

MAS REAL ESTATE INC.



COMPANY PROFILE
30 JUNE 2018

COMPANY PROFILE



PROPERTY INVESTOR, DEVELOPER AND OPERATOR

MAS Real Estate Inc ("MAS") is a commercial property investor, developer and operator listed on the main board of the Johannesburg Stock Exchange ("JSE") and is listed and admitted on the Euro-MTF market of the Luxembourg Stock Exchange ("LuxSE").

BUSINESS STRATEGY

MAS' strategy is to generate sustainable and growing distributable earnings per share by acquiring, developing and operating retail, office, industrial, logistics and hotel assets in western Europe and central and eastern Europe ("CEE"). Where exceptional opportunities arise, the group will embark on mixed-use or residential developments with the view to either generate recurring income, or capital gains. The company aims to distribute all of its distributable earnings on a semi-annual basis, with distribution of capital and other profits at the discretion of the board.

MANAGEMENT

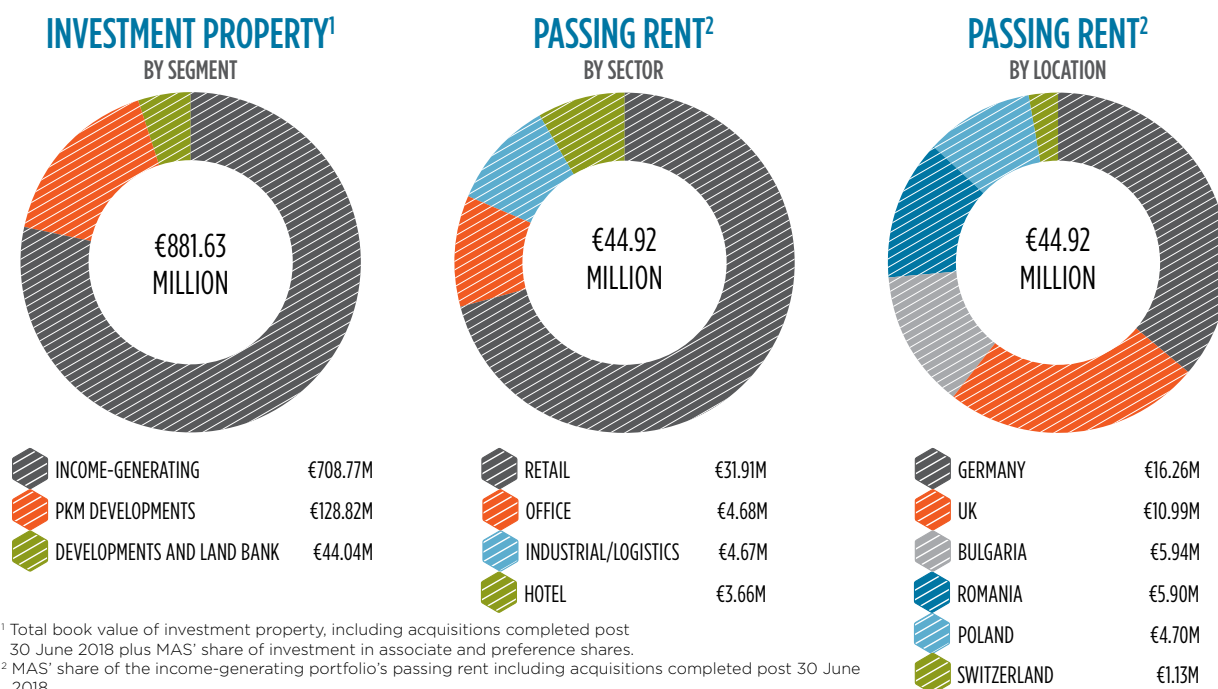
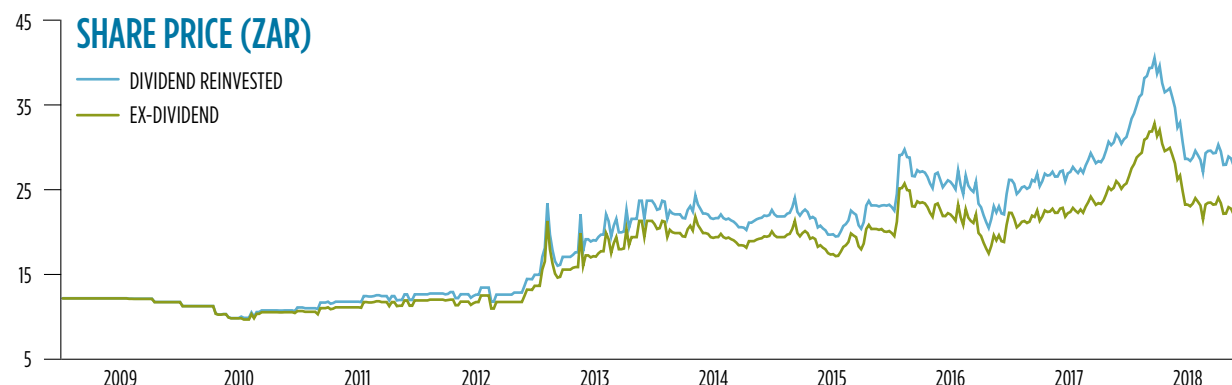
MAS is internally managed, combining investment, development and asset management skills. Developments are undertaken both directly and by teaming up with strong developers that have intimate knowledge of the local markets and by agreeing terms that lead to a strong alignment of interests.

FUNDING

MAS is targeting a long-term aggregate portfolio LTV of 40%. This may fluctuate up to a maximum of 50% on a temporary basis as the portfolio grows. Long-term debt funding is preferred and interest rates are managed through the group's hedging strategy. Developments are generally funded through equity and refinanced at completion.

LONG-TERM INCOME FROM STRONG COVENANTS

MAS has assembled a high quality portfolio of commercial property and developments across Europe, with investment into CEE via two ventures with Prime Kapital, a development venture ("PKM Developments") and a co-investment venture focused on income-generating assets. At 30 June 2018 the portfolio had an outstanding weighted average lease term of 9 years, occupied by tenants with strong corporate covenants.



¹ Total book value of investment property, including acquisitions completed post 30 June 2018 plus MAS' share of investment in associate and preference shares.

² MAS' share of the income-generating portfolio's passing rent including acquisitions completed post 30 June 2018.

NOTICE: Information contained in the document has not been audited but is believed to be accurate and correct, and statements of opinion in this document are considered by the Company to be reasonable, in each case at the date of this document. The Company does not however accept responsibility for any such information, and all recipients of this document are expressly reminded of the requirement to carry out their own due diligence into MAS Real Estate Inc. Recipients should further pay particular attention to the disclaimer contained in the section "Disclaimer". For further information about MAS Real Estate Inc., please visit our website www.masrei.com © MAS Real Estate Inc., December 2018. All rights reserved.

PORTFOLIO OVERVIEW

HISTORY

Established in 2008, MAS has assembled, through acquisition and development, a high quality portfolio of retail, office, industrial, logistics and hotel properties in Romania, Germany, the United Kingdom, Bulgaria, Poland and Switzerland. The income-generating properties have income derived from tenants with exceptional covenants.

OUTLOOK

Asset prices in western Europe have increased in recent years and acquisition opportunities that offer an attractive return on equity are harder to find. MAS' focus in western Europe is now on opportunities that can deliver substantial value through active asset management, development and re-development.

Although CEE markets have increased in price, attractive opportunities are still available that are backed by a combination of relatively high initial acquisition yields, substantial growth prospects and attractive debt terms. Even more appealing is the development market which is supported by rapidly expanding purchasing power and, in some cases, sub-optimally designed or undersized assets ripe for re-development or displacement.

Accordingly, MAS has embarked upon expansion into the growing economies of CEE. To facilitate the expansion, the group has partnered with Prime Kapital, a management team with exceptional development, investment and financing experience in these markets.



¹ MAS' share of the income-generating portfolio's passing rent

INCOME-GENERATING PROPERTY SCHEDULE

30 JUNE 2018¹

	Location	Asset type	Ownership	Completion (FY)	Currency	No of assets	TOTAL ASSET					MAS' SHARE	
							GLA	Occupancy	WALT	Book Value	Passing rent	Book Value	Passing rent
							sqm	%	years	€m	€m	€m	€m
Income-generating portfolio						44	429,670	97%	9.02	708.77	49.07	656.57	44.92
Galleria portfolio	Bulgaria	Retail	80%	2017	EUR	2	63,369	92%	5.31	76.30	7.43	61.04	5.94
Militari ²	Romania	Retail	80%	2019	EUR	1	56,416	100%	10.49	95.00	7.38	76.00	5.90
Nova Park	Poland	Retail	80%	2017	EUR	1	32,683	96%	4.25	89.70	5.88	71.76	4.70
Edeka MIHA portfolio	Germany	Retail	100%	2017	EUR	20	50,964	100%	13.02	56.72	3.84	56.72	3.84
Toom portfolio	Germany	Retail	100%	2015	EUR	3	25,291	100%	10.83	29.97	2.20	29.97	2.20
Edeka Thales portfolio	Germany	Retail	100%	2016	EUR	3	21,845	96%	12.50	29.13	2.00	29.13	2.00
Heppenheim Park	Germany	Retail	100%	2015	EUR	1	16,978	100%	9.47	31.00	1.89	31.00	1.89
Braunschweig ²	Germany	Retail	100%	2019	EUR	2	18,952	98%	6.20	25.00	1.51	25.00	1.51
Bruchsal	Germany	Retail	100%	2015	EUR	1	7,103	100%	4.12	23.40	1.46	23.40	1.46
Gotha	Germany	Retail	100%	2015	EUR	1	9,442	100%	8.00	12.50	0.99	12.50	0.99
Munich	Germany	Industrial	100%	2017	EUR	1	13,090	100%	5.50	15.00	0.89	15.00	0.89
Lehrte	Germany	Retail	100%	2016	EUR	1	9,203	100%	8.61	10.50	0.76	10.50	0.76
Donaueschingen	Germany	Retail	100%	2015	EUR	1	8,235	100%	10.59	10.20	0.72	10.20	0.72
Uberior House	UK	Office	100%	2018	GBP	1	14,718	100%	7.47	80.12	4.68	80.12	4.68
Whitbread and Arches	UK	Hotel	100%	2016	GBP	1	8,868	100%	25.19	45.35	2.13	45.35	2.13
Chippenhams	UK	Industrial	100%	2015	GBP	1	39,839	91%	7.08	24.90	1.86	24.90	1.86
Adagio and retail	UK	Hotel	100%	2017	GBP	1	8,499	90%	18.40	32.95	1.53	32.95	1.53
Braehead	UK	Industrial	100%	2013	GBP	1	18,476	100%	6.62	7.19	0.79	7.19	0.79
Zurich	Switzerland	Logistics	100%	2010	CHF	1	5,699	100%	6.25	13.84	1.13	13.84	1.13

¹ Exchange rates as at 30 June 2018² Acquired post 30 June 2018

DEVELOPMENT PROPERTY AND LAND BANK SCHEDULE

30 JUNE 2018¹

	Location	Asset type	Ownership	Currency	No of assets	TOTAL PROPERTY ASSETS	MAS' SHARE
						Book Value	Book Value
Land bank					6	44.04	44.04
North Street Quarter	UK	Residential	100%	GBP	1	21.25	21.25
Langley Park	UK	Residential/Retail	100%	GBP	2	11.73	11.73
New Waverley – Phase II	UK	Residential	100%	GBP	3	11.06	11.06
						Book Value	Book Value
PKM Developments²					19	149.38	128.82
Investment in associate	CEE	Residential/Retail	40%	EUR	19	149.38	23.77
Preference shares	CEE	Residential/Retail	100%	EUR	n/a	n/a	105.05

¹ Exchange rates as at 30 June 2018² See detailed analysis on page 5

















Euro million	Location	Asset type	Ownership	Estimated completion date	Currency	No of assets	GLA / GSA	Aggregate GLA ¹	Units	Book Value	Development budget	ERV
Development property												
<i>Retail</i>												
Mall Moldova	Romania	Retail	40%		EUR	1	88,700	100,000	n/a			
Arges Mall	Romania	Retail	40%		EUR	1	50,000	50,000	n/a			
Dambovită Mall	Romania	Retail	40%		EUR	1	31,000	31,000	n/a			
DN1	Romania	Retail	40%		EUR	1	28,000	47,000	n/a			
Ploiesti	Romania	Retail	40%		EUR	1	25,600	33,600	n/a			
Baia Mare	Romania	Retail	40%	Dec-18	EUR	1	22,000	22,000	n/a			
Roman	Romania	Retail	40%	Nov-18	EUR	1	19,000	19,000	n/a			
Zalau	Romania	Retail	40%		EUR	1	18,000	18,000	n/a			
Slobozia	Romania	Retail	40%	Dec-18 ²	EUR	1	10,000	19,000	n/a			
2019 - 2021						9	292,300	339,600	n/a	97.26	398.68	36.31
<i>Residential & Mixed-use</i>												
Avalon Estate	Romania	Residential	40%		EUR	1	82,000	82,000	767			
Marmura apartments	Romania	Residential	40%		EUR	1	35,000	35,000	460			
Teba Iasi - Residential	Romania	Residential	40%		EUR	1	125,000	125,000	2,500			
Teba Iasi - Office & Hotel	Romania	Mixed-use	40%		EUR	—	100,000	100,000	n/a			
2020 - 2024						3	342,000	342,000	3,727	22.71	352.99	n/a
Total Development property						12	634,300	681,600	3,727	119.97	751.67	n/a
Land bank	Romania	n/a	40%	n/a	EUR	1	n/a	n/a	n/a	3.70	3.40	n/a
Total						13				123.67	755.07	
Income-generating property	Romania	Retail	40%	2018	EUR	6	21,000	54 000	n/a	25.71	19.16	2.05
Total						19				149.38		

¹ Includes owner occupied and third party owned units.

² First phase of the development (7,000 m² GLA).

OVERVIEW – INCOME-GENERATING PROPERTY



Income-generating portfolio	Jurisdiction	Location	Passing rent ¹	% of total	Description
GALLERIA PORTFOLIO	Bulgaria	Burgas and Stara Zagora	€5.94m (Excluding participation equalisation)	13.2%	     <p>The Galleria Burgas mall is the dominant shopping centre in Burgas, the 4th largest city in Bulgaria with a population in excess of 200,000. It has a broad tenant mix consisting of 128 tenants primarily international fashion and entertainment brands including Bershka, CCC, Cinema City, Deichmann, H&M, Humanic, Ikea, Intersport, LC Waikiki, Lee Cooper, Lidl, Massimo Dutti, Oysho, Terranova and Zara. In response to strong performance and tenant demand, a 15,000 sqm GLA extension and a reconfiguration are being considered.</p>
					    <p>The Galleria Stara Zagora mall is the dominant shopping centre in Stara Zagora, the 6th largest Bulgarian city with a population in excess of 140,000. The tenant mix is focused primarily on fashion and entertainment and consists of 75 tenants which includes brands such as Bershka, Cinema City, CCC, Deichmann, DM, H&M, Intersport, Kenvelo, LC Waikiki, New Yorker, Nike, Pull&Bear and Stradivarius. A major refurbishment and reconfiguration is planned to improve the design and commercial layout</p>
MILITARI ²	Romania	Bucharest	€5.90m (Excluding participation equalisation)	13.1%	    <p>Militari is located west of Bucharest's city centre and has benefitted from extensive residential densification in its immediate surroundings since its opening in 2009, benefitting from an aggregate catchment of approximately 365,000 people within a 15 minute drive.</p> <p>Militari has 57 tenants spread across 56,416 square metres of gross lettable area, of which 53,666 sqm relates to retail and 2,750 sm to office space, in addition to 2,500 parking spaces. Militari was opened in 2009 and is anchored by Auchan (hypermarket), Praktiker (DIY), Decathlon (sports goods) and various international fashion brands such as H&M, C&A, Reserved, New Yorker, LC Waikiki, Pepco, Deichmann, Hervis, Humanic, Koton, Takko and many others.</p>
NOVA PARK	Poland	Gorzów	€4.70m (Excluding participation equalisation)	10.5%	   <p>A dominant regional mall situated in Gorzów. Nova Park has a diversified mix of high quality tenants including international and national brands Bershka, C&A, CCC, Cropp Town, Deichman, Douglas, Empik, Fabryka Formi. H&M, Intersport, KFC, Media Expert, Mohito, New Yorker, Piotr i Pavel, Pull&Bear, Reserved, Rossmann, Sephora, Sinsay, Smyk, Stradivarius and Super-Pharm. An adjacent land plot was acquired and detailed design work is underway to extend the 32,683 sqm GLA regional mall to consolidate its dominant position. The planned extension of 7,000 square metres of GLA includes a cinema as well as additional fashion and leisure offering.</p>








¹ MAS' share of the income-generating portfolio's passing rent

² Acquired post 30 June 2018

OVERVIEW – INCOME-GENERATING PROPERTY

CONTINUED



Income-generating portfolio	Jurisdiction	Location	Passing rent	% of total		Description
EDEKA MIHA PORTFOLIO	Germany	Multiple locations across Germany	€3.84m	8.5%		A portfolio of 20 retail units let on a long-term basis to Edeka MIHA AG. The Edeka Group is the largest German supermarket corporation, holding a market share of approximately 23% in Germany and operating approximately 4,100 stores under the Edeka brand.
TOOM PORTFOLIO	Germany	Frankenthal, Gummersbach, Nordhasuen	€2.20m	4.9%		A portfolio of three retail warehouses let on a long-term basis to DIY operator Toom, part of the REWE Group, a large German retail and tourism co-operative.
EDEKA THALES PORTFOLIO	Germany	Multiple locations across Germany	€2.00m	4.5%		A portfolio of 3 cash and carries let on a long-term basis to Edeka Handelsgesellschaft Südwest GmbH. The Edeka Group is the largest German supermarket corporation, holding a market share of approximately 23% in Germany and operates approximately 4,100 stores under the Edeka brand.
HEPPENHEIM PARK	Germany	Heppenheim	€1.89m	4.2%		A retail park let on a long-term basis to Bauhaus and Media Markt, part of the of Metro Group.
BRAUNSCHWEIG ¹	Germany	Braunschweig	€1.51m	3.4%		The convenience centre is located in the northern part of the city of Braunschweig and has 22 tenants, focused on large-scale retail schemes such as food discounters furniture, textile and interior shops, complemented by specialised shops.
						The neighbourhood value centre is located in the southern suburb of Braunschweig and is anchored by an Edeka supermarket and various smaller offices, a police station and a travel agency.
BRUCHSAL	Germany	Bruchsal	€1.46m	3.3%		A retail scheme located in the town centre of Bruchsal in southern Germany. The property is let to leading national and international retailers, including H&M, REWE and Müller.

¹ Acquired post 30 June 2018

OVERVIEW – INCOME-GENERATING PROPERTY

CONTINUED



Income-generating portfolio	Jurisdiction	Location	Passing rent	% of total		Description
GOTHA	Germany	Gotha	€0.99m	2.2%		A retail unit located in a well-established trading area and let on a long-term basis to Real, a leading hypermarket chain, part of the Metro Group.
MUNICH	Germany	Munich	€0.89m	2.0%		An industrial property located in Munich, Germany. The property is let to Volkswagen, the leading German car manufacturer.
LEHRTE	Germany	Lehrte	€0.76m	1.7%		A stand-alone retail warehouse let on a long-term basis to OBI, the largest DIY operator in Europe, part of the Tengelmann group.
DONAUESCHINGEN	Germany	Donaueschingen	€0.72m	1.6%		A stand-alone retail warehouse let on a long-term basis to Bauhaus, a pan-European DIY franchise with approximately 250 stores in over 20 countries.
UBERIOR HOUSE	UK	Edinburgh	€4.68m	10.4%		Uberior House comprises Grade A office buildings prominently positioned in the heart of the Exchange financial district of Edinburgh. The property is let to a single tenant, Bank of Scotland, on several leases, all of which expire in December 2025.
WHITBREAD AND ARCHES	UK	Edinburgh	€2.13m	4.7%	 	The two hotels and associated retail units are part of the New Waverley development, a mixed-use project developed by MAS in the heart of Edinburgh, Scotland. The two hotels are let on a long-term basis to Whitbread Group plc, a FTSE 100 company and operated under the brands Premier Inn and the Hub Premier Inn.
CHIPPENHAM	UK	Chippenham	€1.86m	4.1%	 	A 117,000 sqm industrial warehouse and office park more than half of which is occupied by Siemens, the largest engineering company in Europe, with the balance being let to other strong tenants. The property has an excellent location close to the town centre and adjacent to the town's train station.
ADAGIO AND RETAIL	UK	Edinburgh	€1.53m	3.4%	 	A 146 room aparthotel pre-let to Adagio, and guaranteed by Accor and Pierre & Vacances, with frontage directly onto the Royal Mile, Edinburgh, together with a further 5 retail units. The development completed and was handed over to the tenant in November 2016. More information available at www.newwaverley.com
BRAEHEAD	UK	Glasgow	€0.79m	1.8%		An industrial warehouse let to Howden Group, a subsidiary of the Colfax Corporation, a NYSE listed industrial solutions provider. The property has good development potential due to its close proximity to the Braehead shopping centre near Glasgow.
ZURICH	Switzerland	Buchs	€1.13m	2.5%		A logistics warehouse located in proximity to Zurich and is let on a long-term basis to DPD, Europe's second largest parcel delivery network, part of Geo post.

Land Bank	Jurisdiction	Location	Description
NORTH STREET QUARTER	UK	Lewes, East Sussex	<p>North Street Quarter is a large development site in the heart of Lewes, East Sussex and located close to the high street. The strategy is to deliver a vibrant, mixed-use neighbourhood that will regenerate the area around North Street, including the Phoenix Industrial Estate. This is the largest brownfield site in the South Downs National Park.</p> <p>Planning permission was granted in December 2015 for a mixed-use scheme. The 15 acre (6.07 ha) development plan has been created in partnership with Lewes District Council, delivering 416 new homes (40% affordable) and 13,000 sqm of commercial space, accommodating c475 full time jobs including workshops; retail space; a health centre; 6,500 sqm of industrial space on the separate Mallong Brooks site; new riverside walkway and public square; foot and cycle bridge; and car park.</p> <p>The final agreements with the planning and local government authorities subsequent to the granting of planning consent are currently being completed with the intention of undertaking a phased roll-out of the disposal strategy for the scheme.</p> <p>More information available at www.northstreetqtr.co.uk</p>
LANGLEY PARK	UK	Chippenham, Wiltshire	<p>Langley Park land bank represents the residential development section of the Chippenham property acquired in 2014. Planning consent was received in September 2016 for 400 residential units. The site is in the process of being sold and initial offers from housebuilders have been received. The construction of the hotel, pre-let to Travelodge, is underway and the sale of the supermarket land site to Aldi has completed. On completion of the sales of the residential land and Travelodge, where a forward commitment to purchase on Practical Completion has been agreed, the business plan put in place at acquisition for this property will have successfully completed. Strong income will continue to be generated from the occupational tenants, including Siemens, on the adjacent Technology Park, where further extensions are now under consideration.</p>
NEW WAVERLEY – PHASE II	UK	New street, central Edinburgh	<p>New Waverley – Phase II Residential represents the residential element of the large New Waverley development and is the last remaining undeveloped component of the site. Offers to acquire both sites have been received and accepted, subject to due diligence and the finalisation of the government's option over the northern part of the site.</p> <p>More information available at www.newwaverley.com</p>



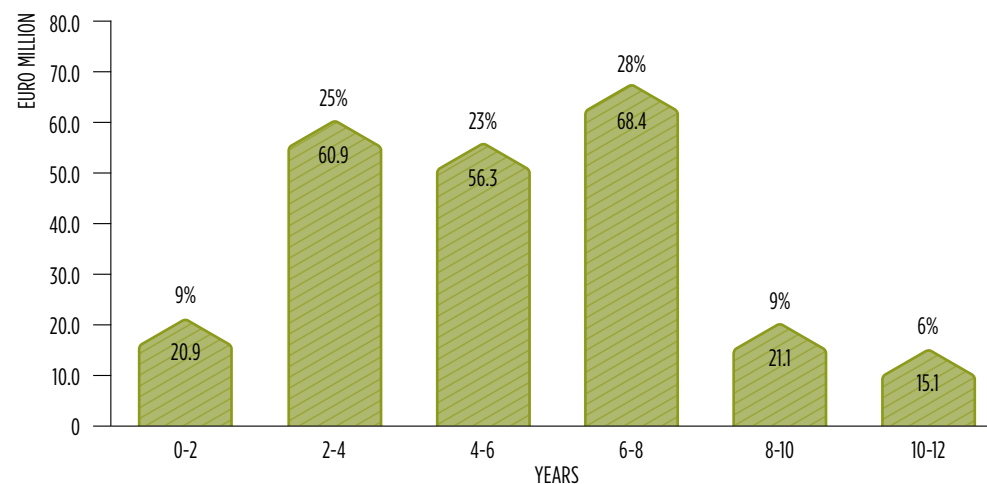
PKM Developments	Jurisdiction	Location	Description
CEE DEVELOPMENTS	CEE	Romania	<p>PKM Developments has a retail development pipeline including a super-regional mall, 2 regionally dominant malls and 12 value centres anchored by Carrefour or Kaufland, with a high concentration of international retailers.</p> <p>The pipeline also includes 2 large-scale residential projects in Bucharest and a large mixed-use development in Iasi, Romania. Avalon Estates is an upmarket modern housing estate near the new developing central business district and commercial centre in the affluent northern part of Bucharest. Marmura apartments is a large-scale residential block with up to 380 apartments in the expanding north-west of Bucharest.</p> <p>A large-scale, mixed-use project is in the pipeline in Iasi and will include A-grade offices, over 2,500 residential units and a hotel.</p>



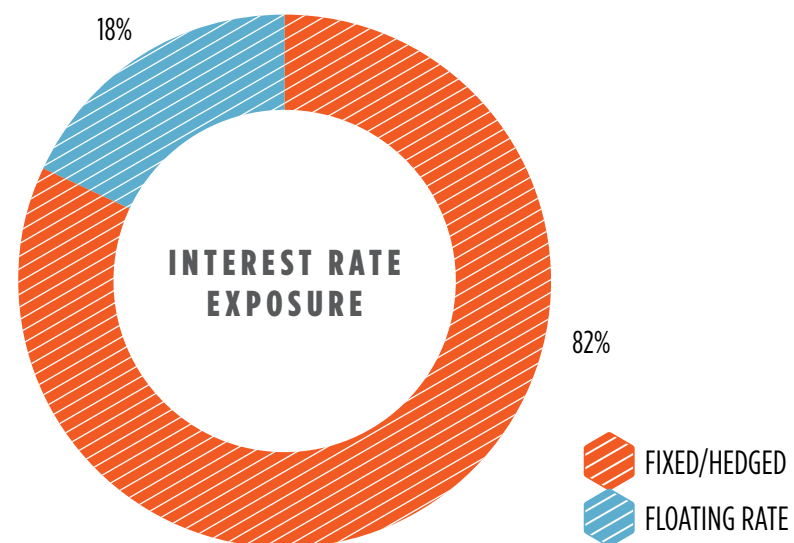
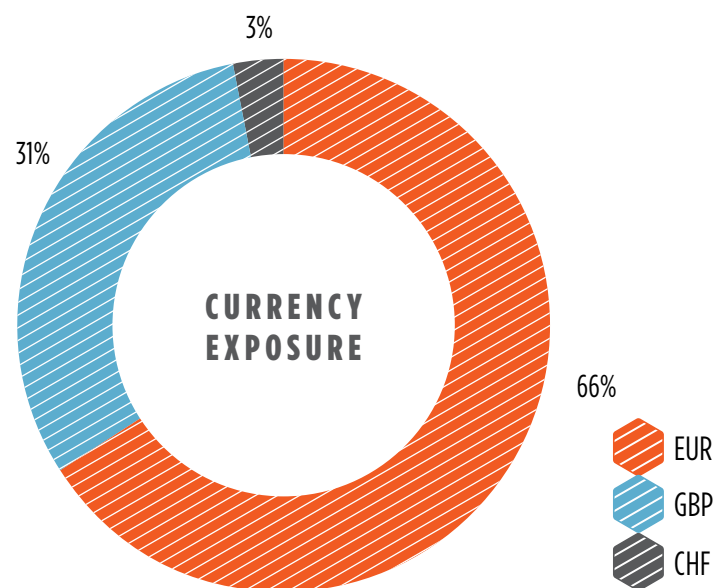
DEBT

	Euro million	Cost	Term YR
Drawn	242.7	2.7%	5.5
Current portfolio:	131.8		
- Negotiated	77.3	2.7%	5.0
- Under negotiation	54.5	3.2%	5.0
Expected debt	374.5		
Further gearing capacity (to 40% LTV)	172.0		
Total	546.5		

DEBT MATURITY

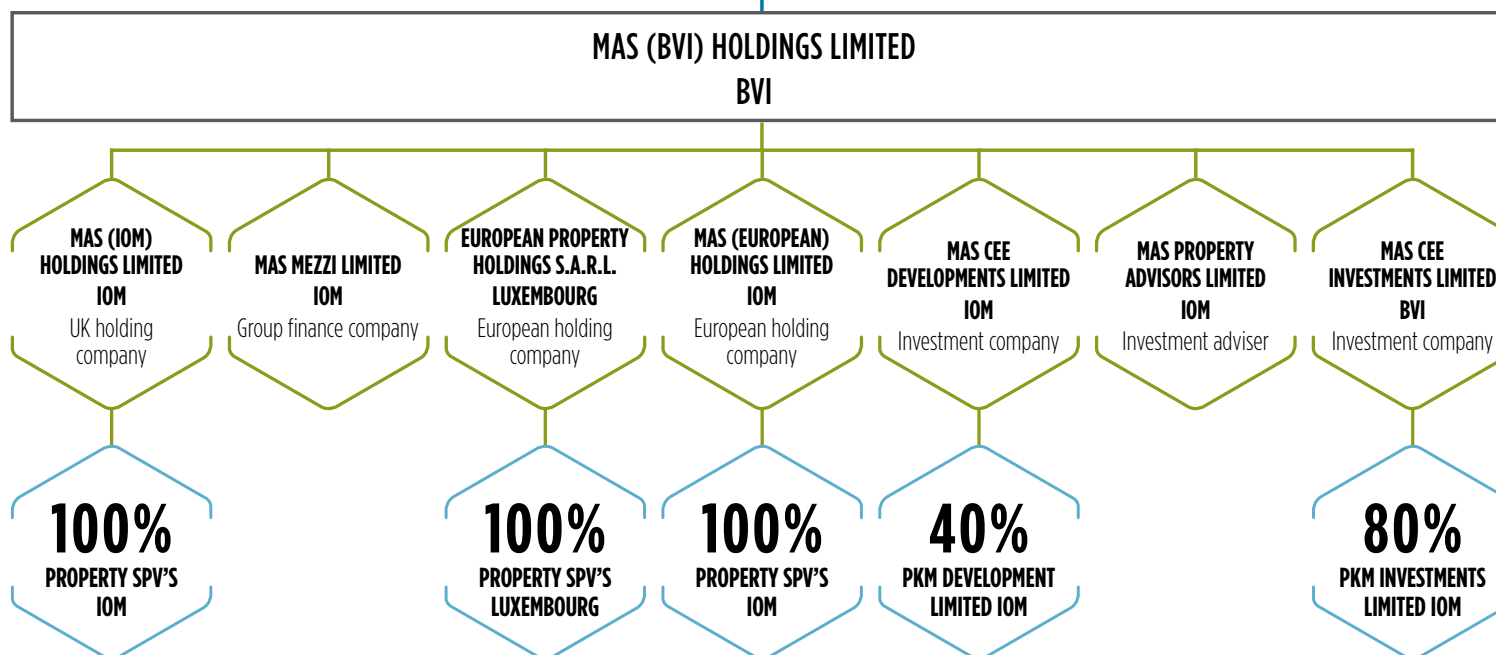


DRAWN DEBT



MAS REAL ESTATE INC

BVI



TOP 10 SHAREHOLDERS

30 JUNE 2018

Attacq Limited	22.8%
Argosy	8.7%
Public Investment Corporation	7.7%
Sesfikile Capital	4.6%
Absa Asset Management	3.9%
Sanlam Private Wealth	3.5%
Investec Asset Management	3.3%
STANLIB Asset Management	3.1%
MMI Holdings Ltd	2.9%
Catalyst Fund Managers	2.5%
Total	63.0%

MAS provides access to a specialist management team, with knowledge and experience across the European markets. The group has resources on the ground with staff and associate offices in the Isle of Man, London, Edinburgh, Frankfurt and Bucharest (through our venture partner, Prime Kapital). Senior management is well aligned with the company.



MORNÉ WILKEN, CEO

B.Eng (Hons)
Industrial

Morné was appointed as Chief Executive Officer of MAS on 1 January 2018. Morné was previously CEO of Attacq Limited and has extensive experience in property development, property investment, property finance, corporate restructuring and acquisitions. Morné is based in the Isle of Man.



MALCOLM LEVY, CFO

MCom, MBA (Oxon),
CA (SA), CFA

Malcolm is a co-founder of the business and has served as CFO since the establishment of the group. He was previously an equities fund manager and investment analyst in London. Malcolm is based in the Isle of Man.



JONATHAN KNIGHT, CIO

(BSc Hons) MRICS

Jonathan joined the group as CIO in 2014. Jonathan has over 29 years' experience in the real estate industry, most recently as a director at ING Bank in London and Amsterdam, working on various European and global real estate projects. Jonathan is based in London.

NON-EXECUTIVE DIRECTORS



RON SPENCER

C.Dir

Ron is an independent non-executive director and the chairman of MAS. He was managing director of Merrill Lynch Investment Managers Holdings (IOM) Limited, and is now the chair of the Isle of Man Gambling Supervision Commission. Ron is based in the Isle of Man.



GLYNNIS CARTHY

CA (SA)

Glynnis is an independent non-executive director. She is an Independent Financial Reporting Advisor, with experience as a member of the Financial Reporting Investigations Panel of the JSE; and as a committee member of SAICA's Accounting Practices Committee. Glynnis is based in England.



PIERRE GOOSEN

B.Com (Law), LLB, MBA

Pierre is an independent non-executive director. He is managing director of Argosy Capital, a European based private equity and venture capital investment business. Prior to joining Argosy, Pierre worked at two highly regarded international law firms practising as a commercial, private equity and funds lawyer. Pierre is based in the Isle of Man.



JACO JANSEN

B.Com Hons, CA (SA)

Jaco is a non-executive director of MAS. Previously Jaco was the head of the investment services division at a global wealth advisory and administration business managing in excess of \$500 million for private clients and advising on a multi-asset class basis to institutional clients with \$2.3 billion of assets. Jaco is based in the Isle of Man.



GIDEON OOSTHUIZEN

B.Eng Mech

Gideon is an independent non-executive director of MAS. He is a non-executive director of the Atterbury Property Group and of Atterbury Europe B.V., a leading real estate development and investment group with assets exceeding \$2 billion. Gideon is based in South Africa.



STATEMENT OF DIRECT AND INDIRECT INVESTMENT RESULT – 2018



	Period Ended 30 June 2018		
	Direct investment result	Indirect investment result	Total IFRS
Euro			
Rental income	37,452,513	—	37,452,513
Service charge income and other recoveries	5,954,048	—	5,954,048
	43,406,561	—	43,406,561
Service charge and other property operating expenses	(11,073,518)	—	(11,073,518)
Net rental income	32,333,043	—	32,333,043
Sales of inventory property	—	26,020,940	26,020,940
Cost of sales of inventory property	—	(21,704,016)	(21,704,016)
Profit on sale of inventory property	—	4,316,924	4,316,924
Other income	8,585,032	—	8,585,032
Corporate expenses	(4,946,973)	—	(4,946,973)
Investment expenses	—	(1,976,096)	(1,976,096)
Net operating income	35,971,102	2,340,828	38,311,930
Fair value adjustments	—	(15,800,127)	(15,800,127)
Foreign currency exchange differences	—	(1,020,787)	(1,020,787)
Share of profit from equity accounted investee, net of tax	—	3,568,925	3,568,925
Goodwill impairment	—	(1,274,346)	(1,274,346)
Profit/(loss) before net financing costs	35,971,102	(12,185,507)	23,785,595
Finance income	7,975,558	—	7,975,558
Finance costs	(5,560,344)	—	(5,560,344)
Profit/(loss) before tax	38,386,316	(12,185,507)	26,200,809
Current tax	(2,979,626)	(2,576,376)	(5,556,002)
Deferred tax	—	(1,311,385)	(1,311,385)
Profit/(loss) for the period	35,406,690	(16,073,268)	19,333,422
<i>Attributable to:</i>			
Owners of the parent	34,078,183	(17,221,877)	16,856,306
Non-controlling interest	1,328,507	1,148,609	2,477,116

BASIS OF DISTRIBUTION

	Year ended 30 June 2018
Euro	
Direct investment result	34,078,183
Company specific adjustments	
Net attributable profit on sales of inventory property ¹	2,628,067
Distributable earnings before effect of shares issued during the period	36,706,250
Weighted average number of shares in issue	577,814,866
Distributable earnings per share (euro cents per share)	6.35

Closing number of shares in issue 637,493,798

	Six-month period ended 31 December 2017	Six-month period ended 30 June 2018	Year ended 30 June 2018
Distributable earnings per share	2.70	3.65	6.35
Adjustment from reserves per share	0.88	0.38	1.26
Distribution per share	3.58	4.03	7.61

¹ The profit on sales of inventory property during the year was €4,316,924 (2017: €nil). The tax recognised on these sales was €812,835 (2017: €nil), giving a net amount of profit of €3,504,089 (2017: €nil). The group has recognised 75% (2018: €2,628,067; 2017: €nil) of this balance as distributable earnings as approximately 25% of profit is payable to the developer.

STATEMENT OF DIRECT AND INDIRECT INVESTMENT RESULT – 2017



	Period Ended 30 June 2017		
	Direct investment result	Indirect investment result	Total IFRS
Euro			
Rental income	27,032,238	—	27,032,238
Service charge income and other recoveries	4,550,190	—	4,550,190
	31,582,428	—	31,582,428
Service charge and other property operating expenses	(7,597,216)	(820)	(7,598,036)
Net rental income	23,985,212	(820)	23,984,392
Sales of inventory property	—	—	—
Cost of sales of inventory property	—	—	—
Profit on sale of inventory property	—	—	—
Other income	—	—	—
Corporate expenses	(3,253,610)	(244,599)	(3,498,209)
Investment expense	—	(281,061)	(281,061)
Net operating income/(loss)	20,731,602	(526,480)	20,205,122
Fair value adjustments	—	25,592,290	25,592,290
Foreign currency exchange differences	—	(4,684,895)	(4,684,895)
Share of profit from equity-accounted investee, net of taxation	132,602	45,795	178,397
Goodwill impairment	—	—	—
Profit before net financing costs	20,864,204	20,426,710	41,290,914
Finance income	1,207,196	—	1,207,196
Finance costs	(2,238,497)	—	(2,238,497)
Profit before tax	19,832,903	20,426,710	40,259,613
Current tax	(1,741,449)	—	(1,741,449)
Deferred tax	—	(3,942,153)	(3,942,153)
Profit for the period	18,091,454	16,484,557	34,576,011
<i>Attributable to:</i>			
Owners of the parent	17,899,178	15,688,770	33,587,948
Non-controlling interest	192,276	795,787	988,063

BASIS OF DISTRIBUTION

	Year ended 30 June 2017
Euro	
Direct investment result	17,899,178
Company specific adjustments	1,816,280
Distributable earnings before effect of shares issued during the period	19,715,458
Weighted average number of shares in issue ¹	402,059,173
Distributable earnings per share (euro cents per share)	4.90

Closing number of shares in issue ¹

480,216,299

	Six-month period ended 31 December 2016	Six-month period ended 30 June 2017	Year ended 30 June 2017
Distributable earnings per share	2.27	2.63	4.90
Adjustment from reserves per share	0.39	0.56	0.95
Distribution per share	2.66	3.19	5.85

¹ In the prior period, distributable earnings per share was calculated on the total number of shares in issue, which includes the geared share purchase plan shares. In the current period, the IFRS approach of treating the geared share purchase plan shares as unissued treasury shares is adopted.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



	As at 30 June 2018	As at 30 June 2017
Euro		
Non-current assets		
Intangible assets	22,592,493	23,967,355
Investment property	579,212,345	564,291,928
Income-generating property	546,238,139	494,519,173
Development property	—	30,081,795
Land bank	32,974,206	39,690,960
Financial investments	183,052,263	—
Financial assets	105,394,992	101,134,245
Investment in equity accounted investee	23,774,222	20,205,297
Property, plant and equipment	485,620	560,019
Deferred tax asset	607,179	758,055
TOTAL NON-CURRENT ASSETS	915,119,114	710,916,899
Current assets		
Financial assets	24,507,316	66,097
Trade and other receivables	16,148,333	8,707,035
Cash and cash equivalents	147,825,624	33,017,502
Investment property held for sale	53,588,444	6,336,915
Inventory	1,293,501	—
TOTAL CURRENT ASSETS	243,363,218	48,127,549
TOTAL ASSETS	1,158,482,332	759,044,448
Equity		
Share capital	829,250,399	557,556,273
Geared share purchase plan shares	(12,863,010)	(21,056,010)
Retained earnings	48,616,712	55,888,038
Share-based payment reserve	1,031,739	225,973
Foreign currency translation reserve	(11,768,119)	(10,560,303)
EQUITY ATTRIBUTABLE TO OWNERS OF THE GROUP	854,267,721	582,053,971
Non-controlling interest	2,527,202	988,063
TOTAL EQUITY	856,794,923	583,042,034
Non-current liabilities		
Interest bearing borrowings	214,407,455	141,751,953
Financial liabilities	1,696,005	1,670,086
Deferred taxation liability	6,139,373	4,998,374
TOTAL NON-CURRENT LIABILITIES	222,242,833	148,420,413
Current liabilities		
Interest bearing borrowings	28,305,652	5,461,444
Financial liabilities	36,121,577	11,211,990
Trade and other payables	14,733,264	10,816,762
Provisions	284,083	91,805
TOTAL CURRENT LIABILITIES	79,444,576	27,582,001
TOTAL LIABILITIES	301,687,409	176,002,414
TOTAL SHAREHOLDER EQUITY & LIABILITIES	1,158,482,332	759,044,448

	As at 30 June 2018	As at 30 June 2017
Euro		
IFRS equity attributable to owners of the parent	854,267,721	582,053,971
Adjustments for:		
Fair value of interest rate swaps	873,720	2,251,649
Deferred tax asset	(607,179)	(758,055)
Deferred tax liability	6,139,373	4,998,374
NCI in respect of the above adjustments	(616,418)	(102,479)
EPRA NAV	860,057,217	588,443,460
Fully diluted number of shares	637,556,656	467,366,299
Closing number of shares	637,493,798	467,366,299
Effect of share options	62,858	—
EPRA NAV per share (euro cents)	134.90	125.91

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