and not a purchase of a company, it does not fall within the scope of IFRS 3: *Business Combinations*.

On 14 February 2024, Torrecárdenas Properties, S.L.U. obtained new senior bank debt. The salient terms are:

- Reduction of loan principal balance on 14 February 2024 to EUR 65 722 112
- Loan maturity on 28 January 2029
- Interest rate margin of 250 basis points
- Variable interest rate of six-month Euribor
- Full hedge of loan balance with an interest rate swap at a fixed rate of approximately 1,90% p.a.

Lighthouse Spanish Properties SOCIMI, S.A.U. ("LSP"), entered into a share purchase and sale agreement for the acquisition of a retail shopping centre known as H2O in Rivas-Vaciamadrid, Spain. LSP intends to acquire the shares of the three special purpose vehicles that hold full title to H2O, the concession area surrounding H2O, and a vacant plot of land detached from H2O. The gross purchase consideration is EUR 121 million, which includes deferred capital expenditure of EUR 10 million. The effective date of the Acquisition will be the closing date, being on or before the 15th business day following fulfilment of the condition precedent, being the handover of relevant units to key tenants.

The Group disposed of EUR 58,4 million of shares in its investment in Hammerson up to the date of the approval of the financial statements.

On 11 March 2024, the Directors declared a distribution of 1,35 EUR cents per share related to the last six months of 2023.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

22. EVENTS AFTER THE REPORTING PERIOD AND GOING CONCERN continued

22.2 Going concern

The Directors have assessed the Group and Company's ability to continue as a going concern. Subsequent to the reporting date, the Group and Company maintained a substantial positive net asset value and strong liquidity position.

Liquidity

GROUP

Lighthouse remains well positioned to meet its liquidity needs. The bullet payment at maturity of the senior bank debt of Forum Coimbra is due for payment on 27 November 2024. Lighthouse is in negotiations to refinance this loan.

COMPANY

At the reporting date, the current liabilities exceeded the current assets. This was due to the financing structure established in anticipation of the Salera acquisition. This was settled upon completion of the transaction (note 22.1). As the Company facilitates the treasury function of the Group, the liability was settled post year-end through the allocation of cash resources available in the underlying subsidiaries.

Debt covenants

The value of direct investment properties impacts LTV debt covenants. At the reporting date, no covenants were breached. For additional details related to loan covenants, refer to note 11.

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.

23. OPERATING LEASE RENTAL REVENUE

	GROUP	
	2023 EUR	2022 EUR
Contractual rental revenue from tenants can be analysed as follows:[1, 2]		
Within one year	**52 571 701**	54 977 226
Within one to two years	**46 327 986**	45 555 881
Within two to three years	**42 623 118**	40 895 135
Within three to four years	**39 103 696**	37 229 161
Within four to five years	**33 519 465**	33 516 744
Within one to five years	**214 145 966**	212 174 147
More than five years	**166 335 323**	165 773 499
	380 481 289	377 947 646

[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 three and 10 years.

24. FINANCIAL INSTRUMENTS, RISK, AND FAIR VALUE MEASUREMENTS

24.1 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	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Loans to affiliates	**–**	–	**13 434 858**	74 640 733
Financial assets:				
Fair value of interest rate derivatives	**9 040 222**	15 873 737	**–**	–
Restricted cash	**7 857 496**	7 002 408	**–**	–
Rental deposits	**1 864 632**	1 826 236	**–**	–
Derivative cash margin	**3 671 441**	738 217	**–**	–
Trade and other receivables (excluding non-financial assets):				
Tenant receivables	**10 076 641**	9 567 948	**–**	–
Trade receivables	**3 790**	3 013 635	**–**	–
Insurance receivables	**–**	–	**–**	–
Cash and cash equivalents	**106 087 009**	17 063 667	**206 569**	2 873 806
	138 601 231	55 085 848	**13 641 427**	77 514 539
Loans to affiliates	**–**	–	**13 434 858**	74 640 733
Deemed net fair value of underlying investments allocable to loans to subsidiaries	**–**	–	**(13 434 858)**	(74 640 733)
Net exposure	**–**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

24. FINANCIAL INSTRUMENTS, RISK, AND FAIR VALUE MEASUREMENTS continued

24.1 Credit risk continued

	GROUP	
	2023 EUR	2022 EUR
Tenant receivables:		
Current and <90 days past due (not in default)	**5 201 527**	3 099 021
Gross carrying amount	**5 246 321**	3 259 310
Loss allowance	**(44 794)**	(160 289)
>90 days past due (in default)	**4 875 113**	6 468 927
Gross carrying amount	**16 306 751**	17 346 835
Loss allowance	**(11 431 638)**	(10 877 908)
Total carrying value	**10 076 641**	9 567 948
Total gross carrying amount	**21 553 072**	20 606 145
Total loss allowance	**(11 476 431)**	(11 038 197)
Tenant deposits held	**(8 838 777)**	(8 709 469)
Net credit exposure	**1 237 864**	858 479
Reconciliation of loss allowance:		
Opening balance at the beginning of the reporting period	**(11 038 197)**	(14 408 191)
Tenant receivables impairment charge included in property operating expenses	**(4 443 104)**	(1 687 967)
Write-offs during the period	**4 004 870**	3 432 868
Acquisitions of properties	**–**	1 625 093
Closing balance at the end of the reporting year	**(11 476 431)**	(11 038 197)

Change in estimate

In the current year, the Group reassessed the manner in which the ECLs on tenant receivables are determined. The change was implemented to better reflect how tenant receivables are monitored by the Group and how the related credit risk is determined. The Group monitors tenant receivables on a granular basis, which includes reviewing individual tenants on a regular basis. As noted in the accounting policies, tenant receivables outstanding in excess of 90 days are deemed to be credit impaired. Credit-impaired debtors are further considered against deposits and bank guarantees held by the Group. Based on this, the net exposure to the Group is determined and an ECL is recognised. The Group considers this the specific provision.

In addition to the specific provision, the Group considers the overall net exposure of the debtors not provided for. The gross debtors are reduced by the corresponding deposits and bank guarantees held. The Group considers the net exposure and then applies forward-looking ECLs, taking into account historical write-offs, country-specific retail sales growth as well as consumer confidence indices. This is done per centre per country and considered on an aggregated level. Based on this model, the ECL relating to the general provision is immaterial.

24. FINANCIAL INSTRUMENTS, RISK, AND FAIR VALUE MEASUREMENTS continued

24.2 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 to 3 months EUR	4 to 12 months EUR	More than 1 up to 3 years EUR	More than 3 up to 5 years EUR	More than 5 years EUR
2023							
Interest-bearing borrowings	**367 636 072**	**430 442 590**	**87 208 365**	**20 994 776**	**195 731 601**	**109 528 152**	**16 979 696**
Financial liabilities	**8 954 373**	**8 954 373**	**13 996**	**265 929**	**8 674 448**	**–**	**–**
Trade and other payables	**17 833 665**	**17 833 665**	**13 375 249**	**4 458 416**	**–**	**–**	**–**
2022							
Interest-bearing borrowings	378 680 205	446 788 529	14 040 325	20 772 870	183 109 340	211 479 052	17 386 942
Financial liabilities	8 709 468	8 709 468	229 666	4 363 654	4 116 148	–	–
Trade and other payables	21 680 625	21 680 625	16 260 469	5 420 156	–	–	–

	COMPANY						
	Carrying value EUR	Contractual outflows EUR	0 to 3 months EUR	4 to 12 months EUR	More than 1 up to 3 years EUR	More than 3 up to 5 years EUR	More than 5 years EUR
2023							
Loans from Group companies	**43 325 921**	**43 325 921**	**43 325 921**	**–**	**–**	**–**	**–**
Trade and other payables	**295 730**	**295 730**	**295 730**	**–**	**–**	**–**	**–**
2022							
Interest-bearing borrowings	5 244 952	5 244 952	5 244 952	–	–	–	–
Trade and other payables	422 969	422 969	422 969	–	–	–	–

The Group's treasury function is rigorously managed to ensure that cash resources are adequate to meet liquidity and funding requirements.

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Permitted borrowings:				
Total gross qualifying assets	**907 967 015**	940 672 047	**–**	–
35% borrowing limit of total gross qualifying assets	**317 788 455**	329 235 216	**–**	–
Total gross interest-bearing borrowings less cash and other adjustments	**(127 479 760)**	(224 257 793)	**206 569**	2 873 806
Unutilised borrowing capacity	**190 308 696**	104 977 423	**206 569**	2 873 806

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

24. FINANCIAL INSTRUMENTS, RISK, AND FAIR VALUE MEASUREMENTS continued

24.3 Market risk

24.3.1 Interest rate risk

	GROUP		COMPANY	
	2023 EUR	2022 EUR	2023 EUR	2022 EUR
Interest-bearing instruments comprise:				
Variable rate instruments:				
Cash and cash equivalents	**106 087 009**	17 063 667	**206 569**	2 873 806
Restricted cash	**7 857 496**	7 002 408	**–**	–
Rental deposits	**1 864 632**	1 826 236	**–**	–
Derivative cash margin	**3 671 441**	738 217	**–**	–
Interest-bearing borrowings[1]	**(289 453 178)**	(300 835 236)	**–**	–
Net variable rate interest-bearing instruments	**(169 972 600)**	(274 204 708)	**206 569**	2 873 806

[1] *Includes EUR 74 million (2022: EUR 73,1 million) of loans from Resilient related to the French portfolio, and comprises Resilient's 40% (2022: 40%) pro rata shareholder loans to the various French subsidiaries.*

The exposure of liabilities and borrowings to contractual repricing dates of interest rates are as follows:

	GROUP				
	1 – 3 months EUR	4 – 12 months EUR	2 – 5 years EUR	More than 5 years EUR	Total EUR
2023					
Interest-bearing borrowings	**193 938 331**	**95 514 847**	**–**	**–**	**289 453 178**
Total liabilities and borrowings	**193 938 331**	**95 514 847**	**–**	**–**	**289 453 178**
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

24. FINANCIAL INSTRUMENTS, RISK, AND FAIR VALUE MEASUREMENTS continued

24.3 Market risk continued

24.3.1 Interest rate risk continued

Cash flow sensitivity analysis for variable rate instruments

Interest

A change of 100 (2022: 100) 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	
	Profit or (loss) before tax	
	Increase EUR	Decrease EUR
2023		
Cash and cash equivalents	**1 060 870**	**(1 060 870)**
Restricted cash	**78 575**	**(78 575)**
Rental deposits	**18 646**	**(18 646)**
Derivative cash margin	**36 714**	**(36 714)**
Interest-bearing borrowings[2]	**(2 894 532)**	**2 894 532**
Cash flow sensitivity (net)[1]	**(1 699 727)**	**1 699 727**
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[2]	(3 008 353)	3 008 353
Cash flow sensitivity (net)[1]	(2 742 048)	2 742 048

	COMPANY	
	Profit or (loss) before tax	
	Increase EUR	Decrease EUR
2023		
Cash and cash equivalents	**2 066**	**(2 066)**
Cash flow sensitivity (net)[1]	**2 066**	**(2 066)**
2022		
Cash and cash equivalents	28 738	(28 738)
Cash flow sensitivity (net)[1]	28 738	(28 738)

[1] *The cash flow sensitivity approximates the change to profit or loss before tax.*

[2] *Excludes the impact of interest rate hedges.*

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

24. FINANCIAL INSTRUMENTS, RISK, AND FAIR VALUE MEASUREMENTS continued

24.3 Market risk continued

24.3.1 Interest rate risk continued

The Group adopts a policy of hedging substantially all (>90%) of the interest rates on interest-bearing borrowings related to direct property investments.

Details of existing interest rate derivatives are:

	GROUP			
	Maturity	Nominal amount EUR	Strike rate %	Fair value EUR
2023				
Interest rate swap	**Jul 2024**	**28 796 040**	**1,18**	**503 788**
Interest rate cap	**Jul 2025**	**27 611 150**	**–**	**1 686 448**
Interest rate cap	**Jul 2025**	**21 922 250**	**–**	**1 251 072**
Interest rate cap	**Mar 2027**	**122 737 500**	**1,00**	**5 598 914**
Total		**201 066 940**		**9 040 222**
Weighted average maturity/rate	**2,4 years**		**0,78**	
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		15 873 738
Weighted average maturity/rate	3,4 years		0,78	

24.3.2 Equity price risk

The carrying amount of listed equity security investments (2022: investment in associate) represents the maximum equity price risk exposure. The maximum exposure to equity price risk at the reporting date was:

	GROUP	
	2023 EUR	2022 EUR
Listed equity security investments	**266 273 015**	306 893 047
Gross exposure to listed equity security investments	**266 273 015**	306 893 047

A 35% (2022: 35%) change in the market value of gross listed security investments at the reporting date would have increased/(decreased) profit or loss before tax by the amounts shown below. The sensitivity applied was determined by calculating the percentage change between the minimum and maximum listed share price achieved by the investment during the year. The analysis assumes that all other variables remain constant.

	GROUP	
	Profit or (loss) before tax	
	Increase EUR	Decrease EUR
2023		
Listed security investments – Hammerson plc	**93 195 555**	**(93 195 555)**
	93 195 555	**(93 195 555)**
2022		
Listed security investments	107 412 566	(107 412 566)
	107 412 566	(107 412 566)

24. FINANCIAL INSTRUMENTS, RISK, AND FAIR VALUE MEASUREMENTS continued

24.3 Market risk continued

24.3.3 Currency risk

The Group and Company's reporting currency is EUR.

The Group and Company's exposure to foreign currency risk, respectively, is primarily as a result of:

- Investments in listed equity securities denominated in GBP
- Lighthouse Properties p.l.c. raising capital and paying dividends/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]

	2023 FX sensitivity % applied	2022 FX sensitivity % applied	2023 Average FX rate for the reporting period	2022 Average FX rate for the reporting period	2023 Closing FX rate at the reporting date	2022 Closing FX rate at the reporting date
GBP/EUR	**3,0%**	5,2%	**0,86**	0,85	**0,87**	0,89
ZAR/EUR	**10,0%**	6,0%	**20,29**	17,20	**20,18**	18,24

[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.*

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:

	GROUP		COMPANY	
	Changes in profit or (loss) before tax			
	EUR weakened EUR	EUR strengthened EUR	EUR weakened EUR	EUR strengthened EUR
2023				
Net financial assets and liabilities	**541 620**	**(541 620)**	**–**	**–**
Cash and cash equivalents	**(6 068)**	**6 068**	**(5 470)**	**5 470**
	535 552	**(535 552)**	**(5 470)**	**5 470**
GBP/EUR	**541 166**	**(541 166)**	**(68)**	**68**
ZAR/EUR	**(5 614)**	**5 614**	**(5 402)**	**5 402**
	535 552	**(535 552)**	**(5 470)**	**5 470**
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

At the reporting date, the fair value of the Group's non-EUR-denominated investments comprised:

- Investment in Hammerson: GBP 230,8 million (2022: GBP 271,7 million).

The Group has no non-EUR-denominated debt.

The Group was therefore exposed to currency movements associated with its investment in Hammerson in 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

24. FINANCIAL INSTRUMENTS, RISK, AND FAIR VALUE MEASUREMENTS continued

24.3 Market risk continued

24.3.3 Currency risk continued

Foreign exchange hedging profile:

	GROUP					
	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
2023						
GBP/EUR	**71 050 920**	**0,87**	**(115 596)**	**–**	**–**	**–**
			(115 596)			**–**
2022						
GBP/EUR	18 054 000	0,89	–	–	–	–
			–			–

24.4 Fair value

24.4.1 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
2023					
Financial assets:					
Investments	**266 273 015**	**–**	**–**	**–**	**266 273 015**
Financial assets	**9 040 222**	**13 393 569**	**–**	**–**	**22 433 791**
Loan to joint venture	**–**	**8 600 000**	**–**	**–**	**8 600 000**
Trade and other receivables	**–**	**11 844 478**	**–**	**6 346 361**	**18 190 839**
Cash and cash equivalents	**–**	**106 087 009**	**–**	**–**	**106 087 009**
	275 313 237	**139 925 056**	**–**	**6 346 361**	**421 584 654**
Financial liabilities:					
Interest-bearing borrowings	**–**	**–**	**367 636 072**	**–**	**367 636 072**
Financial liabilities	**115 596**	**–**	**8 838 777**	**–**	**8 954 373**
Trade and other payables	**–**	**–**	**21 221 039**	**6 914 397**	**28 135 436**
	115 596	**–**	**397 695 888**	**6 914 397**	**404 725 881**
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	411 531 659

24. FINANCIAL INSTRUMENTS, RISK, AND FAIR VALUE MEASUREMENTS continued

24.4 Fair value continued

24.4.1 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
2023					
Financial assets:					
Loans to subsidiaries	**–**	**4 834 858**	**–**	**–**	**4 834 858**
Loans to joint venture	**–**	**8 600 000**	**–**	**–**	**8 600 000**
Trade and other receivables	**–**	**–**	**–**	**2 250**	**2 250**
Cash and cash equivalents	**–**	**206 569**	**–**	**–**	**206 569**
	–	**13 641 427**	**–**	**2 250**	**13 643 677**
Financial liabilities:					
Trade and other payables	**–**	**–**	**–**	**295 730**	**295 730**
	–	**–**	**–**	**295 730**	**295 730**
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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

24. FINANCIAL INSTRUMENTS, RISK, AND FAIR VALUE MEASUREMENTS continued

24.4 Fair value continued

24.4.2 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 affiliates: 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
2023				
Investment property	**–**	**–**	**786 690 000**	**786 690 000**
Financial assets	**–**	**9 040 222**	**–**	**9 040 222**
Investment at fair value through profit or loss	**266 273 015**	**–**	**–**	**266 273 015**
Total assets measured at fair value	**266 273 015**	**9 040 222**	**786 690 000**	**1 062 003 237**
Financial liabilities	**–**	**115 596**	**–**	**115 596**
Total liabilities measured at fair value	**–**	**115 596**	**–**	**115 596**
2022				
Investment property	–	–	778 935 000	778 935 000
Financial assets	–	15 873 737	–	15 873 737
Total assets measured at fair value	–	15 873 737	778 935 000	794 808 737

The following table shows the valuation techniques used in measuring level 2 and 3 fair values, as well as the significant unobservable inputs used.

There were no transfers between levels 1, 2 and 3 during the year. Refer to note 3 for the movements in investment property.

Investment property

Valuation of investment property requires judgement in the determination of future cash flows from leases and appropriate discount and exit capitalisation rates.

24. FINANCIAL INSTRUMENTS, RISK, AND FAIR VALUE MEASUREMENTS continued

24.4 Fair value continued

24.4.2 Fair value measurement of assets and liabilities continued

Type	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Investment property[1]	Fair value is determined by capitalising the net revenue stream evidenced by market-related rentals and deducting market-related expenses. Spare land value added to the capitalised value is based on comparative sales of similar land. 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. 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.	▶ Estimated rental growth. Range: 2,0% to 2,4% (2022: 1,70% to 2,8%). Weighted average: 2,3% (2022: 2,0%) ▶ Assumptions regarding vacancy levels. Range: 0 to 24 months (2022: 0 to 4 months). Weighted average: 11,2 (2022: 1,7 months ▶ Discount rate. Range: 8,7% to 9,7% (2022: 8,0% to 9,3%). Weighted average: 8,9% (2022: 8,7% ▶ Capitalisation rate. Range: 6,45% to 7,5% (2022: 6,2% to 7,5%). Weighted average: 7,01% (2022: 6,7%).	The estimated fair value would increase if: ▶ 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 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*
- *Valuer of Torrecárdenas (Almeria, Spain): JLL Spain*
- *Valuer of Planet Koper (Koper, Slovenia): iO Partners – JLL Preferred Partner (2022: JLL Slovenia)*
- *Valuer of Docks Vauban (Le Havre, France), Docks 76 (Rouen, France), Saint Sever (Rouen, France), and Rivetoile (Strasbourg, France): JLL France.*

All valuers are registered with the Royal Institute of Chartered Surveyors. The valuations were done on an open-market basis, 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.

[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.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

24. FINANCIAL INSTRUMENTS, RISK, AND FAIR VALUE MEASUREMENTS continued

24.4 Fair value continued

24.4.2 Fair value measurement of assets and liabilities continued

	GROUP			
	Profit or (loss) before tax			
	2023 Increase EUR	2023 Decrease EUR	2022 Increase EUR	2022 Decrease EUR
A 0,50% (2022: 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.				
Investment property	**30 164 000**	**(26 181 000)**	40 333 000	(34 490 000)
	30 164 000	**(26 181 000)**	40 333 000	(34 490 000)
A 0,50% (2022: 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	**26 624 000**	**(25 536 000)**	35 813 000	(32 490 000)
	26 624 000	**(25 536 000)**	35 813 000	(32 490 000)
A 2,00% (2022: 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	**37 060 000**	**(30 735 000)**	36 567 000	(28 192 000)
	37 060 000	**(30 735 000)**	36 567 000	(28 192 000)
A three-month (2022: 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	**3 201 000**	**(3 652 000)**	2 770 000	(3 090 000)
	3 201 000	**(3 652 000)**	2 770 000	(3 090 000)

25. 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.

25.1 Limitation of sensitivity analysis

The sensitivity analysis, as set out in note 24.3, 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.

25.2 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 property 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 24.4.2 for additional details.

25.3 Impairments of tenant receivables

Management applied judgement in determining the impairment of tenant receivables. Refer to notes 2.1 and 24.1 for details of the judgements made and assumptions applied.

26. 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 affiliates, key management personnel, and Directors are related parties. The affiliates of the Company are identified in note 5.

Material related party transactions

Investment in and loans to affiliates are set out in note 5.1.

Loans from Group companies are set out in note 5.2.

The Company received no revenue from affiliates during the current year. Revenue and interest received from subsidiaries in the prior year are presented in profit or loss.

Inter-company asset management fee revenues and expenses are set out in note 5.1.

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 16.

Remuneration paid to Directors is disclosed in note 16.

At the reporting date, Resilient held 30,82% of Lighthouse's issued shares. Resilient granted various loans *pro rata* with Lighthouse to the entities acquired as part of the French transaction.

There are no related party loans or receivables other than those disclosed in notes 5, 11, and 14.

27. STANDARDS AND INTERPRETATIONS

At the reporting date, the following applicable standards and interpretations were in issue but not yet effective.

None of these standards had or are expected to have a material impact on the consolidated and separate financial statements.

International Financial Reporting Standards	Executive summary	Effective date
IAS 1: *Presentation of Financial Statements*	Amendments to distinguish between changes in accounting estimates and changes in accounting policies.	1 January 2023
IAS 12: *Income Taxes*	Amendment to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.	1 January 2023
IFRS 16: *Leases*	Amendments relating to sale and leaseback transactions.	1 January 2024
IAS 1: *Presentation of Financial Statements*	Amendments relating to non-current liabilities with covenants.	1 January 2024
IAS 7: *Statement of Cash Flows*	Amendments regarding disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.	1 January 2024
IAS 21: *The Effects of Changes in Foreign Exchange Rates*	Amendments regarding foreign currency that is not exchangeable into another currency at measurement date.	1 January 2024
IFRS S1: *General Requirements for Disclosure of Sustainability-related Financial Information*	The core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024
IFRS S2: *Climate-related Disclosures*	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024

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 four business segments (direct property, listed real estate, listed infrastructure and corporate) 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. The direct property segment consists of an aggregation of the Group's investment properties. As all the properties are European retail malls they have similar economic characteristics and customers, and therefore meet the criteria for aggregation.
Listed real estate	Investments in liquid listed real estate securities on recognised exchanges.
Listed infrastructure	Investments in liquid listed infrastructure securities on recognised exchanges.
Corporate	The corporate segment represents "head office". Items that cannot be directly attributed to either of the other segments are included in the corporate segment. This primarily relates to cash held within head office entities and the Company's equity.
Geographical segments	
Europe	Specifically including France, Portugal, Slovenia, and Spain, with currency exposure to EUR.
UK	The United Kingdom, 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 2023 and 31 December 2022, respectively, is included in the segmental analyses and primarily relates to the matters below, i.e. management accounts' adjustments ("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 shopping centres. 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.

Torrecárdenas 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 Torrecárdenas and Forum Coimbra (2022: Torrecárdenas and Forum Coimbra) property 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.

During the year, the Group converted Forum Coimbra to an SIC (a privately held regulated Portuguese REIT). Within the SIC regime, a company does not pay corporate income tax or capital gains tax. Consequently, the previously recognised deferred tax liability in relation to Forum Coimbra was derecognised in the consolidated statement of comprehensive income. This income tax benefit has been removed from the Management Accounts.

Spanish Retail Investments SOCIMI joint venture

On 31 January 2024, the Group concluded the acquisition of Salera Centro Comercial, a retail shopping centre in Castellón de la Plana, Spain through SRI, a joint venture between Lighthouse Properties and Resilient, each owning a 50% interest. Salera was acquired by Salera Properties S.L.U., a wholly-owned subsidiary of SRI. The purchase consideration paid by the Group was EUR 85,5 million. The loan to joint venture was made to fund the prepayment on the acquisition of Salera on 31 January 2024. Accordingly, the loan to joint venture was reclassified to prepayments (trade and other receivables).

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 and related dividend income are included.

SEGMENTAL ANALYSIS continued

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – SECTORAL

	BUSINESS SEGMENTS – MANAGEMENT ACCOUNTS				GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS				GROUP – IFRS
	Direct property Dec 2023 EUR	Listed real estate Dec 2023 EUR	Listed infrastructure Dec 2023 EUR	Corporate Dec 2023 EUR	Dec 2023 EUR	Retail Property Investments – *pro rata* exclusion of Resilient's 40% share Dec 2023 EUR	Torrecárdenas and Forum Coimbra Dec 2023 EUR	Spanish Retail Investments SOCIMI joint venture Dec 2023 EUR	Adjust Hammerson equity accounting to fair value Dec 2023 EUR	Audited Dec 2023 EUR
ASSETS										
Non-current assets	656 721 653	207 855 061	–	–	864 576 714	147 235 566	–	8 600 000	–	1 020 412 280
Investment property	641 694 000	–	–	–	641 694 000	144 996 000	–	–	–	786 690 000
Investments	–	207 855 061	–	–	207 855 061	–	–	–	–	207 855 061
Investment in equity-accounted associate	–	–	–	–	–	–	–	–	–	–
Loan to joint venture	–	–	–	–	–	–	–	8 600 000	–	8 600 000
Financial assets	15 027 653	–	–	–	15 027 653	2 239 566	–	–	–	17 267 219
Current assets	40 753 335	62 089 395	–	84 423 503	187 266 233	9 196 141	–	(8 600 000)	–	187 862 374
Investments	–	58 417 954	–	–	58 417 954	–	–	–	–	58 417 954
Financial assets	897 078	3 671 441	–	–	4 568 519	598 053	–	–	–	5 166 572
Trade and other receivables	21 196 151	–	–	139 107	21 335 258	5 455 581	–	(8 600 000)	–	18 190 839
Cash and cash equivalents	18 660 106	–	–	84 284 396	102 944 502	3 142 507	–	–	–	106 087 009
Total assets	697 474 988	269 944 456	–	84 423 503	1 051 842 947	156 431 707	–	–	–	1 208 274 654
EQUITY AND LIABILITIES										
Total equity attributable to equity holders	–	–	–	768 690 941	768 690 941	23 785 872	(8 550 648)	–	–	783 926 165
Share capital				18 304 098	18 304 098	–	–	–	–	18 304 098
Share premium				434 951 796	434 951 796	–	–	–	–	434 951 796
Treasury shares				(1 078 723)	(1 078 723)	–	–	–	–	(1 078 723)
Non-distributable reserve				137 190 889	137 190 889	–	(8 550 648)	–	–	128 640 241
Currency translation reserve				(1 393 006)	(1 393 006)	–	–	–	–	(1 393 006)
Share-based payment reserve				556 116	556 116	–	–	–	–	556 116
Retained earnings				180 159 771	180 159 771	–	–	–	–	180 159 771
Equity attributable to owners	–	–	–	768 690 941	768 690 941	–	(8 550 648)	–	–	760 140 293
Non-controlling interest				–	–	23 785 872	–	–	–	23 785 872
Total liabilities	280 928 437	115 596	–	2 107 973	283 152 006	132 645 835	8 550 648	–	–	424 348 489
Non-current liabilities	172 445 850	–	–	–	172 445 850	122 070 134	8 550 648	–	–	303 066 632
Interest-bearing borrowings	156 169 070	–	–	–	156 169 070	119 646 323	–	–	–	275 815 393
Deferred tax liabilities	10 026 143	–	–	–	10 026 143	–	8 550 648	–	–	18 576 791
Financial liabilities	6 250 637	–	–	–	6 250 637	2 423 811	–	–	–	8 674 448
Current liabilities	108 482 587	115 596	–	2 107 973	110 706 156	10 575 701	–	–	–	121 281 857
Interest-bearing borrowings	89 463 431	–	–	–	89 463 431	2 357 248	–	–	–	91 820 679
Financial liabilities	279 925	–	–	–	279 925	–	–	–	–	279 925
Trade and other payables	18 739 231	115 596	–	1 062 156	19 916 983	8 218 453	–	–	–	28 135 436
Current tax liabilities	–	–	–	1 045 817	1 045 817	–	–	–	–	1 045 817
Total equity and liabilities	280 928 437	115 596	–	770 798 914	1 051 842 947	156 431 707	–	–	–	1 208 274 654

*Refer to the segmental analysis on **pages 165** to **181**.*

SEGMENTAL ANALYSIS continued

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – SECTORAL continued

	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 165** to **181**.*

SEGMENTAL ANALYSIS continued

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – GEOGRAPHICAL

	GEOGRAPHICAL SEGMENTS				GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS				GROUP – IFRS
	Europe Dec 2023 EUR	United Kingdom Dec 2023 EUR	Listed infrastructure Dec 2023 EUR	Corporate Dec 2023 EUR	Dec 2023 EUR	Retail Property Investments – *pro rata* exclusion of Resilient's 40% share Dec 2023 EUR	Torrecárdenas and Forum Coimbra Dec 2023 EUR	Spanish Retail Investments SOCIMI joint venture Dec 2023 EUR	Adjust Hammerson equity accounting to fair value Dec 2023 EUR	Audited Dec 2023 EUR
ASSETS										
Non-current assets	656 721 653	207 855 061	–	–	864 576 714	147 235 566	–	8 600 000	–	1 020 412 280
Investment property	641 694 000	–	–	–	641 694 000	144 996 000	–	–	–	786 690 000
Investments	–	207 855 061	–	–	207 855 061	–	–	–	–	207 855 061
Investment in equity-accounted associate	–	–	–	–	–	–	–	–	–	–
Loan to joint venture	–	–	–	–	–	–	–	8 600 000	–	8 600 000
Financial assets	15 027 653	–	–	–	15 027 653	2 239 566	–	–	–	17 267 219
Current assets	40 614 228	62 089 395	–	84 562 610	187 266 233	9 196 141	–	(8 600 000)	–	187 862 374
Investments	–	58 417 954	–	–	58 417 954	–	–	–	–	58 417 954
Financial assets	897 078	3 671 441	–	–	4 568 519	598 053	–	–	–	5 166 572
Trade and other receivables	21 057 044	–	–	278 214	21 335 258	5 455 581	–	(8 600 000)	–	18 190 839
Cash and cash equivalents	18 660 106	–	–	84 284 396	102 944 502	3 142 507	–	–	–	106 087 009
Total assets	697 335 881	269 944 456	–	84 562 610	1 051 842 947	156 431 707	–	–	–	1 208 274 654
EQUITY AND LIABILITIES										
Total equity attributable to equity holders	–	–	–	768 690 941	768 690 941	23 785 872	(8 550 648)	–	–	783 926 165
Share capital				18 304 098	18 304 098	–	–	–	–	18 304 098
Share premium				434 951 796	434 951 796	–	–	–	–	434 951 796
Treasury shares				(1 078 723)	(1 078 723)	–	–	–	–	(1 078 723)
Non-distributable reserve				137 190 889	137 190 889	–	(8 550 648)	–	–	128 640 241
Currency translation reserve				(1 393 006)	(1 393 006)	–	–	–	–	(1 393 006)
Share-based payment reserve				556 116	556 116	–	–	–	–	556 116
Retained earnings				180 159 771	180 159 771	–	–	–	–	180 159 771
Equity attributable to owners	–	–	–	768 690 941	768 690 941	–	(8 550 648)	–	–	760 140 293
Non-controlling interest				–	–	23 785 872	–		–	23 785 872
Total liabilities	280 928 437	115 596	–	2 107 973	283 152 006	132 645 835	8 550 648	–	–	424 348 489
Non-current liabilities	172 445 850	–	–	–	172 445 850	122 070 134	8 550 648	–	–	303 066 632
Interest-bearing borrowings	156 169 070	–	–	–	156 169 070	119 646 323	–	–	–	275 815 393
Deferred tax liabilities	10 026 143	–	–	–	10 026 143	–	8 550 648	–	–	18 576 791
Financial liabilities	6 250 637	–	–	–	6 250 637	2 423 811	–	–	–	8 674 448
Current liabilities	108 482 587	115 596	–	2 107 973	110 706 156	10 575 701	–	–	–	121 281 857
Interest-bearing borrowings	89 463 431	–	–	–	89 463 431	2 357 248	–	–	–	91 820 679
Financial liabilities	279 925	–	–	–	279 925	–	–	–	–	279 925
Trade and other payables	18 739 231	115 596	–	1 062 156	19 916 983	8 218 453	–	–	–	28 135 436
Current tax liabilities	–	–	–	1 045 817	1 045 817	–	–	–	–	1 045 817
Total equity and liabilities	280 928 437	115 596	–	770 798 914	1 051 842 947	156 431 707	–	–	–	1 208 274 654

SEGMENTAL ANALYSIS continued

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – GEOGRAPHICAL continued

	GEOGRAPHICAL SEGMENTS			GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS				GROUP – IFRS
	Europe Dec 2022 EUR	United Kingdom 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
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

SEGMENTAL ANALYSIS continued

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 2023 EUR	Listed real estate for the year ended Dec 2023 EUR	Listed infrastructure for the year ended Dec 2023 EUR	Corporate for the year ended Dec 2023 EUR	For the year ended Dec 2023 EUR	Retail Property Investments – *pro rata* exclusion of Resilient's 40% share for the year ended Dec 2023 EUR	Torrecárdenas and Forum Coimbra for the year ended Dec 2023 EUR	Adjust Hammerson equity accounting to fair value for the year ended Dec 2023 EUR	Revised total for the year ended Dec 2023 EUR
Property rental and related revenue	68 207 976	–	–	–	68 207 976	18 869 372	–	–	87 077 348
Investment revenue	–	7 770 989	–	–	7 770 989	–	–	(7 770 989)	–
Finance income	59	–	–	329 116	329 175	–	–	–	329 175
Total revenue[1]	68 208 035	7 770 989	–	329 116	76 308 140	18 869 372	–	(7 770 989)	87 406 523
Fair value gain/(loss) on investment property, investments and derivatives	(13 538 702)	62 950 510	–	–	49 411 808	(10 138 143)	–	306 892 782	346 166 447
Fair value gain/(loss) on investment property	(7 770 641)	–	–	–	(7 770 641)	(8 316 600)	–	–	(16 087 241)
Realised gain on partial disposal of investment in associate	–	–	–	–	–	–	–	358 223 510	358 223 510
Fair value gain/(loss) on investments	–	63 238 526	–	–	63 238 526	–	–	(51 330 728)	11 907 798
Fair value loss on currency, interest rate and other derivatives	(5 768 061)	(288 016)	–	–	(6 056 077)	(1 821 543)	–	–	(7 877 620)
Property operating expenses	(28 869 941)	–	–	–	(28 869 941)	(12 064 713)	–	–	(40 934 654)
Administrative and other expenses	(1 280 023)	–	–	(5 156 609)	(6 436 632)	(474 848)	–	–	(6 911 480)
Recycling of other comprehensive income of investment in associate	–	–	–	–	–	–	–	(7 257 840)	(7 257 840)
Foreign exchange loss	–	–	–	(388 313)	(388 313)	–	–	–	(388 313)
Share of loss of equity-accounted associate	–	–	–	–	–	–	–	7 770 989	7 770 989
Operating profit/(loss)	24 519 369	70 721 499	–	(5 215 806)	90 025 062	(3 808 332)	–	299 634 942	385 851 672
Finance costs	(8 622 388)	–	–	(14 832)	(8 637 220)	(7 280 341)	–	–	(15 917 561)
Profit/(loss) before income tax	15 896 981	70 721 499	–	(5 230 638)	81 387 842	(11 088 673)	–	299 634 942	369 934 111
Income tax	(367 358)	–	–	(1 217 540)	(1 584 898)	(574)	28 183 055	–	26 597 583
Profit/(loss) for the year attributable to equity holders of the Company	15 529 623	70 721 499	–	(6 448 178)	79 802 944	(11 089 247)	28 183 055	299 634 942	396 531 694

[1] *All segmental revenues in 2023 and 2022, respectively, were generated from external customers and from countries other than Malta, the Company's domicile.*

SEGMENTAL ANALYSIS continued

CONSOLIDATED STATEMENT OF PROFIT OR LOSS – SECTORAL continued

	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 revenue[1]	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 2023 and 2022, respectively, were generated from external customers and from countries other than Malta, the Company's domicile.*

SEGMENTAL ANALYSIS continued

CONSOLIDATED STATEMENT OF PROFIT OR LOSS – GEOGRAPHICAL

	GEOGRAPHICAL SEGMENTS			GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS			GROUP – IFRS
	Europe for the year ended Dec 2023 EUR	United Kingdom for the year ended Dec 2023 EUR	Corporate for the year ended Dec 2023 EUR	For the year ended Dec 2023 EUR	Retail Property Investments – *pro rata* exclusion of Resilient's 25% to 40% share for the year ended Dec 2023 EUR	Investment property and interest rate derivative adjustments for the year ended Dec 2023 EUR	Adjust Hammerson equity accounting to fair value for the year ended Dec 2023 EUR	Revised total for the year ended Dec 2023 EUR
Property rental and related revenue	68 207 976	–	–	68 207 976	18 869 372	–	–	87 077 348
Investment revenue	–	7 770 989	–	7 770 989	–	–	(7 770 989)	–
Finance income	59	–	329 116	329 175	–	–	–	329 175
Total revenue[1]	68 208 035	7 770 989	329 116	76 308 140	18 869 372	–	(7 770 989)	87 406 523
Fair value gain/(loss) on investment property, investments and derivatives	(13 538 702)	62 950 510	–	49 411 808	(10 138 143)	–	306 892 782	346 166 447
Fair value gain/(loss) on investment property	(7 770 641)	–	–	(7 770 641)	(8 316 600)	–	–	(16 087 241)
Realised gain on partial disposal of investment in associate	–	–	–	–	–	–	358 223 510	358 223 510
Fair value gain/(loss) on investments	–	63 238 526	–	63 238 526	–	–	(51 330 728)	11 907 798
Fair value loss on currency, interest rate and other derivatives	(5 768 061)	(288 016)	–	(6 056 077)	(1 821 543)	–	–	(7 877 620)
Property operating expenses	(28 869 941)	–	–	(28 869 941)	(12 064 713)	–	–	(40 934 654)
Administrative and other expenses	(1 280 023)	–	(5 156 609)	(6 436 632)	(474 848)	–	–	(6 911 480)
Recycling of other comprehensive income of investment in associate	–	–	–	–	–	–	(7 257 840)	(7 257 840)
Foreign exchange loss	–	–	(388 313)	(388 313)	–	–	–	(388 313)
Share of loss of equity-accounted associate	–	–	–	–	–	–	7 770 989	7 770 989
Operating profit/(loss)	24 519 369	70 721 499	(5 215 806)	90 025 062	(3 808 332)	–	299 634 942	385 851 672
Finance income	(8 622 388)	–	(14 832)	(8 637 220)	(7 280 341)	–	–	(15 917 561)
Profit/(loss) before income tax	15 896 981	70 721 499	(5 230 638)	81 387 842	(11 088 673)	–	299 634 942	369 934 111
Income tax	(367 358)	–	(1 217 540)	(1 584 898)	(574)	28 183 055	–	26 597 583
Profit/(loss) for the year attributable to equity holders of the Company	15 529 623	70 721 499	(6 448 178)	79 802 944	(11 089 247)	28 183 055	299 634 942	396 531 694

[1] *All segmental revenues in 2023 and 2022, respectively, were generated from external customers and from countries other than Malta, the Company's domicile.*

SEGMENTAL ANALYSIS continued

CONSOLIDATED STATEMENT OF PROFIT OR LOSS – GEOGRAPHICAL continued

	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
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)
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

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Torrecárdenas, Almería, Spain

SHAREHOLDER ANALYSIS

	Number of shares held	Percentage of issued shares
Public	939 130 671	51,31
Non-public		
Directors and associates	324 461 113	17,73
Treasury shares	2 728 579	0,15
Shareholders' interest in 10% or more of issued shares[1]	564 089 431	30,82
Total	**1 830 409 794**	**100,00**

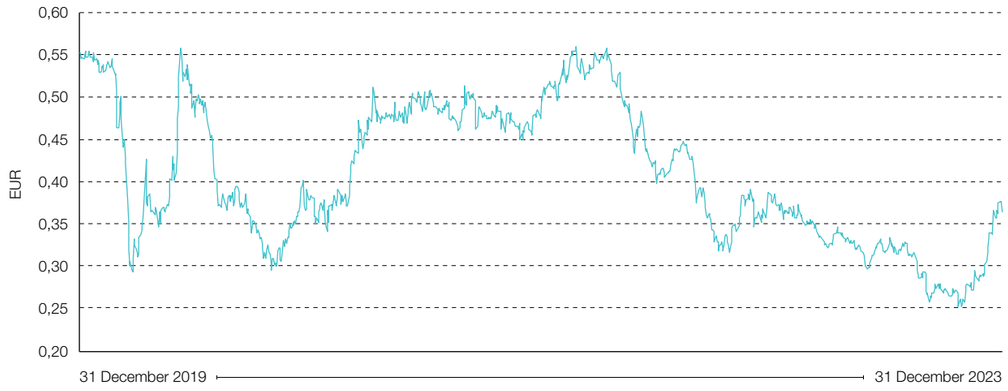
[1] *Although Delsa Investments Proprietary Limited owns in excess of 10% of the issued shares of Lighthouse, it has not been included in this number as it is already included in the Directors and associates number above.*

SIZE OF HOLDING	Percentage of total shareholders	Number of shareholders	Number of shares held	Percentage of issued shares
1 to 2 500	72,13	4 342	1 269 091	0,07
2 501 to 10 000	10,60	638	3 400 231	0,19
10 001 to 100 000	10,48	631	20 583 601	1,12
100 001 to 1 000 000	4,78	288	99 448 284	5,43
1 000 001 to 3 500 000	1,21	73	133 688 475	7,30
More than 3 500 000	0,80	48	1 572 020 112	85,88
Total	**100,00**	**6 020**	**1 830 409 794**	**100,00**

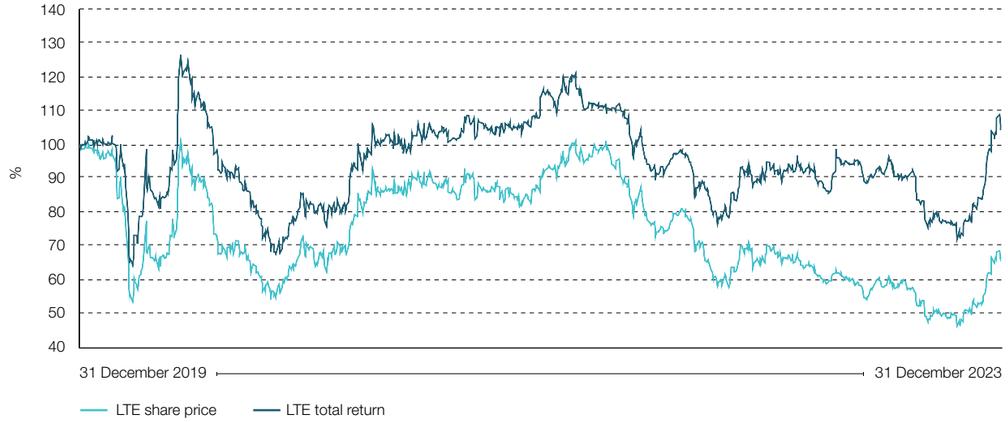
REGISTERED SHAREHOLDERS OWNING 5% AND MORE OF THE SHARES IN ISSUE	Number of shares held	Percentage of issued shares
Resilient REIT Limited	564 089 431	30,82
Delsa Investments Proprietary Limited	306 920 956	16,77
Grace Investments One Nine Five Proprietary Limited	95 369 273	5,21
Government Employees Pension Fund	140 207 745	7,66
Total	**1 106 587 405**	**60,46**

SUMMARY OF FINANCIAL PERFORMANCE

CLOSING BALANCE



RELATIVE PERFORMANCE



GLOSSARY

AGM	Annual General Meeting
AIDS	Acquired Immunodeficiency Syndrome
Board	The Board of Directors of Lighthouse Properties p.l.c.
BREEAM	Building Research Establishment's Environmental Assessment Method
c.	Circa or approximately
Capex	Capital expenditure
CO_2	Carbon dioxide
CODM	Chief Operating Decision-maker
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
EV	Electric vehicle
FX	Foreign exchange
GBP	Pound Sterling
GDP	Gross domestic product
GHG	Greenhouse gas
GLA	Gross lettable area
GRESB	Global Real Estate Sustainability Benchmark
H2O	Centro Commercial H2O
Hammerson	Hammerson plc
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IESBA Code	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
ISAs	International Standards on Auditing
IT	Information technology
JSE	Johannesburg Stock Exchange Limited
kg	Kilogramme
$kgCO_2$	Kilogramme of carbon dioxide
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)
LSP	Lighthouse Spanish Properties SOCIMI, S.A.U.
LTE	Lighthouse Properties p.l.c.'s share code on the JSE
LTV	Loan-to-value
m^2	Square metre
m^3	Cubic metre
NAV	Net asset value
p.a.	Per annum
PV	Photovoltaic
PwC	PricewaterhouseCoopers
PwC Malta	PricewaterhouseCoopers Malta
REIT	Real Estate Investment Trust
Resilient	Resilient REIT Limited
Retail Property Investments	Retail Property Investments SAS
SAICA	South African Institute of Chartered Accountants
Salera	Salera Centre Comercial
SDGs	Sustainable Development Goals
SEM	Stock Exchange of Mauritius
SENS	Stock Exchange News Service
SIC	Portuguese-regulated private real estate investment trust
SOCIMI Law	The Spanish Sociedades Anónimas Cotizadas de Inversión Inmobiliaria regime regulated under Law 11/2009 of 26 October
SRI	Spanish Retail Investments SOCIMI, S.A.
Stonehage	Stonehage Fleming Malta Limited
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	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 and A2X share code: LTE
LEI: 549300UG27SWRF0X2U62
4th Floor, Office 41, Block A, IL-Piazzetta, Tower Road
Sliema, SLM 1605, Malta
Email: investorrelations@lighthouse.mt
Website: **www.lighthouse.mt**
Tel: +356 2134 4560

BOARD OF DIRECTORS

Mark Olivier[1] *(Chairperson)*
Justin Muller[3] *(Chief Executive Officer)*
Edward Mc Donald[3] *(Chief Operating Officer)*
Jacobus van Biljon[3] *(Chief Financial Officer)*
Stuart Bird[1]
Karen Bodenstein[1]
Desmond de Beer[2]
Anthony Doublet[1]
Nicolaas Hanekom[4]
Stephen Paris[1]

[1] Independent Non-Executive Director
[2] Non-Independent Non-Executive Director
[3] Executive Director
[4] Alternate to Desmond de Beer

NETHERLANDS OFFICE

World Trade Centre Tower A
Level 7, Strawinsky Laan 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 Trustees and Sponsors Proprietary Limited
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

PwC Malta
78 Mill Street Zone 5
Central Business District
Qormi
CBD 5090, Malta

COMMERCIAL BANKERS

ING Bank N.V.
Bijlmerdreef 106
1102 CT
Amsterdam
The Netherlands

Torrecárdenas, Almería, Spain

purple.frog

LIGHTHOUSE
PROPERTIES p.l.c.

www.lighthouse.mt