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## **CATEGORY 2 TRANSACTION - ACQUISITION OF RETAIL SHOPPING CENTRE IN SPAIN**

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### **INTRODUCTION**

Shareholders are advised that the Company, through a wholly-owned Spanish subsidiary, Lighthouse Spanish Properties SOCIMI, S.A.U. (the “**Purchaser**”), entered into a share purchase and sale agreement (the “**SPA**”) with CBRE H2O Rivas Holding N.V. (owned by Alpha Real Trust Limited (30%), listed on the London Stock Exchange, and CBRE European Parallel Co-Investment Vehicle 2 B.V. (70%), an independently operated affiliate of CBRE Group, Inc.) (the “**Seller**”), for the purchase of a retail shopping centre known as Centro Comercial H2O (“**H2O**” or the “**Property**”) (the “**Acquisition**”).

The Seller owns three special purpose vehicles<sup>1</sup>(“**SPVs**”), that hold full title to H2O, the concession area surrounding H2O, and a vacant plot of land detached from H2O.

The Acquisition is structured as a share deal in terms of which the Seller will sell the entire issued share capital of the SPVs to the Purchaser.

### **H2O**

H2O is situated in Rivas-Vaciamadrid (“**Rivas**”), which forms part of the greater Madrid metropolitan area, opened in 2007 and is the dominant mall in Rivas. Rivas has a rapidly growing population of over 100 000 and is a major beneficiary of urbanisation in Spain.

The growth of this node is supported by its close proximity to the Madrid city centre (17 kms away) as well as its good road and public transport access including three metro stations.

H2O provides a comprehensive retail offering and is adjacent to a large retail park, which together with H2O brings critical mass to the mall enabling it to compete with similar retail offerings in the greater Madrid metropole.

H2O has 113 stores with a strong leisure, food and beverage offering. The tenant offering includes major international and national tenants such as Primark (scheduled to open in 2H2024), Nike, JD Sports, Mercadona and the Inditex brands (Zara, Bershka, Pull & Bear, and Stradivarius). H2O’s current annual footfall is 8,2 million, which is anticipated to further increase post the opening of Primark.

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<sup>1</sup> Alpha Tiger Spain 1 S.L.U., Alpha Tiger Spain 2 S.L.U., and Alpha Tiger Spain 3 S.L.U. The articles of association of the three SPV’s do not impede compliance with Lighthouse’s obligations in terms of the JSE Listings Requirements.

## RATIONALE FOR THE ACQUISITION

The Acquisition is in accordance with the Company's investment policy and strategy to invest in dominant and defensive shopping centres in growing regions with a strong economic underpin.

Following the Company's recent acquisition of Salera in Castellón, Spain, this Acquisition will further increase the Company's presence in Iberia. The Iberian portfolio now constitutes 66% of the value of Lighthouse's directly held properties.

## CONDITION PRECEDENT

The Acquisition is subject to the handover of relevant units to key tenants as a condition precedent.

## EFFECTIVE DATE

The effective date of the Acquisition will be the closing date, being on or before the 15<sup>th</sup> business day following fulfilment of the condition precedent, but no later than 31 July 2024. Closing is expected to take place during April 2024 (the "**Closing Date**").

## PURCHASE CONSIDERATION

The gross purchase consideration is EUR 121 million ("**Purchase Consideration**"), which includes deferred capital expenditure of EUR 10 million. The Purchase Consideration net of existing senior bank debt of EUR 61,5 million from Aareal Bank AG (which will be retained), will be funded from existing cash resources.

The Purchase Consideration represents an annualised net initial yield of 7,5% based on the forecast 2024 net operating income and post deferred capital expenditure.

The SPA contains warranties, undertakings and indemnities that are standard for a transaction of this nature and which will be covered by the relevant warranty and indemnity insurance with a reputable insurer.

## THE PROPERTY

Property name and address	Geographical location	Sector	Gross lettable area (m <sup>2</sup> )	Weighted average net rental per month (EUR / m <sup>2</sup> )	External valuation (EUR)
H2O located in Calle Marie Curie 4, C.P. 28,521, Rivas-Vaciamadrid	Madrid, Spain	Retail	52,190	15,92	122 310 000

Notes:

- The fair market value of H2O was determined by an independent valuation carried out by Colliers International Spain, S.A. at 15 February 2024, an independent registered valuer and member of the Royal Institute of Chartered Surveyors.

## FORECAST FINANCIAL INFORMATION

Set out below are the forecast revenue, net property income, net profit after taxation and distributable profit relating to the Property (the "**Forecast**") for the 9-month period ending 31 December 2024 and the 12-month period ending 31 December 2025 (the "**Forecast Period**").

The Forecast has been prepared on the assumption that the Acquisition will be implemented on the Closing Date

and on the basis that the Forecast includes forecast results for the duration of the Forecast Period. The Forecast, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the directors of the Company. The Forecast has not been reviewed or reported on by independent reporting accountants.

The Forecast presented in the table below has been prepared in accordance with the Company's accounting policies, which are in compliance with International Financial Reporting Standards.

	<b>Forecast for the 9-month period ending 31 December 2024 (EUR)</b>	<b>Forecast for the 12-month period ending 31 December 2025 (EUR)</b>
Revenue	7 867 633	11 644 097
Net property income	6 815 188	10 086 478
Net profit after taxation	3 199 559	5 233 201
Distributable profit	3 199 559	5 233 201

The Forecast incorporates the following material assumptions:

1. H2O is acquired effective from the proposed Closing Date.
2. The Forecast is based on information derived from the budgets and rental contracts provided by the Seller.
3. Contracted revenue is based on existing lease agreements including stipulated increases, as well as expected indexation, all of which are valid and enforceable.
4. 94% of rental income is contracted. The remaining 6% of rental income represents renewals, which have been forecast at similar rentals to their current levels.
5. Property operating expenditure has been forecast by the property manager (CBRE Spain) based on the 2024 approved budget.
6. The forecast net profit after taxation includes forecast administrative expenses, finance costs on existing senior bank debt, and applicable corporate taxes.

## CATEGORISATION OF THE ACQUISITION

The Acquisition represents a category 2 transaction in terms of the JSE Listings Requirements and accordingly no shareholder approval is required.

7 March 2024

**JSE sponsor and corporate advisor**

**JAVACAPITAL**

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**Company Secretary**

  
**STONEHAGE  
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Stonehage Fleming Malta Limited is a member of the Stonehage Fleming  
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