

LIGHTHOUSE
CAPITAL

INTEGRATED REPORT 2020

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About this report

Lighthouse Capital Limited (“Lighthouse” or the “company” or the “group”) is pleased to present its integrated report to stakeholders. In this integrated report, we review our performance for the 15 months ended 31 December 2020 (which we refer to as 2020). The report is intended for all our stakeholders (refer to pages 6 and 7) and explains how we create value over time, giving insight into Lighthouse’s business model, performance, governance framework, strategy and risks and opportunities.

Scope and boundary

This integrated report deals with all material social, economic and governance matters that substantively affect the group’s ability to create value over the short, medium and long term, as identified by the board. Management determined which issues could influence the decisions, actions and performance of the group. All material matters have been included and management is not aware of any information that was unavailable or any

legal prohibitions to the publication of any information.

Lighthouse’s operations are primarily based in Mauritius and the Netherlands. Lighthouse, via its subsidiaries, owns a shopping centre in Slovenia and a shopping centre in Portugal. Details of Lighthouse’s subsidiaries are set out in note 5 to the financial statements. All of these entities fall within the reporting ambit of this integrated report.

Lighthouse has primary listings on the Johannesburg Stock Exchange and the Stock Exchange of Mauritius, respectively. The information included in the integrated report is provided in accordance with:

- > The International Financial Reporting Standards (“IFRS”);
- > The Integrated Reporting Framework (“Framework”) issued by the International Integrated Reporting Council;
- > The Mauritian Companies Act 2001 (“Companies Act”);
- > The Mauritian Securities Act 2005;
- > The Stock Exchange of Mauritius (“SEM”) Listing Rules;
- > The Framework and Code of Corporate Governance for Mauritius 2016 (“the Code”);
- > The Johannesburg Stock Exchange Limited (“JSE”) Listings Requirements; and
- > The King IV Report on Corporate Governance for South Africa 2016 (“King IV”).

Assurance

The information in this report was collected and prepared on the same basis as last year insofar as measurement methods and time frames were concerned, unless otherwise stated. The information provided in the financial statements was prepared in line with IFRS and audited by our external auditor, BDO & Co.

Financial information included elsewhere in the body of this report was mostly extracted from the financial statements.

Forward-looking statements

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

Board responsibility and approval statement

The board acknowledges that it is ultimately responsible for overseeing the integrity of this report. After applying its collective mind to the preparation and presentation of the report and, after recommendation by the audit committee, the board concluded that it addresses all material issues and fairly presents the group’s integrated performance, outlook, strategy and perspective on future value creation in accordance with the Framework.

The integrated report was approved by the board for publication and is signed on its behalf by:



Mark Olivier
Chairperson



Stephen Delpont
Chief executive officer

18 March 2021

Structure of this report

In the section creating value, we discuss our business and its value creation strategy and how it is impacted by our capitals, stakeholders, risks and opportunities.

Our performance and outlook are introduced by the chairperson, Mark Olivier, on behalf of the board of directors, who are responsible for setting Lighthouse’s strategy.

Environmental, social and corporate governance is important to Lighthouse. We therefore provide extensive information on the activities of the board and its committees in providing sound governance.

This report contains a full set of our financial statements for both the group and the company as well as shareholder information, including the notice of the annual general meeting.

About Lighthouse

Purpose

Lighthouse was established with the primary objective of acquiring and investing globally in direct property assets as well as listed real estate and infrastructure securities.

Strategy

Direct real estate acquisitions are opportunistic with the following key characteristics:

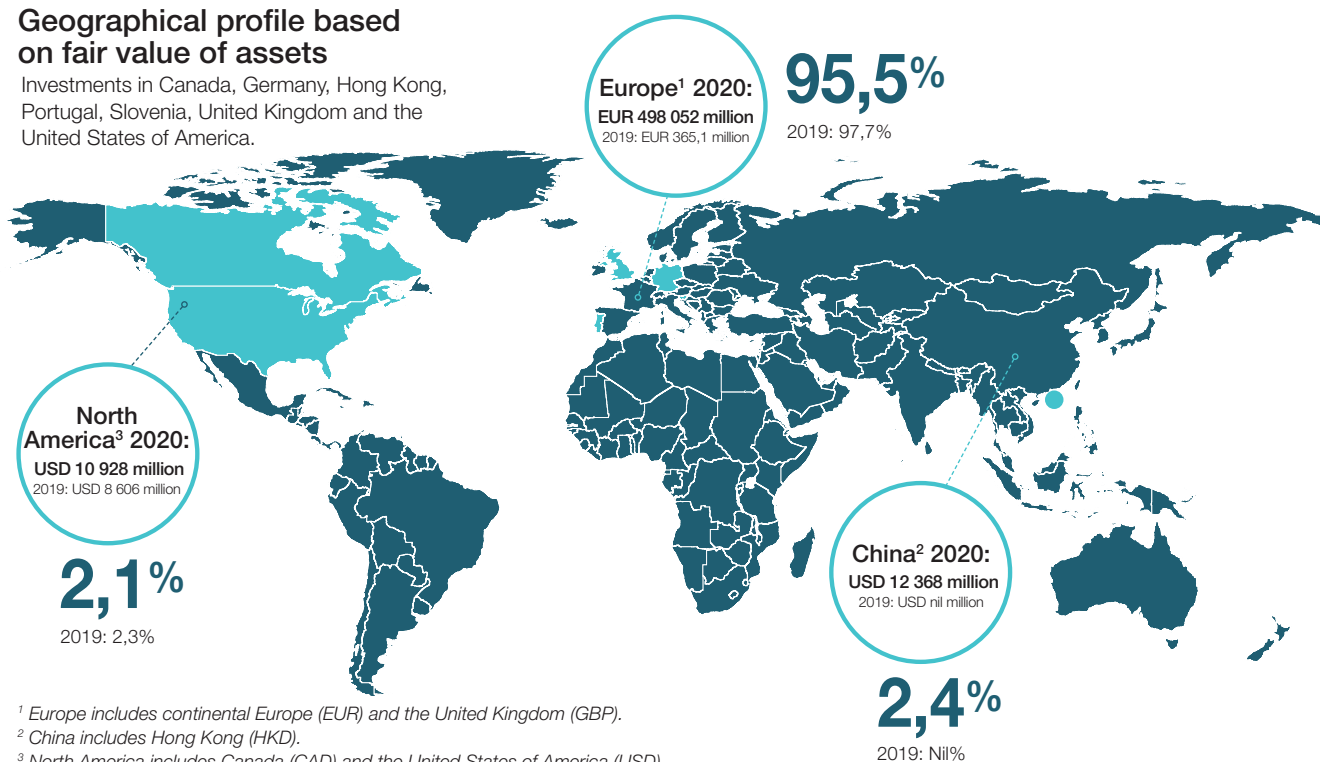
- > Predominantly in Europe;
- > Focused on retail assets;
- > Produce strong sustainable income;
- > Occupied by high-quality tenants; and
- > Provide asset management opportunities.

Our listed investments are diversified and include:

- > Real estate securities;
- > Infrastructure securities; and
- > Highly liquid counters with attractive yields.

Geographical profile based on fair value of assets

Investments in Canada, Germany, Hong Kong, Portugal, Slovenia, United Kingdom and the United States of America.



¹ Europe includes continental Europe (EUR) and the United Kingdom (GBP).

² China includes Hong Kong (HKD).

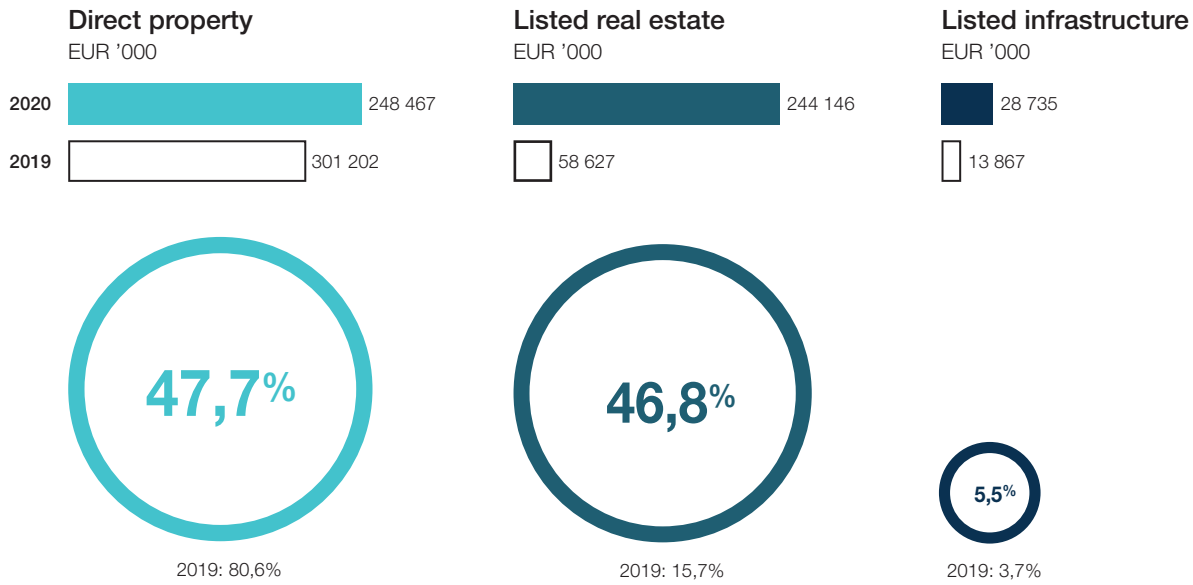
³ North America includes Canada (CAD) and the United States of America (USD).

Schedule of overall investments

Gross investments	Primary sector	Jurisdiction	Fair value as at 31 December 2020 EUR	Income received 31 December 2020 EUR	% of net asset value* 31 December 2020 %
Hammerson plc	Listed real estate	United Kingdom	244 146 319	15 753 403	56,0
Forum Coimbra	Direct property	Continental Europe	182 267 000	15 423 175	41,8
Planet Koper	Direct property	Continental Europe	66 200 000	8 527 636	15,2
E.ON SE	Listed infrastructure	Continental Europe	5 438 400	–	1,2
Guangdong Investment Ltd	Listed infrastructure	Hong Kong	4 422 106	–	1,0
China Resources Power Holdings Company Ltd	Listed infrastructure	Hong Kong	4 408 380	–	1,0
Enbridge Inc.	Listed infrastructure	Canada	4 059 189	119 887	0,9
TC Energy Corporation	Listed infrastructure	Canada	3 661 926	42 865	0,8
Kunlun Energy Company Ltd	Listed infrastructure	Hong Kong	3 537 263	–	0,8
Enterprise Products Partners LP	Listed infrastructure	USA	3 207 268	334 514	0,7
Total gross overall investments			521 347 851	40 201 480	
Top holdings as a % of gross overall investments			100,0%		

* Fair value represents the gross value excluding any property debt, if applicable. Fair value and net asset value as per management accounts.

Sectoral profile based on fair value of assets



Listed portfolio

Lighthouse has strategic listed investments. In addition, it invests in listed real estate and infrastructure securities to provide liquidity for opportunistic acquisitions.

Various changes have been implemented during the year:

- > The portfolio was largely liquidated to facilitate the acquisition of a significant stake in Hammerson plc ("Hammerson");
- > After the acquisition of Hammerson, the listed portfolio comprised 52,3% of total investments at the financial reporting date; and
- > Lighthouse uses direct listed equity investments and equity derivative positions to obtain exposure to listed real estate and infrastructure securities. The principal counterparties in listed securities transactions are Morgan Stanley, Bank of America, Merrill Lynch and Van Lanschot Kempen.

Schedule of listed investments

Gross listed security exposure	Primary sector	Exchange listing	Jurisdiction	Percentage ownership 31 December 2020 %	Investment revenue 31 December 2020 EUR	Purchase price/cost 31 December 2020 EUR	Fair value as at 31 December 2020 EUR
Hammerson plc	Real estate	LSE	United Kingdom	21,64	15 753 403	243 265 548	244 146 319
E.ON SE	Infrastructure	Deutsche Borse Xetra	Continental Europe	0,02	–	5 414 540	5 438 400
Guangdong Investment Ltd	Infrastructure	Hang Seng	Hong Kong	0,05	–	3 895 686	4 422 106
China Resources Power Holdings Company Ltd	Infrastructure	Hang Seng	Hong Kong	0,10	–	4 094 990	4 408 380
Enbridge Inc.	Infrastructure	TSX	Canada	0,01	119 887	4 259 985	4 059 189
TC Energy Corporation	Infrastructure	TSX	Canada	0,01	42 865	4 045 236	3 661 926
Kunlun Energy Company Ltd	Infrastructure	Hang Seng	Hong Kong	0,06	–	3 065 364	3 537 263
Enterprise Products Partners LP	Infrastructure	NYSE	USA	0,01	334 514	3 164 356	3 207 268
Total gross listed security portfolio					16 250 669	271 205 705	272 880 851
Top holdings as a % of gross listed security portfolio							100,0%

Property portfolio

Physical property investments are focused on retail assets across continental Europe. Lighthouse constantly assesses opportunities to upgrade, refurbish, extend and redevelop our properties.

Property name	Primary use	Geographical location	Ownership %	Acquisition date	Occupancy %	Gross lettable area (m ²)
Forum Coimbra	Retail	Coimbra, Portugal	100	31 May 2017 ²	99,5	33 843 ³
Planet Koper	Retail	Koper, Slovenia	100	30 August 2016	98,9	31 240
Total						65 083

Forum Viseu was sold on 6 March 2020 for EUR 39,7 million.

Forum Coimbra Portugal



Located in Coimbra, which is the capital of the Centro region of Portugal. Coimbra is situated between Lisbon and Porto with a population of approximately 144 000. Forum Coimbra is the dominant retail centre in its catchment area. It is in a prime location with excellent visibility and easy access to both the city centre and the A1 motorway (Lisbon – Porto). The shopping centre is anchored by a fully refurbished Continente (in separate ownership), is tenanted by 141 retailers and has 2 597 parking spaces. Forum Coimbra has a large food court that boasts 30 different restaurant options and a six-screen cinema NOS complex. Fashion anchors include international heavyweights such as Primark, eight of the Inditex brands, H&M and JD Sports, and this year, we saw the introduction of a new sports fashion concept, Courir, and a new premium gym offering called 'Krush-it' to the tenant mix. The weighted average contractual rent per m² is EUR 28,00 (EUR 27,83 in 2019).

Planet Koper Slovenia



Located in Slovenia's only port town, Koper, Planet Koper is the largest shopping centre on Slovenia's 47 kilometre coastline. The shopping centre 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 85 retailers and has 1 130 parking spaces. In 2019, we completed a refurbishment of the shopping centre where we opened a new food court that is anchored by well-known national restaurant chains Lars & Sven and Teta Frida. At the same time, we successfully introduced an array of international brands to the shopping centre and, in most cases, these brands are the first in the region and exclusive to Planet Koper. This includes the opening of four new stores from the LPP Group: House, Cropp, Sinsay and Mohito. Furthermore, international brands such as L'Occitane, Galileo, Superdry, Europa 92, Champion, Sport Vision and Polleo Sport all opened in the same period. In 2020, we completed the installation of a children's playground which is set to complement and strengthen the food court offering. The contractual rent per m² is EUR 14,15 (EUR 13,89 in 2019).

Purchase price/cost EUR	Fair value EUR	Address
197 280 348 ¹	182 267 000	Av. Jose Bonifacio de Andrada e Silva nº1 Quinta do Vale Gemil – Almegue Santa Clara 3040-389, Coimbra, Portugal
70 829 117 ¹	66 200 000	Ankaranska cesta 2, 6000 Koper, Slovenia
268 109 465	248 467 000	

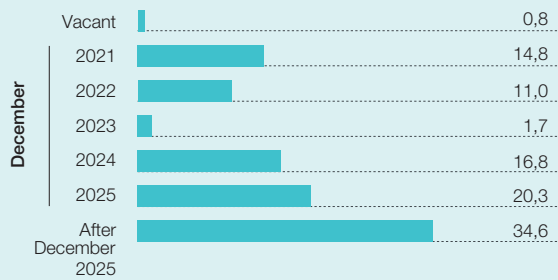
¹ Purchase price/cost includes capitalised costs to date.

² An effective 50% ownership interest was acquired on 31 May 2017, with the remaining 50% acquired on 2 August 2018.

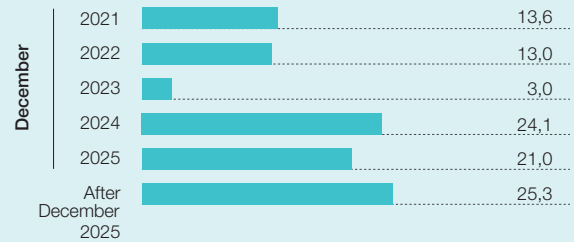
³ Excluding a 17 700m² hypermarket that is separately owned.

Lease expiry profile

By rentable area (GLA) (%)

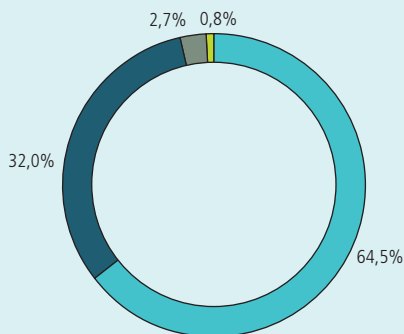


By monthly rentals (%)

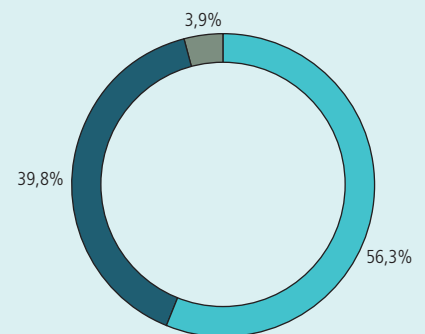


Tenant profile

By rentable area (GLA) (%)

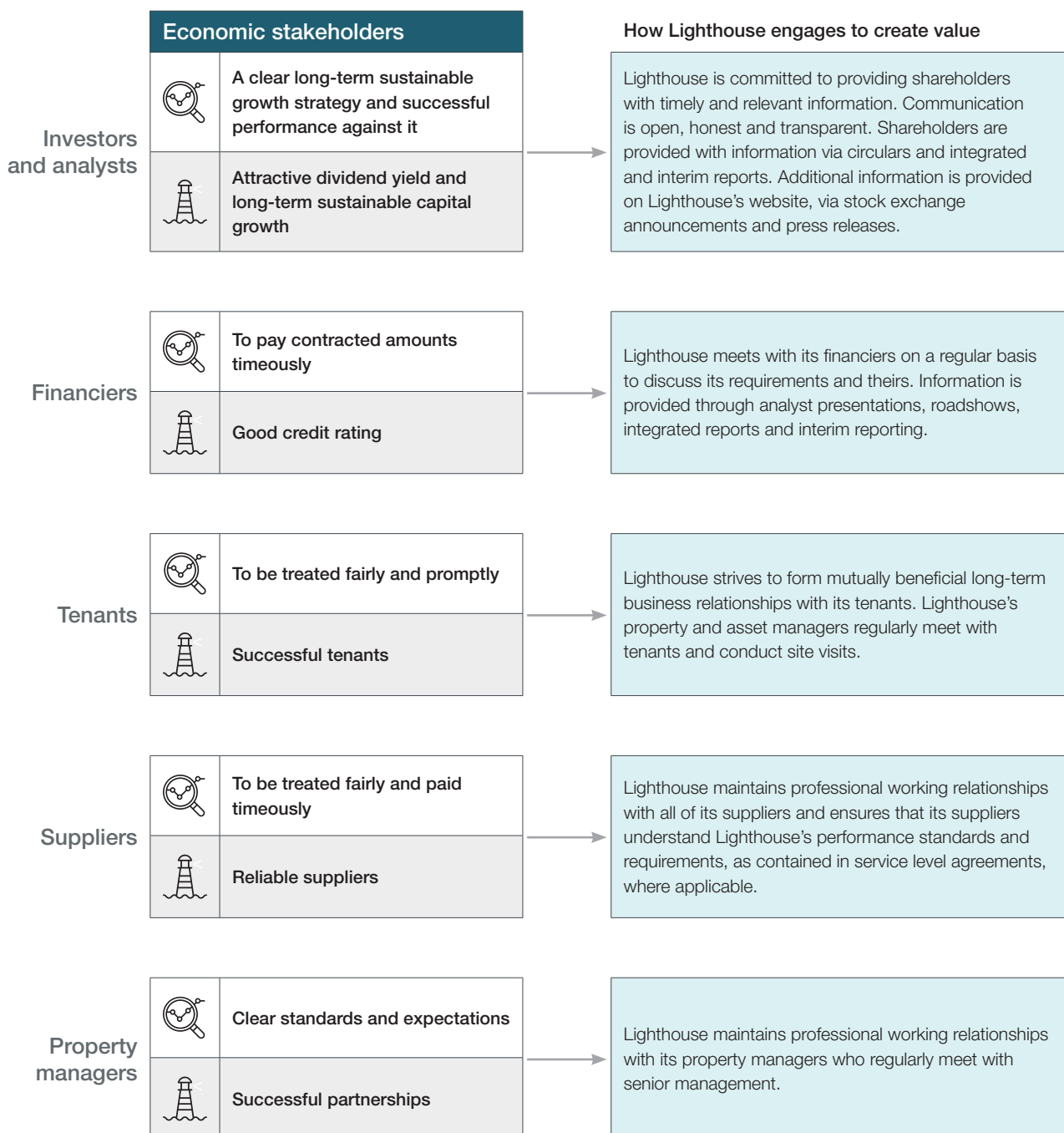


By monthly rentals (%)



Engaging with our stakeholders

We strive to create sustainable long-term value for Lighthouse and its stakeholders. We are involved in dialogue on the organisational position, performance and outlook with all stakeholders to determine their material desires in order to respond appropriately through the delivery of our value creation strategy.

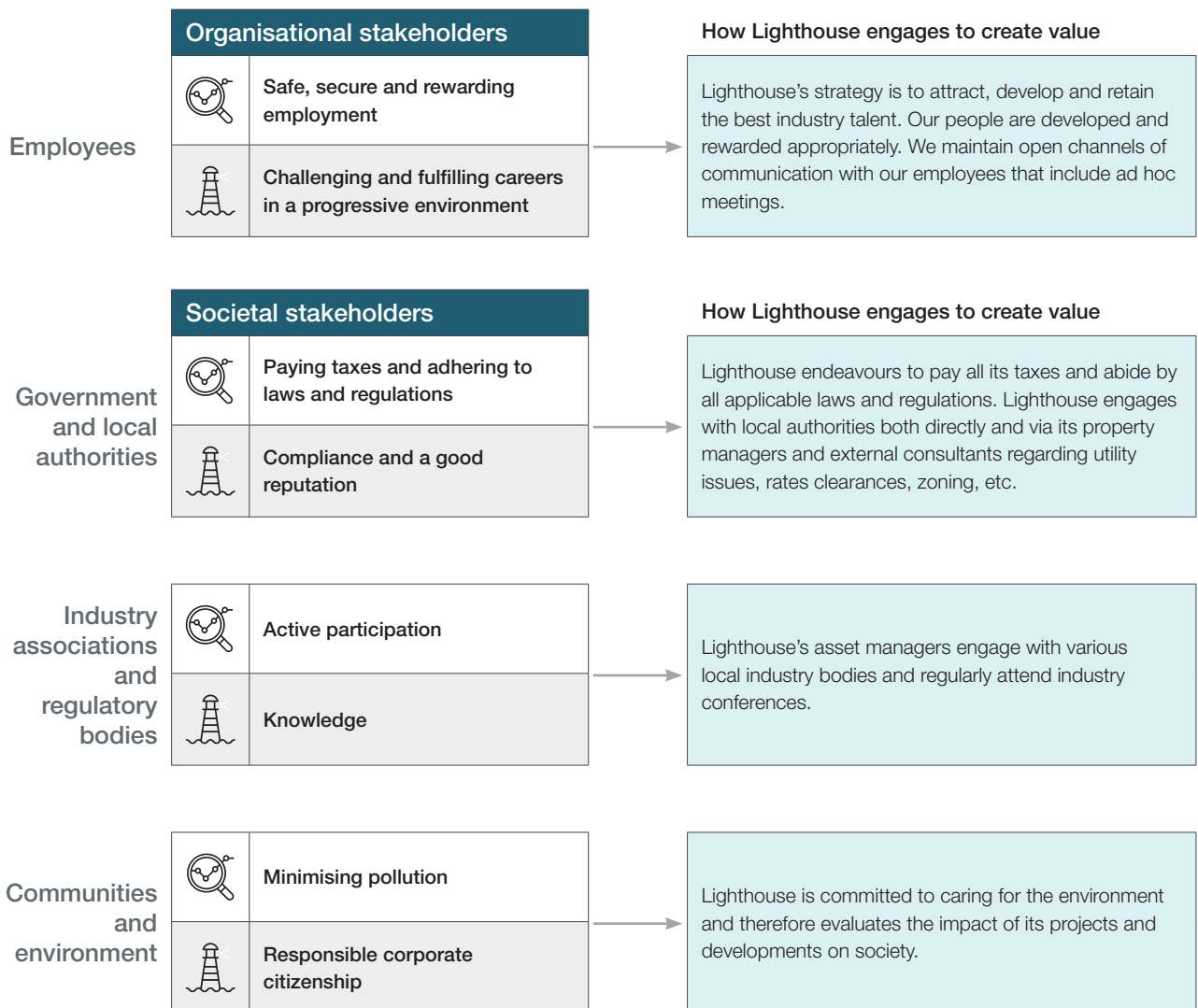




What is material to them



Desired outcome



Lighthouse is committed to ensuring timeous, effective and transparent communication with all stakeholders in its quest for optimal value creation.

How we create value

Lighthouse uses the capital and resources at its disposal to create sustainable value for its stakeholders.

Financial capital

Inputs and processes

Lighthouse strives to deliver both capital and distribution growth to its shareholders by investing globally in direct property as well as in listed real estate and infrastructure securities with competitive yields that have the prospect of capital growth. In doing so, Lighthouse undertakes to manage its assets in a responsible manner.

Lighthouse's ability to access funding is intrinsic to its operations and thus its ability to create value. Lighthouse had low gearing at year-end and intends to utilise diverse funding sources by using different banks to manage its financing costs and concentration risk. In addition, we ensure that the currencies of our investments generally match the currencies of the underlying funding. Lighthouse utilises in-country financing where sources of funding exist and the terms are in line with the company's funding strategy.

Manufactured capital

Lighthouse is a company that invests in property both directly and indirectly through investments in listed securities, including listed infrastructure securities. Management is constantly investigating potential investments that will provide sustainable, long-term growth that exceeds industry norms, whether in the form of a potential development, purchase or expansion of existing properties, or through investments in listed securities. A stringent approval process is in place for properties to be acquired or developed. Our investment committee members, who boast extensive experience and technical expertise, approve Lighthouse's acquisitions, redevelopments and disposals and receive updates on these at each meeting.

The day-to-day management of our properties has been outsourced to our property managers, who have the requisite experience and presence in the regions in which our properties are located. We also have experienced and dedicated in-house asset managers who are responsible for overseeing the properties, the performance of the properties and managing the tenant relationships. The asset managers report directly to the chief executive officer. We are constantly assessing opportunities for upgrades, refurbishments, extensions and redevelopments of our properties.

Social and relationship capital

Lighthouse's management team fosters long-term relationships with all our tenants, recognising that there is an important symbiotic relationship between their success and ours. We assess the tenant mix of our properties on an ongoing basis and relocate tenants where we feel that their trading and the property's performance can be improved.

We have relationships with global financial institutions with best-in-class operating platforms reducing both our operational and counterparty credit risk.

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

Human and intellectual capital

Our employees are as intrinsic to our business as our properties. We aim to attract and retain motivated, high-calibre executives and employees whose interests are aligned with the interests of shareholders. Our employees are encouraged to attend job and industry-related training.

Natural capital

We aim to improve the sustainability of our properties by investing in new technologies. Energy efficiency is foremost in our sustainability endeavours.

Capital and resource trade-offs

In applying capital and resources for value creation, we have to make many trade-offs. The most significant trade-offs include deciding between preserving our financial capital and applying it to make new investments, or developing staff or returning it to shareholders.

Stakeholders	Outcomes	Value created
Investors Analysts	Investor confidence and loyalty leverage	Market capitalisation: EUR 460 million (2019: EUR 223 million) <i>The performance of Lighthouse's share price is illustrated in the graphs provided on page 129 of this report.</i> Distributions per share: 3,1500 EUR cents (2019: 3,0000 EUR cents)
Suppliers Property managers Government and local authorities	Quality investments and investment returns	Direct property: EUR 248,5 million (2019: EUR 301,2 million) <i>Refer to pages 4 and 5.</i> Listed real estate: EUR 244,1 million (2019: EUR 58,6 million) <i>Refer to page 3.</i> Listed infrastructure: EUR 28,7 million (2019: EUR 13,9 million) <i>Refer to page 3.</i>
Tenants Communities Industry associations and regulatory bodies	Mutually rewarding relationships with industry, tenants and the communities we operate in	
Employees	Highly regarded and experienced management team with property and investment-specific knowledge	
Environment	Doing no harm	

Our risks and opportunities

Risk is the volatility of unexpected outcomes. Within the Lighthouse framework, this would specifically relate to the adverse impact on the value of its assets, equity or earnings.

Risk management is the discipline by which risks are identified, assessed and prioritised. It is essential to understand the multiple dimensions of risk in order to manage these effectively, with the aim of increasing shareholder value.

Risk management 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 Lighthouse's risk committee. The day-to-day responsibility for risk management, including maintaining an appropriate internal control framework, remains the responsibility of Lighthouse's executive management.

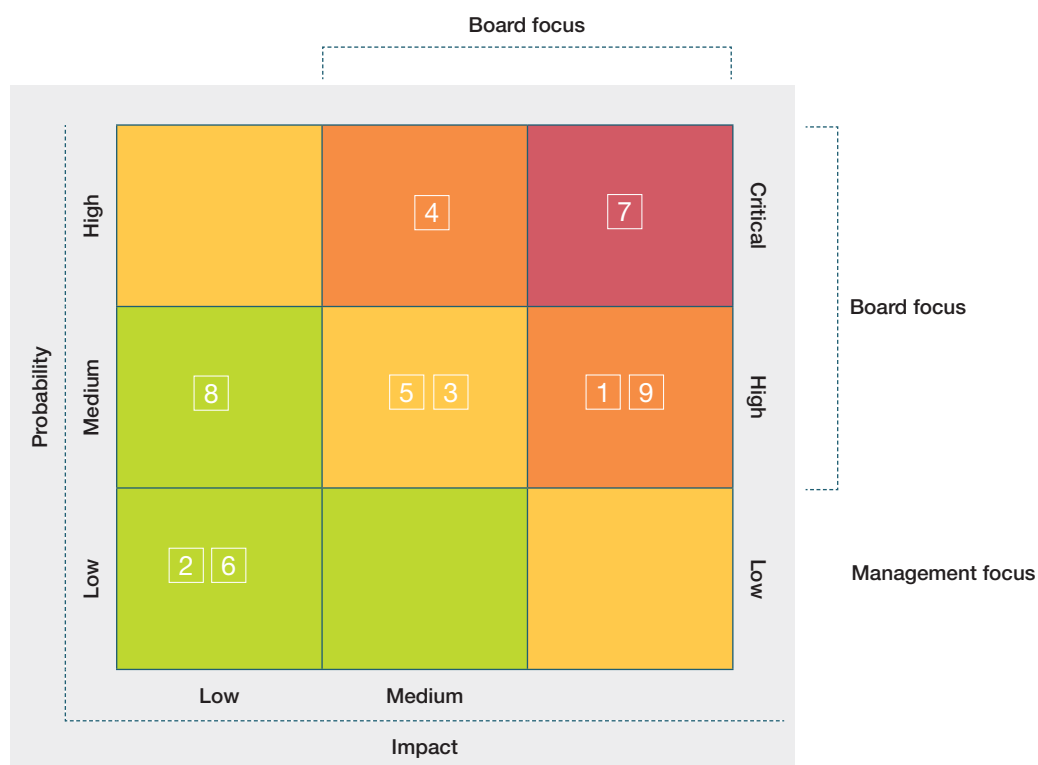
Risk management is an integral part of the company's strategic management and is the mechanism through which risks associated with the company's activities are addressed.

The key objectives of the risk management system include:

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

Risks are monitored via the risk management framework in terms of which management identifies risks, documents these in the risk matrix and assesses the probability of their occurrence as well as the potential impact of the risk on the organisation. Each identified risk is then managed and, where possible, mitigated. Due to the dynamic nature of the economic environment in which Lighthouse operates risks, and the impacts thereof, change constantly. Accordingly, risk management is a dynamic and ongoing discipline which is continuously adapted to its environment.

The **residual risks** facing Lighthouse are reflected on this heat map:



The residual risks included in the heat map above 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 three pages.

1

Investment property

Risk description

- > Delays in executing appropriate direct property investment and development strategies, or executing in less favourable conditions
- > Increased competition due to availability of capital in the market
- > Currency fluctuations
- > Damage to direct properties from natural disasters
- > Physical deterioration of direct investments
- > Liquidity risk/failure to raise capital

Effect on value creation

- > Lower net asset value
- > Lower total direct investment return (income and capital)
- > Lower distributions

Stakeholders affected

- > Shareholders
- > Tenants
- > Operators
- > Direct property managers
- > Employees
- > Financiers
- > Suppliers

Key mitigants

- > Defined investment strategy
- > Defined asset appraisal process
- > Reviewing of all opportunities against predetermined criteria
- > Monitoring macroeconomic and property market trends
- > Analysing an extensive pipeline
- > Insurance cover is carefully monitored to ensure that it is sufficient
- > Direct investment managers perform regular property inspections
- > Conservative hedging policy, with hedge effectiveness regularly monitored
- > Ensuring investor confidence by declaring distributions regularly and making relevant and timely announcements to stakeholders

2

Development

Risk description

- > Development and refurbishment risk including contractor solvency and availability

Effect on value creation

- > Reduced returns
- > Cost overruns
- > Programme delays leading to potential loss of occupier revenue
- > Failure to secure planning permission

Stakeholders affected

- > Shareholders
- > Tenants
- > Operators
- > Direct property managers
- > Financiers
- > Suppliers

Key mitigants

- > Close supply chain and profession consultant relationships facilitate assessment and monitoring
- > Assessment of contractors prior to appointment

3

Investor demand

Risk description

- > Decrease in demand by investors for real estate

Effect on value creation

- > Lower net asset value
- > Potential pressure on financing covenants

Stakeholder affected

- > Shareholders

Key mitigants

- > Investing in prime properties
- > Strong financial covenants
- > Active asset management

Our risks and opportunities continued

4

Direct property occupier market

Risk description

- > Reduced retail occupier demand for space, increased supply and occupier defaults

Effect on value creation

- > Lower rental income and cash flow
- > Empty unit (void) costs
- > Lower net asset value
- > Reduced strength of occupier covenant and increased arrears/bad debts
- > Higher cost of occupier incentives for new lettings

Stakeholders affected

- > Shareholders
- > Tenants
- > Direct property managers
- > Financiers
- > Suppliers
- > Prime brokers

Key mitigants

- > Diversified occupier base
- > Long leases and strong financial covenants
- > Quality assets are easier to re-let
- > Close occupier relationships assist in understanding changing requirements
- > Review of consumer trends
- > Retail occupiers at risk are monitored regularly

5

Availability and cost of finance

Risk description

- > Shortage of financing or refinancing at acceptable cost
- > Adverse changes in macroeconomic conditions or the group's performance may lead to a rating downgrade and/or limited availability of capital
- > Adverse interest rate movements

Effect on value creation

- > Inability to fund property investments or development programme
- > Increased cost of finance
- > Increased cost of borrowing and hedging

Stakeholders affected

- > Shareholders
- > Financiers
- > Prime brokers

Key mitigants

- > Spread of sources of finance and maturity of facilities
- > Continuing and extensive capital market and bank relationship management
- > Conservative interest rate hedging policy
- > Exposure reduced by replacing variable interest loans with fixed interest loans/facilities
- > Interest rate hedging effectiveness regularly monitored

6

Credit risk

Risk description

- > Financial counterparty credit risk

Effect on value creation

- > Loss of hedges
- > Loss of deposits
- > Cost of rearranging facilities
- > Adverse changes in financing rate

Stakeholders affected

- > Shareholders
- > Financiers
- > Brokers

Key mitigants

- > Summary of exposures by bank and credit ratings reviewed monthly
- > Spread of sources of finance and maturity of facilities
- > Cash placed with a range of institutions
- > Creditworthiness of counterparties assessed regularly

7

Listed securities

Risk description

- > Risk of underperformance of investments, specifically forecast dividends not being received, especially in the context of the larger exposure to specific real estate companies
- > Risk of financial loss to the group if a counterparty to a financial instrument fails to meet its contractual obligations
- > Funding liquidity risk
- > Market risk – listed security investments represent potential risk of loss of capital
- > Portfolio concentration in certain assets/sectors represent a higher risk to market fluctuation

Effect on value creation

- > Distributable income is reduced due to the reduction of dividends received from investments
- > Inability to meet obligations which may force early liquidation of the position as a result of margin calls

Stakeholders affected

- > Shareholders
- > Brokers

Key mitigants

- > 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 on a quarterly basis
- > The company appoints nominees to the board of directors of companies where the company holds a significant stake to exert influence over the strategies of those companies
- > Financial instruments are entered into with reputable financial institutions
- > The company limits its exposure to credit risk by only investing in liquid securities and only with globally recognised financial institutions and/or counterparties that are listed on recognised stock exchanges
- > Ensuring that sufficient cash reserves are held by detailed planning of cash flow needs by appropriate diversification and by giving due consideration to how new funds can be raised to meet cash shortfalls
- > Investing in direct equity of companies on a global basis to achieve appropriate diversification on a geographic basis
- > The board reassess its investment strategy on a periodic basis to ensure that it is aligned with the objectives of the company while considering stakeholders' interests

8

Operations

Risk description

- > Key-man risk
- > Business continuity risk
- > Underperformance of property managers

Effect on value creation

- > Lower net asset value
- > Lower share value
- > Lower shareholder earnings (distribution)
- > Lower rental income and cash flow
- > Reduced strength of occupier covenants and increased arrears/bad debts

Stakeholders affected

- > Shareholders
- > Tenants
- > Direct property managers
- > Financiers
- > Suppliers

Key mitigants

- > Ensuring that the remuneration of key staff is aligned with the interests of shareholders
- > Ensuring that the business continuity plan is executable
- > Performing daily backups of data
- > Compliance with service level agreements is monitored regularly
- > Management reviews monthly reports and meets with the property managers on a regular basis
- > The board reviews the effectiveness of the company's risk management framework against the principal risks facing the business on at least an annual basis
- > Advice from the company's auditor and other professional advisors

9

Regulation and legislation

Risk description

- > Regulatory and legislation risk
- > Disruptions to rental income due to the impact of lockdowns and other responses to global pandemics and changes to the legislation due to these responses
- > Risks relating to stock exchange listings requirements
- > Adverse changes to tax laws

Effect on value creation

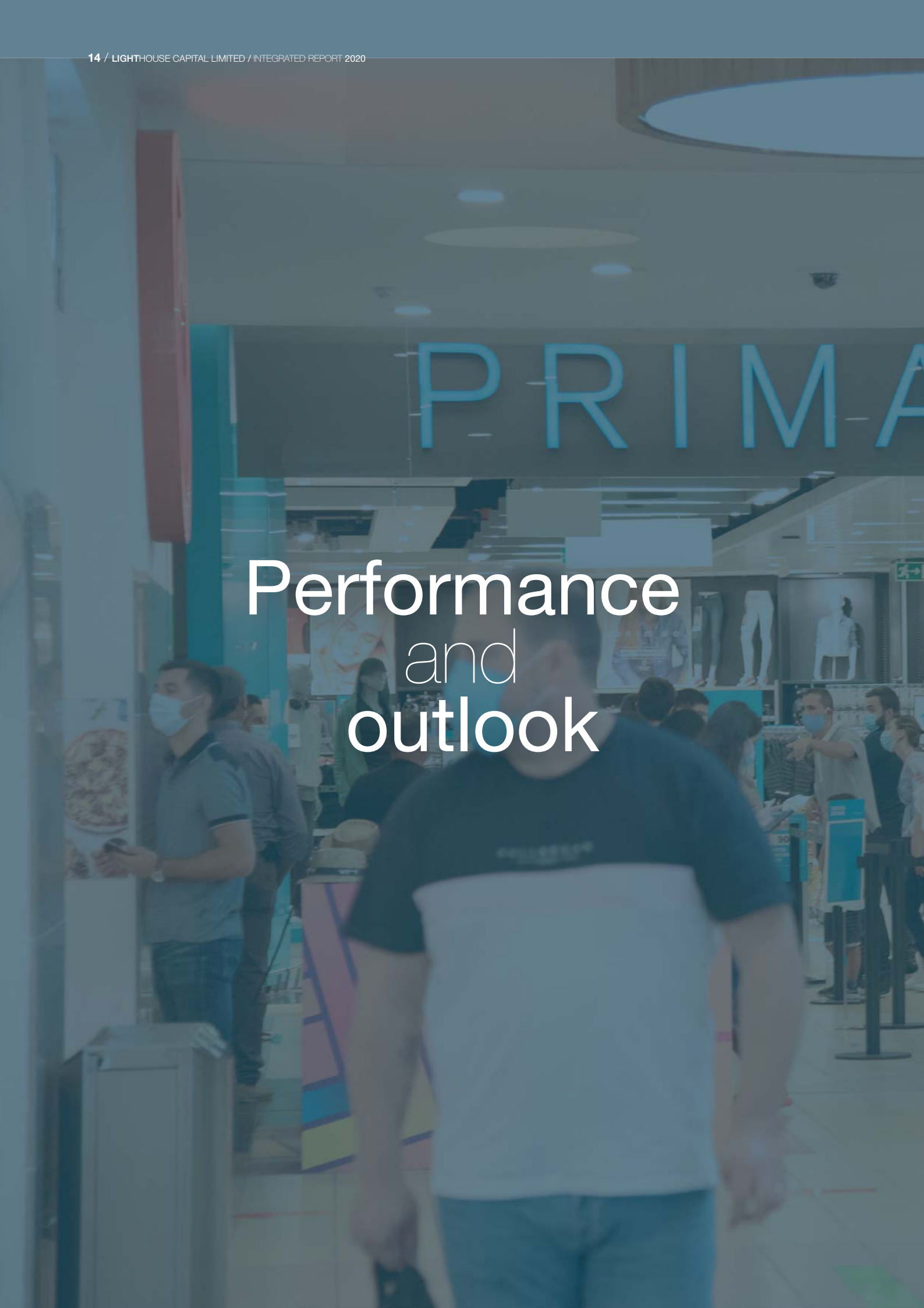
- > Lower net asset value
- > Lower share value
- > Lower shareholder earnings (distribution)
- > Lower rental income and cash flow
- > Reduced strength of occupier covenants and increased arrears/bad debts

Stakeholders affected

- > Shareholders
- > Tenants
- > Direct property managers
- > Financiers
- > Suppliers

Key mitigants

- > Advice from the company's regulatory, tax, legal and other professional advisors, including stock exchange sponsors
- > Active monitoring by legal and tax advisors, corporate sponsors and the company secretary
- > Management reviews changes to the legislation designed to hedge the impact of global pandemics on businesses on a regular basis to assess the impact on the business



Performance and outlook



Forum Coimbra – Portugal

Chairperson's statement

The retail real estate sector has experienced a perfect storm. Government-imposed lockdown restrictions not only reduced rental income, but also accelerated structural changes in the way people shop, live and work. Publicly listed REIT prices plummeted following higher capitalisation rates, lower quality income streams and uncertainty over future dividend payments. In addition, perceived solvency and liquidity issues were often solved by dilutive rights issues, asset disposals and delaying capital expenditure on future development opportunities.

Mark Olivier
Chairperson



The three most important questions for the board this period were: When will economies reopen? What is a normalised level of rental income in the post-pandemic world and What will the post-pandemic retail world look like? There is significant forecast risk in relation to the answers to these questions and therefore the board has had to be agile and entrepreneurial in its actions.

In this respect, we managed the risks in relation to Lighthouse's investment in physical assets through proactive and collaborative engagement with the financiers and our tenants. We also allocated a significant portion of our capital to Hammerson where we perceived deep value, looking through the short-term impacts of the pandemic and Brexit.

Fortunately, we were able to raise new capital from shareholders and use our low leverage and liquidity in the listed portfolio to take advantage of the Hammerson opportunity as it emerged.

While the results reflect the impact of the pandemic on our business, Lighthouse has transformed during the reporting period. The company is in a fundamentally strong position and is well placed to deliver significant shareholder value as the trading environment normalises.

The board and its committees have operated effectively throughout the 2020 financial period. Following appropriate review, I am satisfied that all the committees are constituted with members of relevant skills, knowledge and experience and that our stakeholders can take comfort with the governance that is in place. I 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.

With effect from 27 May 2020, Des de Beer was appointed to the board as a non-independent non-executive director. He has significant experience in property investment and management. Des was a founder of Resilient REIT Limited ("Resilient"), where he has served as chief executive officer since listing in 2002. Resilient holds 40% of

Lighthouse's ordinary shares. Des serves as a member of the investment and remuneration committees. This is a positive development for all stakeholders and his skills and experience are an asset to Lighthouse.

During the period, the company received notification from the Financial Sector Conduct Authority ("FSCA") that the investigation into the allegations of possible price manipulation (section 80 of the Financial Markets Act, 19 of 2012) had been closed. The group cooperated fully with the FSCA during the investigation period.

Long-term incentivisation is earned by the management team if shareholders receive top quartile returns (capital growth plus dividend) for the financial period and dividend growth over a three-year period exceeds inflation plus 3%. As both key financial performance objectives were met during the period, the board has, subsequent to the financial period, authorised the issue of circa 1.5 million shares to senior executives. The shares will vest in the senior management team over a five-year period. The long-term incentive scheme not only aligns the economic interests of senior executives and shareholders, but its delayed "payment" provides an effective mechanism to retain talent in the business.

The near-term outlook for Lighthouse is dominated by the pandemic and the pace of opening of the economies in which we operate. We can only speculate about its future impact.

Market expectations are for economies to open in the first half of 2021 and for a domestic-driven consumer boom in the second half of 2021 driven by the release of pent-up demand. Despite a positive outlook for the second half of 2021, it is possible, given the structural effects of the pandemic, that some retail real estate will continue facing challenges with pressure on rents and occupancy and the risk of more bankruptcies and store closures.

The board, however, believes that best-in-class retail destinations will remain a key part of how and where consumers continue to spend their money. In this

respect, the board is satisfied that the quality of Lighthouse's assets, the deep value in its investment in Hammerson and low gearing provide a solid foundation for executing our growth strategy and creating value for all stakeholders when fundamentals recover.

In general, the board will pursue strategies, like its investment in Hammerson, that are targeted at increasing the long-term value of shareholders' investment in Lighthouse, rather than focusing on delivering short-term results. Lighthouse will be focused on achieving the following key strategies in the year ahead:

- > Investing excess capital in opportunities that arise, which may include increasing the stake in Hammerson to continue driving strategy with its senior executive team to deliver shareholder value;
- > Enhancing long-term yields in existing properties through asset management strategies, including the restructure of certain tenancies and completing refurbishments that have been delayed by the pandemic;
- > Preserving our financial strength and low leverage and using that to our advantage as opportunities emerge; and
- > Moving the domicile of Lighthouse from Mauritius to a European destination.

I would like to thank my fellow directors for their contribution to the governance processes and for their assistance in formulating and adapting our strategy to reflect the new realities created by the pandemic.

On behalf of the board, I would also like to thank our executive directors and the senior management team for their commitment, drive and savvy demonstrated in extraordinary circumstances and, in particular, the execution of the Hammerson strategy.



Mark Olivier
Chairperson

18 March 2021

Directors' report

Nature of the business

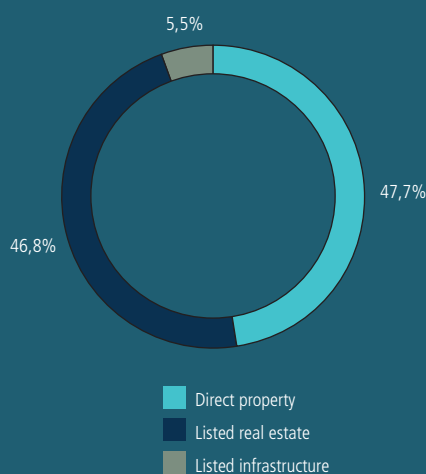
Lighthouse is a Global Business Licence company registered in Mauritius. The company has primary listings on both the Official Market of the SEM and the Main Board of the JSE. The group invests globally in direct property, and in listed real estate and infrastructure securities.



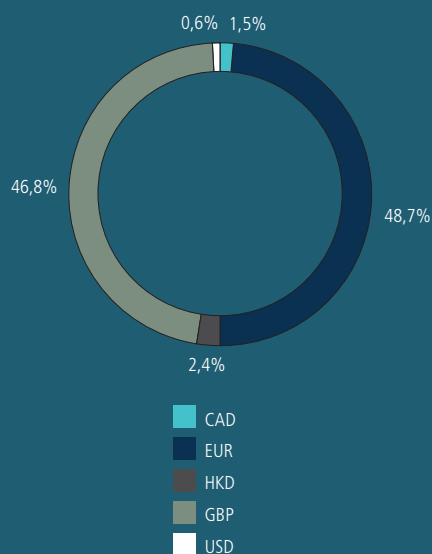
Investment portfolio

At December 2020, Lighthouse's sectoral composition was as follows:

Sectoral profile based on fair value of assets



Currency profile based on fair value of assets



Distributable earnings and commentary on results

Subject to any required approvals and regulatory compliance, the board has declared a scrip distribution of 1,5750 EUR cents per share, with a cash distribution alternative of 1,4175 EUR cents per share, for the nine-month period ended 31 December 2020. This final distribution, together with the 1,5750 EUR cents per share declared for the six-month period ended 31 March 2020, results in a total distribution of 3,1500 EUR cents per share for the 2020 financial period.

Lighthouse achieved 3,2461 EUR cents of distributable earnings per share for the 2020 financial period. The board's distribution policy allows for retaining distributable earnings and the total payout ratio for the 2020 financial period is 97,0%.

The earnings generated by Lighthouse's direct property assets have been negatively affected by the restrictions imposed by governments on both retail trading and the ability to earn rental income. There is also uncertainty over the sustainability of certain tenants, particularly operators in the food & beverage and entertainment sectors. This has, in the short term, increased the risk of vacancies. Lighthouse's financial strength has enabled it to take a proactive approach in dealing with the challenges of the pandemic, including supporting tenants where this was necessary. Relief has taken the form of rental deferrals or fixed discounts on the rental component for the lockdown periods, with service charges remaining payable in full.

Lighthouse's net asset value per share decreased from 54,02 EUR cents at 30 September 2019 to 36,11 EUR cents at 31 December 2020. The decline in net asset value was primarily attributable to the volatility and uncertainty caused by the pandemic which impacted the performance of the listed retail investments and the valuations of the direct property investments. There has, post the period-end, been a sharp increase in the net asset value of the group, mostly due to the recovery of the Hammerson share price.

Equity raise

During the period, Lighthouse raised EUR 306 million of equity and received a total of 44,9 million shares in NEPI Rockcastle plc ("NEPI") as part consideration. The shareholding in NEPI was sold during the period with most of the proceeds being invested in Hammerson.



Stephen Delpont
Chief executive officer

Directors' report continued

Investment portfolio

The top five investments by fair value at 31 December 2020 are set out below:

	Primary sector	Jurisdiction	Fair value as at Dec 2020 EUR '000
Hammerson plc	Listed real estate	United Kingdom	244 146
Forum Coimbra	Direct property	Europe	182 267
Planet Koper	Direct property	Europe	66 200
E.ON SE	Listed infrastructure	Europe	5 438
Guangdong Investment Ltd	Listed infrastructure	Hong Kong	4 422
Total of top five investments			502 473
Other investments			18 875
Total investments			521 348

Direct investments

Forum Viseu, a shopping centre in Portugal, was sold for EUR 39,7 million on 6 March 2020. The terms, including the pricing of the transaction, were agreed prior to the impact of the pandemic.

The two physical retail assets constituted 47,7% of Lighthouse's investment portfolio at December 2020. Both shopping centres have a high proportion of multinational corporate tenants, are dominant in their respective target markets and are well located. Occupancy levels were at over 99% at the reporting date, however, the impact of Covid-19 lockdowns has put the leisure and entertainment tenants under severe pressure.

Portugal

Footfall and retail sales at Forum Coimbra were down 34,7% and 34,4%, respectively, for the 2020 financial period. The effect on footfall was mostly attributable to 10 weeks of lockdown. By September 2020, the footfall and retail sales had improved to 80% and 86% of the prior comparable period, respectively. The second lockdown, however, negatively affected the recovery towards the end of 2020.

The Portuguese government gazetted a turnover-based rental regime from 25 July 2020 to 31 December 2020. Post period-end, amended legislation was passed to retroactively apply the turnover-based rental to the start of the first lockdown. This amended legislation is being challenged in the constitutional court. The results take into account the worst-case scenario, but the board has decided to only refund tenants once the legality of the legislation has been confirmed. By December 2020, the collection rate at Forum Coimbra was 95,2% of the invoiced net rental taking into account the new rental regime and the rental discounts.

Prior to the pandemic, Lighthouse received a request from two major retailers in Forum Coimbra to expand their stores. The project to accommodate this demand, together with the

refurbishment of the food court, has been put on hold until trading conditions normalise.

Slovenia

During 2020, Slovenia experienced two lockdowns with most of Planet Koper's tenants being forced to close for a total of 19 weeks. Footfall and retail sales at Planet Koper declined by 40,6% and 37,8%, respectively, for the 2020 financial period.

The collection rate at Planet Koper was 83,4% of the invoiced net rental.

Listed investments

The Coronavirus pandemic has presented some of the most challenging times for retail landlords and tenants alike. The uncertainty and volatility have, however, provided attractive investment opportunities. Lighthouse acquired a 21,6% shareholding in Hammerson. Along with Hammerson's largest shareholder, APG, Lighthouse supported and participated in Hammerson's GBP 552 million discounted rights issue to deleverage Hammerson's balance sheet.

At a macro level, Lighthouse invested in Hammerson when sentiment regarding the UK economy and its currency was particularly bearish and the spread between the yield on listed retail REITs and government bonds was at historical highs. The average cost per Hammerson share was GBP 0,257 and the investment constituted 46,8% of Lighthouse's investment portfolio at December 2020.

Management has visited and assessed all property assets owned directly and indirectly by Hammerson. The board is satisfied that the investment rationale is well supported by the quality of Hammerson's portfolio, the enhancements in corporate governance and leadership, future development opportunities, cost-saving opportunities and improvements to the financial structure.

	Carrying amount/ fair value EUR
Investment in Hammerson	
Equity-accounted in terms of IFRS at 31 December 2020 ¹	69 987 352
At fair value at 31 December 2020 ²	244 146 319
At fair value at 17 March 2021³	385 838 409

¹ The carrying amount comprises the deemed cost at 30 September 2020, any further acquisitions and Lighthouse's share of the post-acquisition losses of Hammerson. Refer to note 5.3 on page 92 of this report for additional details.

² Based on 878 081 817 shares at the closing market price of GBP 0,2485 per share and an exchange rate of EUR/GBP 0,89374. Refer to the management accounts on page 72.

³ Based on 878 081 817 shares at the closing market price of GBP 0,3769 per share and an exchange rate of EUR/GBP 0,85774.

Facilities, hedges and derivatives

Lighthouse had EUR 105,5 million of debt outstanding at 31 December 2020. This debt is secured by the direct property portfolio. Net debt was EUR 67,6 million after taking into account cash and cash equivalents of EUR 37,9 million. The gearing ratio of 13% was significantly below the board's maximum of 45%. Lighthouse has no equity derivative swap positions and the listed investments are unencumbered.

All interest rate exposure on the long-term direct property loans is hedged for a weighted average hedge term of 4,6 years. The average cost of debt is 2,3%.

Summary of financial performance

	Distribution per share EUR cents	Shares in issue	Net asset value per share# EUR cents	Gearing* %
September 2019	1,5000	457 790 136	54,02	31,00
December 2019	–	607 790 136	52,26	20,50
March 2020	1,5750	607 790 136	40,96	20,70
June 2020	–	730 575 237	42,00	23,40
September 2020	–	1 207 790 136	27,71	21,40
December 2020	1,5750	1 207 790 136	36,11	13,00

* Gearing is calculated by dividing total interest-bearing borrowings, adjusted for cash and cash equivalents and derivative cash margin, by the total of investments in property, gross listed securities at fair value, investment in associate at fair value and loans advanced based on the management accounts as disclosed in the segmental analysis.

Calculated based on management accounts as disclosed in the segmental analysis.

Outlook

Lighthouse's conservative gearing and the strength of its balance sheet provide it with the ability to take advantage of deep value opportunities available in the current economic environment, which may include increasing the investment in Hammerson. With the impressive pace of the UK vaccination process, management believes that there will be a steady recovery of the UK economy as well as brick and mortar retail.

In light of the current uncertainty, the board is not in a position to provide guidance on future distributions. In line with Lighthouse's new year-end, the board will continue to consider and declare distributions for each six-month period ending 30 June and 31 December.

By order of the board



Intercontinental Trust Ltd

Company secretary

Distribution analysis and key ratios

Distribution calculation

Based on the management accounts as set out on pages 71 to 79.

	Management accounts for the 15 months ended 31 December 2020 EUR	Management accounts for the year ended 30 September 2019 EUR
Property rental and related revenue	26 179 395	25 252 231
Investment revenue	20 868 377	6 290 409
Net dividends accrued on listed security investments (including equity swap derivatives)	–	741 908
Property operating expenses	(11 296 156)	(7 389 699)
Administrative and other expenses	(4 512 069)	(3 033 210)
Finance income	455 089	997 927
Finance costs (adjusted for breakage costs)	(4 252 876)	(4 994 448)
Other income	–	136 040
Income tax	(2 434 702)	(2 851 157)
Antecedent distribution – interim	1 032 787	–
Antecedent distribution – final	3 585 414	–
Distributable earnings for the period	29 625 259	15 150 001
<i>Less:</i>	(28 595 390)	(13 733 704)
Interim distribution declared	(9 572 695)	(6 866 852)
Final distribution declared	(19 022 695)	(6 866 852)
Distributable earnings retained during the period	1 029 869	1 416 297
Cumulative distributable earnings retained at the beginning of the period	4 258 383	2 842 086
Cumulative distributable earnings retained at the end of the period	5 288 252	4 258 383

Distributable earnings per share and key ratios

Key non-IFRS investor and other stakeholder information is disclosed in this section, based on the management accounts as set out on pages 71 to 79.

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 2020 and 30 September 2019, respectively.

	Unaudited 2020 EUR	Unaudited 2019 EUR
Loss for the period attributable to equity holders of the company	(271 193 222)	(26 137 310)
Fair value loss on investment property	16 423 222	3 179 753
Fair value loss on investments	146 896 045	18 280 315
Fair value loss on currency, interest rate and other derivatives	27 359 880	4 263 330
Impairment loss/(reversal)	12 199 927	(36 350)
Dividends on equity swap derivatives included in fair value loss on investments	1 222 953	2 821 465
Net dividends accrued on listed security investments (including equity swap derivatives)	–	741 908
Brokerage expenses	548 267	–
Foreign exchange loss	5 580 010	13 877 205
Borrowing costs on equity swap derivatives	(32 366)	(978 988)
Loan breakage costs related to the sale of investment properties	342 709	–
Income tax effect	(5 649 807)	(861 327)
Non-distributable portion of loss from equity-accounted associate	91 309 440	–
Antecedent distribution – interim	1 032 787	–
Antecedent distribution – final	3 585 414	–
Distributable earnings for the period	29 625 259	15 150 001
Less:	(28 595 390)	(13 733 704)
Interim distribution declared	(9 572 695)	(6 866 852)
Final distribution declared	(19 022 695)	(6 866 852)
Distributable earnings retained during the period	1 029 869	1 416 297
Cumulative distributable earnings retained at the beginning of the period	4 258 383	2 842 086
Cumulative distributable earnings retained at the end of the period	5 288 252	4 258 383
Number of shares entitled to distribution	1 207 790 136	457 790 136
Weighted average shares in issue during the period	784 744 191	457 176 576
Distributable earnings (EUR cents per share)	3,2461	3,3094
Less: Distribution (EUR cents per share)	(3,1500)	(3,0000)
Interim distribution (EUR cents per share) – declared	(1,5750)	(1,5000)
Final distribution (EUR cents per share) – declared	(1,5750)	(1,5000)
Distributable earnings not distributed (EUR cents per share)	0,0961	0,3094
Distribution payout ratio (%)	97,0	90,7
Net asset value per share (EUR cents)	21,6898	54,0152
Tangible net asset value per share (EUR cents) ¹	20,6896	48,7114
Property cost-to-income ratio (%) ²	36,3	29,3

¹ The only current and prior period reconciling amount between net asset value and net tangible asset value is goodwill, as disclosed on the statement of financial position.

² Calculated by dividing property operating expenses by property rental and related revenue, as disclosed in the management accounts included in the segmental analyses.

The background image shows a modern, multi-level interior space, likely a shopping mall or a public building. There are large, textured pillars and glass railings on the upper levels. People are walking on the ground floor, and a group of people is sitting at a table. A stroller is visible on the right. The overall atmosphere is bright and contemporary.

Environmental, social and corporate governance

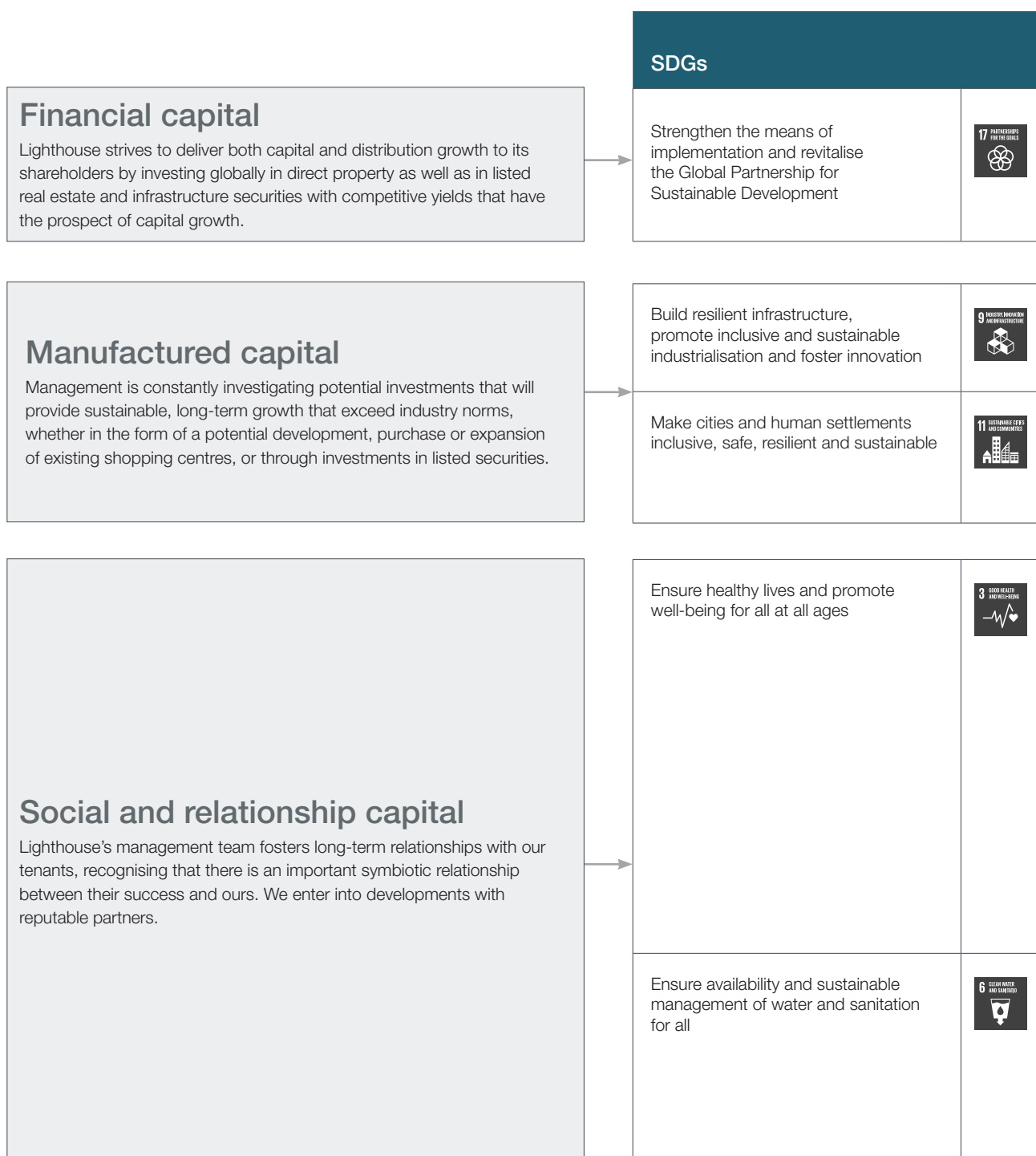


Forum Coimbra – Portugal

Long-term sustainability

Introduced in 2015, the 2030 Agenda for Sustainable Development and associated SDGs provide opportunities through a powerful agenda for achieving peace and prosperity on a healthy planet. The 17 SDGs balance the three dimensions of sustainable development: economic, social and environmental. This distillation of challenges makes them actionable for business leaders.

We have determined which of the SDGs require our primary focus. We list below, by capital, the goals which we believe we can make a contribution to, together with what we are doing to make a difference, now and into the future:



Lighthouse subscribes to the 2030 Agenda for Sustainable Development and associated Sustainable Development Goals (“SDGs”).



Long-term sustainability continued

Human and intellectual capital

Our employees are as essential to our business as our properties. We aim to attract and retain motivated, high-calibre executives and employees whose interests are aligned with the interests of shareholders.

SDGs

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Achieve gender equality and empower all women



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Natural capital

We aim to improve the sustainability of our properties by investigating new technologies. Energy efficiency is foremost in our sustainability endeavours.

Ensure access to affordable, reliable, sustainable and modern energy for all



Ensure sustainable consumption and production patterns



Take urgent action to combat climate change and its impacts



How we make a difference

Monitor tenants to assess the promotion of training events with staff and related parties.

Adopted a board diversity policy.

Exclude tenants, service providers and contractors that fail to present credible evidence that demonstrate inclusive policies that foster equality.

Select tenants that have economically strong operations and that produce top-of-class stores and facilities, allowing their employees to work in safe, productive and modern environments.

Support local economic development through job creation and skills development opportunities.

Employment in our shopping centres

Forum Coimbra 1 594

Planet Koper 500

What we will do in future

Support the professional development of our employees

Promote gender equality and diversity within the company

Continue to support local economic development through job creation and skills development opportunities

Increase the energy efficiency of our assets and implement measures to increase our energy self-sufficiency to reduce our reliance on fossil fuels.

Use technology to produce our own electricity through the installation of solar panels where feasible.

Planet Koper produces electricity through the solar panels on its roof. It has installed LED lighting throughout the shopping centre to reduce the use of electricity and requires tenants to install only LED lighting in their units to conserve energy.

Forum Coimbra is developing a project with industry leaders to produce electricity for self-consumption through the solar panels installed on the roofs of the building. It has also installed LED lighting throughout the shopping centre's common areas to reduce the use of electricity and requires tenants to install only LED lighting in their units to conserve energy.

Improve the eco-efficiency of our assets, focusing on energy, water and waste production.

Implement compulsory practices for tenants and all parties related to the regular operation of the schemes to separate waste, while recovering it for recycling and proper treatment, through duly certified service providers.

Recycling by our properties

Forum Coimbra

Approximately 140 tonnes of waste were generated in 2019 and 94 tonnes in 2020. Nearly 100% was recycled in 2019 and roughly 80% in 2020, the most recent period being adversely impacted by the Covid-19 pandemic.

Planet Koper

93% (138 tonnes) of non-municipal waste was recycled.

Reduce greenhouse gas emissions from our portfolio and integrate climate change risk into our risk management processes.

Implement technology to support the efficient use of energy, such as LED technology and a building management system to efficiently control lighting, installing the most efficient equipment to handle heating, ventilation and air conditioning and climatisation practices that limit the use of electricity.

Endeavour to buy only green electricity

Using only cleaning supplies that are environmentally friendly

Plant more trees

Corporate governance

Lighthouse is committed to the highest standards of ethics and corporate governance. The unitary board of directors endorses the eight principles of corporate practices and conduct as set out in the Code. As a JSE-listed entity, Lighthouse also complies with the JSE Listings Requirements. The board applies best practice principles, as contained in the 17 principles and four governance outcomes set out in King IV, where appropriate. The board has satisfied itself that Lighthouse has substantially applied the principles set out in the Code and King IV, as explained below:

The Code	King IV	Explanation of the application of the Code and King IV
Governance outcome one: ethical culture		
Principle 1 Governance structure All organisations should be headed by an effective board. Responsibilities and accountabilities within the organisation should be clearly identified.	Principle 1 The board leads ethically and effectively.	The directors hold one another accountable for decision-making and behave ethically. The chairperson is tasked to monitor this as part of his duties. Ultimate control of the company rests with the board of directors while the executive management is responsible for the proper management of the company. The board has approved a statement of accountabilities.
	Principle 2 The board governs the ethics of Lighthouse in a way that supports the establishment of an ethical culture.	The board is the primary body responsible for the corporate governance values of the group. While control is delegated to management in the day-to-day management of the group, the board retains full and effective control over the group. A formal board charter has been adopted. All directors subscribe to a code of ethics. The code of ethics deals with duties of care and skill, as well as those of good faith, including honesty, integrity and the need to always act in the best interests of the company.
	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 responsible corporate citizenship performance of the organisation is delegated to the social and ethics committee by the board. <i>Refer to the report of the social and ethics committee on page 55 for more information on how Lighthouse addresses responsible citizenship.</i>
Governance outcome two: performance and value creation		
Principle 6 Reporting with integrity The board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its integrated report and on its website.	Principle 4 The board appreciates that Lighthouse's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	The board's primary responsibility is to ensure that Lighthouse creates value for its shareholders. In so doing, it considers the legitimate interests and expectations of stakeholders, which include present and potential future investors in Lighthouse. Lighthouse sets and achieves its strategic initiatives with reference to its risks and opportunities. The board assesses both the positive and negative outcomes resulting from its business model continuously and responds to it. <i>Refer to Lighthouse's business model in the section how we create value on pages 8 and 9 for an explanation of how the inseparable elements of the value creation process are linked.</i>
	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 both its historical performance and an assessment of the organisation's financial, environmental, social and governance performance and outlook. This, together with other communication, enables stakeholders to make informed assessments of Lighthouse's prospects. <i>Refer to pages 16 to 21 or Lighthouse's detailed performance over the past year.</i> <i>Refer to page 21 for Lighthouse's outlook for the future.</i>

The Code

King IV

Explanation of the application of the Code and King IV

Governance outcome three: adequate and effective control

Principle 2**The structure of the board and its committees**

The board should comprise independent-minded directors.

It should include an appropriate combination of executive directors, independent directors and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the board's decision-taking. The board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation.

Appropriate board committees may be formed to assist the board in the effective performance of its duties.

Principle 6

The board serves as the focal point and custodian of corporate governance in Lighthouse.

Principle 7

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

The board's role and responsibilities and the way that it executes its duties and decision-making are documented and are 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 40.

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

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

The board has not established a target for the appointment of women to the board. The policy will be reviewed on an annual basis to ensure that it continues to facilitate the principles of gender diversity at board level.

The board comprises four executive directors, one non-independent non-executive director and five independent non-executive directors. All directors serve for a maximum period of one year and are subject to retirement by rotation and 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 a 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 36 to 39 and 42.

The board has established six sub-committees to assist the directors in fulfilling their duties and responsibilities. Each committee has a formal charter and reports to the board at regular intervals. The charters, which set out the objectives, authority, composition and responsibilities of each committee, have been approved by the board and are reviewed at least annually.

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

Refer to page 52 for the members of each committee.

Corporate governance continued

The Code	King IV	Explanation of the application of the Code and King IV
Governance outcome three: adequate and effective control continued		
Principle 3 Directors' appointment procedures There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience and independence, and with due regard for the benefits of diversity on the board, including gender). The board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders.	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; and > 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-audit services are not performed and the audit firm has been appointed with the designated partner having oversight of the audit. The chief financial officer is the head of the finance function and he has a senior 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.

The Code	King IV	Explanation of the application of the Code and King IV
Governance outcome three: adequate and effective control <i>continued</i>		
Principle 4 Directors' duties, remuneration and performance Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Each director must be able to allocate sufficient time to discharge his or her duties effectively. Conflicts of interest should be disclosed and managed. The board is responsible for the governance of the organisation's information, information technology and information security. The board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality in order to perform to required standards. The board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives.	Principle 9 The board ensures that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness. Principle 10 The board ensures that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities. Principle 12 The board governs technology and information in a way that supports Lighthouse in setting and achieving its strategic objectives. 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.	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. <i>Directors' interests in the ordinary shares of the company are disclosed on page 41.</i> All conflicts of interest and related party transactions have been conducted in accordance with the conflicts of interest and related party transactions policy and code of ethics. In terms of its formal charter, the board's responsibilities include the appointment of the chief executive officer and the approval of corporate strategy, risk management and corporate governance. The board reviews and approves the business plans and monitors the financial performance of the group and implementation of the strategies. Board members have full and unrestricted access to management and all group information and property. A detailed delegation of authority policy and framework indicate matters reserved for the board and those delegated to management. The board is satisfied that Lighthouse is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised. The board has considered the competence, qualifications and experience of the company secretary, Intercontinental Trust Ltd ("ITL"), and deemed it fit to continue in the role as company secretary for Lighthouse. ITL is independent of Lighthouse and the relationship with the board has been assessed and is considered to be at arm's length. The risk committee assists the board with the governance of information technology ("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. Lighthouse remunerates fairly, responsibly and transparently so as to promote the creation of value in a sustainable manner. <i>Refer to the remuneration report on pages 46 to 53.</i> The individual directors' remuneration is disclosed. Lighthouse believes that this disclosure is sufficient and appropriately demonstrates alignment between remuneration and shareholders' returns.

Corporate governance continued

The Code	King IV	Explanation of the application of the Code and King IV
Governance outcome three: adequate and effective control continued		
Principle 5 Risk governance and internal control The board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The board should ensure the maintenance of a sound internal control system.	Principle 11 The board governs risk in a way that supports Lighthouse in setting and achieving its strategic objectives. Principle 13 The board governs compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports Lighthouse being ethical and a good corporate citizen.	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. Mitigating controls are formulated to address the risks and the board is kept up to date on progress on the risk management plan. <i>Refer to pages 10 to 13 for an overview of the top risks to Lighthouse.</i> 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 company 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 company. There were no material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations.
Principle 7 Audit Organisations should consider having an effective and independent internal audit function that has the respect, confidence and cooperation of both the board and management. The board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's auditor.	Principle 15 The board ensures that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of Lighthouse's external reports.	The board is satisfied that assurance results in an adequate and effective control environment and integrity of reports for better decision-making. <i>Refer to page 43 for information on assurance contained in the audit committee's report.</i> External audit The external auditor is required to assess periodically, in its professional judgement, whether it is independent of the company. 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, BDO & Co, has been the company's auditor for five years. Internal audit The company 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 subjected to periodic external audits and quality assessments.

The Code	King IV	Explanation of the application of the Code and King IV
Governance outcome four: trust, good reputation and legitimacy		
Principle 8 Relations with shareholders and other key stakeholders The board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose.	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. 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 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. <i>Refer to pages 6 and 7 for more information on engaging with stakeholders.</i> Lighthouse ensures, through active participation and representation, that it exercises its rights and obligations with regard to its investee companies.

A more comprehensive compliance register in respect of the Code and King IV is available on our website at www.lighthousecapital.mu/corporate-governance

A framework of financial reporting, internal and operating controls has been established by the board.

Board of directors

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.

Chairperson

Mark Olivier (52)

CA(SA)

(British – based in Mauritius)

Independent non-executive director

Date of appointment: 28 June 2016

Listed company directorships: 3

Committee: Nomination

Mark has over 25 years' experience in managing debt, property and private equity assets and providing corporate finance and strategic advice, predominantly to public companies in the United Kingdom. Prior to founding Hibridge Capital (a London-based boutique private equity and advisory business) in 2003, Mark was a shareholder and employee of Hawkpoint Partners, which was the management buy-out of NatWest Markets' corporate finance business. Mark worked for BoE Ltd where he served on the executive committee of the group's international business. Mark also worked at KPMG (London) as a manager. Mark is the chairperson of Trelidor, the physical barrier security business in South Africa, and is the chairperson of African Rainbow Capital Investments Ltd, an investment holding company listed on the Main Board of the JSE, focused on investing in financial services businesses and acquiring majority or significant minority interests in non-financial services businesses. Mark was also chairperson of a China- and retail-focused real estate company managed by Blackstone Inc. and Macquarie Asset Management prior to its disposal. Since 2012, he has managed a private fund investing in affordable housing in central London.



Executive directors

Stephen Delpoit (40)

BSc (Hons) Mathematics

(South African)

Chief executive officer

Date of appointment: 1 March 2016

Listed company directorships: 1

Committees: Investment and risk

Stephen has a BSc with a financial orientation, majoring in mathematics, mathematical statistics and economics and a BSc (Hons) Mathematics from the University of Johannesburg. Stephen started his career in 2003 in the asset management industry as a research analyst. He has gained a thorough insight into the global listed real estate industry, having managed several different portfolios to date including collective investment schemes, exchange traded funds and hedge funds. Stephen joined Resilient REIT in 2007 and Rockcastle Global Real Estate Company Limited ("Rockcastle") in 2012 and has been part of a successful and consistent property investment philosophy and process.



Justin Muller ⁽³⁷⁾

CA(SA)

(South African – based in the Netherlands)

Chief investment officer

Date of appointment: 13 May 2019

Listed company directorships: 1

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

Kobus van Biljon ⁽⁴⁴⁾

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

(South African – based in the Netherlands)

Chief financial officer

Date of appointment: 16 August 2017

Listed company directorships: 1

Kobus 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.



Jan Wandrag¹ ⁽⁴¹⁾

BCom (Law)

(South African – based in Mauritius)

Chief operating officer

Date of appointment: 22 August 2016

Date of resignation: 5 February 2021

Listed company directorships: 1

Committee: Social and ethics

Jan joined Lighthouse from Maitland in Mauritius where he managed their operations and business development from 2013. Jan served as a director and trustee of numerous companies and trusts set up on behalf of high net worth individuals and families, corporations and various funds. Before joining Maitland, Jan managed a team at GMG Trust Company which provided independent administration services to corporate structures including syndications, securitisations, B-BBEE structures, hedge funds, property investment trusts and debenture trusts from 2009.

During this time, he served as a director of various JSE-listed entities, including financial vehicles created by banks and other blue-chip organisations. From 2006 to 2009, Jan worked as a legal officer at Integer and was part of the team responsible for providing legal advice, collections, credit processes and product development. Jan holds a BCom (Law) degree from the University of Johannesburg. Jan resigned as director of Lighthouse with effect from 5 February 2021, and as chief operating officer of the company with effect from 28 February 2021.



¹ Jan Wandrag resigned as director and chief operating officer of the company on 5 February 2021 and 28 February 2021, respectively. Nina Kretzmann was appointed as director and chief operating officer of the company on the same respective dates.

Board of directors continued

Non-executive directors

David Axten (53)

BCom (Economics and Business Economics)

(British/South African – based in Mauritius)

Independent non-executive director

Date of appointment: 17 January 2019

Listed company directorships: 1

Committees: Remuneration, risk and social and ethics

David is an executive director of Axfin Holdings Ltd, a Mauritian company offering business development services to the financial services industry. David is a Mauritian resident having initially arrived in Mauritius with Rand Merchant Bank in 2000, and has spent 25 years operating in the financial and capital markets.



Karen Bodenstein (39)

BCom (Accounting Sciences)

(Mauritian)

Independent non-executive director

Date of appointment: 27 September 2016

Listed company directorships: 1

Committees: Audit (chairperson), nomination and risk (chairperson)

Karen is an accountant with over 16 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 and is currently the chief financial officer of African Rainbow Capital Investments Limited. 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.

Stuart Bird (60)

B Agric, B Com, Dip Acc, CA(SA)

(South African) (*alternate director to Des de Beer*)

Independent non-executive director

Date of appointment: 12 February 2020

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 Ltd, in 1993, whereafter he was promoted to managing director in 1999. In 2001, he joined Mr Price Apparel (a division of Mr Price Group Ltd) 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 Ltd in 2010 and promoted to chief executive officer in 2011, in which position he remained until his retirement in 2019.





Des de Beer ⁽⁶⁰⁾

BProc MAP

(South African)

Non-independent non-executive director

Date of appointment: 27 May 2020

Listed company directorships: 3

Committees: Investment and remuneration

Des 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. Des was a founder of Resilient REIT Limited, a South African Real Estate Investment Trust, where he has served as chief executive officer since its listing in 2002. He was also a founder of New Europe Property Investments plc and its successor NEPI Rockcastle plc. He served as a non-executive director of these companies and chaired the investment committees until May 2020. Des is currently a non-executive director of Hammerson plc, serving on its investment and disposal committee.

Paul Edwards ⁽⁶⁷⁾

BSc and MBA

(British – based in Mauritius)

Independent non-executive director

Date of appointment: 17 January 2019

Listed company directorships: 1

Committees: Audit, investment (chairperson), nomination (chairperson) and remuneration

Paul is executive chairperson of V2 and ZappGroup Limited, an African mobile payments business, and Equilibre Bio-Energy Production Limited, a Mauritian-based bio-energy business. He is also chairperson of Joint Aid Management, an NGO that operates across Africa. He is a former non-executive director of Cell C and Nasdaq-listed Net1 UEPS Limited. In addition, Paul was a former executive chairperson of Emerging Markets Payments Holdings, chief executive officer of MTN Group, Africa's largest mobile telecommunications operator, chief executive officer of M-NET, DStv, Johnnic Limited and executive chairperson of Chartwell Capital.



Barry Stuhler ⁽⁶³⁾

BCom, BAcc, CA(SA)

(South African)

Independent non-executive director

Date of appointment: 16 August 2017

Listed company directorships: 1

Committees: Audit, investment, nomination, remuneration (chairperson) and social and ethics (chairperson)



Barry is a chartered accountant who completed his articles with Arthur Young. Barry's experience includes management of the Part Bond Scheme and Gilt Fund for Hill Samuel Merchant Bank. He was financial director of Integrated Property Resources and managing director of Intaprop Management Services, the property management company for the Intaprop group. In 1994, Barry co-founded Inline Properties, a property management and corporate property advisory company. Barry was a founding director of Resilient REIT Limited. In 2004, he became managing director of Property Fund Managers Limited ("PFM"), the asset manager of Capital Property Fund ("Capital"). He joined the Pangbourne Properties Limited ("Pangbourne") board as executive director in 2007 and served as the managing director of the company from 2008 to 2015. After the merger with Pangbourne, Barry was reappointed as managing director of PFM. Subsequent to the merger between Capital and Fortress, Barry retired as an executive director.

Board of directors continued

Attendance at board and sub-committee meetings

Director	Board	Audit committee	Investment committee	Nomination committee	Remune-ration committee	Risk committee	Social and ethics committee
Non-executive directors							
Mark Olivier (chairperson of the board from 17 January 2019)	11/11 (chair)			3/3			
David Axten (appointed on 17 January 2019)	11/11				2/2	3/3	2/2
Karen Bodenstein	11/11	6/6 (chair)		3/3		3/3 (chair)	
Paul Edwards (appointed on 17 January 2019)	11/11	6/6	8/8 (chair)	3/3 (chair)	2/2		
Barry Stuhler	11/11	6/6	8/8	3/3	2/2 (chair)		2/2 (chair)
Des de Beer (appointed on 27 May 2020)	5/5		4/4		1/1		
Stuart Bird (alternate to Des de Beer)	8/8		2/2				
Executive directors							
Stephen Delport	11/11		8/8			3/3	
Justin Muller (appointed on 13 May 2019)	11/11						
Kobus van Biljon	11/11						
Jan Wandrag (resigned on 5 February 2021)	11/11						2/2

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 SEM Listing Rules and the JSE Listings Requirements. With regard to directors' dealings in the shares of their own company, the directors confirm that they have followed the absolute prohibition principles and notification requirements of the model code for security transactions by directors as detailed in Appendix 6 of the SEM Listing Rules. All directors' trading must take place exclusively outside the closed periods prescribed by the Stock Exchange Regulations and requires written authorisation from the board of directors. 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		Associate holding		Total shares held		Percentage of issued shares	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Mark Olivier (chairperson)	–	–	1 620 575	1 053 843	–	–	1 620 575	1 053 843	0,134	0,230
David Axten	3 291	3 291	–	–	–	–	3 291	3 291	–	0,001
Des de Beer	–	–	218 505 028	–	–	–	218 505 028	–	18,091	–
Paul Edwards	34 567	–	–	–	–	–	34 567	–	0,003	–
Barry Stuhler	–	–	73 454 096	4 145 453	–	–	73 454 096	4 145 453	6,082	0,906
Stephen Delpont	–	–	8 000 000	4 500 000	9 528	6 046	8 009 528	4 506 046	0,663	0,984
Justin Muller	–	–	1 150 706	791 396	–	–	1 150 706	791 396	0,095	0,173
Kobus van Biljon	517 508	389 789	–	–	–	–	517 508	389 789	0,043	0,085
Total	555 366	393 080	302 730 405	10 490 692	9 528	6 046	303 295 299	10 889 818	25,112	2,379

The shareholding of directors has not changed between the end of the financial year and the date on which the financial statements were approved.

Board of directors continued

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 also the chairperson of Trelidor Holdings Ltd (South Africa), a company which manufactures physical barrier security. He is also a director in Hibridge Corporate Services (Mauritius), Hibridge Capital UK Ltd, L J C Shipping Ltd (Mauritius), Newgen Ventures Ltd, and Affordable Property Investments Ltd. He is an independent non-executive director of African Rainbow Capital Investments Ltd, a company listed on the JSE. He is a beneficiary of the Thistle Trust which owns 1 620 575 shares in the company.
David Axten	David is a director of Clearance Cantara Master Fund Ltd (Cayman), Clearance Segura Master Fund Ltd (Cayman), Rathlin Ltd (Mauritius), Thanos (Mauritius) Ltd, Crypto (Mauritius) Ltd, Drift (Mauritius) Ltd, Axfin Holdings Ltd, Heba Investments Ltd, L J C Shipping Ltd, Survival Technology Africa Ltd, Transformers Investment Ltd, Whippersnapper Ltd, Gear Holdings Ltd, Clearance Camino Fund Ltd, African Steel Merchants Ltd, Inclusion7 Ltd, South Suez PE Investments Ltd, Cuco Resources Ltd, Aurum Resources Ltd, In 2 Africa Ltd, Indigo Ltd and Somika Mining.
Karen Bodenstein	Karen is a director in Rockcastle UK Property SPV Ltd, Rockcastle Europe Ltd, Rockcastle Global Real Estate Company Ltd, Rockcastle Global Securities Ltd, Pembani Remgro MU GP Ltd, PRIF Africa Holdings Ltd, PRIF AfriVest Ltd, PRIF BorderVest Ltd, PRIF Mauritius Managers Ltd, PRIF NLVest Mauritius Ltd, PRIF SAVest Mauritius Ltd, MyBase Ltd and Emerge Development, Project Management Ltd, GridX Duara Holdings and Genavest Holdings Ltd.
Des de Beer	Des is a director in Beaulieu College Properties (Pty) Ltd, Kyalami Preparatory Holdings (Pty) Ltd, Optimprops 3 Proprietary Ltd, Resilient REIT Ltd**, Jutlander Investments (Pty) Ltd and Hammerson plc. **Subsidiaries of Resilient REIT Ltd where currently a director: Resilient Properties (Pty) Ltd, Resilient 5 (Pty) Ltd, Resilient Africa Managers (Pty) Ltd, Resilient Africa (Pty) Ltd, Irene Mall (Pty) Ltd, Resilient International (Pty) Ltd, Pure Diamond Investments (Pty) Ltd, Resilient 1 (Pty) Ltd, Resilient 2 (Pty) Ltd, Resilient 3 (Pty) Ltd, Resilient 4 (Pty) Ltd and Resilient 6 (Pty) Ltd.
Paul Edwards	Paul is a director of Equilibre Bio-Energy Ltd (Mauritius), V2 Holdings Ltd (Mauritius), ZappAfrica Ltd (Mauritius), Merryn Capital Ltd (BVI) and Joint Aid Management International Ltd (Mauritius).
Barry Stuhler	Barry is a director in Platinum Mile Investments 110.
Stuart Bird (alternate to Des de Beer)	Stuart is a director of Resilient REIT Ltd.
Executive directors	
Stephen Delpont	Stephen is a director of IPMC Pty Ltd.
Justin Muller	Justin is a director of Grzybowska (Pty) Ltd, Lighthouse Netherlands B.V., Lighthouse Investments Netherlands B.V. and Lighthouse Netherlands Two B.V.
Kobus van Biljon	Kobus is a director of Lighthouse One Ltd, Lighthouse Investments Ltd, Lighthouse One UK Ltd, Lighthouse Netherlands B.V., Lighthouse Investments Netherlands B.V., Lighthouse Netherlands Two B.V., Lighthouse Investments d.o.o., Greenbay Tivoli d.o.o., Torre de Farol Properties – Sociedade de Gestão de Imóveis, S.A., Forum Coimbra – Sociedade Imobiliária, S.A. and RPPSE Forum Viseu – Sociedade Imobiliária, S.A.
Jan Wandrag	Executive director of Cajari Ltd. Non-executive director of Heimdall Ltd.

Audit committee's report

The audit committee is pleased to submit its report for the period ended 31 December 2020.

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 relations with the external auditor. 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 the Code and King IV. The board reviewed the charter during the 2020 financial year.

The audit committee presently comprises: Karen Bodenstein (chairperson), Barry Stuhler and Paul Edwards, all of whom are independent non-executive directors. The chief executive officer and chief financial officer attend meetings as invitees. The committee members have unlimited access to all information, documents and explanations required in the discharge of their duties, as does the external auditor.

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 skills and experience necessary to 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 integrated report and interim financial 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 quarterly 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 40.

Execution of the 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 the balance between fees received by the external auditor for audit and non-audit work for the group in 2020 and concluded that the nature and extent of non-audit fees do not present a threat to the external auditor's independence. There were no non-assurance fees incurred in 2020 or 2019. 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 2020 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 met with the external auditor without management present, as necessary during the period.

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

Financial statements and accounting policies

The audit committee has reviewed principles, policies and practices adopted in the preparation of the financial statements for the 2020 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 International Financial Reporting Standards and the Companies Act.

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.

Audit committee's report continued

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, Kobus 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

18 March 2021

Investment committee's report

The investment committee is pleased to submit its report for the period ended 31 December 2020.

All acquisitions, disposals and capital expenditure are considered by the investment committee. The investment committee approves acquisitions, disposals and capital expenditure up to pre-set limits.

The investment committee consists of Paul Edwards (chairperson) and Barry Stuhler, who are independent non-executive directors, Des de Beer who is a non-independent non-executive director, as well as Stephen Delpont, who is an executive director. The committee boasts extensive experience and technical expertise in the property industry among the members of the committee.

The investment committee's responsibilities and duties are governed by a charter that was reviewed during the 2020 financial year.

No external advisors attended any of the investment committee meetings.

Details of the composition of the committee and attendance at meetings are set out on page 40.

Activities during the year

The committee met for the following purposes:

- > To consider recommendations from management for acquisitions, capital expenditure and disposals;
- > To authorise transactions that fall within its mandate;
- > To make recommendations to the board regarding transactions that fall outside its approval mandate;
- > To evaluate investment performance; and
- > To 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.

The committee is satisfied that it has fulfilled its responsibilities.



Paul Edwards
Chairperson of the investment committee

18 March 2021

Nomination committee's report

The nomination committee is pleased to submit its report for the period ended 31 December 2020.

The nomination committee is mandated by the board to identify suitable candidates to be appointed to the board in order to fill vacancies, ensure that there is a succession plan in place for key management, assess the independence of non-executive directors and assess the composition of the board sub-committees. The nomination committee recommends individuals to the board for appointment.

The nomination committee comprises four independent non-executive directors, being Paul Edwards (chairperson) Karen Bodenstein, Mark Olivier and Barry Stuhler.

The nomination committee's responsibilities and duties are governed by a charter that was reviewed by the board during the 2020 financial year.

No external advisors attended any of the nomination committee meetings.

Details on the composition of the committee and attendance at meetings are set out on page 40.

Activities during the year

The committee met for the following purposes:

- > Reviewing and making recommendations in relation to board composition, competencies and diversity to ensure vacancies are filled by suitable candidates;
- > Periodically assessing the skills required to competently discharge the board's duties, taking into account the group's strategic direction and assessing the current members' skills;
- > Regularly reviewing and making recommendations to the board regarding its structure, size, effectiveness and composition (including the mix of skills, knowledge and experience);
- > Developing strategies to address board diversity;
- > Developing and reviewing board succession plans;
- > Giving 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;
- > Identifying existing directors who are due for re-election by rotation at the annual general meeting; and
- > Making the committee's charter publicly available and explaining its role and the authority delegated to it by the board.

The committee is satisfied that it has fulfilled its responsibilities.



Paul Edwards

Chairperson of the nomination committee

18 March 2021

Remuneration committee's report

The remuneration committee is pleased to submit its report for the period ended 31 December 2020.

The remuneration committee is mandated by the board to authorise the remuneration and incentivisation of all employees, including executive directors.

In addition, the remuneration committee recommends directors' fees payable to non-executive directors and members of board sub-committees.

Further details are provided in the remuneration report which follows.

The remuneration committee comprises three independent non-executive directors, being Barry Stuhler (chairperson), Paul Edwards and David Axten, and one non-independent non-executive director, Des de Beer.

The remuneration committee's responsibilities and duties are governed by a charter that was reviewed by the board in the 2020 financial year.

No external advisors attended any of the remuneration committee meetings. No external advisors were employed to assist with the preparation of the 2020 remuneration policy.

Details on the composition of the committee and attendance at meetings are set out on page 40.

Activities during the year

The committee met for the following purposes:

- > Overseeing the development and annual review of the remuneration policy and presenting it to the board for approval;
- > Monitoring the implementation and administration of the remuneration policy;
- > Determining remuneration for executive directors in accordance with the remuneration policy;
- > Ensuring that the group's remuneration policies are aligned with its strategy and create long-term value for the group over the long term; and
- > Recommending the fees paid to non-executive directors and members of board sub-committees to be approved by the shareholders.

The committee is satisfied that it has fulfilled its responsibilities.



Barry Stuhler

Chairperson of the remuneration committee

18 March 2021

Remuneration report Background statement

Lighthouse's remuneration committee oversees the development and annual review of the remuneration policy, which is ultimately approved by the board. In doing so, it ensures that the policy aligns the executive and management remuneration with the value delivered to the group's stakeholders and further recognises exceptional individual contributions. The committee has been 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 staff who demonstrate the

behavioural traits which fit the group's entrepreneurial and dynamic culture.

The remuneration policy is based on the following guiding principles:

- > Remuneration must support key business strategies;
- > 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 be structured to attract, motivate and retain talented employees;
- > The remuneration policy should promote risk management and not encourage excessive risk taking by key decision-makers;

- > 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; and
- > Remuneration should be equitable, both from an internal perspective, taking into account employees, their roles and qualifications, and from an external perspective, ensuring that remuneration is in line with the market.

Remuneration policy

The remuneration policy is aligned with the strategic objective of the company, which is to create long-term, sustainable value for stakeholders. Remuneration is a combination of salary, short-term performance-based incentivisation and long-term incentivisation in order 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 is applicable to the company's executive directors as well as all employees.

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

Executive and management remuneration principles

The group draws from a wide variety of sources in determining the remuneration of staff, 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 as well as international sources.

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

Variable pay comprises short-term performance incentives through cash bonuses and long-term incentives through the Share Incentive scheme. Short-term performance incentives are used to motivate and reward annual performance in line with the group's strategic goals. This remuneration is

payable in cash and is based on the individual's performance which is, inter alia, linked to the group's performance.

Long-term incentives create value and align the interests of employees with shareholders. There were no shares issued in terms of the long-term incentive as of the current financial reporting date.

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

The 2020 remuneration policy and the 2019 remuneration implementation report were voted in favour of by 90,08% of shareholders at the annual general meeting held on 30 January 2020 for the year ended 30 September 2019.

Remuneration committee's report continued

The methods for determining the various 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 committee considers the following when reviewing TGPs: > Inflation over the period; > Market for the specific employee's skills; > Individual performance; and > Group performance, including growth in distributions per share. TGPs are reviewed annually in November and adjustments are effective on 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 committee considers the following when reviewing TGPs: > Inflation over the period; > Market for the specific employee's skills; > Individual performance; > Changes in responsibilities; and > Gains in experience. TGPs are reviewed annually in November and adjustments are effective on 1 January.
Short-term incentive plan ("STIP")	Executive directors and management	Variable	Achievement of short-term organisational goals	The committee awards cash and/or share bonuses to management based on key performance indicators including, but not limited to: > Financial performance, such as growth in distributions or net asset value; > Operational performance, such as limiting vacancies or maintaining low tenant arrears; > Debt risk management, such as hedging a minimum level of interest rate exposure; and > Other quantitative and qualitative factors determined by the board.

Long-term incentive plan (“LTIP”)

Alignment of long-term organisational goals and pursuing sustainable long-term total stakeholder returns.

Executive directors and management	Variable	
Salient features	Based on predetermined criteria, employees may be awarded shares.	
	Employees take full market risk on the shares from date of issue. This aligns the interests of employees and stakeholders more closely.	
	Backdating of share-based incentives is not permitted.	
	Long-term Share Incentive scheme allocations are made once per annum outside closed periods.	
Factors used in determination of quantum	Relative performance and compound annual growth in distributions (“CAGR”) over a benchmark.	
Relative performance	Peer group	Comparable European property companies
	Peer group calculation	50% of annual package if total shareholder return (“TSR”) is in the first quartile and 25% of annual package if TSR is in the second quartile relative to the peer group
Growth in distributions	Benchmark	Inflation plus 3%
	Inflation	Three-year CAGR in inflation
	Distributions	Three-year CAGR in distributions
	Performance calculation	20% of annual package for every 1% distribution outperformance over the benchmark
Maximum LTIP entitlement	300% of annual package	
Participant options	Option 1	Receive entitlement in shares
	Option 2	Gear-up the entitlement up to a maximum of four times the entitlement
Option 1		
Discount	Up to 5%	
Vesting period	Over five years	
Market risk	100% assumed by the participant	
Option 2		
Discount	Up to 5%	
> Vesting period	> Over five years	
> Market risk	> 100% assumed by the participant	
> Subsidy in the event of an interest shortfall	> None	
> Loan repayment	> Earlier of seven years or termination of employment	
> Interest rate	> Weighted average cost of funding for the group	
Maximum loan to a participant in total	20 times annual remuneration	

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.

Remuneration committee's report continued

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 and if this day falls on 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 2020 EUR	Bonus 2020 EUR	Salary 2019 EUR	Bonus 2019 EUR
GROUP				
Executive director				
Stephen Delpont	286 993	78 613	244 446	20 100
Justin Muller	255 313	69 678	75 521	15 104
Kobus van Biljon	217 229	72 165	168 836	14 176
Jan Wandrag*	128 147	–	116 988	10 029
Nina Kretzmann**	–	–	–	–
Total	887 682	220 456	605 791	59 409
COMPANY				
Executive director				
Stephen Delpont	286 993	78 613	244 446	20 100
Justin Muller	–	–	–	–
Kobus van Biljon	–	–	–	–
Jan Wandrag*	128 147	–	116 988	10 029
Nina Kretzmann**	–	–	–	–
Total	415 140	–	361 434	30 129

* Jan Wandrag resigned from the board on 5 February 2021.

** Nina Kretzmann was appointed to the board on 5 February 2021.

The bonuses reflected in the 2019 section of the table above relate to the performances during the 2019 financial year, were provided for in the 2019 financial year and were paid in the 2020 financial year. No Share Incentive plan expenses were incurred during the current or prior periods. The bonuses reflected in the 2020 section of the table above relate to performance during the 2020 financial period, and were accrued, EUR 14 200 of which was paid during the 2020 period.

Key performance indicators	Target	Result	Executive directors*	
			Weight %	Achieved %
Financial performance			60,0	55,0
Growing distributions (EUR cents per share)	3,1500	3,3584	30,0	100,0
Ensuring that at least 80% of the group's direct property exposure to interest rate movement is hedged	80,0%	100,0%	5,0	100,0
Ensuring an average interest rate hedge term longer than four years	4,0 years	4,6 years	5,0	100,0
Growth in like-for-like net property income	>3,0	<3,0	5,0	–
Gearing ratio not more than 45%	<=45,0	13,0	15,0	100,0
Operational performance			30,0	10,0
Limiting vacancies to less than 2,5% of total GLA	<2,5	0,9	10,0	100,0
Tenant receivable provision expense as a % of revenue	<1,0	2,1	10,0	–
Gross property expenses to revenue ratio <35%	<35,0	36,3	10,0	–
Qualitative factors			10,0	10,0
Hammerson strategy				
– Board representation	1	1	5,0	100,0
– % holding of company	20,0	21,6	5,0	100,0
Total key performance indicators				75,0

* Executive directors who are employed on the financial reporting date i.e. Stephen Delpont, Justin Muller and Kobus van Biljon.

Remuneration committee's report continued

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 annual general meeting.

Attendance of directors at the various board and sub-committee meetings is disclosed on page 40.

Non-executive directors do not participate in the STIP or the LTIP 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) 2020 EUR	For services as a director (paid by the company) 2019 EUR
Mark Olivier ¹	Chairperson Nomination committee member	33 200	25 297
David Axten ²	Remuneration committee member Risk committee member Social and ethics committee member	21 850	11 994
Stuart Bird ³	Alternate to Des de Beer	5 048	–
Karen Bodenstein ⁴	Audit committee chairperson Risk committee chairperson Nomination committee member	28 200	22 000
Des de Beer ⁵	Investment committee member Remuneration committee member	10 433	–
Paul Edwards ⁶	Investment committee chairperson Nomination committee chairperson Audit committee member Remuneration committee member	32 050	17 639
Barry Stuhler ⁷	Remuneration committee chairperson Social and ethics committee chairperson Audit committee member Investment committee member Nomination committee member	32 050	25 000
Teddy Lo Seen Chong ⁸	Remuneration committee member Risk committee member Social and ethics committee member	–	–
Terry Warren ⁹	Chairperson	–	7 067
		162 831	108 997

¹ Mark Olivier was appointed as chairperson of the board on 17 January 2019 and resigned as chairperson of the investment committee and as a member of the audit committee.

² David Axten was appointed to the board on 17 January 2019 and as a member of the risk, remuneration and social and ethics committees on the same date.

³ Stuart Bird was appointed to the board as a member of the investment and remuneration committees on 12 February 2020 and became an alternate to Des de Beer on 27 May 2020.

⁴ Karen Bodenstein was appointed to the board, as chairperson of the audit and risk committees and as a member of the nomination committee on 27 September 2016.

⁵ Des de Beer was appointed to the board as a member of the investment and remuneration committees on 27 May 2020.

⁶ Paul Edwards was appointed to the board as chairperson of the investment and nomination committees and as a member of the remuneration and audit committees on 17 January 2019.

⁷ Barry Stuhler was appointed to the board on 16 August 2017. He was appointed as chairperson of the remuneration and social and ethics committees and as a member of the audit, nomination and investment committees.

⁸ Teddy Lo Seen Chong resigned from the board on 17 January 2019 due to other commitments. He resigned as a member of the risk, remuneration and social and ethics committees on the same date. Teddy's remuneration was incorporated into the fees paid by the company to Intercontinental Trust Ltd, the company's company secretary.

⁹ Terry Warren resigned from the board and as chairperson on 17 January 2019, and is retired.

The 2020 non-executive directors' fees are as follows:

Participation	Member/ chairperson	Annual remune- ration EUR	Mark Olivier EUR	David Axten EUR	Stuart Bird EUR	Karen Boden- stein EUR	Des de Beer* EUR	Paul Edwards EUR	Barry Stuhler EUR	Total EUR
Board of directors	Member	12 300	–	15 300	3 548	15 300	7 333	15 300	15 300	72 081
Board of directors	Chairperson	24 600	30 600	–	–	–	–	–	–	30 600
Audit committee	Member	3 100	–	–	–	–	–	3 850	3 850	7 700
Audit committee	Chairperson	5 200	–	–	–	6 450	–	–	–	6 450
Risk committee	Member	2 100	–	2 600	–	–	–	–	–	2 600
Risk committee	Chairperson	3 100	–	–	–	3 850	–	–	–	3 850
Investment committee	Member	3 100	–	–	894	–	1 848	–	3 850	6 592
Investment committee	Chairperson	5 200	–	–	–	–	–	6 450	–	6 450
Remuneration committee	Member	2 100	–	–	606	–	1 252	2 600	–	4 458
Remuneration committee	Chairperson	3 100	–	–	–	–	–	–	3 850	3 850
Nomination committee	Member	2 100	2 600	2 600	–	2 600	–	–	2 600	10 400
Nomination committee	Chairperson	3 100	–	–	–	–	–	3 850	–	3 850
Social and ethics committee	Member	1 100	–	1 350	–	–	–	–	–	1 350
Social and ethics committee	Chairperson	2 100	–	–	–	–	–	–	2 600	2 600
			33 200	21 850	5 048	28 200	10 433	32 050	32 050	162 831

* All fees are paid to Resilient REIT.

Payments to past directors

There were no payments to past directors in 2020.

Payments for loss of office

There were no payments for loss of office to any employees or past directors in 2020.

Risk

committee's report

The risk committee is pleased to submit its report for the period ended 31 December 2020.

The risk committee is mandated by the board to ensure that a sound risk management system is maintained to assist the board in discharging its duties relating to the safeguarding of assets and to ensure that the company has implemented an effective plan for risk management that will enhance the company's ability to achieve its strategic objectives.

The risk management plan is in line with industry practice, reviewed annually and the risk matrix is presented and discussed at each meeting. The risk committee is satisfied that the company has complied, in all material respects, with its risk management policy.

The risk committee consists of Karen Bodenstein (chairperson and independent non-executive director), David Axten, an independent non-executive director and an executive director, Stephen Delpont. The board has determined that the committee members have the necessary skills and experience to contribute to the effective implementation of the risk committee charter.

The risk committee's responsibilities and duties are governed by a charter that was reviewed by the board during the 2020 financial year.

No external advisors attended any of the risk committee meetings.

Details on the composition of the committee and attendance at meetings are set out on page 40.

Internal controls

Within the sphere of risk management, special attention is paid to the company's internal controls by the board. In discharging its responsibility for the effectiveness of internal controls during the year, the board's approach was based on the internal control framework summarised below:

- > Clear statements of the powers and responsibility of the board;
- > The establishment of scrutinising sub-committees, reporting to the board, covering key risk and operational exposures;
- > Prescribed investment mandate limits;
- > Ability of independent directors to provide support to executive directors;
- > Effective systems for authorising investment and other capital expenditure;
- > Regular review meetings with management, managing agents and other advisors, including adequacy of reporting arrangements;
- > Regular reporting to the board of operational forecasts and results with explanations of variances; and
- > Regular review of the company's capital funding requirements and debt/interest exposure.

All significant areas were covered by the internal controls.

The board does not believe that there are any risks or deficiencies in the company's system of internal controls.

Activities during the year

The committee met to:

- > Oversee the development and annual review of a policy and plan for risk management to recommend for approval to the board;
- > Monitor implementation of the policy and plan for risk management implemented via risk management systems and processes;
- > Make recommendations to the board concerning the levels of tolerance and appetite;
- > Monitor that risks were 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;
- > Ensure that risk management assessment and risk monitoring are performed on a continuous basis;
- > Acknowledge the mitigating action plans committed by the business functions and review 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;
- > Liaise closely with the audit committee to exchange information relevant to risk;
- > Express the committee's formal opinion to the board on the effectiveness of the system and process of risk management; and
- > Review reporting concerning risk management that is to be included in the integrated report to ensure that it is timely, relevant and comprehensive.

The committee is satisfied that it has fulfilled its responsibilities.



Karen Bodenstein
Chairperson of the risk committee

18 March 2021

Social and ethics committee's report

The social and ethics committee is pleased to submit its report for the period ended 31 December 2020.

The social and ethics committee's focus is to monitor compliance with labour legislation as well as corporate social responsibilities and corporate citizenship. The social and ethics committee also serves to ensure that the reporting requirements on corporate governance are in accordance with the principles of the Code.

The social and ethics committee comprises Barry Stuhler (chairperson and independent non-executive director), David Axten, an independent non-executive director and Jan Wandrag, an executive director, who resigned from the board with effect from 5 February 2021. Nina Kretzmann replaced Jan Wandrag on the board and this committee with effect from 5 February 2021.

The social and ethics committee's responsibilities and duties are governed by a charter that was reviewed by the board during the 2020 financial year.

No external advisors attended any of the social and ethics committee meetings.

Details on the composition of the committee and attendance at meetings are set out on page 40.

Sustainability reporting

At Lighthouse, our approach to the concept of sustainability relates to the maintenance and enhancement of environmental, social and economic resources in order to meet the needs of current and future generations.

This is founded on a commitment to being a good corporate citizen and operating in a commercially sensible and socially responsible manner. The committee will continuously review the need to implement processes to ensure ethical behaviour remains part of the long-term sustainability of the company in the future.

Environmental

Lighthouse has adopted an environmental policy which sets out its intentions and commitment to sustainability through, inter alia, the reduction of electricity consumption and water usage. This policy is monitored by executive management. Energy efficiency is foremost in our sustainability endeavours.

Lighthouse undertakes construction in the form of redevelopments of existing properties. Our aim is to minimise the impact on the environment.

Social

Our employees are as intrinsic to our business as our assets. We strive to create a productive working environment. We aim to attract and retain high-calibre, motivated employees. The remuneration of our employees is elaborated on in the remuneration report on 46 to 53.

As discussed in note 8 to the financial statements, Lighthouse had incentive loans which were granted to employees to enable them to purchase shares in Lighthouse. The previous incentive arrangement was unwound during the 2019 financial year.

The impact of developments on surrounding communities is carefully considered and we engage directly with these communities where possible.

Activities during the year

The committee met to monitor the company's activities with regard to any relevant legislation, other legal requirements or prevailing codes of best practice.

The committee met to draw certain matters to the attention of the board. These matters include:

- > Oversight of the compliance function;
- > Social and economic development;
- > Good corporate citizenship;
- > The environment, health and public safety;
- > Consumer relationships;
- > Labour and employment; and
- > Comprehensive, timely and relevant sustainability reporting.

The committee is satisfied that it has fulfilled its responsibilities.



Barry Stuhler

Chairperson of the social and ethics committee

18 March 2021

Financial statements





Forum Coimbra – Portugal

Directors' responsibility for the financial statements

for the 15 months ended 31 December 2020

The directors acknowledge their responsibilities for:

- > Adequate accounting records and maintenance of effective internal control systems;
- > The preparation of financial statements which fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for that year and which comply with International Financial Reporting Standards ("IFRS"); and
- > The selection of appropriate accounting policies supported by reasonable and prudent judgements. The external auditor is responsible for reporting on whether the financial statements are fairly presented.

The directors report that:

- > The financial statements, set out on pages 64 to 125, fairly present in all material respects the financial position, financial performance and cash flows of Lighthouse in terms of IFRS;
- > No facts have been omitted or untrue statements made that would make the financial statements false or misleading;
- > Internal financial controls have been put in place to ensure that material information relating to Lighthouse and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
- > The internal financial controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of King IV. No deficiencies in design and operational effectiveness of the internal financial controls were noted that required disclosure to the audit committee and the auditor. No fraud was detected during the period.

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 a going concern 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:
 - Mauritian Companies Act 2001;
 - Mauritian Securities Act 2005;
- > The company's constitution; and
- > The Code of Corporate Governance, except for the following matter:
 - Job descriptions of key senior governance positions have not been disclosed, as the directors deemed the job descriptions to be self-explanatory as per the job titles of the relevant positions concerned.

Approval of the financial statements of the company

The financial statements of the group and company were approved for issue by the board of directors on 18 March 2021 and signed on its behalf by:



Stephen Delpont
Chief executive officer



Kobus van Biljon
Chief financial officer

Company secretary's certificate

for the 15 months ended 31 December 2020

We certify that, to the best of our knowledge and belief, the company has filed with the Registrar of Companies all such returns as are required of the company under the Mauritian Companies Act 2001.



Intercontinental Trust Ltd
Company secretary

18 March 2021

Independent auditor's report

to the Shareholders of Lighthouse Capital Limited

Opinion

We have audited the consolidated financial statements of Lighthouse Capital Limited (the Group), and the company's separate financial statements on pages 64 to 125 which comprise the statements of financial position as at 31 December 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 64 to 125 give a true and fair view of the financial position of the Group and of the company as at 31 December 2020 and of their financial performance and their cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

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 are independent of the Group and of the company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

We provide below a description of how our audit addressed each key audit matter identified.

The group

KEY AUDIT MATTER	AUDIT RESPONSE
1. Valuation of investment properties	
Investment property held by the Group, carried at fair value, amounted to EUR 248,5 million at 31 December 2020, representing 62% of total assets. The valuation exercise involves significant accounting estimates and a range of judgmental assumptions, more specifically in the current context of the global Covid-19 pandemic and the resultant lockdown. Valuation of investment properties has thus been considered as a key audit matter. <i>Refer to note 3 of the accompanying financial statements.</i>	As part of our audit procedures, the valuation reports were reviewed with regards to source data on revenue, assumptions, methodologies used and the following were also considered: > Assessed the independence, reputation and credentials of the valuation experts and that the valuation experts applied the appropriate valuation methodology; > Tested the reasonableness of the model used, which is the market approach, based on discounted cash flows; > Re-performed what would be the cash flows for year one, based on actual data and for year 2 also to assess the reasonableness of estimated cash flows used; > Assessed whether yields are in line with expectations; > Verified the correct accounting of the fair value loss that arose during the financial period; and > For the property in Slovenia, an independent auditor's expert (a certified property appraiser, MRICS) has been engaged who assisted us in reviewing the valuation reports prepared by management and management's experts. The input data related to existing rental contracts were verified with the rental contracts on a sample basis.

KEY AUDIT MATTER	AUDIT RESPONSE
2. Investment in equity-accounted associate During the period, the group obtained significant influence over a UK company classified as a real estate investment trust (REIT). The investee was equity accounted for and carrying amount stood at EUR 70 million at 31 December 2020. The investee company has been significantly impacted by the restrictions imposed to tackle the Covid-19 pandemic. This has resulted in a fall in its net rental income, property revaluation deficits and a general downturn in its results. The auditors of the investee company have reported as key audit matters the following: > Uncertainty related to going concern; and > Significant estimation uncertainty in relation to the valuation of investment properties in Ireland as the third party valuers have included a material valuation uncertainty clause in their valuation report. In view of the above uncertainties caused by the volatility in the current retail real estate market, we have considered the investment in equity-accounted associate as a key audit matter. <i>Refer to notes 5.3 and 22 of the accompanying financial statements</i>	
	Our group audit procedures with respect to the equity-accounted associate consisted of: > Assessment of the significant influence exercise by the company to account for the investment as an equity-accounted associate; > Sending group audit instructions to the auditors of the investee, detailing materiality considerations and significant audit risk areas; > Holding discussion with the auditors of the investee at planning and completion phases of their audit. Emphasis was laid on their audit procedures on significant risk areas, namely valuation of investment properties and going concern, amongst other matters; > Reviewing the reporting of the associate's auditors and evaluating the appropriateness of audit work done to address the valuation of investment properties and the use of the going concern assumption by the investee company; and > Assessing the material uncertainty relating to going concern highlighted by the investee's auditors in light of the company's assessment of going concern.

The group and the company

KEY AUDIT MATTER	AUDIT RESPONSE
3. Investments	
As at 31 December 2020, the Group and the company had investments amounting to EUR 28,7 million and EUR 75,1 million. The significance of investments on the statement of financial position resulted in them being identified as a key audit matter. Investments are measured initially at cost. Subsequent to initial recognition, investments are carried at fair value based on market value at the reporting date. <i>Refer to note 4 of the accompanying financial statements.</i>	Our audit procedure consisted of testing, on a sample basis, additions and disposals during the year. We have agreed all investments to broker confirmations. We also verified the share price used in the valuation of investments at 31 December 2020 and the exchange rate used to retranslate investments denominated in foreign currencies.

The company

KEY AUDIT MATTER	AUDIT RESPONSE
4. Investments in and loans receivables from subsidiaries	
At 31 December 2020, investments in and loans to subsidiaries amounted to EUR 342 million. Investments in subsidiaries are carried at cost, less any impairment losses. Loans receivable from related parties are carried at amortized cost/fair value amortised cost less any impairment losses. The amounts are significant to the company's financial statements and thus considered as a key audit matter. The company's management performed an assessment of impairment of the subsidiaries' investments by: > Comparing subsidiaries' book values with their net asset values. <i>Refer to note 5.1 of the accompanying financial statements.</i>	> Ensured that the current impairment methodology for the company is consistent with the requirements of IFRS 9; > Checked appropriateness of the company's determination of credit risk and expected credit loss; > Tested the mathematical integrity of the impairment model; and > Assessed and discussed with management on the recoverability of the balances based on availability of liquid assets and management's knowledge of future conditions that may impact expected receipts.

Independent auditor's report continued

Other information

The directors are responsible for the other information. The other information comprises the information included in the integrated report (but does not include the corporate governance report, 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 express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 on the other information that we obtained prior to the date of this auditor's report, 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.

Corporate governance report

Our responsibility under the Financial Reporting Act is to report on the compliance with the code of corporate governance disclosed in the integrated report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the integrated report, the public interest entity has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

Responsibilities of directors and those charged with governance for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the 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 and the 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 and the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the group and the company'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 and the company's internal control;
- > Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors;
- > Conclude on the appropriateness of 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 and the 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 and the 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; and
- > 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, related safeguards.

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

Companies Act 2001

We have no relationship with, or interests in, the company or any of its subsidiaries, other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the company as far as it appears from our examination of those records.

Other matter

This report is made solely to the members of Lighthouse Capital Limited (the "company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



BDO & CO
Chartered Accountants

18 March 2021

Port Louis, Mauritius



Rookaya Ghanty, FCCA
Licensed by FRC

Consolidated statements of financial position

as at 31 December 2020

		GROUP		COMPANY	
	Notes	Audited Dec 2020 EUR	Audited Sep 2019 EUR	Audited Dec 2020 EUR	Audited Sep 2019 EUR
Assets					
Non-current assets		363 419 199	388 679 262	416 734 408	241 609 757
Investment property	3	248 467 000	301 201 607	–	–
Investments	4	28 734 532	43 741 545	75 081 335	25 435 552
Investment in and loans to subsidiaries	5.1	–	–	341 652 771	209 775 179
Investment in equity-accounted associate	5.3	69 987 352	–	–	–
Financial and other assets	7	4 150 110	19 455 978	302	6 399 026
Goodwill	6.1	12 080 205	24 280 132	–	–
Current assets		36 056 835	25 946 184	9 667 060	4 431 719
Investments	4	–	2 407 500	–	–
Loans to subsidiaries	5.1	–	–	405 036	269 273
Trade and other receivables	9	2 002 742	6 555 186	43 783	1 744 532
Cash and cash equivalents		34 054 093	16 983 498	9 218 241	2 417 914
Total assets		399 476 034	414 625 446	426 401 468	246 041 476
Equity and liabilities					
Total equity attributable to equity holders		261 967 606	247 276 091	422 659 819	245 667 675
Stated capital	10	346 556 171	145 801 666	346 556 171	145 801 666
Non-distributable reserve		(178 473 720)	32 211 782	8 997 246	48 557 555
Foreign currency translation reserve		(1 393 006)	(1 393 006)	–	–
Retained earnings		95 278 161	70 655 649	67 106 402	51 308 454
Total liabilities		137 508 428	167 349 355	3 741 649	373 801
Non-current liabilities		132 368 945	156 910 980	3 271 924	–
Interest-bearing borrowings	11	104 408 981	124 226 466	–	–
Loans from group companies	5.2	–	–	3 271 924	–
Deferred tax liabilities	12	27 464 475	32 037 986	–	–
Financial liabilities	13	495 489	646 528	–	–
Current liabilities		5 139 483	10 438 375	469 725	373 801
Interest-bearing borrowings	11	1 034 972	1 052 685	–	–
Financial liabilities	13	54 464	1 307 436	–	–
Trade and other payables	14	3 923 137	7 911 804	369 628	373 801
Current tax liabilities	18.2	126 910	166 450	100 097	–
Total equity and liabilities		399 476 034	414 625 446	426 401 468	246 041 476

Consolidated statements of profit or loss and other comprehensive income

for the 15 months ended 31 December 2020

	Notes	GROUP		COMPANY	
		Audited for the 15 months ended Dec 2020 EUR	Audited for the 12 months ended Sep 2019 EUR	Audited for the 15 months ended Dec 2020 EUR	Audited for the 12 months ended Sep 2019 EUR
Property rental and related revenue	15.1	26 137 558	25 252 231	–	–
Investment revenue	15.2	3 880 956	3 468 944	7 928 600	1 615 310
Finance income		455 089	997 927	454 516	686 177
Dividends and finance income from group companies		–	–	7 912 337	11 889 712
Total revenue		30 473 603	29 719 102	16 295 453	14 191 199
Fair value loss on investment property, investments and derivatives		(202 837 237)	(25 711 629)	(122 867 046)	(29 688 043)
Fair value loss on investment property	3	(16 381 385)	(3 204 334)	–	–
Fair value loss on investments		(146 896 045)	(18 280 315)	(57 272 763)	(7 881 990)
Fair value loss on currency, interest rate and other derivatives		(27 359 880)	(4 263 330)	(28 347 326)	(482 047)
Impairment (loss)/reversal	6.2	(12 199 927)	36 350	(37 246 957)	(21 324 006)
Property operating expenses	15.1	(11 296 156)	(7 389 699)	–	–
Administrative and other expenses		(5 060 336)	(3 033 210)	(2 136 931)	(871 051)
Foreign exchange loss		(5 580 010)	(13 877 205)	(3 250 025)	(7 105 494)
Share of loss of equity-accounted associate	5.3	(75 544 971)	–	–	–
Operating loss		(269 845 107)	(20 292 641)	(111 958 549)	(23 473 389)
Finance costs	11	(4 563 219)	(4 015 460)	(204 614)	(74 321)
Other income		–	136 040	–	–
Loss before tax	16	(274 408 326)	(24 172 061)	(112 163 163)	(23 547 710)
Income tax	17	3 215 104	(1 965 249)	(200 479)	(216 467)
Loss for the period attributable to equity holders of the company		(271 193 222)	(26 137 310)	(112 363 642)	(23 764 177)
Other comprehensive income net of tax:					
Items that may subsequently be reclassified to profit or loss:					
Share of other comprehensive income of equity-accounted associate		(3 471 048)	–	–	–
		(3 471 048)	–	–	–
Total comprehensive loss for the period attributable to equity holders of the company		(274 664 270)	(26 137 310)	(112 363 642)	(23 764 177)
Basic and diluted loss per share (EUR cents)	20	(34,56)	(5,72)	(14,32)	(5,13)

Consolidated statements of changes in equity

for the 15 months ended 31 December 2020

Notes

Balance at 30 September 2018

IFRS 16 – implementation adjustment

IFRS 9 – implementation adjustment

Restated balance at 30 September 2018

Consolidation of The Greenbay Share Trust

8

Total comprehensive income:

Loss for the year

Transfer to non-distributable reserve

Transfer of stated capital to non-distributable reserve

10.1

Distribution – return of capital

10.1

Cancellation of treasury shares

Distribution paid – final 2018 cash (paid 7 January 2019)

Distribution paid – interim 2019 cash (paid 3 June 2019)

Balance at 30 September 2019

Total comprehensive income:

Loss for the period

Share of other comprehensive income of equity-accounted associate

Distribution paid – final 2019 cash (paid 2 December 2019)

Distribution paid – interim 2020 – cash (paid 25 May 2020)

Rights offer shares issued – 20 December 2019 – 150 000 000 shares – net of costs

Bookbuild shares issued – 3 June 2020 – 122 785 101 shares – net of costs

Bookbuild shares issued – 12 August 2020 – 477 214 899 shares – net of costs

Transfer of stated capital to non-distributable reserve

10.1

Transfer to non-distributable reserve

Balance at 31 December 2020

¹ Refer to notes 1.6 and 10.

² Refer to note 1.7.

³ Refer to note 1.12.

GROUP					
Stated capital ¹ EUR	Treasury shares ¹ EUR	Non-distributable reserve ² EUR	Foreign currency translation reserve ³ EUR	Retained earnings	Total equity
600 703 936	(17 378 683)	(44 817 643)	(1 393 006)	55 335 282	592 449 886
				(9 021)	(9 021)
				35 387	35 387
600 703 936	(17 378 683) (44 547)	(44 817 643)	(1 393 006)	55 361 648	592 476 252 (44 547)
				(26 137 310)	(26 137 310)
		(41 431 311)		41 431 311	–
(450 000 000)		450 000 000			–
	11 658 301	(299 999 392)	–		(288 341 091)
(4 902 270)	4 944 161	(41 891)			–
	820 768	(24 631 129)			(23 810 361)
		(6 866 852)			(6 866 852)
145 801 666	–	32 211 782	(1 393 006)	70 655 649	247 276 091
				(271 193 222)	(271 193 222)
		(3 471 048)			(3 471 048)
		(6 866 852)			(6 866 852)
		(9 572 695)			(9 572 695)
70 439 354					70 439 354
58 154 909					58 154 909
177 201 069					177 201 069
(105 040 827)		105 040 827			–
		(295 815 734)		295 815 734	–
346 556 171	–	(178 473 720)	(1 393 006)	95 278 161	261 967 606

Consolidated statements of changes in equity continued

for the 15 months ended 31 December 2020

	Notes
Balance at 30 September 2018	
Total comprehensive income:	
Loss for the period	
Transfer of stated capital to non-distributable reserve	10.1
Transfer to non-distributable reserve	
Distribution – return of capital	10.1
Distribution paid – final 2018 cash (paid 7 January 2019)	
Distribution paid – interim 2019 – cash (paid 3 June 2019)	
Cancellation of treasury shares	
Balance at 30 September 2019	
Total comprehensive income:	
Loss for the period	
Distribution paid – final 2019 cash (paid 2 December 2019)	
Distribution paid – interim 2020 – cash (paid 25 May 2020)	
Rights offer shares issued – 20 December 2019 – 150 000 000 shares – net of costs	
Bookbuild shares issued – 3 June 2020 – 122 785 101 shares – net of costs	
Bookbuild shares issued – 12 August 2020 – 477 214 899 shares – net of costs	
Transfer of stated capital to non-distributable reserve	10.1
Transfer to non-distributable reserve	
Balance at 31 December 2020	

¹ Refer to notes 1.6 and 10.

² Refer to note 1.7.

COMPANY			
Stated capital ¹ EUR	Non-distributable reserve ² EUR	Retained earnings	Total equity
600 703 936	(31 787 803)	36 915 362	605 831 495
		(23 764 177)	(23 764 177)
(450 000 000)	450 000 000		–
	(38 157 269)	38 157 269	–
	(299 999 392)		(299 999 392)
	(24 631 129)		(24 631 129)
	(6 866 852)		(6 866 852)
(4 902 270)			(4 902 270)
145 801 666	48 557 555	51 308 454	245 667 675
		(112 363 641)	(112 363 641)
	(6 866 852)		(6 866 852)
	(9 572 695)		(9 572 695)
70 439 354			70 439 354
58 154 909			58 154 909
177 201 069			177 201 069
(105 040 827)	105 040 827		–
	(128 161 589)	128 161 589	–
346 556 171	8 997 246	67 106 402	422 659 819

Consolidated statements of cash flows

for the 15 months ended 31 December 2020

	Notes	GROUP		COMPANY	
		Audited for the 15 months ended Dec 2020 EUR	Audited for the year ended Sep 2019 EUR	Audited for the 15 months ended Dec 2020 EUR	Audited for the year ended Sep 2019 EUR
Operating activities					
Cash generated from/(utilised in) operations	18.1	27 009 237	(3 675 241)	4 773 431	(13 217 148)
Finance income received		455 089	997 927	8 366 853	7 673 619
Finance costs paid		(3 483 274)	(3 623 917)	(204 614)	(74 321)
Income tax paid	18.2	(1 358 311)	(2 403 701)	(60 746)	(609 197)
Distributions paid		(16 439 547)	(30 677 213)	(16 439 547)	(31 497 981)
Cash inflow/(outflow) from operating activities		6 183 194	(39 382 145)	(3 564 623)	(37 725 028)
Investing activities					
Additions to investment property		(3 006 778)	(11 364 738)	–	–
Proceeds on disposal of investment property		39 360 000	–	–	–
Acquisition of listed security investments		(127 929 845)	(33 674 062)	(238 858 174)	(14 320 352)
Proceeds from disposal of listed security investments		273 751 162	301 499 783	339 707 074	100 400 827
Acquisition of interest in equity-accounted associate	5.3	(235 302 473)	–	–	–
Receipts on loans made to subsidiaries		–	–	136 804 183	408 360 527
Payments on loans made to subsidiaries		–	–	(302 792 571)	(27 043 593)
Equity derivative cash flow		1 867 068	37 077 592	(7 592 276)	42 040 539
Share Incentive loans repaid		–	280 078	–	2 496 387
Cash (outflow)/inflow from investing activities		(51 260 866)	293 818 653	(72 731 764)	511 934 335
Financing activities					
Return of capital		–	(588 340 483)	–	(599 998 784)
Proceeds from issue of shares		83 546 059	–	83 546 059	–
Repayment of interest-bearing borrowings		(20 947 509)	(1 434 505)	–	–
Cash inflow/(outflow) from financing activities		62 598 550	(589 774 988)	83 546 059	(599 998 784)
Increase/(decrease) in cash and cash equivalents		17 520 878	(335 338 480)	7 249 672	(125 789 477)
Effect of exchange rate changes on cash held		(450 283)	(3 288 340)	(449 345)	(2 761 871)
Cash and cash equivalents at the beginning of the period		16 983 498	355 610 318	2 417 914	130 969 262
Cash and cash equivalents at the end of the period		34 054 093	16 983 498	9 218 241	2 417 914

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 (geographic segments), which is subject to risks and returns that are different from those of other segments. The group's operating segments are based on business segments.

The group determines and presents operating segments based on the information that is provided internally to the company's board and investment committee, jointly the group's chief operating decision-maker ("CODM"). The group comprises three segments: listed infrastructure, listed real estate and direct property. 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.

Segment	Description
Listed infrastructure	Investments in liquid listed infrastructure securities on recognised exchanges, utilising both cash investments and equity swap derivatives.
Listed real estate	Investments in liquid listed real estate securities on recognised exchanges, utilising both cash investments and equity swap derivatives.
Direct property	Investments in direct commercial properties in the retail sector. Opportunistic acquisitions in the retail, logistics, industrial, warehousing and office sectors are also considered.

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 15 months ended 31 December 2020 and the year ended 30 September 2019 is included in the segmental analyses, and primarily relates to the matters below i.e. management accounts' adjustments:

Torre de Farol Properties – Sociedade de Gestão de Imóveis, S.A. ("Torre de Farol")

The goodwill relates to the deferred tax liability assumed on acquisition.

Typically Iberian property transactions entail the disposal of companies instead of underlying properties and it is management's view that the Torre de Farol group deferred tax related to cumulative fair value gains on investment property is unlikely to become payable. As such, the goodwill has been offset against the deferred tax liability.

Financial liability derivatives from bookbuilds

The cumulative impact of the financial liability derivatives, which relate to the company's 2016, 2017 and 2020 bookbuilds, has been removed for purposes of the segmental analyses.

Listed equities

The equity swap derivatives are reported in the segmental analyses in their respective components i.e. grossed-up by multiplying the shares held in each counter by the quoted closing price of the respective counter at the reporting date, raising the corresponding equity swap derivative liability and separating the profit or loss impact between dividend income on the underlying equities, fair value gains and losses on the underlying equities and the implied borrowing costs on the implicit equity swap derivative liability. This more appropriately reflects the group's assets, liabilities, revenue and expenses for segmental analysis.

Covid-19 discounts

Forgiveness of payments contractually due for past rentals is included as a reduction in property rental instead of an increase in property operating expenses.

Finance income

Finance income is included as part of net finance costs instead of revenue.

Segmental analysis continued

Consolidated statement of financial position as at 31 December 2020

	SEGMENTAL			
	Direct property Dec 2020 EUR	Listed real estate Dec 2020 EUR	Listed infrastructure Dec 2020 EUR	Corporate Dec 2020 EUR
Assets				
Non-current assets	248 467 000	244 146 319	28 734 532	298 523
Investment property	248 467 000	–	–	–
Investments	–	244 146 319	28 734 532	–
Investment in equity-accounted associate	–	–	–	–
Financial and other assets	–	–	–	298 523
Goodwill	–	–	–	–
Current assets	1 938 910	28 903 615	2 321 020	6 744 877
Trade and other receivables	1 938 910	–	42 988	20 844
Cash and cash equivalents	–	28 903 615	2 278 032	6 724 033
Total assets	250 405 910	273 049 934	31 055 552	7 043 400
Equity and liabilities				
Total equity attributable to equity holders	–	–	–	436 126 573
Stated capital				318 223 693
Non-distributable reserve				24 017 725
Foreign currency translation reserve				(1 393 006)
Retained earnings				95 278 161
Total liabilities	124 564 679	–	–	863 544
Non-current liabilities	120 251 607	–	–	37 133
Interest-bearing borrowings	104 408 981	–	–	–
Deferred tax liabilities	15 384 270	–	–	–
Financial liabilities	458 356	–	–	37 133
Current liabilities	4 313 072	–	–	826 411
Interest-bearing borrowings	1 034 972	–	–	–
Financial liabilities	–	–	–	54 464
Trade and other payables	3 251 287	–	–	671 850
Current tax liabilities	26 813	–	–	100 097
Total equity and liabilities	124 564 679	–	–	436 990 117

¹ During the current reporting period LocaViseu – Sociedade de Gestão de Imóveis, S.A. changed its name to Torre de Farol Properties – Sociedade de Gestão de Imóveis, S.A.

	GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS			GROUP
	Dec 2020 EUR	Torre de Farol ¹ Dec 2020 EUR	Financial liability derivatives from bookbuilds Dec 2020 EUR	Listed equities Dec 2020 EUR	Audited Dec 2020 EUR
	521 646 374	12 080 205	–	(170 307 380)	363 419 199
	248 467 000	–	–	–	248 467 000
	272 880 851	–	–	(244 146 319)	28 734 532
	–	–	–	69 987 352	69 987 352
	298 523	–	–	3 851 587	4 150 110
	–	12 080 205	–	–	12 080 205
	39 908 422	–	–	(3 851 587)	36 056 835
	2 002 742	–	–	–	2 002 742
	37 905 680	–	–	(3 851 587)	34 054 093
	561 554 796	12 080 205	–	(174 158 967)	399 476 034
	436 126 573	–	–	(174 158 967)	261 967 606
	318 223 693	–	28 332 478	–	346 556 171
	24 017 725	–	(28 332 478)	(174 158 967)	(178 473 720)
	(1 393 006)	–	–	–	(1 393 006)
	95 278 161	–	–	–	95 278 161
	125 428 223	12 080 205	–	–	137 508 428
	120 288 740	12 080 205	–	–	132 368 945
	104 408 981	–	–	–	104 408 981
	15 384 270	12 080 205	–	–	27 464 475
	495 489	–	–	–	495 489
	5 139 483	–	–	–	5 139 483
	1 034 972	–	–	–	1 034 972
	54 464	–	–	–	54 464
	3 923 137	–	–	–	3 923 137
	126 910	–	–	–	126 910
	561 554 796	12 080 205	–	(174 158 967)	399 476 034

Segmental analysis continued

Consolidated statement of financial position as at 30 September 2019

SEGMENTAL

	Direct property Sep 2019 EUR	Listed real estate Sep 2019 EUR	Listed infrastructure Sep 2019 EUR	Corporate Sep 2019 EUR
Assets				
Non-current assets	301 632 014	56 219 045	13 866 895	273 308
Investment property	301 201 607	–	–	–
Investments	–	56 219 045	13 866 895	–
Financial and other assets	430 407	–	–	273 308
Goodwill	–	–	–	–
Current assets	14 992 813	16 023 125	3 533 380	10 149 129
Investments	–	2 407 500	–	–
Trade and other receivables	4 418 825	1 976 742	–	159 619
Cash and cash equivalents	10 573 988	11 638 883	3 533 380	9 989 510
Total assets	316 624 827	72 242 170	17 400 275	10 422 437
Equity and liabilities				
Total equity attributable to equity holders	–	–	–	247 276 091
Stated capital				51 787 982
Non-distributable reserve				126 225 466
Foreign currency translation reserve				(1 393 006)
Retained earnings				70 655 649
Total liabilities	140 928 909	26 344 395	–	2 140 314
Non-current liabilities	132 452 373	26 344 395	–	178 475
Interest-bearing borrowings	124 226 466	26 344 395	–	–
Deferred tax liabilities	7 757 854	–	–	–
Financial liabilities	468 053	–	–	178 475
Current liabilities	8 476 536	–	–	1 961 839
Interest-bearing borrowings	1 052 685	–	–	–
Financial liabilities	–	–	–	1 307 436
Trade and other payables	7 257 401	–	–	654 403
Current tax liabilities	166 450	–	–	–
Total equity and liabilities	140 928 909	26 344 395	–	249 416 405

¹ During the current reporting period LocaViseu – Sociedade de Gestão de Imóveis, S.A. changed its name to Torre de Farol Properties – Sociedade de Gestão de Imóveis, S.A.

GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS			GROUP
Sep 2019 EUR	Torre de Farol ¹ Sep 2019 EUR	Financial liability derivatives from bookbuilds Sep 2019 EUR	Listed equities Sep 2019 EUR	Audited Sep 2019 EUR
371 991 262	24 280 132	–	(7 592 132)	388 679 262
301 201 607	–	–	–	301 201 607
70 085 940	–	–	(26 344 395)	43 741 545
703 715	–	–	18 752 263	19 455 978
–	24 280 132	–	–	24 280 132
44 698 447	–	–	(18 752 263)	25 946 184
2 407 500	–	–	–	2 407 500
6 555 186	–	–	–	6 555 186
35 735 761	–	–	(18 752 263)	16 983 498
416 689 709	24 280 132	–	(26 344 395)	414 625 446
247 276 091	–	–	–	247 276 091
51 787 982	–	94 013 684	–	145 801 666
126 225 466	–	(94 013 684)	–	32 211 782
(1 393 006)	–	–	–	(1 393 006)
70 655 649	–	–	–	70 655 649
169 413 618	24 280 132	–	(26 344 395)	167 349 355
158 975 243	24 280 132	–	(26 344 395)	156 910 980
150 570 861	–	–	(26 344 395)	124 226 466
7 757 854	24 280 132	–	–	32 037 986
646 528	–	–	–	646 528
10 438 375	–	–	–	10 438 375
1 052 685	–	–	–	1 052 685
1 307 436	–	–	–	1 307 436
7 911 804	–	–	–	7 911 804
166 450	–	–	–	166 450
416 689 709	24 280 132	–	(26 344 395)	414 625 446

Segmental analysis continued

Consolidated statement of profit or loss for the 15 months ended 31 December 2020

	SEGMENTS			
	Direct property for the 15 months ended Dec 2020 EUR	Listed real estate for the 15 months ended Dec 2020 EUR	Listed infrastructure for the 15 months ended Dec 2020 EUR	Corporate for the 15 months ended Dec 2020 EUR
Property rental and related revenue	23 286 921	–	–	–
Investment revenue	–	19 129 048	1 739 329	–
Finance income	–	–	–	–
Total revenue	23 286 921	19 129 048	1 739 329	–
Fair value (loss)/gain on investment property, investments and derivatives	(28 581 312)	(48 469 298)	(20 787 121)	972 598
Fair value loss on investment property	(16 381 385)	–	–	–
Fair value loss on investments	–	(48 469 298)	(20 787 121)	–
Fair value gain on currency, interest rate and other derivatives	–	–	–	972 598
Impairment loss	(12 199 927)	–	–	–
Property operating expenses	(8 445 519)	–	–	–
Administrative and other expenses	(360 728)	–	–	(4 151 341)
Foreign exchange loss	–	–	–	(5 580 010)
Share of loss of equity-accounted associate	–	–	–	–
Operating loss	(14 100 638)	(29 340 250)	(19 047 792)	(8 758 753)
Finance income	178	–	–	454 911
Finance costs	(4 423 763)	(24 457)	(7 909)	(139 456)
Loss before tax	(18 524 223)	(29 364 707)	(19 055 701)	(8 443 298)
Income tax	3 419 519	–	–	(204 415)
Loss for the period attributable to equity holders of the company	(15 104 704)	(29 364 707)	(19 055 701)	(8 647 713)

GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS					GROUP
	For the 15 months ended Dec 2020 EUR	Finance income for the 15 months ended Dec 2020 EUR	Covid-19 discounts for the 15 months ended Dec 2020 EUR	Financial liability derivatives from bookbuilds for the 15 months ended Dec 2020 EUR	Listed equities for the 15 months ended Dec 2020 EUR	Audited for the 15 months ended Dec 2020 EUR
	23 286 921	–	2 850 637	–	–	26 137 558
	20 868 377	–	–	–	(16 987 421)	3 880 956
	–	455 089	–	–	–	455 089
	44 155 298	455 089	2 850 637	–	(16 987 421)	30 473 603
	(96 865 133)	–	–	(28 332 478)	(77 639 626)	(202 837 237)
	(16 381 385)	–	–	–	–	(16 381 385)
	(69 256 419)	–	–	–	(77 639 626)	(146 896 045)
	972 598	–	–	(28 332 478)	–	(27 359 880)
	(12 199 927)	–	–	–	–	(12 199 927)
	(8 445 519)	–	(2 850 637)	–	–	(11 296 156)
	(4 512 069)	–	–	–	(548 267)	(5 060 336)
	(5 580 010)	–	–	–	–	(5 580 010)
	–	–	–	–	(75 544 971)	(75 544 971)
	(71 247 433)	455 089	–	(28 332 478)	(170 720 285)	(269 845 107)
	455 089	(455 089)	–	–	–	–
	(4 595 585)	–	–	–	32 366	(4 563 219)
	(75 387 929)	–	–	(28 332 478)	(170 687 919)	(274 408 326)
	3 215 104	–	–	–	–	3 215 104
	(72 172 825)	–	–	(28 332 478)	(170 687 919)	(271 193 222)

Segmental analysis continued

Consolidated statement of profit or loss for the year ended 30 September 2019

	SEGMENTS			
	Direct property for the year ended Sep 2019 EUR	Listed real estate for the year ended Sep 2019 EUR	Listed infrastructure for the year ended Sep 2019 EUR	Corporate for the year ended Sep 2019 EUR
Property rental and related revenue	25 252 231	–	–	–
Investment revenue	–	3 672 409	2 618 000	–
Finance income	–	–	–	–
Total revenue	25 252 231	3 672 409	2 618 000	–
Fair value loss on investment property, investments and derivatives	(6 792 912)	(14 041 928)	(6 080 864)	(638 402)
Fair value loss on investment property	(3 204 334)	–	–	–
Fair value loss on investments	–	(14 041 928)	(6 080 864)	–
Fair value loss on currency, interest rate and other derivatives	(3 588 578)	–	–	(674 752)
Impairment reversal	–	–	–	36 350
Property operating expenses	(7 389 699)	–	–	–
Administrative and other expenses	(220 317)	(181 279)	(183 612)	(2 448 002)
Foreign exchange loss	–	–	–	(13 877 205)
Operating profit/(loss)	10 849 303	(10 550 798)	(3 646 476)	(16 963 609)
Finance income	493	–	–	997 434
Finance costs	(3 677 330)	(424 431)	(554 557)	(338 130)
Other income	–	–	–	136 040
Profit/(loss) before tax	7 172 466	(10 975 229)	(4 201 033)	(16 168 265)
Income tax	(1 681 044)	–	–	(284 205)
Profit/(loss) for the year attributable to equity holders of the company	5 491 422	(10 975 229)	(4 201 033)	(16 452 470)

GROUP – MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS		GROUP
For the year ended Sep 2019 EUR	Finance income for the year ended Sep 2019 EUR	Listed equities for the year ended Sep 2019 EUR	Audited for the year ended Sep 2019 EUR
25 252 231	–	–	25 252 231
6 290 409	–	(2 821 465)	3 468 944
–	997 927	–	997 927
31 542 640	997 927	(2 821 465)	29 719 102
(27 554 106)	–	1 842 477	(25 711 629)
(3 204 334)	–	–	(3 204 334)
(20 122 792)	–	1 842 477	(18 280 315)
(4 263 330)	–	–	(4 263 330)
36 350	–	–	36 350
(7 389 699)	–	–	(7 389 699)
(3 033 210)	–	–	(3 033 210)
(13 877 205)	–	–	(13 877 205)
(20 311 580)	997 927	(978 988)	(20 292 641)
997 927	(997 927)	–	–
(4 994 448)	–	978 988	(4 015 460)
136 040	–	–	136 040
(24 172 061)	–	–	(24 172 061)
(1 965 249)	–	–	(1 965 249)
(26 137 310)	–	–	(26 137 310)

Notes to the consolidated financial statements

for the year ended 31 December 2020

Reporting entity

Lighthouse Capital Limited (the “company”) is a public company limited by shares and was incorporated in Mauritius on 14 August 2014. The company holds a Global Business Licence issued by the Financial Services Commission. The company’s registered office is C-401, 4th Floor, La Croisette, Grand Baie, Mauritius. Lighthouse has primary listings on the Johannesburg Stock Exchange and the Stock Exchange of Mauritius, respectively. The consolidated financial statements of the group for the 15 months ended 31 December 2020 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 18 March 2021. These financial statements will be submitted for consideration and approval at the forthcoming annual general meeting.

Lighthouse was established with the primary objective of investing globally in direct property assets as well as listed real estate and infrastructure securities.

Basis of preparation

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.

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), interpretations adopted by the International Accounting Standards Board (“IASB”), interpretations as issued by the International Financial Reporting Interpretations Committee (“IFRIC”), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements, and with the Mauritian Companies Act 2001.

The accounting policies are consistent with those applied in the prior periods, except as noted below:

- > Note 1.9 Revenue and related expenses – Expenses – Service costs and property operating expenses, which includes the new accounting policy for the forgiveness of payments contractually due for past rentals.

These financial statements were compiled under the supervision of Kobus van Biljon CA(SA), the chief financial officer.

Functional and presentation currency

The functional and presentation currency of the company and group is Euro (“EUR”), being the currency of the issued stated capital of the group.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical

experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

1.1 Changes in significant accounting policies

There were no changes in accounting policies during the period.

1.2 Basis of consolidation

Subsidiaries

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

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

Investments in subsidiaries

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

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 assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional 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 is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. 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 in the acquiree either at fair value or 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 fair value of the identifiable net assets acquired is recognised as goodwill. Any gain on a bargain purchase is recognised in profit or loss immediately.

Investment in equity-accounted associate

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

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

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

Goodwill

Goodwill is initially measured at cost. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Structured entities

The Greenbay Share Trust (the "Trust")

The company established a trust for the administration of staff incentivisation. Company shares (incentive and geared shares) were issued to the Trust from time to time in terms of the

Lighthouse Share Incentive arrangement. Certain company shares issued to the Trust have been acquired by the company issuing loans to the Trust, with the underlying company shares pledged as collateral for these loans. The group's relationship with the Trust has been assessed and management have concluded the following in terms of IFRS:

- > The company established the Trust with the purpose of incentivising staff;
- > The Trust was governed by trustees that were appointed or dismissed at the direction of the board of the company;
- > The company was the Trust's sole financier and the Trust had insufficient equity to finance its activities without the assistance of the company; and
- > The company ultimately bore the credit risk associated with the loans provided to staff.

Management has determined that the group exercises control over the Trust and, as such, the results of the Trust have been consolidated.

The Trust transferred Incentive Shares, subsequent to the settlement of related debt, to participants' accounts on or about 31 January 2019, after which the Trust was unwound and deregistered.

Transactions eliminated on consolidation

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

1.3 Investment property

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

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

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

1. Accounting policies continued

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 security investments, derivative cash margin, derivative assets and liabilities, loans receivable, trade and other receivables which include 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 instruments are measured as detailed below:

Financial investments at fair value through profit or loss – These assets include listed security investments and

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

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

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

Cash and cash equivalents – Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortised cost.

Impairment of financial assets – The group recognises 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.

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

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

For non-interest bearing loans to subsidiaries 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 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.

For all other financial assets, the group recognises 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 ECL.

Lifetime ECLs represent the ECLs that will result from all possible default events over the expected life of a financial instrument. 12-month ECL represents the portion of the lifetime ECL that results 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; and
- > 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 equity swap derivatives, interest rate derivatives and foreign exchange derivatives. The group holds derivative financial instruments to hedge 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. All financial liabilities, with the exception of derivatives, are accounted for at amortised cost using the effective interest method.

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

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

1.5 Prepayments

Prepayments are payments in advance that entitle the entity to receive goods or services in future. Payments made by the group and payments made by tenants are classified as current assets and current liabilities, respectively, given the expectation that consumption will occur within 12 months of the reporting date.

1.6 Stated capital 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 stated 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 necessary regulatory approval.

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 stated 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 stated capital to reserves and returns of capital to shareholders are 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, in accordance with the company's constitution. 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

1. Accounting policies continued

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 had equity-settled share-based payment schemes. The Share Incentive plan allowed certain employees to acquire ordinary shares in the company. Such equity-settled share-based payments were measured at fair value at the date of the issuance as an increase in stated capital, with the corresponding employee costs expense, amortised based on the corresponding service requirements over the vesting period, which varied from nil to five years, based on management's estimate of the shares that would have vested and adjusted for the effect of non-market vesting conditions.

1.9 Revenue and related expenses

Revenue

Property rental and related revenue comprises rental revenue and recovery of expenses, excluding value-added tax ("VAT"). The IFRS 16 lessor accounting requirements require a lessor to classify a lease either as an operating lease or as a finance lease. Lighthouse acts as a lessor over its properties, and leases are classified as operating leases. The group recognises rental revenue on a straight-line basis over the term of the lease.

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

Investment revenue, which primarily comprises dividend income, is recognised as revenue when the shareholder's legal right to receive payment is established.

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

Expenses

Service costs and property operating expenses

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

The group has endeavoured to reach fair and reasonable agreements with tenants during the period of trading restrictions imposed due to Covid-19. This has, in addition to other measures, resulted in forgiveness of certain payments

contractually due for past rentals. The group has elected to follow the guidance in IFRS 9: *Financial Instruments* whereby the reduction in tenant receivables is recognised as a property operating expense in profit or loss in the period in which the reduction has been granted.

Letting commission and tenant installations

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

Lease payments

Lease payments (in the group's capacity as lessee) 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.

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; and
- > Investments in subsidiaries to the extent that the group is able to control the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

A deferred tax asset is recognised for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Transactions denominated in currencies other than EUR are translated at the average exchange rates during the month in which the transaction occurs. The prevailing rate of exchange on the date of a significant transaction is, however, utilised where significant fluctuations in the rate of exchange occur during the month in which the transaction occurs.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the reporting date, with gains and losses recognised in profit or loss. 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. The 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

Distributions and dividends to the company's shareholders are recognised as a liability in the period in which it is declared.

1.14 Earnings per share

Basic earnings or loss per share is calculated by dividing profit or loss for the year attributable to equity holders of the company by the weighted average number of shares in issue during the year. Headline earnings or loss per share is calculated by dividing headline earnings or loss by the weighted average number of shares in issue during the year. Headline earnings per share is determined based on Circular 1/2019 issued by the South African Institute of Chartered Accountants.

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

Diluted headline earnings or loss per share is calculated by dividing headline earnings or loss by the weighted average number of shares in issue, adjusted for the potential dilutive impact of outstanding share options acquired. The company has no dilutive instruments in issue.

2. Financial risk management

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

- > Credit risk;
- > Liquidity risk; and
- > 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 (refer to note 24).

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

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

Refer to page 54 for the Risk Committee's report.

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

2. Financial risk management continued

2.1 Credit risk

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

Investments, derivatives and derivative cash margin

The group invests in listed securities by means of direct investments and by utilising equity swap and other derivatives, that have corresponding cash margin requirements, with recognised financial institutions. The group limits its exposure to credit risk by investing in liquid securities and with globally recognised financial institutions and/or counterparties that are listed on a recognised stock exchange. The group has policies and procedures in place to mitigate the credit risk associated with equity swap 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.

The company utilises equity swap derivatives to obtain exposure to listed real estate and infrastructure companies, for which an equity derivative margin (cash or other collateral) of between 35% and 90% (2019: between 35% and 90%) of the gross exposure is required. The margin requirement is specific to each underlying security. Refer to notes 4, 7 and 24.3.2.

Loans to subsidiaries

As the counterparties are property and investment entities, credit risk is linked to the fair values of underlying investment property and security investments, and is managed by ensuring appropriate investment strategies are undertaken in line with the guidelines outlined by the board of directors.

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

Trade and other receivables

Tenant receivables

The group's exposure to credit risk is mainly in respect of retail property tenants and is influenced by the individual characteristics of each tenant. The group's widespread tenant base reduces credit risk. A large proportion of the group's tenant receivables are listed and multinational companies, which also reduces 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.

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

Receivables related to listed investment securities and cash and cash equivalents

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

2.2 Liquidity risk

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

The board of directors agree on gearing parameters for the group and the gearing levels are consistently monitored, taking into account the fluctuations in the underlying investments. The group has consistently remained within its authorised gearing 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 a significant amount of cash from dividends received from listed security investments. Management is able to accurately budget the respective cash inflows as the dividend policies of the underlying investments are published in advance. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters or extreme market events.

2.3 Market risk

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

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

Currency risk

The group is exposed to foreign currency risk on investments denominated in Australian Dollar ("AUD"), Canadian Dollar ("CAD"), Hong Kong Dollar ("HKD"), Singapore Dollar ("SGD"), Pound Sterling ("GBP") and United States Dollar ("USD"). The group mitigates a portion of the risk associated with exposure to foreign currency fluctuations by borrowing in the same currency as the underlying investment. In addition, the group hedges its exposure to currency fluctuations on distributable income through the use of currency forwards. The group does not apply hedge accounting in terms of IFRS.

Interest rate risk

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

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

Equity price risk

The group is exposed to equity price risk on its listed security investments and equity swap derivatives. 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 at fair value through profit or loss.

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

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

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

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values due to the 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

Independent external 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, excluding those properties acquired within six months of the reporting date, for which management views the purchase price as an appropriate measure of the fair value, in the absence of clear indicators to the contrary. 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.

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

2. Financial risk management continued

2.5 Capital management

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

The board's objectives when managing capital are:

- > To safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

- > To provide an adequate return to shareholders by pricing products 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 gearing. Gearing is calculated by dividing total interest-bearing borrowings, adjusted for cash and cash equivalents and derivative cash margin, by the total of investments in property, gross listed securities at fair value, investment in associate at fair value and loans advanced, based on the management accounts as disclosed in the Segmental Analysis. The board has a policy of maximum gearing of 45%. At 31 December 2020, gearing was 13,0% (30 September 2019: 31,0%). The group's substantial decrease in gearing from the prior period is primarily as a result of the EUR 306 million of equity raised during the current period.

3. Investment property and straight-lining of rental revenue adjustment

	GROUP	
	2020 EUR	2019 EUR
Investment in property comprises:		
Investment property	248 408 446	301 229 216
Straight-lining of rental revenue adjustment	58 554	(27 609)
Total investment property¹	248 467 000	301 201 607
Details of the investment property are as follows:		
At cost	268 050 911	304 490 296
Fair value adjustments	(19 642 465)	(3 261 080)
Straight-lining of rental revenue adjustment	58 554	(27 609)
Investment property at fair value	248 467 000	301 201 607
Movement in investment property is as follows:		
Carrying amount at the beginning of the period	301 201 607	292 693 712
Disposals ²	(39 320 000)	–
Subsequent expenditure capitalised	2 880 615	11 364 738
Fair value losses	(16 381 385)	(3 204 334)
Straight-lining of rental revenue adjustment	86 163	347 491
Carrying amount at the end of the period	248 467 000	301 201 607

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

² Lighthouse disposed of the Forum Viseu shopping centre effective 6 March 2020 for a total cash consideration of EUR 39,7 million and settled the corresponding external interest-bearing borrowings of EUR 17,2 million and related finance costs. The portion of goodwill related to the sale of Forum Viseu has been expensed during the period. Refer to note 6.2 for the details of goodwill.

3. Investment property and straight-lining of rental revenue adjustment

continued

A register of investment property is available for inspection at the registered office of the company (refer to pages 4 and 5).

During the current reporting period, there were Covid-19-related lockdowns instituted by the Portuguese and Slovenian governments, respectively, which resulted in restrictions of many of the group's tenants' ability to trade. The group provided ad hoc rental concessions in the form of rental discounts for the periods of the lockdowns. The Portuguese government legislated mandatory turnover-only rentals for tenants with effect from the commencement of the first Portuguese national lockdown during March 2020, up to and including March 2021. In a small number of instances, the group agreed to amendments of rental agreements related to future periods i.e. January 2021 going forward. These amendments to rental agreements represented a change in the consideration of the respective leases and, as such, met the requirements of a lease modification as defined in IFRS 16. The lease modifications have been accounted for as new leases from the effective dates of the modifications, taking into account any prepaid or accrued lease payments relating to the original leases as part of the lease payments for the new lease. This resulted in an immaterial increase of the straight-lining receivable with a

corresponding increase in the straight-lining of rental revenue adjustment in profit or loss.

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

- > Valuer of Forum Coimbra (Coimbra, Portugal): JLL Portugal. The valuers are registered with the Royal Institute of Chartered Surveyors.
- > Valuer of Planet Koper (Koper, Slovenia): CBRE Serbia. The valuers are Certified Real Estate Valuers.

The valuations were done on an open-market basis and with consideration to the future earnings potential and appropriate discount and capitalisation rates for the properties.

The determined fair value of investment property 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 for fair value information.

There are no contractual commitments to purchase, construct or develop investment property, or for repairs, maintenance or enhancements at the reporting date. Refer to note 19.2.

4. Investments

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

	GROUP		COMPANY	
	Total 2020 EUR	Total 2019 EUR	Total 2020 EUR	Total 2019 EUR
Cost	27 940 156	55 629 216	69 697 578	34 856 028
Cumulative fair value gain/(loss)	794 376	(9 480 171)	5 383 757	(9 420 476)
Total investments at fair value^{1, 2}	28 734 532	46 149 045	75 081 335	25 435 552
Non-current (level 1)	28 734 532	43 741 545	75 081 335	25 435 552
Current (level 1)	–	2 407 500	–	–
The group utilises equity swap derivatives to obtain exposure to listed real estate and infrastructure companies. These derivatives have the following inherent components (also refer to notes 7 and 11):				
Gross equity swap derivative exposure to listed investments ³	–	26 344 395	–	15 559 100
Equity swap derivative implied interest-bearing borrowings	–	(26 344 395)	–	(15 559 100)
Net equity swap derivative exposure	–	–	–	–
Gross exposure to listed equity securities	28 734 532	72 493 440	75 081 335	40 994 652

¹ Refer to note 24.4 for fair value information.

² The group held a 21,6% investment in Hammerson plc ("Hammerson") at the reporting date. With effect from 30 September 2020 the group classified the investment in Hammerson as an associate, and commenced equity accounting as of that date. As a result the group investments at fair value exclude the fair value of the group's Hammerson investment, but the company investments at fair value include the fair value of its Hammerson investment. Refer to note 5.3 for details of the investment in associate.

³ The group unwound all its equity swap derivative positions during the financial period opting to invest in direct equity securities instead.

The schedule of top listed investments per gross listed exposure is provided on page 3 of this report.

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

5. Investment in and loans to subsidiaries and associate

5.1 Investment in and loans to subsidiaries

	Main business	Incorporated in and place of business
Subsidiaries		
Lighthouse One Limited ("Lighthouse One") ¹	Intermediate holding company	Mauritius
Lighthouse Investments Limited ("Lighthouse Investments") ¹	Finance company	Mauritius
Lighthouse One UK Limited ("Lighthouse One UK") ^{1, 2}	Intermediate holding and operating company	United Kingdom
Lighthouse Netherlands B.V. ("Lighthouse Netherlands") ^{1, 3, 4}	Intermediate holding, investment, finance and operating company	Netherlands
Lighthouse Investments Netherlands B.V. ("Lighthouse Investments Netherlands") ⁶	Investment company	Netherlands
Lighthouse Netherlands Two B.V. ("Lighthouse Netherlands Two") ⁷	Investment company	Netherlands
Lighthouse Investments d.o.o. ("Lighthouse Investments doo") ^{1, 5, 8}	Property owning and operating company	Slovenia
Greenbay Tivoli d.o.o. ("Greenbay Tivoli doo") ^{1, 5, 9}	Dormant company	Slovenia
Torre de Farol Properties – Sociedade de Gestão de Imóveis, S.A. ("Torre de Farol") ^{1, 5, 10}	Intermediate holding company	Portugal
Forum Coimbra – Sociedade Imobiliária, S.A. ("Forum Coimbra") ^{1, 11, 12, 13}	Property owning and operating company	Portugal
RPPSE Forum Viseu – Sociedade Imobiliária, S.A. ("RPPSE Forum Viseu") ^{1, 12, 13}	Dormant company	Portugal
Gross balance at the reporting date		
Cumulative impairments recognised: ¹⁶		
– Investment in Lighthouse One		
– Loans to Lighthouse Investments		
– Loans to Lighthouse One UK		
– Investment in and loans to Lighthouse Netherlands Two		
Net balance at the reporting date		
Investment in and loans to subsidiaries – non-current		
Loans to subsidiaries – current		
Interest-bearing loans to subsidiaries – current		
Non-interest-bearing loans to subsidiaries – current		

¹ 31 December 2020 financial reporting date in the current year, and 30 September 2019 in the prior year.

² Share capital held through Lighthouse One. The company is an indirect wholly-owned subsidiary.

³ Share capital held through Lighthouse One UK. The company is an indirect wholly-owned subsidiary.

⁴ The company pays asset management fees of 7,5% (2019: 7,5%) p.a. of asset management fee income received from Portugal to its shareholder.

⁵ Share capital held through Lighthouse Netherlands. The company is an indirect wholly-owned subsidiary.

⁶ The company was incorporated on 14 July 2020.

⁷ The company was incorporated on 6 November 2020.

⁸ The company pays asset management fees of 0,80% p.a. on the most recent fair value of investment properties to its shareholder.

⁹ Greenbay Tivoli d.o.o. has no operating activities and is in the process of being unwound.

¹⁰ During the current reporting period, LocaViseu – Sociedade de Gestão de Imóveis, S.A. changed its name to Torre de Farol Properties – Sociedade de Gestão de Imóveis, S.A.

COMPANY									
Effective interest 2020 %	Effective interest 2019 %	Stated/ share capital ¹⁴ 2020 EUR	Investment 2020 EUR	Loan amount ^{15, 16} 2020 EUR	Total 2020 EUR	Investment 2019 EUR	Loan amount ¹⁵ 2019 EUR	Total 2019 EUR	
100	100	17 200 000	47 200 000	–	47 200 000	47 200 000	25 373 857	72 573 857	
100	100	200	200	236 698 597	236 698 797	200	158 561 479	158 561 679	
100	100	17 200 000	–	269 273	269 273	–	269 273	269 273	
100	100	17 200 000	–	398 740	398 740	–	–	–	
100	n/a	100	100	53 934 642	53 934 742	–	–	–	
100	n/a	100	100	62 163 468	62 163 568	–	–	–	
100	100	12 507 500	–	–	–	–	–	–	
100	100	7 500	–	–	–	–	–	–	
100	100	50 000	–	–	–	–	–	–	
100	100	50 000	–	–	–	–	–	–	
100	100	50 000	–	–	–	–	–	–	
		64 265 400	47 200 400	353 464 720	400 665 120	47 200 200	184 204 609	231 404 809	
			(39 835 539)	–	(39 835 539)	(21 360 357)	–	(21 360 357)	
			–	(18 434 409)	(18 434 409)	–	–	–	
			–	(266 305)	(266 305)	–	–	–	
			(100)	(70 960)	(71 060)	–	–	–	
		64 265 400	7 364 761	334 693 046	342 057 807	25 839 843	184 204 609	210 044 452	
			7 364 761	334 288 010	341 652 771	25 839 843	183 935 336	209 775 179	
			–	405 036	405 036	–	269 273	269 273	
			–	–	–	–	–	–	
			–	405 036	405 036	–	269 273	269 273	
		7 364 761	334 693 046	342 057 807		25 839 843	184 204 609	210 044 452	

¹¹ During the current reporting period, RPPSE Forum Coimbra – Sociedade Imobiliária, S.A. changed its name to Forum Coimbra – Sociedade Imobiliária, S.A.

¹² Share capital held through Torre de Farol. The company is an indirect wholly-owned subsidiary.

¹³ The company pays asset management fees of 0,65% p.a. on the most recent fair value of investment properties to Lighthouse Netherlands, as applicable.

¹⁴ Unless disclosed otherwise in the notes above, the stated capital of the relevant entity was the same in 2020 and 2019, as applicable.

¹⁵ Refer to note 24.4.2 for additional details related to the estimated fair value of loans to subsidiaries.

¹⁶ All of the company's investments in and loans to subsidiaries have been assessed for impairment at the reporting date. The impairments are primarily as a result of the cumulative impact of fair value losses on listed and/or property investments in the underlying subsidiaries. Refer to note 6 for details of impairment charges.

The class of shares held in subsidiary companies consists only of ordinary share capital. Amounts owing by subsidiaries are unsecured, some of which bear interest at fixed rates agreed from time to time, and the terms of repayment are specific to individual tranches advanced:

- > Range of interest rates: 0% to 7,50% p.a.; and
- > Range of maturity dates: nil to 9 years.

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

5. Investment in and loans to subsidiaries and associates continued

5.2 Loans from group companies

	COMPANY	
	Loan amount 2020 EUR	Loan amount 2019 EUR
Subsidiaries		
Lighthouse One Limited	3 271 924	–
Total loans from group companies	3 271 924	–

5.3 Investment in equity-accounted associate

	GROUP	
	Total 2020 EUR	Total 2019 EUR
Hammerson plc		
Carrying amount		
Cumulative cost at the date that significant influence was obtained ¹	133 958 199	–
Subsequent costs capitalised ²	30 809 641	–
Share of post-acquisition reserves	(79 016 019)	–
Dividend ³	(15 764 469)	–
Investment in equity-accounted associate^{4, 5, 6}	69 987 352	–

¹ The original carrying amount of the investment in associate, which was obtained in a multiple-step acquisition, was determined to be fair value on the date that significant influence was obtained i.e. 30 September 2020.

² Further investments in the associate were capitalised to the carrying amount at cost, including transaction costs.

³ The dividend paid by Hammerson plc ("Hammerson") in December 2020 was in the form of a scrip dividend and increased the cost of the investment by EUR 15,8 million.

⁴ There was no objective evidence of impairment at the reporting date.

⁵ Refer to note 4 for a summary of the difference in accounting treatment of the investment in Hammerson between the group and company.

⁶ The total cash paid for the investment in Hammerson during the period amounted to EUR 235,3 million as disclosed in the Consolidated statement of cash flows on page 70.

The group obtained significant influence over Hammerson at close of business on 30 September 2020. On that date, the company's holding was 19,33% and it had a representative on the Hammerson board of directors. On 8 October 2020, the company breached the 20% investment threshold in Hammerson. The investment, which was previously accounted for at fair value through profit or loss, was therefore equity accounted with effect from 30 September 2020.

The fair value of the investment was EUR 244,1 million at the reporting date (2019: nil).

5. Investment in and loans to subsidiaries and associates continued

5.3 Investment in equity-accounted associate continued

Summarised financial information of Hammerson⁷

	GROUP
	Total 31 Dec 2020 GBP
Summarised consolidated balance sheet	
Non-current assets	5 353 500 000
Current assets	552 800 000
Total assets	5 906 300 000
Equity	3 208 900 000
Non-current liabilities	2 373 800 000
Current liabilities	323 600 000
Total equity and liabilities	5 906 300 000

	GROUP
	Year ended 31 Dec 2020 Total GBP
Summarised consolidated income statement	
Revenue	182 900 000
Operating profit before other net losses and shares of results of joint ventures and associates	31 200 000
Other net losses and shares of joint ventures and associates	(1 693 400 000)
Operating loss	(1 662 200 000)
Net finance costs	(72 200 000)
Loss before tax	(1 734 400 000)
Tax charge	(500 000)
Loss attributable to equity shareholders	(1 734 900 000)

⁷ The summarised financial information presented above has been extracted from Hammerson's audited IFRS financial statements. No significant differences in accounting policies were noted.

	Shareholding %	Period ended 31 Dec 2020 Total GBP	Period ended 31 Dec 2020 Lighthouse share of post-acquisition reserves GBP	Period ended 31 Dec 2020 Lighthouse share of post-acquisition reserves EUR
Reconciliation to carrying amounts				
Opening net assets - 30 September 2020 ⁸	19,33	3 560 100 000	–	–
Loss for the 3 months ended 31 December 2020	21,10	(323 250 000)	(68 202 000)	(75 544 971)
Other comprehensive income for the 3 months ended 31 December 2020	21,10	(14 850 000)	(3 133 662)	(3 471 048)
Dividends paid	21,42	(71 500 000)	(14 269 997)	(15 764 469)
Scrip dividend related share issue	21,42	58 400 000	14 269 997	15 764 469
Closing net assets – 31 December 2020	21,64	3 208 900 000	(71 335 662)	(79 016 019)

⁸ Deemed date on which Lighthouse obtained significant influence in Hammerson.

Hammerson is incorporated in the United Kingdom ("UK") and classified as a real estate investment trust ("REIT"). Its property portfolio consists of flagship retail shopping centres and premium outlets in the UK and Europe. Hammerson has a primary listing on the London Stock Exchange and secondary listings on the Johannesburg and Irish stock exchanges.

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

6. Goodwill and impairments

6.1 Goodwill

On 31 May 2017 the group acquired a 50% interest in Torre de Farol (formerly known as LocaViseu). The group exercised joint control over the arrangement as a result of a contractual agreement between the group and Resilient Investments B.V., its joint venture partner. On 2 August 2018, the group acquired the remaining 50% interest in Torre de Farol, at which date Torre de Farol became a wholly-owned subsidiary of the group and was fully consolidated.

	GROUP	
	2020 EUR	2019 EUR
Goodwill recognised at acquisition of Torre de Farol ¹	24 280 132	24 280 132
Goodwill charge relating to the sale of Forum Viseu ²	(1 214 007)	–
Goodwill impairment ³	(10 985 920)	–
Goodwill carrying amount at the reporting date	12 080 205	24 280 132

¹ The goodwill relates to the deferred tax liability assumed on acquisition. Typically, Iberian property transactions entail the disposal of companies instead of underlying properties and it is management's view that the deferred tax in the Torre de Farol group will not become payable. The goodwill balance was assessed for impairment, as required by IFRS, and reduced accordingly at the reporting date.

² The portion of goodwill related to the sale of Forum Viseu has been expensed during the period (also refer to note 3).

³ The net asset value of Torre de Farol is substantially at fair value, which eliminates the need for significant management estimates during impairment assessments. Due to adverse property market conditions and a decrease in related Torre de Farol deferred tax liabilities, the group has impaired goodwill.

6.2 Impairment (loss)/reversal

	GROUP		COMPANY	
	Total 2020 EUR	Total 2019 EUR	Total 2020 EUR	Total 2019 EUR
Impairment (losses)/reversals recognised during the reporting period:				
– Investment in Lighthouse One			(18 475 183)	(21 360 356)
– Loans to Lighthouse Investments ¹			(18 434 409)	
– Loans to Lighthouse One UK ¹			(266 305)	
– Investment in and loans to Lighthouse Netherlands Two ¹			(71 060)	
– Impairment loss on goodwill ²	(12 199 927)		–	
– Reversal of impairment loss on Share Incentive loans ³	–	36 350	–	36 350
Impairment (losses)/reversals recognised in profit or loss⁴	(12 199 927)	36 350	(37 246 957)	(21 324 006)

¹ Refer to note 5.1 for further details including a description of the circumstances that led to the impairments.

² Refer to note 6.1.

³ Refer to note 8 for further details.

⁴ Impairment charges on tenant receivables are included in property operating expenses in profit or loss.

7. Financial and other assets

	GROUP		COMPANY	
	Total 2020 EUR	Total 2019 EUR	Total 2020 EUR	Total 2019 EUR
Financial assets				
Derivative cash margin ¹	3 851 587	18 752 263	–	6 383 877
– JP Morgan	3 851 587	3 580 000	–	–
– Merrill Lynch	–	6 383 877	–	6 383 877
– Morgan Stanley	–	8 788 386	–	–
Fair value of interest rate derivatives ²	193 715	430 407	302	15 149
Total financial assets	4 045 302	19 182 670	302	6 399 026
Other assets				
Right-of-use asset – property lease ³	104 808	273 308	–	–
Total other assets	104 808	273 308	–	–
Total financial and other assets	4 150 110	19 455 978	302	6 399 026
Financial assets – non-current	4 045 302	19 182 670	302	6 399 026
Other assets – non-current	104 808	273 308	–	–
Carrying amount at the reporting date – non-current	4 150 110	19 455 978	302	6 399 026

	GROUP		COMPANY	
	Total 2020 EUR	Total 2019 EUR	Total 2020 EUR	Total 2019 EUR
Financial assets – non-current	193 715	430 407	302	15 149
Financial assets measured at fair value through profit or loss²	193 715	430 407	302	15 149

¹ The company utilises equity swap derivatives to obtain exposure to listed real estate and infrastructure companies, for which an equity derivative margin (cash or other collateral) of between 35% and 90% (2019: between 35% and 90%) of the gross exposure is required. The company also utilises other derivatives to hedge-specific risks e.g. interest rate and foreign currency risks. The group unwound all its equity swap derivative positions during the financial period. The margin requirement is specific to each underlying security/risk (also refer to notes 4 and 24.3.2).

² Refer to note 24.4 for fair value information.

³ The right-of-use lease asset relates to the lease of the group office in Amsterdam.

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

8. Share Incentive

The movements in the Lighthouse Share Incentive ("Share Incentive") balances were approved by the board during the relevant reporting periods. The purpose of the scheme is to provide employees with an incentive linked to the growth of the company's long-term value as measured by the share price. This form of long-term incentivisation was designed to align employees' interests with that of the company in order to contribute to the achievement of the company's objectives and enhance shareholder value.

Employees were allocated short-term and long-term incentive shares, which vested immediately and up to five years, respectively. Employees were also afforded the opportunity to obtain five-year loan facilities to purchase Lighthouse shares, which were pledged as security for the aforesaid loans. Distributions received on pledged shares were applied to settle the interest payable on the loans, with any excess applied to reduce the outstanding loan balance. During 2019 the Share Incentive loans earned variable interest at the group's weighted average cost of interest-bearing borrowings.

Due to the company's change in strategy, and the return of EUR 600 million of capital to shareholders late in 2018, the board decided to unwind this Share Incentive. The Greenbay Share Trust transferred incentive shares, subsequent to the settlement of related debt, to participants' accounts on or about 31 January 2019, after which The Greenbay Share Trust was unwound and deregistered.

At the reporting date, no shares or loans have been issued to employees or directors in terms of the Share Incentive.

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Reversal of impairment losses related to Share Incentive loans	–	36 350	–	36 350

9. Trade and other receivables

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Trade and other receivables include the following:				
Tenant receivables	955 947	2 270 050	–	–
VAT receivable	546 849	885 238	–	–
Prepayments ¹	395 599	204 822	–	–
Equity swap derivatives settlement receivable	–	1 976 742	–	1 704 100
Receivable for securities sold	–	656 780	–	–
Other receivables ²	104 347	561 554	43 783	40 432
Carrying amount at the reporting date	2 002 742	6 555 186	43 783	1 744 532

¹ The prepayments primarily related to expenses paid in advance, which are expensed in the periods to which they relate. These prepayments include mostly condominium costs and insurance premiums paid in advance.

² The current period balance primarily consists of dividends receivable from listed investments.

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 company does not hold collateral as security. The group holds limited bank guarantees and tenant deposits as security for certain tenant receivables.

10. Stated capital

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Authorised¹				
2 770 127 176 (2019: 832 790 136) ordinary shares of no par value				
Issued¹				
1 207 790 136 (2019: 457 790 136) ordinary shares of no par value at an average of EUR 0,287 (2019: EUR 0,318) per share*	346 556 171	145 801 666	346 556 171	145 801 666

* Transaction costs recognised as a deduction from equity amounted to EUR 0,49 million (2019: EUR nil million).

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, repayments of capital, share consolidation, share cancellation and share issuances

- > On 21 September 2018, the company's board authorised a return of capital of EUR 300 million from non-distributable reserve, paid to shareholders on 8 October 2018. The returns of capital were funded primarily by selling listed security investments and utilisation of internal cash resources.
- > On 27 November 2018, the company's board authorised a return of capital of EUR 300 million from non-distributable reserve, paid to shareholders on 10 December 2018. The returns of capital were funded primarily by selling listed security investments and utilisation of internal cash resources.
- > The company's shares have been consolidated on a 1 for 20 basis, effective from 18 December 2018.
- > The company cancelled 16 615 159 treasury shares on or about 24 January 2019.
- > The company successfully raised EUR 70,5 million through a rights offer by issuing 150 000 000 new shares at 47 EUR cents per share on the Stock Exchange of Mauritius and 775 ZAR cents per share on the Johannesburg Stock Exchange Limited ("JSE") in December 2019.
- > The company completed a bookbuild equity raise (the "equity raise") on 20 May 2020, wherein the company confirmed that it would be issuing 600 000 000 new shares to both related and non-related parties.

A total of 122 785 101 new shares were issued on 3 June 2020 to non-related parties in exchange for:

- ZAR 255 million in cash;
- 1 472 500 Hammerson plc shares; and
- 6 687 400 NEPI Rockcastle plc shares.

A total of 477 214 899 new shares were issued on 12 August 2020 to related parties in exchange for:

- ZAR 12,1 million in cash; and
- 38 192 246 NEPI Rockcastle plc shares.

- > Shareholders authorised the transfer of EUR 105,0 million from stated capital to non-distributable reserve at a general meeting of the company held on 7 August 2020.

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

10. Stated capital continued

10.2 Reconciliation of movement in issued shares during the reporting period¹

	GROUP		COMPANY	
	2020 Shares	2019 Shares ¹	2020 Shares	2019 Shares ¹
Balance at the beginning of the period	457 790 136	455 969 410	457 790 136	474 405 295
Cancelled or acquired during the period ²	–	–	–	(16 615 159)
Incentive shares released from The Greenbay Share Trust on 31 January 2019 ³	–	1 820 726	–	–
Shares issued – rights offer: 20 December 2019	150 000 000	–	150 000 000	–
Shares issued – bookbuild:	600 000 000	–	600 000 000	–
3 June 2020	122 785 101	–	122 785 101	–
12 August 2020	477 214 899	–	477 214 899	–
Balance at the end of the period	1 207 790 136	457 790 136	1 207 790 136	457 790 136

¹ Shares have been restated to post-consolidation equivalents where relevant.

² The company received an in specie dividend from Lighthouse One and cancelled 16 615 159 treasury shares on or about 24 January 2019.

³ The Greenbay Share Trust released and transferred 1 820 726 incentive shares to participants on or about 31 January 2019.

10.3 Treasury shares¹

	GROUP	
	2020 EUR	2019 EUR
Balance at the beginning of the period	–	(17 378 683)
Shares cancelled/repurchased during the period	–	4 944 161
Consolidation of The Greenbay Share Trust	–	(44 547)
Return of capital distribution	–	11 658 301
Distribution paid – final 2018: cash (paid 7 January 2019)	–	820 768
Balance at the end of the period	–	–

¹ Shares have been restated to post-consolidation equivalents where relevant.

11. Interest-bearing borrowings

The group's interest-bearing borrowings comprise short-term and long-term interest-bearing borrowings. The borrowings, together with shareholder equity, are used to fund the company's investment and operating activities. The company's investment mandate allows gearing of up to 45% of the total qualifying asset value ("gearing ratio").

	GROUP	
	2020 EUR	2019 EUR
Gearing ratio* (%)	13,0	31,0

* The gearing ratio is calculated by dividing total interest-bearing borrowings, adjusted for cash and cash equivalents and derivative cash margin, by the total of investments in property, gross listed securities at fair value, investment in associate at fair value and loans advanced, based on the management accounts as disclosed in the segmental analysis.

The group's exposure to interest rate, foreign currency and liquidity risk is discussed in note 24.

	GROUP			
	Nominal interest rate	Maturity	Fair value ³ EUR	Carrying amount EUR
2020				
Interest-bearing borrowings				
Forum Coimbra – term loan	Fixed 2,15% ¹	Nov 2024	85 283 592	83 651 858
Koper Mall – term loan	Euribor plus 2,75% ²	Dec 2026	22 210 435	21 792 095
Current portion included in current liabilities			(1 034 972)	(1 034 972)
Total interest-bearing borrowings			106 459 055	104 408 981
2019				
Interest-bearing borrowings				
Forums Coimbra and Viseu – term loan	Fixed 2,40% ¹	Jun 2022	102 922 005	101 818 253
Koper Mall – term loan	Euribor plus 2,75% ²	Dec 2026	23 460 898	23 460 898
Current portion included in current liabilities			(1 052 685)	(1 052 685)
Total interest-bearing borrowings			125 330 218	124 226 466

¹ The fixed interest rate is subject to a 4% stamp duty on interest i.e. the nominal interest rate payable is approximately 2,24% (2019: 2,50%) p.a. (including stamp duties).

² The Euribor floating interest rate is subject to a minimum (floor) of 0% i.e. the minimum total interest rate payable is 2,75% p.a.

³ The differences between fair value and the carrying amount relate to the fixed rate and floor components of the Forum Coimbra and Planet Koper loans, respectively.

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

11. Interest-bearing borrowings continued

Interest-bearing borrowings are secured by the following:

	GROUP	
	Investment property ³ 2020 EUR	Investment property ³ 2019 EUR
Investment property security for interest-bearing borrowings		
Forum Coimbra ¹	182 267 000	233 587 000
Planet Koper ²	66 200 000	67 614 607
Total security for interest-bearing borrowings	248 467 000	301 201 607

¹ **Forum Coimbra (including Forum Viseu in the prior period) – 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 (2019: Forum Coimbra: EUR 85,5 million; and Forum Viseu: EUR 17,2 million). The facility matures in November 2024 and is repayable in full at maturity. Interest is due quarterly in arrears.

Security: A first ranking mortgage over the property; a pledge of credit rights and bank accounts; an assignment of receivables; and a pledge of shares in Forum Coimbra – Sociedade de Imobiliária, S.A.

Covenants: Loan-to-value ratio of maximum 60% (2019: 55%); interest cover ratio of minimum 2,5; minimum net operating income of EUR 7,8 million p.a. During 2020, Forum Coimbra was granted a temporary reduction of the net operating income covenant to EUR 7,0 million p.a. up to and including March 2021. Forum Coimbra complied with all amended covenants during 2020, and Forums Coimbra and Viseu complied with all covenants during 2019.

² **Planet Koper – NLB Bank**

The group contracted a secured loan facility from Nova Ljubljanska Banka d.d. for Koper Mall amounting to EUR 27,5 million, which matures in December 2026; 50% of which is repayable in monthly instalments with a final payment of 50%.

Security: A first ranking mortgage over the property; general security over the rental income of Koper Mall; suretyship by Lighthouse Capital Limited; pledge of shares in Lighthouse Investments d.o.o.

Covenants: Loan-to-value ratio of maximum 50%; debt service cover ratio of minimum 1,7 (2019: 1,5); equity ratio of at least 0,5; and an interest cover ratio of minimum 1,4. Lighthouse Investments d.o.o. complied with all covenants during 2020 and 2019.

³ Refer to note 3 for details of investment property serving as security for external borrowings.

Implied interest-bearing borrowings on equity swap derivatives

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
The group utilises equity swap derivatives to obtain exposure to listed real estate and infrastructure companies. These equity swap derivatives have the following inherent components:				
Gross equity swap derivatives exposure to listed investments	–	26 344 395	–	15 559 100
Implied interest-bearing borrowings on equity swap derivatives	–	(26 344 395)	–	(15 559 100)
Net equity swap derivative exposure	–	–	–	–
Finance costs on the implied interest-bearing borrowings on equity swap derivatives (included in fair value gains and losses on investments in profit or loss)	32 366	978 988	33 585	560 343
Other finance costs (included as a separate line item in profit or loss)	4 563 219	4 015 460	204 614	74 321
Total finance costs for the period	4 595 585	4 994 448	238 199	634 664

12. Deferred tax liabilities

	GROUP	
	2020 EUR	2019 EUR
The deferred tax liability comprises the following:		
Cumulative investment property statutory tax allowances	16 472 243	12 856 298
Cumulative fair value adjustments of investment properties	11 707 348	19 547 529
Assessed tax losses ¹	(358 175)	(285 185)
Other ²	(356 941)	(80 656)
Balance at the end of the period	27 464 475	32 037 986
Balance at the beginning of the period	32 037 986	31 630 017
Recognised in profit or loss	(4 573 511)	407 969
Balance at the end of the period	27 464 475	32 037 986

¹ The group has not recognised deferred tax assets related to assessed losses in jurisdictions where such assessed losses are unlikely to be utilised.

² The balance substantially consists of deferred taxes related to rental discount accruals and impairment losses on tenant receivables.

13. Financial liabilities

	GROUP	
	2020 EUR	2019 EUR
Tenant deposits	458 356	468 053
Lease liability ¹	91 597	276 621
Fair value of currency derivatives ²	–	1 209 290
Total financial liabilities	549 953	1 953 964
Financial liabilities – non-current	495 489	646 528
Financial liabilities – current	54 464	1 307 436
Total financial liabilities	549 953	1 953 964
Financial liabilities measured at fair value through profit or loss:		
Financial liabilities – current	–	1 209 290
	–	1 209 290

¹ The balance consists of the lease liability related to the Lighthouse Amsterdam office lease. Also refer to note 9.

² Refer to note 24.4 for fair value information.

14. Trade and other payables

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Trade and other payables include the following:				
Tenant prepayments	1 710 444	3 287 146	–	–
Accrued expenses	1 033 263	799 538	278 613	–
Trade payables	648 557	2 359 047	–	–
VAT payable	272 202	702 542	–	–
Other ¹	258 671	763 531	91 015	373 801
Total trade and other payables	3 923 137	7 911 804	369 628	373 801

¹ The balance consists primarily of the leave pay provision.

Notes to the consolidated financial statements continued

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15. Revenue

15.1 Property rental and related revenue

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Property rental and related revenue includes the following:				
Property rental revenue	21 772 042	19 086 800	–	–
Covid-19-related discounts ⁴	(1 895 535)	–	–	–
Tenant recovery (service charge) revenue	6 261 051	6 165 431	–	–
Property rental and related revenue^{1, 2, 3}	26 137 558	25 252 231	–	–

¹ All property rental and related revenue is in respect of investment properties, as disclosed in note 3.

² Property rental and related revenues of approximately EUR 2,6 million (2019: EUR 4, 1 million) received from the Inditex group exceeded 10% of the group's total revenue during the reporting period.

³ Substantially all property operating expenses presented in profit or loss related to investment properties that generated rental revenue during the current and prior period.

⁴ These Covid-19-related discounts consist of the legislated turnover-only rental mentioned in note 3. Further Covid-19-related discounts of EUR 2,8 million have been included as part of property operating expenses, as it relates to invoices that had already been issued at the time the ad hoc discounts were granted.

15.2 Investment revenue

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Investment revenue includes the following:				
Dividend income on listed equity investments	2 455 962	3 430 437	6 503 606	1 615 310
Derivative premium income	1 424 994	38 507	1 424 994	–
Total investment revenue	3 880 956	3 468 944	7 928 600	1 615 310

16. Loss before tax

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Loss before tax includes:				
Auditor's remuneration*				
– audit fee	(127 068)	(108 692)	(60 475)	(33 350)
– other assurance fees	(5 205)	(5 999)	–	(5 999)
Brokerage fees	(548 267)	(364 891)	(855 151)	(101 320)
Directors' remuneration				
– services as director (non-executive directors)	(162 831)	(108 997)	(162 831)	(108 997)
– other services (executive directors)	(1 108 138)	(665 200)	(493 753)	(391 563)
Employee benefits (excluding executive director remuneration)	(803 100)	(523 881)	(263 262)	(134 736)
Transaction costs	(877 939)	(4 780)	–	–
Travel and accommodation	(124 832)	(127 747)	(32 106)	(6 379)

* No non-assurance fees were incurred with respect to the company's auditor for 2020 or 2019.

16. Loss before tax continued

16.1 Non-executive directors' remuneration

For additional details refer to the non-executive directors' remuneration details included in the remuneration report on pages 52 to 53.

	GROUP AND COMPANY	
	2020 EUR	2019 EUR
Non-executive director		
David Axten	21 850	11 994
Stuart Bird ¹	5 048	–
Karen Bodenstein	28 200	22 000
Paul Edwards	32 050	17 639
Des de Beer ^{2, 6}	10 433	–
Mark Olivier ⁴	33 200	25 297
Barry Stuhler	32 050	25 000
Terence Warren ³	–	7 067
Teddy Lo Seen Chong ⁵	–	–
Total non-executive directors' remuneration	162 831	108 997

¹ Stuart Bird was appointed as director of the company on 12 February 2020. Stuart earned non-executive director's fees on a pro-rated basis from the date of his appointment until he was appointed as alternate director to Des de Beer on 27 May 2020.

² Des de Beer was appointed as director of the company on 27 May 2020. Des earned non-executive director's fees on a pro-rated basis from the date of his appointment.

³ Terence Warren resigned as non-executive chairperson of the board of the company on 17 January 2019. Terence earned non-executive director's remuneration on a pro-rated basis until the date of his resignation.

⁴ Mark Olivier had been an independent non-executive director when he was appointed as non-executive chairperson of the board of the company on 17 January 2019. The change in Mark's non-executive directors' remuneration was pro-rated from the date of his appointment.

⁵ Teddy Lo Seen Chong's remuneration is incorporated with the fees paid by the company to Intercontinental Trust Ltd, Lighthouse's company secretary. Teddy resigned as director of the company on 17 January 2019.

⁶ All fees are paid to Resilient REIT.

16.2 Executive directors' remuneration

For additional information refer to the executive directors' remuneration details included in the remuneration report on pages 48 to 51.

	GROUP			
	Salary 2020 EUR	Bonus 2020 EUR	Salary 2019 EUR	Bonus 2019 EUR
Executive director				
Stephen Delpont	286 993	78 613	244 446	20 100
Justin Muller	255 313	69 678	75 521	15 104
Jacobus van Biljon	217 229	72 165	168 836	14 176
Jan Wandrag	128 147	–	116 988	10 029
	887 682	220 456	605 791	59 409

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16. Loss before tax continued

16.2 Executive directors' remuneration continued

	COMPANY			
	Salary 2020 EUR	Bonus 2020 EUR	Salary 2019 EUR	Bonus 2019 EUR
Executive director				
Stephen Delport	286 993	78 613	244 446	20 100
Justin Muller	–	–	–	–
Jacobus van Biljon	–	–	–	–
Jan Wandrag	128 147	–	116 988	10 029
	415 140	78 613	361 434	30 129

17. Income tax

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Current tax	(1 358 406)	(1 557 280)	(200 479)	(216 467)
Deferred tax (refer to note 12)	4 573 510	(407 969)	–	–
Income tax recognised in profit or loss	3 215 104	(1 965 249)	(200 479)	(216 467)

Reconciliation of tax rate

	GROUP		COMPANY	
	2020 %	2019 %	2020 %	2019 %
Standard tax rate	15,00	15,00	15,00	15,00
Foreign tax credit*	(12,00)	(12,00)	(12,00)	(12,00)
Difference in foreign tax rates	1,08	(6,32)	–	–
Underprovision prior year	0,01	0,27	0,03	0,32
Permanent differences:				
Fair value loss on investments and currency, interest rate and other derivatives	(2,64)	(4,74)	(3,16)	(4,86)
Non-deductible expenses	(0,18)	(2,41)	–	–
Non-recognition of deferred tax assets related to assessed tax losses	(0,08)	(0,61)	–	–
Non-taxable income	(0,02)	2,72	(0,05)	0,62
Other	–	(0,04)	–	–
Effective tax rate	1,17	(8,13)	(0,18)	(0,92)

* The company holds a Category 1 Global Business ("GBC 1") Licence for the purpose of the Financial Services Act 2007 of Mauritius. The company is subject to 15% income tax in Mauritius according to the provisions of the Income Tax Act 1995, as amended. As the company holds a Global Business Licence, the Income Tax (Foreign Tax Credit) Regulations 1996 provides for the off-setting of any underlying tax, withholding tax, or tax sparing credit by the company against the 15% tax or a deemed 80% foreign tax credit on the company's foreign source income where written evidence of foreign tax charged is not presented to the tax authorities in Mauritius. Gains/(losses) on sale of securities are exempted from tax in Mauritius. Pursuant to the enactment of the Finance Act 2018, all companies categorised as "GBC 1" companies, will now be licenced as "Global Business Licence" companies. Effective from January 2019, the deemed Foreign Tax Credit regime available to GBC 1 companies will be abolished. Companies which had obtained their GBC 1 Licence on or before 16 October 2017, including the company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

There will be an introduction of an 80% exemption regime on the following income:

- > Foreign dividend income, subject to amounts not allowed as deductions in the source country;
- > Foreign source interest income derived by a company other than a bank; and
- > Profit attributable to a permanent establishment of a resident company in a foreign country.

18. Notes to the statements of cash flows

18.1 Cash generated from operations

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Loss before tax	(274 408 326)	(24 172 061)	(112 163 163)	(23 547 710)
<i>Adjusted for:</i>				
Finance income	(455 089)	(997 927)	(454 516)	(686 177)
Interest income from group companies	–	–	(7 912 337)	(6 987 442)
Fair value loss on investment property (excluding straight-lining of rental revenue adjustment)	16 381 385	9 105 049	–	3 950 093
Fair value loss on investments	146 407 897	2 856 843	56 751 030	–
Fair value loss on currency, interest rate and other derivatives	27 359 880	4 263 330	28 347 326	482 047
Impairment loss/(reversal)	12 199 927	(36 350)	37 246 957	21 324 006
Foreign exchange loss on cash and cash equivalents	5 129 726	3 288 340	2 800 680	2 761 871
Share of loss of associate	91 309 440	–	–	–
Depreciation (right-of-use asset)	(16 391)	–	–	(4 902 270)
Tenant deposits	(9 697)	–	–	–
Finance costs	4 563 219	4 015 460	204 614	74 321
	28 461 971	(1 677 316)	4 820 591	(7 531 261)
Changes in working capital:				
Decrease/(increase) in trade and other receivables	2 536 066	6 513 886	(42 987)	203 227
Decrease in trade and other payables	(3 988 800)	(8 511 811)	(4 173)	(5 889 114)
Cash generated from/(utilised in) operations	27 009 237	(3 675 241)	4 773 431	(13 217 148)

18.2 Income tax paid

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Income tax payable at the beginning of the period	126 814	973 235	(39 636)	353 094
Recognised in profit or loss	1 358 407	1 557 280	200 479	216 467
Income tax payable at the end of the period	(126 910)	(126 814)	(100 097)	39 636
Income tax paid	1 358 311	2 403 701	60 746	609 197

Notes to the consolidated financial statements continued

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19. Contingent liabilities and commitments

19.1 Contingent liabilities

The only contingent liabilities relevant to the current and prior periods relate to ongoing operational claims, of which final settlement, if any, is not likely to be significant.

19.2 Commitments

The group has no outstanding commitments at the reporting date.

20. Loss and diluted loss per share

The calculation of basic loss per share for the current and prior period is based on:

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Loss for the period attributable to equity holders of the company	(271 193 222)	(26 137 310)	(112 363 642)	(23 764 177)
Weighted average ordinary shares in issue during the period	784 744 191	457 176 576	784 744 191	463 070 570

The company has no dilutionary instruments in issue.

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
2020				
1 October 2019	Opening balance	457 790 136	100	457 790 136
20 December 2019	Rights issue	150 000 000	82	123 471 616
3 June 2020	Issue via bookbuild	122 785 101	46	56 566 935
12 August 2020	Issue via bookbuild	477 214 899	31	146 915 504
31 December 2020	Balance at reporting date	1 207 790 136		784 744 191
2019				
1 October 2018	Opening balance	455 969 410	100	455 969 410
31 January 2019	Unwind Share Incentive Trust	1 820 726	66	1 207 166
30 September 2019	Balance at reporting date	457 790 136		457 176 576

20. Loss and diluted loss per share continued

		COMPANY		
Date	Event	Number of shares	% of period	Weighted average
2020				
1 October 2019	Opening balance	457 790 136	100	457 790 136
20 December 2019	Rights issue	150 000 000	82	123 471 616
3 June 2020	Issue via bookbuild	122 785 101	46	56 566 935
12 August 2020	Issue via bookbuild	477 214 899	31	146 915 504
31 December 2020	Balance at reporting date	1 207 790 136		784 744 191
2019				
1 October 2018	Opening balance	474 405 295	100	474 405 295
24 January 2019	Cancelled shares	(16 615 159)	68	(11 334 725)
30 September 2019	Balance at reporting date	457 790 136		463 070 570

21. Headline loss and diluted headline loss per share

	GROUP			
	Gross 2020 EUR	Net ¹ 2020 EUR	Gross 2019 EUR	Net ¹ 2019 EUR
Basic and diluted loss per share (EUR cents)		(34,56)		(5,72)
Reconciliation of loss for the period to headline loss				
Basic – loss for the period attributable to equity holders of the company		(271 193 222)		(26 137 310)
Adjusted for:				
Impairment loss on goodwill	12 199 927	12 199 927	–	–
Fair value loss on investment property	16 381 385	12 807 417	3 204 334	2 480 724
Fair value loss on investment property of associate	25 582 912	25 582 912	–	–
Headline loss		(220 602 966)		(23 656 586)
Weighted average shares in issue during the period		784 744 191		457 176 576
Headline loss and diluted headline loss per share (EUR cents)		(28,11)		(5,17)

	COMPANY			
	Gross 2020 EUR	Net ¹ 2020 EUR	Gross 2019 EUR	Net ¹ 2019 EUR
Basic and diluted loss per share (EUR cents)		(14,32)		(5,13)
Reconciliation of loss for the period to headline loss				
Basic – loss for the period attributable to equity holders of the company		(112 363 642)		(23 764 177)
Adjusted for:				
None	–	–	–	–
Headline loss		(112 363 642)		(23 764 177)
Weighted average shares in issue during the period		784 744 191		463 070 570
Headline loss and diluted headline loss per share (EUR cents)		(14,32)		(5,13)

¹ Net of income tax effect.

Notes to the consolidated financial statements continued

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22. Events after the reporting period and going concern

22.1 Events after the reporting period

- > On 18 March 2021, the directors declared a distribution of EUR 19 022 695 related to the second part of the 2020 reporting period.
- > Jan Wandrag resigned as director and chief operating officer of the company on 5 February 2021 and 28 February 2021, respectively. Nina Kretzmann was appointed as director and chief operating officer of the company on the same respective dates.
- > The board authorised, subject to regulatory approvals, the issuance of circa 1,5 million ordinary Lighthouse shares to executive directors, in terms of the authorised Lighthouse share incentive plan.

22.2 Going concern

The directors have assessed the group's ability to continue as a going concern. At and subsequent to the reporting date, the group maintained a substantial positive net asset value and strong liquidity position with at least EUR 34 million of cash on hand and EUR 29 million of ungeared highly liquid infrastructure investments.

The Covid-19 pandemic may have an adverse impact on rental income, collections of tenant receivables, and property valuations. These factors were considered as part of the going concern assessment. The group's solvency and liquidity have been thoroughly assessed to determine the potential further impact of Covid-19 by, inter alia, considering a range of factors, including a deep-stress scenario.

Liquidity

Given the uncertainty around future trading conditions and the difficulty of determining the impact of Covid-19 on the group the board decided to prioritise Lighthouse's sustainability by declaring a scrip distribution in the amount of EUR 19 million for the nine months ended 31 December 2020. Lighthouse remains well capitalised to meet its liquidity needs during this period of uncertainty. The group has no significant debt maturities in the next 12 months.

Debt covenants

The value of direct investment properties impacts loan-to-value debt covenants. At the reporting date, no covenants were breached. All debt covenants are proactively monitored to manage and address any potential breaches and the group has a safe range for covenant compliance in the upcoming year. The group's gearing of 13% at the reporting date is well below the maximum thresholds of loan-to-value covenants.

Rental concessions and credit losses

Rental concessions and credit loss impairments on tenant receivables may increase as tenant businesses are impacted by the pandemic globally.

Limitations on trading

The group's direct properties are currently subject to various trading restrictions resulting from government measures against the pandemic.

Other considerations

The group strengthened its balance sheet and liquidity position by raising EUR 306 million during the financial reporting period.

Hammerson released its financial results for the year ended 31 December 2020 to the market on 12 March 2021. Hammerson's board deemed the going concern assumption appropriate for its financial reporting but noted a material uncertainty related to certain debt covenants. These debt covenants could potentially be breached in adverse circumstances. The Lighthouse board determined that Hammerson's material going concern uncertainty does not cause a material uncertainty related to Lighthouse's ability to continue as a going concern, mainly for the following reasons:

- > Lighthouse has an ungeared investment in Hammerson;
- > Hammerson's shares are dual listed on the London Stock Exchange and the Johannesburg Stock Exchange and are liquid; and
- > Lighthouse expects Hammerson to continue paying scrip distributions, and no related cash inflows were considered in Lighthouse's going concern assessments.

Overall assessment by the board

In its assessment of the going concern assumption, the Lighthouse board has taken cognisance of the impact of Covid-19 and the Hammerson going concern uncertainty (noted above), and determined that the going concern assumption for the group and the company remains valid and reasonable.

23. Operating lease rental revenue

	GROUP	
	2020 EUR	2019 EUR
Contractual rental revenue from tenants can be analysed as follows: ^{1, 2}		
Within one year	14 937 550	18 523 496
Within one to two years	12 785 784	15 786 730
Within two to three years	11 701 765	13 313 121
Within three to four years	9 392 342	12 370 534
Within four to five years	5 445 034	10 135 052
Within one to five years	54 262 475	70 128 932
More than five years	11 926 265	54 502 805
Total contractual rental revenue	66 188 740	124 631 737

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 five years.

24. Financial instruments, risk and fair value measurements

24.1 Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Loans to subsidiaries ¹	–	–	353 464 720	184 204 609
Financial assets:				
Derivative cash margin ¹	3 851 587	18 752 263	–	6 383 877
Fair value of interest rate derivatives ¹	193 715	430 407	302	15 149
Trade and other receivables (excluding non-financial assets):				
Tenant receivables ¹	955 947	2 270 050	–	–
Equity swap derivatives settlement receivable ¹	–	1 976 742	–	1 704 100
Prepayments	395 599	204 822	–	–
Cash and cash equivalents ¹	34 054 093	16 983 498	9 218 241	2 417 914
	39 450 941	40 617 782	362 683 263	194 725 649
Loans to subsidiaries	–	–	353 464 720	184 204 609
Deemed fair value of underlying investments allocable to loans to subsidiaries ¹	–	–	(334 693 046)	(184 204 609)
Net exposure	–	–	18 771 674	–

¹ Refer to note 2.1 for credit risk management details. Only minor write offs were incurred in the current and prior reporting period.

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

24. Financial instruments, risk and fair value measurements continued

24.1 Credit risk continued

	GROUP	
	2020 EUR	2019 EUR
Tenant receivables ¹		
Current and <90 days past due (not in default)	955 947	2 238 935
– Gross carrying amount	1 043 733	2 256 679
– Loss allowance ¹	(87 786)	(17 744)
>90 days past due (in default)	–	31 115
– Gross carrying amount	293 944	537 087
– Loss allowance	(293 944)	(505 972)
Total carrying value	955 947	2 270 050
– Total gross carrying amount	1 337 677	2 793 766
– Total loss allowance	(381 730)	(523 716)
Tenant receivable impairment charge included in property operating expenses	(548 030)	54 622

¹ Refer to note 2.1 for credit risk management details. Only minor write offs were incurred in the current and prior reporting period.

	GROUP			
Tenant receivables' weighted average loss rates per tenant category: ^{1, 2}	<30 days due %	<60 days due %	<90 days due %	Overdue %
2020				
Category A (large international/national tenants and government)	27,7	65,0	80,0	100,0
Category B (national tenants and medium to large professional firms)	31,1	73,1	90,0	100,0
Category C (all other tenants)	34,6	81,2	100,0	100,0
2019				
Category A (large international/national tenants and government)	9,2	17,6	42,8	68,6
Category B (national tenants and medium to large professional firms)	10,4	19,8	48,2	68,8
Category C (all other tenants)	11,5	22,0	53,5	69,0

¹ Refer to note 2.1 for credit risk management details.

² The weighted average loss rates have been determined based on the historical credit loss experience for each category of tenant receivables on an ageing basis. The historical credit loss rates are then amended for the estimated impact of forward-looking adjustments for macroeconomic indicators, based on the respective consumer confidence indices and retail sales growth statistics. The historical credit losses have been increased by a factor of 400% (2019: 120%) (up to a maximum total expected credit loss of 100%) during the reporting period for the estimated impact of the relevant macroeconomic indicators.

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 – 3 months EUR	4 – 12 months EUR	2 – 5 years EUR	>5 years EUR
2020						
Interest-bearing borrowings	105 443 953	117 196 287	948 766	2 865 888	97 867 033	15 514 600
Financial liabilities	549 953	554 015	13 626	40 970	499 419	–
Trade and other payables	1 940 491	1 940 491	1 681 820	258 671	–	–
2019						
Interest-bearing borrowings	125 279 151	137 255 810	1 156 157	3 443 603	114 872 497	17 783 553
Financial liabilities	1 953 964	1 953 964	24 472	1 282 964	646 528	–
Trade and other payables	3 922 116	3 922 116	3 158 585	763 531	–	–

	COMPANY					
	Carrying value EUR	Contractual outflows EUR	0 – 3 months EUR	4 – 12 months EUR	2 – 5 years EUR	>5 years EUR
2020						
Trade and other payables	369 628	369 628	369 628	–	–	–
2019						
Trade and other payables	373 801	373 801	373 801	–	–	–

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

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Permitted borrowings				
Total gross qualifying assets (including implied assets on equity swap derivatives)	347 188 884	373 695 047	75 081 335	40 994 652
45% (2019: 45%) borrowing limit of total gross qualifying assets	156 234 998	168 162 771	33 786 601	18 447 593
Total gross interest-bearing borrowings (including implied borrowings on equity swap derivatives) less cash and cash equivalents and equity swap derivatives cash margin	(67 538 273)	(115 887 785)	9 218 241	(6 757 309)
Unutilised borrowing capacity	88 696 725	52 274 986	43 004 842	11 690 284

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

24. Financial instruments, risk and fair value measurements continued

24.3 Market risk

24.3.1 Interest rate risk

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Interest-bearing instruments comprise:				
Variable rate instruments				
Share Incentive loans	–	–	–	–
Cash and cash equivalents	34 054 093	16 983 498	9 218 241	2 417 914
Derivative cash margin	3 851 587	18 752 263	–	6 383 877
Interest-bearing borrowings (including implied borrowings on equity swap derivatives)	(21 792 095)	(49 805 293)	–	(15 559 100)
Net variable rate interest-bearing instruments	16 113 585	(14 069 532)	9 218 241	(6 757 309)

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

	GROUP				
	1 – 3 months EUR	4 – 12 months EUR	2 – 5 years EUR	>5 years EUR	Total EUR
2020					
Interest-bearing borrowings	21 792 095	–	–	–	21 792 095
Total liabilities and borrowings	21 792 095	–	–	–	21 792 095
2019					
Interest-bearing borrowings	23 460 898	–	–	–	23 460 898
Implied interest-bearing borrowings on equity swap derivatives	26 344 395	–	–	–	26 344 395
Total liabilities and borrowings	49 805 293	–	–	–	49 805 293
	COMPANY				
	1 – 3 months EUR	4 – 12 months EUR	2 – 5 years EUR	>5 years EUR	Total EUR
2019					
Implied interest-bearing borrowings on equity swap derivatives	15 559 100	–	–	–	15 559 100
Total liabilities and borrowings	15 559 100	–	–	–	15 559 100

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 50 basis points in interest rates at the reporting date would have increased/(decreased) the profit or loss before tax for the period by the amounts shown below. This analysis assumes that all other variables remain constant.

	GROUP	
	Profit or (loss) before tax	
	Increase EUR	Decrease EUR
2020		
Cash and cash equivalents	170 270	(170 270)
Equity swap derivatives cash margin	19 258	(19 258)
Interest-bearing borrowings (including implied borrowings on equity swap derivatives)	(108 960)	108 960
Cash flow sensitivity (net)¹	80 568	(80 568)
2019		
Cash and cash equivalents	84 917	(84 917)
Equity swap derivatives cash margin	93 761	(93 761)
Interest-bearing borrowings (including implied borrowings on equity swap derivatives)	(249 026)	249 026
Cash flow sensitivity (net)¹	(70 348)	70 348

	COMPANY	
	Profit or (loss) before tax	
	Increase EUR	Decrease EUR
2020		
Cash and cash equivalents	46 091	(46 091)
Cash flow sensitivity (net)¹	46 091	(46 091)
2019		
Cash and cash equivalents	12 090	(12 090)
Equity swap derivatives cash margin	31 919	(31 919)
Interest-bearing borrowings (including implied borrowings on equity swap derivatives)	(77 796)	77 796
Cash flow sensitivity (net)¹	(33 787)	33 787

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

The group adopts a policy of hedging, at a minimum, interest rates on all interest-bearing borrowings related to direct property investments.

Notes to the consolidated financial statements continued

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24. Financial instruments, risk and fair value measurements continued

24.3 Market risk continued

24.3.1 Interest rate risk continued

Details of existing interest rate derivatives are:

	GROUP			
	Maturity	Nominal amount EUR	Strike rate %	Fair value EUR
2020				
Interest rate cap	Jan 2022	27 385 417	–	302
Interest rate cap	Jul 2024	25 000 000	0,46	11 981
Interest rate cap	Dec 2025	25 000 000	0,63	36 056
Interest rate cap	Jul 2026	25 000 000	0,70	49 810
Interest rate cap	Nov 2027	25 000 000	0,87	95 566
Total		127 385 417		193 715
Weighted average maturity/rate	4,6 years		0,52	
2019				
Interest rate cap	Jan 2022	27 385 417	–	15 149
Interest rate cap	Jul 2024	25 000 000	0,46	190 199
Interest rate cap	Dec 2025	25 000 000	0,63	82 250
Interest rate cap	Jul 2026	25 000 000	0,70	34 285
Interest rate cap	Nov 2027	25 000 000	0,87	108 524
Total		127 385 417		430 407
Weighted average maturity/rate	5,6 years		0,52	
	COMPANY			
	Maturity	Nominal amount EUR	Strike rate %	Fair value EUR
2020				
Interest rate cap	Jan 2022	27 385 417	–	302
Total		27 385 417		302
Weighted average maturity/rate	1,3 years		–	–
2019				
Interest rate cap	Jan 2022	27 385 417	–	15 149
Total		27 385 417		15 149
Weighted average maturity/rate	2,3 years		–	

24. Financial instruments, risk and fair value measurements continued

24.3 Market risk continued

24.3.2 Equity price risk

The carrying amount of financial assets and fair value of investment in associate represent the maximum equity price risk exposure. The maximum exposure to equity price risk at the reporting date was:

	GROUP		COMPANY	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Listed security investments	272 880 851	46 149 045	75 081 335	25 435 552
Gross equity swap derivatives exposure to listed investments ¹	–	26 344 395	–	15 559 100
	272 880 851	72 493 440	75 081 335	40 994 652

¹ Includes the impact on the fair value of the investment in associate.

A 12,2% (2019: 8,5%) 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. This analysis assumes that all other variables remain constant.

	GROUP	
	Profit or (loss) before tax	
	Increase EUR	Decrease EUR
2020		
Listed security investments ¹	33 291 464	(33 291 464)
	33 291 464	(33 291 464)
2019		
Listed security investments	3 922 669	(3 922 669)
Gross equity swap derivative exposure to listed investments ²	2 239 273	(2 239 273)
	6 161 942	(6 161 942)

	COMPANY	
	Profit or (loss) before tax	
	Increase EUR	Decrease EUR
2020		
Listed security investments ¹	9 159 923	(9 159 923)
	9 159 923	(9 159 923)
2019		
Listed security investments	2 162 022	(2 162 022)
Gross equity swap derivative exposure to listed investments ²	1 322 523	(1 322 523)
	3 484 545	(3 484 545)

¹ Includes the impact on the fair value of the investment in associate.

² The group utilises equity swap derivatives to obtain exposure to listed real estate and infrastructure companies, for which an equity derivative margin of between 35% and 100% (2019: between 35% and 90%) of the gross exposure is required. The margin requirement is specific to each underlying security. Refer to notes 4 and 7.

Notes to the consolidated financial statements continued

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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 companies' functional currencies are set out below:

	2020	2019
Lighthouse Capital Limited	EUR	EUR
Lighthouse One Limited	EUR	EUR
Lighthouse Investments Limited	EUR	EUR
Lighthouse One UK Limited	EUR	EUR
Lighthouse Netherlands B.V.	EUR	EUR
Lighthouse Investments Netherlands B.V.	EUR	n/a
Lighthouse Netherlands Two B.V.	EUR	n/a
Lighthouse Investments d.o.o.	EUR	EUR
Greenbay Tivoli d.o.o.	EUR	EUR
Torre de Farol Properties – Sociedade de Gestão de Imóveis, S.A.	EUR	EUR
Forum Coimbra – Sociedade Imobiliária, S.A.	EUR	EUR
RPPSE Forum Viseu – Sociedade Imobiliária, S.A.	EUR	EUR

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

- > Various group entities' investments in listed equity securities denominated in foreign currencies;
- > Lighthouse Capital Limited and Lighthouse One's investments in equity swap derivatives, which are referenced to underlying listed equity securities denominated in foreign currencies (also refer to notes 4, 7 and 11.); and
- > Lighthouse Capital Limited raising capital and paying distributions in South African Rand ("ZAR") on the JSE from time to time.

The foreign currency sensitivities and rates below have been applied in calculating the effect that the group and company's exposure to foreign currencies could have on profit or loss:*

	2020 FX sensitivity % applied	2019 FX sensitivity % applied	2020 Average FX rate for the reporting period	2019 Average FX rate for the reporting period	2020 Closing FX rate at the reporting date	2019 Closing FX rate at the reporting date
AUD/EUR	3,7	0,7	1,65	1,60	1,59	1,61
CAD/EUR	7,5	3,6	1,52	1,50	1,55	1,44
HKD/EUR	10,5	5,7	8,82	8,84	9,47	8,54
SGD/EUR	6,6	5,2	1,56	1,54	1,61	1,51
GBP/EUR	1,2	0,3	0,88	0,88	0,89	0,89
USD/EUR	11,7	5,9	1,13	1,13	1,22	1,09
ZAR/EUR	7,1	1,9	18,28	16,18	17,95	16,50

* The foreign exchange sensitivities were determined by selecting the larger of each respective currency pair's:

- > Absolute percentage change between the opening and closing spot rates of the reporting period; and
- > Absolute percentage change between the average and closing spot rates of the reporting period.

24. Financial instruments, risk and fair value measurements continued

24.3 Market risk continued

24.3.3 Currency risk continued

At the reporting date, if the EUR had weakened/strengthened by the relevant sensitivity against the other currencies, with all variables constant, profit or loss before tax for the period would have been impacted as follows:

	Changes in profit or (loss) before tax			
	GROUP		COMPANY	
	EUR weakened* EUR	EUR strengthened* EUR	EUR weakened* EUR	EUR strengthened* EUR
2020				
Investments at fair value through profit or loss	5 182 704	(5 182 704)	2 789 882	(2 789 882)
Trade and other receivables	3 280	(3 280)	3 298	(3 298)
Cash and cash equivalents (including equity swap derivatives cash margin)	622 022	(622 022)	623 344	(623 344)
Trade and other payables	(1 698)	1 698	(10 446)	10 446
	5 806 308	(5 806 308)	3 406 078	(3 406 078)
AUD/EUR	–	–	–	–
CAD/EUR	582 451	(582 451)	585 604	(585 604)
HKD/EUR	1 298 659	(1 298 659)	1 293 046	(1 293 046)
GBP/EUR	2 942 963	(2 942 963)	551 068	(551 068)
USD/EUR	965 927	(965 927)	968 826	(968 826)
ZAR/EUR	16 308	(16 308)	7 534	(7 534)
	5 806 308	(5 806 308)	3 406 078	(3 406 078)
2019				
Investments at fair value through profit or loss	507 742	(507 742)	252 347	(252 347)
Loans to subsidiaries	–	–	2 486 141	(2 486 141)
Net financial assets and liabilities (excluding equity swap derivatives cash margin)	(71 348)	71 348	–	–
Trade and other receivables	786	(786)	–	–
Cash and cash equivalents (including equity swap derivatives cash margin)	30 583	(30 583)	26 778	(26 778)
Trade and other payables	(612)	612	(612)	612
	467 151	(467 151)	2 764 654	(2 764 654)
CAD/EUR	–	–	28 872	(28 872)
HKD/EUR	1	(1)	–	–
GBP/EUR	36	(36)	430 853	(430 853)
USD/EUR	445 719	(445 719)	2 284 670	(2 284 670)
ZAR/EUR	21 395	(21 395)	20 259	(20 259)
	467 151	(467 151)	2 764 654	(2 764 654)

* The foreign exchange sensitivities were determined by selecting the larger of each respective currency pair's:

- > Absolute percentage change between the opening and closing spot rates of the reporting period; and
- > Absolute percentage change between the average and closing spot rates of the reporting period.

Notes to the consolidated financial statements continued

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24. Financial instruments, risk and fair value measurements continued

24.3 Market risk continued

24.3.3 Currency risk continued

At the reporting date, the group's non-EUR-denominated investments comprise of the following:

- > Investment in associate, Hammerson: GBP 218,2 million; and
- > Listed investment portfolio: CAD 12,0 million, HKD 117,1 million and USD 3,9 million.

The group has no non-EUR-denominated debt and Lighthouse's equity swap derivatives were closed out in the current reporting period. The group is therefore exposed to currency movements associated with its investments in Hammerson and listed infrastructure securities.

Foreign exchange hedging profile

	GROUP					
	0 – 12 months			1 – 2 years		
	Gross FX hedge foreign currency	Weighted average hedge rate	Hedge fair value EUR	Gross FX hedge foreign currency	Weighted average hedge rate	Hedge fair value EUR
2020						
None						
2019						
USD/EUR	12 539 834	1,23440	(1 209 290)			
			(1 209 290)			–

	COMPANY					
	0 – 12 months			1 – 2 years		
	Gross FX hedge foreign currency	Weighted average hedge rate	Hedge fair value EUR	Gross FX hedge foreign currency	Weighted average hedge rate	Hedge fair value EUR
2020						
None						
2019						
None						

24. Financial instruments, risk and fair value measurements continued

24.4 Fair values

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
2020					
Financial assets					
Investments	28 734 532	–	–	–	28 734 532
Financial and other assets	193 715	3 851 587	–	104 808	4 150 110
Trade and other receivables	–	1 351 546	–	651 196	2 002 742
Cash and cash equivalents	–	34 054 093	–	–	34 054 093
	28 928 247	39 257 226	–	756 004	68 941 477
Financial liabilities					
Interest-bearing borrowings	–	–	105 443 953	–	105 443 953
Financial liabilities	–	–	458 356	91 597	549 953
Trade and other payables	–	–	3 664 466	258 671	3 923 137
	–	–	109 566 775	350 268	109 917 043
2019					
Financial assets					
Investments	46 149 045	–	–	–	46 149 045
Financial and other assets	430 407	18 752 263	–	273 308	19 455 978
Trade and other receivables	–	5 108 394	–	1 446 792	6 555 186
Cash and cash equivalents	–	16 983 498	–	–	16 983 498
	46 579 452	40 844 155	–	1 720 100	89 143 707
Financial liabilities					
Interest-bearing borrowings	–	–	125 279 151	–	125 279 151
Financial liabilities	1 209 290	–	468 053	276 621	1 953 964
Trade and other payables	–	–	7 148 273	763 531	7 911 804
	1 209 290	–	132 895 477	1 040 152	135 144 919

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24. Financial instruments, risk and fair value measurements continued

24.4 Fair values 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
2020					
Financial assets					
Investments	75 081 335	–	–	–	75 081 335
Loans to subsidiaries and investments in subsidiaries	–	334 693 046	–	7 364 761	342 057 807
Financial and other assets	302	–	–	–	302
Trade and other receivables	–	–	–	43 783	43 783
Cash and cash equivalents	–	–	9 218 241	–	9 218 241
	75 081 637	334 693 046	9 218 241	7 408 544	426 401 468
Financial liabilities					
Trade and other payables	–	–	–	369 628	369 628
	–	–	–	369 628	369 628
2019					
Financial assets					
Investments	25 435 552	–	–	–	25 435 552
Loans to subsidiaries and investments in subsidiaries	–	184 204 609	–	25 839 843	210 044 452
Financial and other assets	15 149	6 383 877	–	–	6 399 026
Trade and other receivables	–	1 704 100	–	40 432	1 744 532
Cash and cash equivalents	–	2 417 914	–	–	2 417 914
	25 450 701	194 710 500	–	25 880 275	246 041 476
Financial liabilities					
Trade and other payables	–	–	373 801	–	373 801
	–	–	373 801	–	373 801

24. Financial instruments, risk and fair value measurements continued

24.4 Fair values continued

24.4.2 Fair value measurement of assets and liabilities

The table below analyses financial instruments and investment property measured 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 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).

	GROUP			
	Level 1 EUR	Level 2 EUR	Level 3 EUR	Fair value EUR
2020				
Investment property	–	–	248 467 000	248 467 000
Financial investments at fair value through profit or loss	28 734 532	–	–	28 734 532
Financial assets	–	193 715	–	193 715
Total assets measured at fair value	28 734 532	193 715	248 467 000	277 395 247
Financial liabilities	–	–	–	–
Total liabilities measured at fair value	–	–	–	–
2019				
Investment property	–	–	301 201 607	301 201 607
Financial investments at fair value through profit or loss	46 149 045	–	–	46 149 045
Financial assets	–	430 407	–	430 407
Total assets measured at fair value	46 149 045	430 407	301 201 607	347 781 059
Financial liabilities	–	1 209 290	–	1 209 290
Total liabilities measured at fair value	–	1 209 290	–	1 209 290

	COMPANY			
	Level 1 EUR	Level 2 EUR	Level 3 EUR	Fair value EUR
2020				
Financial investments at fair value through profit or loss	75 081 335	–	–	75 081 335
Financial assets	–	302	–	302
Total assets measured at fair value	75 081 335	302	–	75 081 637
2019				
Financial investments at fair value through profit or loss	25 435 552	–	–	25 435 552
Financial assets	–	15 149	–	15 149
Total assets measured at fair value	25 435 552	15 149	–	25 450 701

The carrying amounts of financial instruments that are not measured at fair value reasonably approximate their fair value due to:

- > For loans to subsidiaries: market-related terms and conditions.
- > For trade and other receivables, cash and cash equivalents and trade and other payables: market-related terms and conditions.

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

24. Financial instruments, risk and fair value measurements continued

24.4 Fair values continued

24.4.2 Fair value measurement of assets and liabilities continued

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

Type	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Investment property ¹	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; > Assumptions regarding vacancy levels; > Discount rate; and > Capitalisation rate.	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 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: forward exchange contracts ²	Valued by discounting the forward rates applied at the reporting date to the open hedge positions.	Not applicable	Not applicable

¹ The investment property valuations have been performed by independent property experts: JLL (Portugal) and CBRE (Serbia), respectively.

² The valuations of the interest rate and currency 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.

	2020 EUR %	2019 EUR %
The range of implied 12-month forward yields used to determine investment property fair values are:		5,75 to 7,29
The range of exit capitalisation rates used to determine investment property fair values are:	6,00 to 7,50	
The range of discount rates used to determine investment property fair values are:	7,50 to 8,75	

24. Financial instruments, risk and fair value measurements continued

24.4 Fair values continued

24.4.2 Fair value measurement of assets and liabilities continued

	GROUP			
	Profit or (loss) before tax		Profit or (loss) before tax	
	Increase 2020 EUR	Decrease 2020 EUR	Increase 2019 EUR	Decrease 2019 EUR
A 0,50% (decrease)/increase in implied 12-month forward yield 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	–	–	26 530 934	(22 514 804)
	–	–	26 530 934	(22 514 804)
A 0,50% (decrease)/increase in the exit capitalisation rate used to determine the fair value of investment properties would have increased/(decreased) profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant.				
Investment property	8 652 000	(12 342 000)	–	–
	8 652 000	(12 342 000)	–	–
A 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	6 006 000	(10 988 000)	–	–
	6 006 000	(10 988 000)	–	–
A 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	26 618 000	(27 885 000)	–	–
	26 618 000	(27 885 000)	–	–
A three-month 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	–	(4 458 000)	–	–
	–	(4 458 000)	–	–

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

Notes to the consolidated financial statements continued

for the year ended 31 December 2020

25. Accounting estimates and judgements

Management discusses with the audit committee the development, selection and disclosure of the group's critical accounting policies and estimates and the application of these 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 believed 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 Impairment of non-financial assets

Applicable assets are tested for impairment as per the relevant aforementioned accounting policies. The recoverable amounts of relevant assets and/or CGUs have been determined based on the estimated fair value of the related assets and liabilities, as adjusted for expected fair value differences. Estimates are based on the group's reasonable judgement considering all applicable factors and circumstances.

25.3 Investment properties

The fair value measurement of investment properties requires judgement in the determination of future net cash flows from leases and appropriate discount/capitalisation rates to be applied. Independent external valuations have been obtained for all investment 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.

25.4 Investment in associate

Management applied judgement in determining the date that the group obtained significant influence over Hammerson, and commenced equity accounting with effect from the close of business on 30 September 2020. Refer to note 5.3 for details.

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

The subsidiaries, key management personnel and directors are related parties. The subsidiaries of the company are identified in note 5.

The directors are set out on pages 36 to 39.

26. Related party transactions continued

Material related party transactions

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

Revenue and interest received from subsidiaries is presented in profit or loss.

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 set out on pages 48 to 53 and in note 16.

Interest paid by directors to Lighthouse in terms of the Share Incentive loans amounts to EUR nil (2019: EUR 6 168).

For the period ended 31 December 2020, the company recognised impairment losses of EUR 37 246 957 (2019: EUR 21 324 006) of investments in and receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting date by examining the financial position of the related party's fair value of net assets and liquidity. Refer to notes 5.1 and 6 for additional details.

There are no related party loans or receivables other than those disclosed in notes 5 and 8.

27. Standards and interpretations

27.1 Issued but not yet effective

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

		Effective date
IFRS 3: <i>Business Combinations</i>	Minor amendments to update the references to the Conceptual Framework for Financial Reporting.	1 January 2022
IFRS 7: <i>Financial Instruments – Disclosures</i>	The amendment to IFRS 7 requires a company to make additional disclosures in its financial statements so that investors can better understand the effects of interbank offer rate reform on that company.	1 January 2021
IFRS 9: <i>Financial Instruments</i>	Amendments resulting from Annual Improvements to IFRS Standards Cycle 2018 – 2020 (clarifies which fees should be included in the 10% test for derecognition of financial liabilities).	1 January 2022
IFRS 16: <i>Leases</i>	Amendments resulting from Annual Improvements to IFRS Standards Cycle 2018 – 2020 (amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives).	1 January 2022
IFRS 10: <i>Consolidated Financial Statements</i>	Amendments to Sale or Contributions of Assets between an investor and its associate or joint venture.	Deferred indefinitely
IAS 1: <i>Presentation of Financial Statements</i>	Amendments requiring that an entity discloses its material accounting policies instead of its significant accounting policies.	1 January 2023
IAS 1: <i>Presentation of Financial Statements</i>	Narrow-scope amendments to clarify that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period.	1 January 2022 (possibly deferred to 1 January 2023)
IAS 8: <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	Amendments replace the definition of a change in accounting estimates with a definition of accounting estimates.	1 January 2023
IAS 28: <i>Investments in Associates and Joint Ventures</i>	Amendments to Sale or Contributions of Assets between an investor and its associate or joint venture.	Deferred indefinitely
IAS 37: <i>Provisions, Contingent Liabilities and Contingent Assets</i>	The amendment clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.	1 January 2022

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



Shareholder information



Forum Coimbra – Portugal

Shareholder analysis

Shareholder spread at 31 December 2020 as defined in terms of the SEM and JSE Listings Requirements.

	Number of shareholders	Number of shares held	Percentage of issued shares
Public	2 516	903 355 134	74,8
Directors and employees	10	304 435 002	25,2
Total	2 526	1 207 790 136	100

Size of holding

1 to 2 500 shares	1 468	741 338	0,1
2 501 to 10 000 shares	386	2 150 502	0,2
10 001 to 100 000 shares	415	14 924 025	1,2
100 001 to 1 000 000 shares	169	52 130 822	4,3
1 000 001 to 3 500 000 shares	54	95 194 821	7,9
More than 3 500 000 shares	34	1 042 648 628	86,3
Total	2 526	1 207 790 136	100

	Number of shares held	Percentage of issued shares
Registered shareholders owning 5% or more of issued shares		
Resilient REIT Limited	483 117 068	40,0
Delsa Investments Proprietary Limited	160 048 803	13,3
Total	643 165 871	53,3

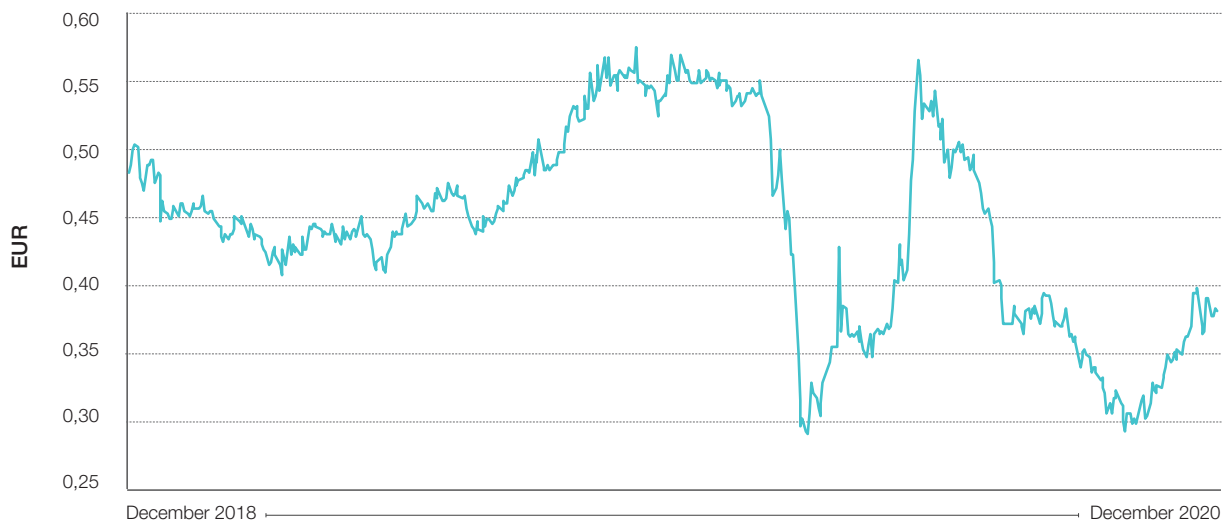
	Number of shares controlled	Percentage of issued shares
Control of more than 5% of issued shares		
Resilient REIT Limited	483 117 068	40,0
Delsa Investments Proprietary Limited	160 048 803	13,3
Total	643 165 871	53,3

Summary of financial performance

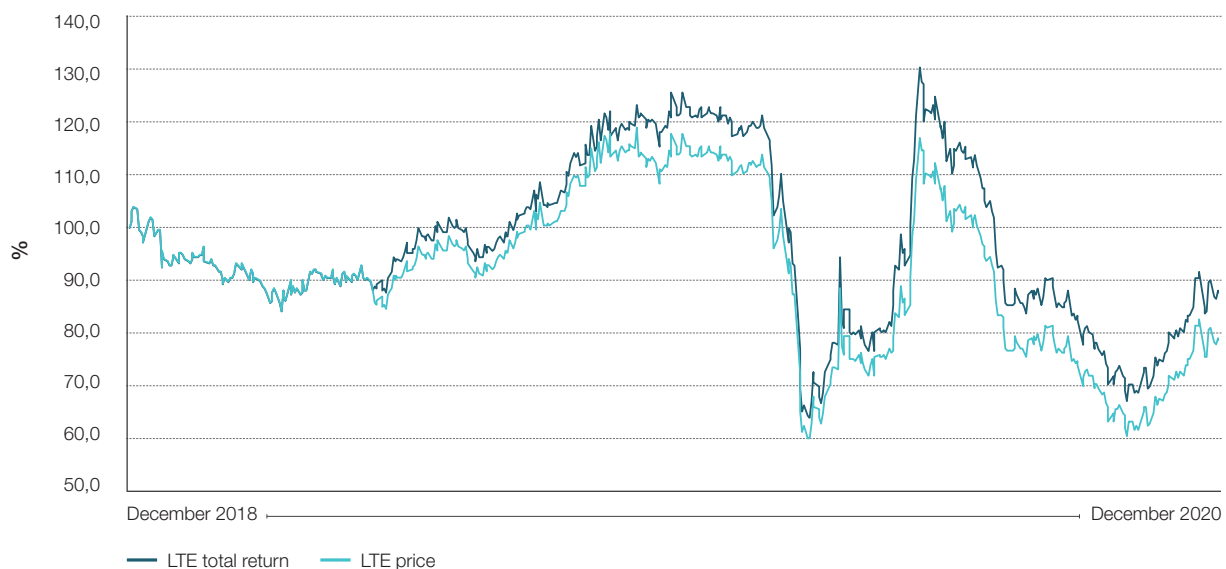
The board is committed to creating sustainable stakeholder value by managing the portfolio and by maximising returns on Lighthouse's assets.

The graphs below indicate the share price performance of Lighthouse on both a price return and total return basis. The performance of the Lighthouse shares is indexed using a base of 100 on 18 December 2018, the date of the share consolidation on a 1 for 20 basis.

Closing price



Relative performance



Notice of annual general meeting



LIGHTHOUSE CAPITAL LIMITED

(Incorporated in the Republic of Mauritius on 14 August 2014)

(Registration number: C124756 C1/GBL)

SEM share code: GFP.N0000 | JSE share code: LTE

ISIN: MU0461N00015 | LEI: 549300UG27SWRFOX2U62

("Lighthouse" or "the company")

This document is important and requires your immediate attention.

If you are in any doubt as to what action you should take arising from the following resolutions, please consult your stockbroker, banker, attorney, accountant or other professional advisor immediately. Lighthouse has primary listings on both the Official Market of the Stock Exchange of Mauritius Ltd ("SEM") and the Main Board of the Johannesburg Stock Exchange Limited ("JSE").

Notice is hereby given that the sixth annual general meeting of shareholders of Lighthouse ("annual general meeting") will be held at the company's registered office at C1-401, 4th Floor, La Croisette, Grand Baie, Mauritius on Friday, 30 April 2021 at 10:00 Mauritian time (08:00 South African time) for the purpose of:

- > Presenting the audited consolidated and separate financial statements for the 15 (fifteen) months ended 31 December 2020 together with the reports of the directors, the audit committee and the auditor; and
- > Considering and, if deemed fit, adopting, with or without modification, the shareholder resolutions set out below.

Unless otherwise stated, in order for the ordinary resolutions to be adopted, the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or by proxy, is required and in order for special resolutions to be adopted, a majority of not less than 75% (seventy-five percent) of the votes cast by all shareholders entitled to do so, present in person or represented by proxy at the annual general meeting, is required to pass such resolution.

Ordinary resolution number 1

Receiving and adopting the audited consolidated and separate financial statements for the 15 (fifteen) months ended 31 December 2020.

Ordinary resolution number 2

RESOLVED THAT the following directors, who retire in terms of clause 12.4.2 of the company's constitution and who offer themselves for election or re-election, as the case may be, and are hereby elected or re-elected, each by way of a separate vote:

2.1 Mark Olivier (52)

Independent non-executive director and chairperson
CA(SA)

Date of appointment: 28 June 2016

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

United Kingdom. Prior to founding Hibridge Capital (a London-based boutique private equity and advisory business) in 2003, Mark was a shareholder and employee of Hawkpoint Partners, which was the management buy-out of NatWest Markets' corporate finance business. Mark worked for BoE Limited where he served on the executive committee of the group's international business. Mark also worked at KPMG (London) as a manager. Mark is the chairperson of Trelidor, the physical barrier security business in South Africa, and is the chairperson of African Rainbow Capital Investments Limited, an investment holding company listed on the Main Board of the JSE, focused on investing in financial services businesses and acquiring majority or significant minority interests in non-financial services businesses. Mark was also chairperson of a China- and retail-focused real estate company managed by Blackstone Inc. and Macquarie Asset Management prior to its disposal. Since 2012, he has managed a private fund investing in affordable housing in central London.

2.2 Kobus van Biljon (44)

Chief financial officer

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

Date of appointment: 16 August 2017

Kobus 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 Global Real Estate Company Limited ("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.

2.3 Stephen Delpont (40)

Chief executive officer

BSc (Hons) Mathematics

Date of appointment: 1 March 2016

Stephen has a BSc with a financial orientation, majoring in mathematics, mathematical statistics and economics and a BSc (Hons) Mathematics from the University of Johannesburg. Stephen started his career in 2003 in the asset management industry as a research analyst. He has gained a thorough insight into the global listed real estate industry, having managed several different portfolios to date including collective investment schemes, exchange traded funds and hedge funds. Stephen joined Resilient REIT in 2007 and Rockcastle in 2012 and has been part of a successful and consistent property investment philosophy and process.

2.4 Nina Kretzmann (44)

Chief operating officer

BA (Law), LLB, Admitted Attorney

Date of appointment: 5 February 2021

Nina joined Lighthouse in February 2021. She is an admitted attorney and a member of the Law Society of South Africa and holds a BA (Law), LLB degree from the University of Stellenbosch. Nina has over 18 years' diverse experience in corporate law and corporate finance. She relocated to Mauritius in August 2019 from South Africa.

2.5 Justin Muller (37)

Chief investment officer

CA(SA)

Date of appointment: 13 May 2019

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

2.6 Barry Stuhler (63)

Independent non-executive director

BCom, BAcc, CA(SA)

Date of appointment: 16 August 2017

Barry is a chartered accountant who completed his articles with Arthur Young. Barry's experience includes management of the Part Bond Scheme and Gilt Fund for Hill Samuel Merchant Bank. He was financial director of Integrated Property Resources and managing director of Intaprop Management Services, the property management company for the Intaprop group. In 1994, Barry co-founded Inline Properties, a property management and corporate property advisory company. Barry was a founding director of Resilient REIT Limited. In 2004, he became managing director of Property Fund Managers Limited ("PFM"), the asset manager of Capital Property Fund ("Capital"). He joined the Pangbourne Properties Limited ("Pangbourne") board as executive director in 2007 and served as the managing director of the company from 2008 to 2015. After the merger with Pangbourne, Barry was reappointed as managing director of PFM. Subsequent to the merger between Capital and Fortress, Barry retired as an executive director.

2.7 Karen Bodenstein (39)

Independent non-executive director

BCompt (Accounting Sciences)

Date of appointment: 27 September 2016

Karen is an accountant with over 16 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 Global Real Estate Limited, where she was the chairperson of the risk and ethics committee and is currently the chief financial officer of African Rainbow Capital Investments Limited. 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.

2.8 Paul Edwards (67)

Independent non-executive director

BSc, MBA

Date of appointment: 17 January 2019

Paul is executive chairperson of V2 and ZappGroup Limited, an African mobile payments business, and Equilibre Bio-Energy Production Limited, a Mauritian-based bio-energy business. He is also chairperson of Joint Aid Management, an NGO that operates across Africa. He is a former non-executive director of Cell C and Nasdaq-listed Net1 UEPS Limited. In addition, Paul was a former executive chairperson of Emerging Markets Payments Holdings, chief executive officer of MTN Group, Africa's largest mobile telecommunications operator, chief executive officer of M-NET, DSTv, Johnnic Limited and executive chairperson of Chartwell Capital.

2.9 David Axten (53)

Independent non-executive director

BCom (Economics and Business Economics)

Date of appointment: 17 January 2019

David is an executive director of Axfin Holdings Ltd, a Mauritian company offering business development services to the financial services industry. David is a Mauritian resident having initially arrived in Mauritius with Rand Merchant Bank in 2000, and has spent 25 years operating in the financial and capital markets.

Notice of annual general meeting continued

2.10 Des de Beer (60)

Non-independent non-executive director
BProc MAP

Date of appointment: 27 May 2020

Des 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. Des was a founder of Resilient REIT Limited, a South African Real Estate Investment Trust, where he has served as chief executive officer since listing in 2002. He was also a founder of New Europe Property Investments plc and its successor NEPI Rockcastle plc. He served as a non-executive director of these companies and chaired the investment committees until May 2020. Des is currently a non-executive director of Hammerson plc, serving on its investment and disposal committee.

Ordinary resolution number 3

RESOLVED THAT BDO & Co be and is hereby reappointed as the auditor of the company with Ms Rookaya Ghanty currently being the designated audit partner. The audit committee has assessed and confirmed the suitability for the reappointment of BDO & Co and Ms Rookaya Ghanty in accordance with paragraph 3.84(g)(iii) of the JSE Listings Requirements.

Ordinary resolution number 4

RESOLVED THAT the directors be and are hereby authorised to determine the remuneration of the group's auditor.

Ordinary resolution number 5

RESOLVED THAT fees to be paid by the company to the non-executive directors for their services as directors, and as members of the company's sub-committees, be and are hereby approved as follows:

Participation	Member/ chairperson	Annual remuneration EUR
Board of directors	Chairperson	25 800
Board of directors	Member	12 900
Audit committee	Chairperson	5 500
Audit committee	Member	3 300
Risk committee	Chairperson	3 300
Risk committee	Member	2 200
Investment committee	Chairperson	5 500
Investment committee	Member	3 300
Remuneration committee	Chairperson	3 300
Remuneration committee	Member	2 200
Nomination committee	Chairperson	3 300
Nomination committee	Member	2 200
Social and ethics committee	Chairperson	2 200
Social and ethics committee	Member	1 200

Ordinary resolution number 6

RESOLVED THAT, subject to the provisions of the Mauritian Companies Act 2001 ("Companies Act"), the SEM Listing Rules, the JSE Listings Requirements, the Mauritian Securities Act 2005 and the rules made thereunder by the Mauritian Financial Services Commission, where applicable, and pursuant to, inter alia, the company's constitution, the board of directors of the company be and is hereby authorised to allot and issue up to 600 000 000 additional shares of the company at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, until this authority lapses, which shall be at the next annual general meeting or 15 (fifteen) months from the date hereof, whichever is the earlier. Shares issued in terms of a vendor consideration placement will be subject to the pricing mechanism as set out in the JSE Listings Requirements.

The reason for and effect of ordinary resolution number 6

Shareholders' approval of this ordinary resolution number 6 is being sought to comply with the SEM Listing Rules only. The issue of the shares referred to in this resolution will still be subject to compliance with the JSE Listings Requirements. The effect of the resolution, if passed, will be to grant the requisite approval under the SEM Listing Rules.

Ordinary resolution number 7

RESOLVED THAT, subject to the provisions of the Companies Act, the SEM Listing Rules and the JSE Listings Requirements, and pursuant to, inter alia, the company's constitution, the board of directors of the company be and is hereby authorised to allot and issue additional shares of the company for cash, until this authority lapses which shall be at the next annual general meeting or 15 (fifteen) months from the date hereof, whichever is the earlier, and which authority is subject to the restrictions below:

- The allotment and issue of shares must be made to persons qualifying as public shareholders and not to related parties, as defined in the JSE Listings Requirements;
- The shares which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
- The total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 362 337 040 shares, being 30% (thirty percent) of the total issued share capital. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 362 337 040 shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
- In the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;

- (e) The maximum discount at which the shares may be issued is 10% (ten percent) of the weighted average traded price of such shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares; and
- (f) After the company has issued shares for cash which represent, on a cumulative basis, within the period that this authority is valid, 5% (five percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average trading price of the shares over the 30 (thirty) days prior to the date that the issue is agreed in writing and an explanation, including supporting documentation (if any), of the intended use of the funds.

For the avoidance of doubt, the number of shares that may be issued for cash in terms of this resolution shall exclude any shares issued in terms of the Lighthouse Capital Limited Incentive Plan as approved at the general meeting held on 31 July 2017.

In terms of the JSE Listings Requirements, in order for ordinary resolution number 7 to be adopted, the support of at least 75% (seventy-five percent) of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

Ordinary resolution number 8

RESOLVED THAT, in accordance with the JSE Listings Requirements and the King IV Report on Corporate Governance, and through a non-binding advisory vote, the company's remuneration policy be and is hereby approved.

The remuneration policy is disclosed in detail in the remuneration report on pages 47 to 50 of the integrated report.

Ordinary resolution number 9

RESOLVED THAT, in accordance with the JSE Listings Requirements and the King IV Report on Corporate Governance, and through a non-binding advisory vote, the remuneration implementation report be and is hereby approved. The remuneration implementation report is disclosed in detail in the remuneration report on pages 50 to 53 of the integrated report.

Should ordinary resolution numbers 8 and 9, which are of an advisory nature, be voted against by 25% (twenty-five percent) or more of the voting rights exercised, the board of directors undertakes to engage with those shareholders who voted against ordinary resolutions numbers 8 and/or 9 in order to ascertain the reasons therefore and to address legitimate and reasonable objections or concerns.

Ordinary resolution number 10

RESOLVED THAT any director of the company and/or the company secretary be and is hereby authorised to do all such things and sign all such documents as may be required to give effect to ordinary resolution numbers 1 to 9 and to special resolutions numbers 1 and 2.

Special resolution number 1

RESOLVED THAT, to the extent required by the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company's constitution, the Companies Act, the JSE Listings Requirements and the SEM Listing Rules, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in terms of section 81 of the Companies Act and section 82 of the Companies Act by way of loans, guarantees, the provisions of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the company for any purpose or in connection with any matter, such authority to endure until the next annual general meeting of the company.

The reason for and effect of special resolution number 1

The company provides loans to and/or guarantees loans or other obligations of companies in the group. The company believes it necessary that it continues to have the ability to provide financial assistance to, inter alia, ensure that the company's subsidiaries and other related and interrelated companies and corporations have access to financing and/or financial backing from the company (as opposed to banks) and is accordingly proposing special resolution number 1.

Therefore, the reason for, and effect of, special resolution number 1 is to permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in sections 81 and 82 of the Companies Act, to the entities referred to in special resolution number 1 above.

In terms of section 81 of the Companies Act, if the resolution is adopted, the board of directors will only be entitled to authorise such financial assistance if it is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act.

Notice of annual general meeting continued

Special resolution number 2

RESOLVED THAT the company or any of its subsidiaries be and are hereby authorised by way of a general authority to acquire shares issued by the company, subject to the SEM Listing Rules, the Securities (Purchase of Own Shares) Rules 2007, the JSE Listings Requirements and subject to the following provisions of the JSE Listings Requirements:

- (a) Any acquisition of shares shall be implemented through the order book of the JSE or the SEM and without prior arrangement;
- (b) This general authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing this special resolution;
- (c) The company (or any subsidiary) is duly authorised by its constitution to do so;
- (d) Acquisitions of shares in terms of this resolution may not exceed 5% (five percent) of the company's issued ordinary share capital as at the date of passing this special resolution;
- (e) In determining the price at which shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% (ten percent) of the weighted average of the market value of the shares on the JSE over the 5 (five) business days immediately preceding the repurchase of such shares;
- (f) At any point in time, the company (or any subsidiary) may appoint only one agent to effect repurchases on its behalf;
- (g) Repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless a repurchase programme is in place (where the dates and quantities of shares to be repurchased during the prohibited period are fixed) and has been submitted to the JSE and the SEM in writing prior to commencement of the prohibited period;
- (h) An announcement will be published as soon as the company or any of its subsidiaries have acquired shares constituting, on a cumulative basis, 3% (three percent) of the number of shares in issue prior to the granting of the repurchase authority and pursuant to which the aforesaid threshold is reached, and for each 3% (three percent) in aggregate acquired thereafter, containing full details of such repurchases; and
- (i) The board of directors of the company must resolve that the repurchase is authorised, the company and its subsidiaries have passed the solvency and liquidity test and since that test was performed, there have been no material changes in the financial position of the group.

In accordance with the JSE Listings Requirements and the SEM Listing Rules, the directors record that, although there is no immediate intention to effect a repurchase of the shares of the company, the directors will utilise this general authority to repurchase shares as and when suitable opportunities present themselves, which may require expeditious and immediate action.

The directors undertake that, after considering the maximum number of shares that may be repurchased and the price at which the repurchases may take place pursuant to the general authority, for a period of 12 (twelve) months after the date of notice of this annual general meeting:

- > The company and the group will, in the ordinary course of business, be able to pay its debts;
- > The consolidated assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards ("IFRS"), will exceed the consolidated liabilities of the company and the group, fairly valued in accordance with IFRS; and
- > The company and the group's share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in the integrated report is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of this general authority:

- > Major beneficial shareholders – page 128
- > Stated capital of the company – pages 97 and 98

The reason for and effect of special resolution number 2

The reason for special resolution number 2 is to afford the company a general authority to effect a repurchase of the company's shares on the SEM and the JSE.

The effect of the resolution will be that the directors will have the authority, subject to the SEM Listing Rules, the Securities (Purchase of Own Shares) Rules 2007, the JSE Listings Requirements, the Companies Act and the company's constitution, to effect repurchases of the company's shares.

Special Resolution Number 3

RESOLVED THAT the company is hereby authorised, in accordance with the provisions of section 62 of the Mauritian Companies Act 2001 and subject to satisfying the solvency test, to transfer an amount of EUR 150 000 000 of the company's stated capital to non-distributable reserves.

The reason for and effect of special resolution number 3

Mauritius has several limiting regulatory restrictions regarding a company's capital structure. Therefore, the reason for special resolution number 3 is to enhance the flexibility of the company's capital structure. The effect of special resolution number 3 will be to transfer EUR 150 000 000 from stated capital to non-distributable reserves.

Directors' responsibility statement

The directors, whose names appear on pages 36 and 39 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would

make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the JSE Listings Requirements and the SEM Listing Rules.

The directors consider that the passing of ordinary resolutions numbers 1 to 10 and special resolutions numbers 1 to 3 are in the best interest of the company and its shareholders as a whole and accordingly recommend that you vote in favour of all the resolutions to be proposed at the annual general meeting.

Dates

The salient dates and times in relation to the annual general meeting are set out below:

	2021
Last day to trade	Tuesday, 23 March
Record date to receive the notice of annual general meeting	Friday, 26 March
Notice of annual general meeting posted to shareholders*	Wednesday, 31 March
Record date to be recorded in the register in order to be entitled to vote at the annual general meeting	Friday, 23 April
Last day to lodge forms of proxy for the annual general meeting by 10:00 Mauritian time (08:00 South African time)	Thursday, 29 April
Annual general meeting held at 10:00 Mauritian time (08:00 South African time)	Friday, 30 April
Results of annual general meeting released on JSE and SEM	Friday, 30 April

* Members who have consented to receive communications by electronic means will be emailed accordingly.

Voting and proxies

Members holding shares in dematerialised form in "own-name":

- > May attend and vote at the annual general meeting; alternatively
- > May appoint an individual as a proxy (who need not also be a member of the company) to attend, participate in and speak and vote in your place at the annual general meeting by completing the attached form of proxy and returning it to the company secretary, by no later than 10:00 Mauritian time (08:00 South African time) on Thursday, 29 April 2021. Alternatively, the form of proxy may be handed to the chairperson of the annual general meeting at the annual general meeting or at any time prior to the commencement of the annual general meeting. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy. Please also note that the attached form of proxy must be delivered to the company secretary or handed to the chairperson of the annual general meeting, before your proxy may exercise any of your rights as a member of the company at the annual general meeting.

Please note that any member of the company that is a company may authorise any person to act as its representative at the annual general meeting.

Please note that if you are the owner of dematerialised shares held through a Central Securities Depository Participant ("CSDP") or broker (or their nominee) and are not registered as an "own-name" dematerialised shareholder, then you are not a registered shareholder of the company, but your CSDP or broker (or their nominee) would be.

Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker as the case may be:

- > If you wish to attend the annual general meeting you must contact your CSDP or broker, and obtain the relevant letter of representation from it; alternatively;
- > If you are unable to attend the annual general meeting but wish to be represented at the annual general meeting you must contact your CSDP or broker and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, within the time period required by your CSDP or broker; and
- > CSDPs or brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and return it to the company secretary, by no later than 10:00 Mauritian time (08:00 South African time) on Thursday, 29 April 2021. Alternatively, the form of proxy may be handed to the chairperson of the annual general meeting at the annual general meeting at any time prior to the commencement of the annual general meeting.

Voting at the annual general meeting

In order to more effectively record the votes and give effect to the intentions of members, voting on all resolutions will be conducted by way of a poll.

By order of the board



Intercontinental Trust Ltd
Company secretary

18 March 2021

Address of the registered office

C1-401, 4th Floor, La Croisette, Grand Baie, Mauritius

Address of the transfer secretaries

JSE Investor Services Proprietary Limited
13th Floor, 19 Ameshoff Street, Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000) South Africa

Electronic communication election

Dear dematerialised shareholder

You are invited to help reduce the impact on the environment and save costs

By electing to receive all of your communications electronically, you can help to reduce paper use, cut carbon emissions and save costs.

JSE Investor Services on behalf of Lighthouse will:

- > Email you when company announcements, integrated reports and notices of meeting documents are made available for downloading from Lighthouse's website; and
- > No longer send you a printed version of these documents in the mail.

How to nominate your communications via email:

Shareholders holding shares through a stockbroker or custodian

Please contact your broker and request that they ensure your email address is made available on the share register for you to receive electronic communications.

If you have an online login to your account, update your preferences and ensure you select email communication.

Important dates

First quarter 2021

Quarter ends	31 March 2021
Annual general meeting	30 April 2021
Announcement of quarterly results (provisional)	On or about 7 May 2021

Form of proxy



LIGHTHOUSE CAPITAL LIMITED

(Incorporated in the Republic of Mauritius on 14 August 2014)
(Registration number: C124756 C1/GBL)
SEM share code: GFP.N0000 | JSE share code: LTE
ISIN: MU0461N00015 | LEI: 549300UG27SWRF0X2U62
("Lighthouse" or "the company")

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

For use by the holders of the company's dematerialised shares held through a Central Securities Depository Participant ("CSDP") or broker who have selected "own-name" registration ("own-name" dematerialised shareholders), at the annual general meeting of members of the company to be held at the company's registered office, C1-401, 4th Floor, La Croisette, Grand Baie, Mauritius on Friday, 30 April 2021 at 10:00 Mauritian time (08:00 South African time), or at any adjournment thereof if required. Additional forms of proxy are available from the company's registered office.

Not for use by dematerialised shareholders who have not selected "own-name" registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary letter of representation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote in accordance with their instructions at the annual general meeting.

I/We _____ (name/s in block letters)

of (address) _____

being the registered holder of _____ ordinary shares in the capital of the company do hereby appoint:

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairperson of the annual general meeting,

as my/our proxy to act for me/us on my/our behalf at the annual general meeting to be held on Friday, 30 April 2021 at 10:00 Mauritian time (08:00 South African time) or any adjournment thereof, which will be held for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat as detailed in the notice of annual general meeting, and to vote for and/or against such resolutions and/or to abstain from voting for and/or against the resolutions in respect of the shares registered in my/our name in accordance with the following instructions:

	Number of votes		
	For	Against	Abstain
Ordinary resolution number 1 (Receiving and adopting the audited consolidated and separate financial statements for the 15 months ended 31 December 2020)			
Ordinary resolution number 2.1 (Re-election of Mark Olivier as a director and election as chairperson)			
Ordinary resolution number 2.2 (Re-election of Kobus van Biljon as a director)			
Ordinary resolution number 2.3 (Re-election of Stephen Delport as a director)			
Ordinary resolution number 2.4 (Election of Nina Kretzmann as a director)			
Ordinary resolution number 2.5 (Re-election of Justin Muller as a director)			
Ordinary resolution number 2.6 (Re-election of Barry Stuhler as a director)			
Ordinary resolution number 2.7 (Re-election of Karen Bodenstein as a director)			
Ordinary resolution number 2.8 (Re-election of Paul Edwards as a director)			

Form of proxy continued

	Number of votes		
	For	Against	Abstain
Ordinary resolution number 2.9 (Re-election of David Axten as a director)			
Ordinary resolution number 2.10 (Election of Des de Beer as a director)			
Ordinary resolution number 3 (Reappointment of the auditor and designated audit partner)			
Ordinary resolution number 4 (Authorising directors to determine auditor's remuneration)			
Ordinary resolution number 5 (Approving non-executive directors' fees)			
Ordinary resolution number 6 (Control over unissued shares)			
Ordinary resolution number 7 (General authority to issue shares for cash)			
Ordinary resolution number 8 (Non-binding advisory vote on the remuneration policy)			
Ordinary resolution number 9 (Non-binding advisory vote on the remuneration implementation report)			
Ordinary resolution number 10 (Authority for directors and/or the company secretary to implement resolutions)			
Special resolution number 1 (Approval to provide financial assistance to related or interrelated companies)			
Special resolution number 2 (Approval of the repurchase of shares)			
Special resolution number 3 (Transfer of stated capital to non-distributable reserve)			

Signed at _____ on _____ 2021

Signature _____

Assisted by (where applicable) _____

(Indicate instructions to proxy in the spaces provided above.) Unless otherwise instructed, my proxy may vote as he/she thinks fit.

Please read the notes on page 139.

Notes to the form of proxy

1. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
2. Members that are "own-name" dematerialised shareholders or hold ordinary shares in certificated form and are entitled to attend and vote at the annual general meeting may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space(s) provided, with or without deleting "the chairperson of the annual general meeting", but any such deletion must be initialled by the shareholder(s). Such proxy(ies) may participate in, speak and vote at the annual general meeting in the place of that shareholder at the annual general meeting. The person whose name stands first on the form of proxy, and who is present at the meeting, will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy, the chairperson shall be deemed to be appointed as the proxy.
3. A member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the member in the appropriate box(es) provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairperson, to vote or abstain from voting as deemed fit and, in the case of the chairperson, to vote in favour of the resolution.
4. A member or his/her proxy is not obliged to use all the votes exercisable by the member, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the shares held by the member.
5. A shareholder may revoke the proxy appointment by:
 - > Cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - > Delivering a copy of the revocation instrument to the proxy and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered in the required manner.
6. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death of the person granting it or the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death or transfer is received by the company secretary not less than 48 (forty-eight) hours before the commencement of the annual general meeting.
7. The chairperson of the annual general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in compliance with these notes, provided that, in respect of acceptances, the chairperson is satisfied as to the manner in which the member concerned wishes to vote.
8. The completion and lodging of this form of proxy will not preclude the relevant member from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
9. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company or the company secretary or waived by the chairperson of the annual general meeting.
10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the company or the company secretary.
11. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted and only that holder whose name appears first in the register in respect of such shares needs to sign this form of proxy. Forms of proxy must be deposited at, posted, faxed or emailed to:

The company secretary
 Lighthouse Capital Limited
 Level 3, Alexander House, 35 Cybercity,
 Ebene, 72201, Mauritius
 Tel: +230 403 0800
 Fax: +230 403 0801
 Email: lighthouse@intercontinentaltrust.com

to be received by no later than 10:00 Mauritian time
 (08:00 South African time) on Thursday, 29 April 2021.

Corporate information

Company details and registered office

Lighthouse Capital Limited

Registration number: C124756 C1/GBL

Incorporated in the Republic of Mauritius on 14 August 2014

SEM share code: GFP.N0000

ISIN: MU0461N00015

JSE share code: LTE

LEI: 549300UG27SWRF0X2U62

C1-401, 4th Floor, La Croisette, Grand Baie, Mauritius

info@lighthousecapital.mu

Tel: +230 269 6664

Fax: +230 403 0801

Board of directors

Mark Olivier[#] (*chairperson*)

David Axten[#]

Karen Bodenstein[#]

Desmond de Beer[<]

Paul Edwards[#]

Barry Stuhler[#]

Stuart Bird[>]

Stephen Delport* (*chief executive officer*)

Nina Kretzmann* (*chief operating officer*)

Justin Muller* (*chief investment officer*)

Kobus van Biljon* (*chief financial officer*)

[#] Independent non-executive director

[<] Non-independent non-executive director

[>] Alternate to Desmond de Beer

* Executive director

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

13th Floor, 19 Ameshoff Street,

Braamfontein, Johannesburg, 2001

(PO Box 4844, Johannesburg, 2000) South Africa

JSE sponsor

Java Capital

6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196

(PO Box 522606, Saxonwold, 2132) South Africa

Mauritian management company and company secretary

Intercontinental Trust Ltd

Level 3, Alexander House, 35 Cybercity,

Ebene, 72201, Mauritius

Mauritian registrar and transfer agent

Intercontinental Secretarial Services Ltd

Level 3, Alexander House, 35 Cybercity,

Ebene, 72201, Mauritius

Auditor

BDO & Co

DCDM Building

10 Frère Félix de Valois Street,

Port Louis, Mauritius

SEM authorised representative and sponsor

Perigeum Capital Ltd

Level 3, Alexander House, 35 Cybercity,

Ebene, 72201, Mauritius

Commercial bankers

Standard Bank Mauritius

Level 9, Tower A, 1 Cybercity,

Ebene, 72201, Mauritius

Afrasia Bank Ltd

3rd Floor, NexTeracom Tower 3,

Ebene, 72201, Mauritius





www.lighthousecapital.mu