

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.

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.

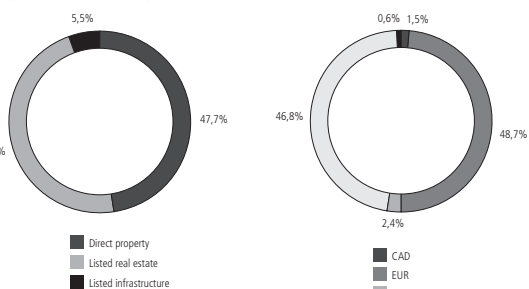
Lighthouse's net asset value per share decreased from 54,02 EUR cents at 30 September 2019 to 36,11 EUR cents at 31 December 2020. The decline in net asset value was primarily attributable to the volatility and uncertainty caused by the pandemic which impacted the performance of the listed retail investments 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.

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
	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.

Investment in Hammerson	Carrying amount/ fair value EUR
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 the 2020 Integrated 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 of the 2020 Integrated Report.

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.

Consolidated statements of changes in equity

for the 15 months ended 31 December 2020

	Stated capital EUR	Treasury shares EUR	Non-distributable reserve EUR	Foreign currency translation reserve EUR	Retained earnings EUR	Total equity EUR
Balance at 30 September 2018	600 703 936	(17 378 683)	(44 817 643)	(1 393 006)	55 335 282	592 449 886
IFRS 16 – implementation adjustment					(9 021)	(9 021)
IFRS 9 – implementation adjustment					35 387	35 387
Restated balance at 30 September 2018	600 703 936	(17 378 683)	(44 817 643)	(1 393 006)	55 361 648	592 476 252
Consolidation of The Greenbay Share Trust		(44 547)				(44 547)
Total comprehensive income:						
Loss for the year					(26 137 310)	(26 137 310)
Transfer to non-distributable reserve			(41 431 311)		41 431 311	–
Transfer of stated capital to non-distributable reserve	(450 000 000)		450 000 000			–
Distribution – return of capital		11 658 301	(299 999 392)			(288 341 091)
Cancellation of treasury shares	(4 902 270)	4 944 161	(41 891)			–
Distribution paid – final 2018: cash (paid 7 January 2019)		820 768	(24 631 129)			(23 810 361)
Distribution paid – interim 2019: cash (paid June 2019)			(6 866 852)			(6 866 852)
Balance at 30 September 2019	145 801 666	–	32 211 782	(1 393 006)	70 655 649	247 276 091
Total comprehensive income:						
Loss for the period					(271 193 222)	(271 193 222)
Share of other comprehensive income of equity-accounted associate			(3 471 048)			(3 471 048)
Distribution paid – final 2019: cash (paid 2 December 2019)			(6 866 852)			(6 866 852)
Distribution paid – interim 2020: cash (paid 25 May 2020)			(9 572 695)			(9 572 695)
Rights offer shares issued – 20 December 2019						
– 150 000 000 shares – net of costs	70 439 354					70 439 354
Bookbuild shares issued – 3 June 2020						
– 122 785 101 shares – net of costs	58 154 909					58 154 909
Bookbuild shares issued – 12 August 2020						
– 477 214 899 shares – net of costs	177 201 069					177 201 069
Transfer of stated capital to non-distributable reserve	(105 040 827)		105 040 827			–
Transfer to non-distributable reserve			(295 815 734)		295 815 734	–
Balance at 31 December 2020	346 556 171	–	(178 473 720)	(1 393 006)	95 278 161	261 967 606

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

Mauritius – 18 March 2021

Consolidated statements of financial position

as at 31 December 2020

	Audited Dec 2020 EUR	Audited Sep 2019 EUR
Assets		
Non-current assets	363 419 199	388 679 262
Investment property	248 467 000	301 201 607
Investments	28 734 532	43 741 545
Investment in equity-accounted associate	69 987 352	–
Financial and other assets	4 150 110	19 455 978
Goodwill	12 080 205	24 280 132
Current assets	36 056 835	25 946 184
Investments	–	2 407 500
Trade and other receivables	2 002 742	6 555 186
Cash and cash equivalents	34 054 093	16 983 498
Total assets	399 476 034	414 625 446
Equity and liabilities		
Total equity attributable to equity holders	261 967 606	247 276 091
Stated capital	346 556 171	145 801 666
Non-distributable reserve	(178 473 720)	32 211 782
Foreign currency translation reserve	(1 393 006)	(1 393 006)
Retained earnings	95 278 161	70 655 649
Total liabilities	137 508 428	167 349 355
Non-current liabilities	132 368 945	156 910 980
Interest-bearing borrowings	104 408 981	124 226 466
Deferred tax liabilities	27 464 475	32 037 986
Financial liabilities	495 489	646 528
Current liabilities	5 139 483	10 438 375
Interest-bearing borrowings	1 034 972	1 052 685
Financial liabilities	54 464	1 307 436
Trade and other payables	3 923 137	7 911 804
Current tax liabilities	126 910	166 450
Total equity and liabilities	399 476 034	414 625 446
Total number of shares in issue	1 207 790 136	457 790 136
Net asset value per share (EUR cents)	21,69	54,02

Consolidated statements of cash flows

for the 15 months ended 31 December 2020

	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	27 009 237	(3 675 241)
Finance income received	455 089	997 927
Finance costs paid	(3 483 274)	(3 623 917)
Income tax paid	(1 358 311)	(2 403 701)
Distributions paid	(16 439 547)	(30 677 213)
Cash inflow/(outflow) from operating activities	6 183 194	(39 382 145)
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)
Proceeds from disposal of listed security investments	273 751 162	301 499 783
Acquisition of interest in equity-accounted associate	(235 302 473)	–
Equity derivative cash flow	1 867 068	37 077 592
Share incentive loans repaid	–	280 078
Cash (outflow)/inflow from investing activities	(51 260 866)	293 818 653
Financing activities		
Return of capital	–	(588 340 483)
Proceeds from issue of shares	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)
Increase/(decrease) in cash and cash equivalents	17 520 878	(335 338 480)
Effect of exchange rate changes on cash held	(450 283)	(3 288 340)
Cash and cash equivalents at beginning of the period	16 983 498	355 610 318
Cash and cash equivalents at end of the period	34 054 093	16 983 498

BDO & Co have issued their unmodified audit opinion on the group's consolidated financial statements for the 15 months ended 31 December 2020. These summarised consolidated financial statements have been derived from the consolidated financial statements and are, in all material respects, consistent with the audited consolidated financial statements.

The directors take full responsibility for the preparation of the summarised report and for ensuring that the financial information has been correctly extracted from the audited financial statements.

The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the report together with the accompanying financial information from Lighthouse's registered address.

This communiqué is issued pursuant to SEM Listing Rule 12,14 and section 88 of the Securities Act of Mauritius 2005. The board accepts full responsibility for the accuracy of the information contained in these financial statements. The directors are not aware of any matters or circumstances arising subsequent to 31 December 2020 that require any additional disclosure or adjustment to these financial statements.

Copies of the financial statements and the statement of direct and indirect interests of each officer of the company, pursuant to rule 8(2) (m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request at Lighthouse's registered office address.

Contact person: Nina Kretzmann.

2. Going concern and events after the reporting period

Going concern
In its assessment of the going concern assumption, the Lighthouse board has taken cognisance of the impact of Covid-19 and the Hammerson Plc going concern uncertainty, and determined that the going concern assumption for the group and the company remains valid and reasonable. Please refer to page 108 of the 2020 Integrated Report for further details.

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.

3. Distributable earnings per share and key ratios

Key non-IFRS investor and other stakeholder information is disclosed in this section.

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 Dec 2020 EUR	Unaudited Sep 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 (adjusted for straight-lining of rental revenue)	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 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:		
Interim distribution declared	(9 572 695)	(6 866 852)
Final distribution declared	(19 022 695)	(6 866 852)
Distributable earnings retained	1 029 869	1 416 297
Cumulative distributable retained earnings at the beginning of the period	4 258 383	2 842 086
Cumulative distributable retained earnings 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):		
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 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 in the 2020 Integrated Report.

Consolidated statements of profit or loss and other comprehensive income

for the 15 months ended 30 December 2020

	Audited for the 15 months ended Dec 2020 EUR	Audited for the year ended Sep 2019 EUR
Property rental and related revenue	26 137 558	25 252 231
Investment revenue	3 880 956	3 468 944
Finance income	455 089	997 927
Total revenue	30 473 603	29 719 102
Fair value loss on investment property, investments and derivatives	(202 837 237)	(25 711 629)
Fair value loss on investment property	(16 381 385)	(3 204 334)
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
Property operating expenses	(11 296 156)	(7 389 699)
Administrative and other expenses	(5 060 336)	(3 033 210)
Foreign exchange loss	(5 580 010)	(13 877 205)
Share of loss of equity-accounted associate	(75 544 971)	–
Operating loss	(269 845 107)	(20 292 641)
Finance costs	(4 563 219)	(4 015 460)
Other income	–	136 040
Loss before tax	(274 408 326)	(24 172 061)
Income tax	3 215 104	(1 965 249)
Loss for the period attributable to equity holders of the company	(271 193 222)	(26 137 310)
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)
Basic and diluted loss per share (EUR cents)	(34,56)	(5,72)

1. Preparation and accounting policies

The summarised audited consolidated financial statements for the 15 months ended 31 December 2020 ("financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the JSE Listings Requirements, the SEM Listing Rules and the Securities Act of Mauritius 2005.

The financial year end of the company has been changed from 30 September to 31 December. Accordingly, these results cover the period of 15 months to 31 December 2020.

The accounting policies applied in the preparation of the consolidated financial statements, from which these financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements, unless otherwise stated, with the exception of the adoption of new and revised standards which became effective during the period.

Investments in associates obtained in a step-acquisition are accounted for by capitalising the fair value of the investments on the date that significant influence has been obtained as the original carrying value. Subsequent investments in, and disposals of, the associate are capitalised or deducted at cost to/from the carrying value of the investment in associate.

Lighthouse 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 payments contractually due for past rentals. Lighthouse has elected to follow the guidance in IFRS 9: *Financial Instruments* whereby the reduction in lease receivables is recognised as a property operating expense in the statement of profit or loss and other comprehensive income in the period in which the reduction has been granted.

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 (net of applicable taxes) considered to be of a capital nature, as well as foreign exchange gains and losses 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.

The group's investment property is valued annually by external independent valuers and is reviewed and approved by the board for year-end financial reporting. The impact of COVID-19 on the judgement in the determination of future cash flows from leases and appropriate capitalisation rates may affect the valuation of investment property. In terms of IAS 40: *Investment Property* and IFRS 7: *Financial Instruments*: Disclosures, investment property is valued at fair value and is categorised as a level 3 investment, as one or more of the significant inputs is not based on observable market data.

In terms of IFRS 7: *Financial Instruments*: Disclosures, IFRS 9: *Financial Instruments* and IFRS 13: *Fair Value Measurement*, the group's currency and interest rate derivatives, as well as the equity derivatives, are measured at fair value through profit or loss. The currency and interest rate derivatives are categorised as level 2 investments, while the equity derivatives are categorised as level 1 investments. In terms of IFRS 13, investments are measured at fair value, based on directly observable quoted closing prices at the reporting date, and are therefore categorised as level 1 investments.

The company is required to publish financial results for the 15 months ended 31 December 2020 in terms of Listing Rule 12,14 of the SEM. This report was compiled under the supervision of Kobus van Biljon CA(SA), the chief financial officer.

These financial statements were approved by the board of Lighthouse on 18 March 2021.