

**Condensed consolidated interim financial statements  
for the six-month period ended  
31 December 2020**

24 February 2021



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## Directors' commentary

### Introduction

MAS (hereafter referred to as the Group or the Company) achieved satisfactory adjusted total earnings of €57.0million for the six months ended 31 December 2020, despite ongoing challenging circumstances. Commentary on the financial results and progress with strategic matters, are contained within this report.

In addition to the reported International Financial Reporting Standards (IFRS) results, this commentary also includes, segmental reporting prepared on a proportionate consolidated basis. These do not replace the IFRS results but do assist interpretation. Detailed financial results, and Company Profile, updated as of 31 December 2020, including highlights and supplemental operational information, are available on the Company's website. Unless otherwise indicated, all amounts in this report are presented on an adjusted proportionate consolidated basis.

### Background

MAS' primary business is the investment in, and operation of, retail assets in Central and Eastern Europe (CEE). The Group's strategy focuses on benefitting from long-term consumption growth in CEE, and, combined with asset management initiatives, generates strong like-for-like (LFL) net rental income (NRI) growth from retail holdings. Consumption growth facilitates retail and residential development opportunities. MAS benefits from exposure to retail and residential developments, on a downside protected basis, via the Development Joint Venture (DJV)<sup>1</sup> with developer Prime Kapital.

Following the transaction with Prime Kapital in November 2019<sup>2</sup> (which included the acquisition of Prime Kapital's interests in MAS' directly-owned properties in CEE, the transfer of its CEE property management platform and the appointment of its founders as executive directors) the focus on CEE was accelerated, as the Group streamlined MAS' operations, integrated Prime Kapital's property and asset management team, substantially restructured around the Central and Eastern European investment strategy, and made excellent progress disposing of the majority of MAS' Western European assets, which on 30 June 2020 consisted of retail and logistic assets in Germany, an industrial asset in Switzerland and hospitality, retail, office, industrial assets and development land in the UK.

MAS has an interest in eleven operational open-air and enclosed malls in CEE (four partially owned via DJV) and seven strip malls, comprising 350,200m<sup>2</sup> gross lettable area (GLA) (257,400m<sup>2</sup> in Romania, 60,400m<sup>2</sup> in Bulgaria and 32,400m<sup>2</sup> in Poland). Of the Romanian assets, 197,800m<sup>2</sup> GLA (76.8%) are open-air and strip malls (hereafter jointly referred to as open-air malls) and 145,400m<sup>2</sup> GLA (56%) was originally developed by the DJV (including most open-air malls and Dambovită Mall). The DJV has a substantial commercial, residential and office development pipeline.

### Financial results

Group adjusted total earnings are, on a segmented basis, the combined return of (i) directly-owned income property and operations in CEE; (ii) Central and Eastern European investments with Prime Kapital in the DJV (including earnings from a proportion of completed DJV-owned income properties and development activities); (iii) directly-owned income property operations in Western Europe (WE) (which MAS is disposing of), and (iv) investments in listed securities (including other elements disclosed as Corporate).

Satisfactory adjusted total earnings of €57.0million for the six months ended 31 December 2020 (compared to an adjusted total loss of €85.5million for the prior six months)<sup>3</sup> consist of adjusted distributable earnings of €21.5million (net of €4.4million in provisions, rent holidays and rent discounts granted during the period due to the ongoing pandemic) and adjusted non-distributable earnings of €35.5million. Tangible net asset value (NAV) was €1.16 per share on 31 December 2020 (up 8.4% from 30 June 2020). Adjusted distributable earnings were 3.12eurocents per share for the six months ended 31 December 2020 (compared to 3.11eurocents per share for the previous six-month period).

MAS' improvement in adjusted total earnings is due to:

- (i) a strong recovery at retail properties in CEE, especially Romanian open-air malls, following the strict Covid-19 trade restrictions which caused severe disruption during the previous six-month period), and high rental and service charge collections;
- (ii) the successful opening of Dambovită Mall (Targoviste, Romania) during August 2020 and subsequent satisfactory trading;
- (iii) moderate CEE asset valuation improvements due to previous points;
- (iv) exceptional results from a well-structured asset sale process in WE, and
- (v) minor increases to the value of Group's listed securities.

### Operations

Tenants' sales figures in CEE indicate the performance of larger non-leisure anchors and multinational brands, especially in open-air malls, is satisfactory. Smaller retailers and leisure tenants are not performing well and may require ongoing support, which, if warranted, the Group will provide. The operational performance and collection rates of open-air malls and assets developed by the DJV, compared to pre-pandemic levels, are encouraging and bode well for the future.

Assets held in WE, of which 78% (based on GLA and excluding land) were sold (some subject to conditions precedent) by December 2020, were unaffected by the pandemic (given a large proportion of essential retail tenants, industrial, logistics and office properties owned in WE) and performed as expected, excepting Adagio Hotel and the Arches street retail units (Scotland), and Flensburg Galerie (Germany). Edinburgh's hotels and retailers have been negatively affected by the Scottish Government's travel restrictions and limited opening hours of restaurants, cafes and bars. In addition, Scotland entered a hard lockdown on 22 December 2020, requiring all hospitality and non-essential retail to close. Similarly, footfall at Flensburg Galerie was significantly reduced when, on 20 November 2020, German authorities introduced capacity restrictions for non-essential retail. Overall collections in WE for the six months to 31 December 2020 were 92% of pre-pandemic entitlements, with uncollected amounts being attributed mostly to the Adagio Hotel and, a lesser extent, Flensburg Galerie's tenants.

<sup>1</sup> DJV is an abbreviation for a separate corporate entity named PKM Development Limited (PKM Development), an associate of MAS since 2016 with independent governance. MAS owns 40% of the ordinary share capital of PKM Development, an investment conditional on it irrevocably undertaking to provide preference share capital to PKM Development on notice of drawdown. MAS' undertakings to PKM Development arose prior to Prime Kapital's founders joining MAS' Board in November 2019 and are unaffected. On 31 December 2020, MAS had invested €186.7million in preference shares and had an obligation of €233.3million outstanding (figures not proportionally consolidated). The balance of the ordinary share capital in PKM Development was taken up by Prime Kapital in 2016 for €30million in cash, and, in terms of applicable contractual undertakings and restrictions:

- (i) is not permitted to undertake real estate development in CEE outside of PKM Development until the DJV's capital commitments are fully drawn and invested or 2025 (end of exclusivity period);
- (ii) contributed secured development pipeline to PKM Development at cost;
- (iii) takes responsibility for sourcing further developments, and
- (iv) provides PKM Development with all necessary construction and development services via integrated in-house platform.

<sup>2</sup> MAS (80%) and Prime Kapital (20%) co-invested in 14 CEE income properties, 5 of which sourced by Prime Kapital and offered to MAS for co-investment outside of the DJV and 9 originally owned by, and developed in, the DJV and managed by Prime Kapital. MAS acquired Prime Kapital's interest in November 2019 in exchange for issuing shares to Prime Kapital, which are locked-up for three years from the transaction date.

<sup>3</sup> From mid-March 2020, trading conditions and prospects deteriorated due to Covid-19's unprecedented spread, necessitating the Company to undertake appropriate measures, including, the drawdown of finance facilities, restructuring the sales process of assets in WE, suspending dividend declarations, and postponing appropriate developments and extensions. Authorities in all regions where MAS operates introduced strict pandemic restrictions, including closing all non-essential retail property and hospitality operations in spring 2020. Inevitably, the restrictions introduced directly, and negatively, impacted the performance of MAS' non-essential retail and hospitality tenants and some smaller essential retailers. Accordingly, the financial results for the six months ended 30 June 2020 included an adjusted total loss of €85.5million, leading to an adjusted total loss of €39.0million for the twelve months ended 30 June 2020.

In CEE, total portfolio occupancy on 31 December 2020 has improved to 93.3% (93.1% on 30 June 2020) and in WE has reduced to 96.8% (97.5% on 30 June 2020).

Further details on GLA, trading restrictions, footfall, tenants' sales, invoicing and collections in CEE are summarised in Table 1. In respect of cash collections, the table compares invoicing (Collection Rate) and pre-pandemic entitlements (Pro-Forma Collection Rate): collections compared to the total income that would have been invoiced if support measures, temporary enforced tenant closures and Covid-19 restrictions are disregarded. While Collection Rate indicates tenants' payment performance compared to invoicing, the Pro-Forma Collection Rate measures business performance during the pandemic. All figures were reported on 19 February 2021.

Table 1. Central and Eastern European GLA status, footfall, tenants' sales, invoicing and collections

		Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Total
<b>Open GLA<sup>4</sup></b>	%	<b>95</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>83</b>	<b>79</b>	<b>91</b>
<b>Restricted GLA<sup>5</sup></b>	%	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>3</b>
<b>Closed GLA<sup>6</sup></b>	%	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>11</b>	<b>19</b>	<b>6</b>
<b>Footfall (2020 vs. 2019)</b>	%	<b>79</b>	<b>78</b>	<b>85</b>	<b>85</b>	<b>70</b>	<b>65</b>	<b>77</b>
Open-air malls	%	91	84	90	93	83	85	87
Enclosed malls	%	67	72	79	77	55	42	65
<b>Tenants' sales per m<sup>2</sup> (2020 vs. 2019)</b>	%	<b>91</b>	<b>90</b>	<b>95</b>	<b>99</b>	<b>85</b>	<b>97</b>	<b>92</b>
Open-air malls	%	103	96	104	112	102	98	102
Enclosed malls	%	78	82	84	82	57	91	77
<b>Total pre-pandemic income expectation</b>	€m	<b>3.8</b>	<b>3.9</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>23.7</b>
Income waived, deferred or suspended	€m	0.3	0.3	0.3	0.2	0.5	0.6	2.2
Due income (invoiced)	€m	3.5	3.6	3.7	3.8	3.5	3.4	21.5
<b>Collection Rate</b>	%	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>89</b>	<b>89</b>	<b>94</b>
<b>Pro-Forma Collection Rate</b>	%	<b>89</b>	<b>89</b>	<b>90</b>	<b>90</b>	<b>78</b>	<b>75</b>	<b>85</b>

### Trade restrictions and footfall in CEE

By July, most Covid-19 related trading restrictions were lifted and tenants representing approximately 95.2% of gross rental income could trade with limited restrictions until the end of October 2020. Notable exceptions were Romanian indoor food and beverage and leisure tenants. The former were limited to takeaway and delivery trading from 15 June to 31 August, and 15 October to 31 December, and subject to regional seating capacity restrictions 1 September to 14 October. Leisure tenants, except cinemas from 1 September to 24 October, were not permitted to trade.

Footfall in CEE recovered from July to October and relapsed in November and December due to the re-introduction of closures and restrictions introduced to curb rising European Covid-19 infections since October 2020. Footfall July to October across all malls was down 18%, with dramatic variations between open-air malls (11% reduction) and enclosed malls (26% reduction). LFL figures are not available for Dambovită Mall as it opened August, but footfall was significantly higher than expected for an enclosed mall. Overall, footfall during October was 85.3% compared to the same period in 2019.

Bulgarian authorities closed non-essential retail during the last week of November. Polish authorities closed non-essential retail for three weeks in November 2020, permitted reopening on 28 November and closed again on 28 December. Excepting Polish indoor food and beverage and leisure tenants, Polish and Bulgarian non-essential retailers remained closed until 1 February 2021. Consequently, footfall deteriorated significantly in November and December.

In Romania, a patchwork of lighter regional restrictions was introduced during November, varying from limiting trading capacity to closing non-essential retailers on certain days (Zalău and Baia Mare), with restaurants and fast-food operators generally limited to takeaway. Consequently, footfall in Romania in November and December was comparatively better than in Bulgaria and Poland when compared to previous year (76.5% and 79.3%, respectively).

### Tenants' operations in CEE

Despite lower footfall, total sales in CEE recovered strongly and progressively from July to October, but weakened in November and December, amplified by the closures in Bulgaria (December) and Poland (November), as well as Romania's lighter restrictions. Sales at open-air malls were generally strong for the six months ended 31 December 2020. Despite a relatively weak November and December, LFL sales at open-air malls for these six months were 2% higher than sales for the same period in 2019 (LFL sales for open-air malls from July to October were 4% higher than the same period in 2019). Although LFL figures are not available for Dambovită Mall as it opened August, sales substantially exceeded expectations.

DIY, pet store and groceries sales outperformed LFL sales for the same period 2019. Although other categories experienced lower LFL sales, overall occupancy cost ratios for anchor tenants and multinational brands were generally healthy, and, excepting entertainment and leisure, very few experienced sales that resulted in unsatisfactory occupancy cost ratios. This is attributable to tenants in CEE, since 2017 and prior to the pandemic, having benefitted from significant sales growth, coupled with MAS' sustainable base rental for assets. Entertainment, some services, food and beverage, toys, specialist and smaller retailers experienced poorer sales.

### Invoicing and collections

Overall collection rates were satisfactory. In CEE collection rates were good, and in Romania, compared to pre-pandemic entitlements, were very encouraging. In CEE, the overall Pro-Forma Collection rate of 85% for the six months ended 31 December 2020 includes a rate of 70% in respect of Bulgaria (79% up until November when restrictions were re-introduced for non-essential retail) and 72% for Poland (81% if November, when non-essential trading was restricted, is excluded). Cash collections from tenants in Romania were 93% of pre-pandemic entitlements, with (4)% waived, deferred or suspended. Dambovită Mall (developed by DJV and opened in August), had cash collections equal to 92% of pre-pandemic entitlements compared to 96% in open-air malls (most developed by DJV) and 82% for other enclosed malls up until October (after which non-essential tenants experienced closures and trading restrictions).

<sup>4</sup> GLA open for trade without restriction.

<sup>5</sup> GLA open for trade subject to restrictions (computed on a pro-rata basis to reflect days with restrictions).

<sup>6</sup> GLA closed for trade (computed on a pro-rata basis to reflect days closed).

## Property valuations

Improved property valuations contributed to the positive results for the six months ended 31 December 2020. Fair value uplift of €1.7million to income property was recorded, based on independent external valuations. This is the result of positive fair value adjustments to income property of €9.7million in CEE (an improvement of 1.8% compared to valuations on 30 June 2020) offset by reductions of €8.0million in WE (a decrease of 2% compared to valuations on 30 June 2020).

Valuations are primarily based on discounted forecast cash flows and are therefore forward looking. While the weighted average unlevered discount rate for income property in CEE decreased marginally to 10.20% from 10.24%, valuations in CEE improved due to the robust trading performance of Romanian open-air malls, which far exceeded valuers' expectations in June 2020, as well as asset management initiatives implementation at Militari Shopping and Atrium Mall.

While there were marginal increases in unlevered discount rates for income properties in WE, the reductions in valuations are mostly a result of updated capital expenditure assumptions. These were anticipated and taken into consideration for purposes of the Group's tangible NAV on 30 June 2020 by means of management's estimation for WE disposal realisation costs and losses as reported in the relevant results for the six months ended 30 June 2020. The reduction in fair value regarding the properties held in WE should therefore be seen against the positive adjustment to this estimate.

## Asset sales in WE

The restructured disposal program in WE yielded very good results and supported the tangible NAV uplift for the six-month period ended on 31 December 2020. Following extensive marketing, interested parties were provided with independent, comprehensive technical due diligence reports assisting with internal analysis and increasing bid quality. Furthermore, detailed negotiations were held with multiple bidders increasing certainty of execution and maximising pricing levels. From July to December 2020, MAS concluded agreements for the disposal of property to the value of €316.0million, compared to book values of €293.7million on 30 June 2020. Sales to the value of €7.2million have been contracted after 31 December 2020, compared to book values of €7.1million on 30 June 2020. Further transactions to the value of approximately €107.5million in relation to New Ueberior House and Lewes land holding in the UK are ongoing and agreements are expected to be concluded in due course.

Due to the outcome of the sales process, management's estimation for WE disposal realisation costs and losses (costs related to punitive fixed-interest arrangements, early debt repayment penalties, agency fees and potential discounts required to facilitate sales where buyers do not agree with valuers' capital expenditure assumptions or estimated rental value (ERV) assumptions for properties with high vacancies and other costs) were decreased by €30.8million to €21.9million.

The conclusion of the ongoing UK transactions will leave MAS with assets to the value of €126.1million in WE. The remaining Flensburg Galerie and Gotha retail assets in Germany, as well as the Adagio Hotel, the Arches street retail units and the UK land holdings will be disposed of opportunistically, while the Group will continue to implement management changes aimed at improving operations and reducing high operating costs. Given the Group's commitment to the strategic disposal program in WE the Group has considered and adapted the presentation, in its IFRS financial statements, of the entire WE segment as assets held for sale and the results of the segment as 'discontinued operations' for the six months ended 31 December 2020.

## Listed securities

Prior to the pandemic, MAS had commenced restructuring its listed securities portfolio, by selling holdings in illiquid companies and continuing to hold shares in Unibail-Rodamco-Westfield and Klépierre, valued at €35.5million on 30 June 2020. On 31 December 2020, MAS held listed securities to the value of €34.9million. By 31 December 2020, €5.9million of securities had been disposed of at a realised profit of €0.5million (compared to values on 30 June 2020) while the difference to the €5.2million adjusted non-distributable earnings reported for the six months ended 31 December 2020 were unrealised. A further €36.8million of securities were disposed of after December 2020 (January 2021), when a 'short squeeze' led to rises of the share prices of Unibail-Rodamco-Westfield and Klépierre, at a realised profit of €3.96million (compared to values on 31 December 2020).

## Developments, extensions and refurbishments in the DJV

Dambovită Mall (Romania) was scheduled to open in May 2020. This had to be delayed due to the country's strict lockdown introduced in March 2020. The mall opened for trade on 20 August 2020, during the pandemic, with 92% occupancy of the 31,200m<sup>2</sup> completed GLA. The fit-out and opening of the cinema, representing 1,700m<sup>2</sup> GLA of the originally planned rentable trading area, were postponed, while tenants who committed to 1,312m<sup>2</sup> GLA did not perform fit out and did not open. The development has potential for a further approximately 10,000m<sup>2</sup> GLA extension in addition to the space originally allocated for the cinema. The yield on cost is 9.4%, which combined with high collection rates since opening highlights the quality of the development. Footfall and trading levels experienced since opening were generally well ahead of expectations.

DJV's retail development pipeline planning has been adjusted to take cognisance of the strong performances of anchor tenants in open-air malls from July to December 2020 and at Dambovită Mall since opening, the expectation that consumer spending will recover to pre-pandemic levels by mid-2022 (calendar year), and that a vaccine will be widely available in the second half of 2021 (calendar year) enabling consumer behaviour in the Group's markets to begin returning to normal.

Construction continues at Sepsis Value Centre with the opening still scheduled for March 2021. Currently, 92% of the planned GLA is leased to tenants including anchors: Agroland, Carrefour, CCC, dm - drogerie markt, Flanco, LC Waikiki, New Yorker, Noriel, Pepco, Sinsay and Sportissimo.

Construction of Barlad and Prahova (Ploiesti) Value Centres is, subject to planning consent, scheduled to start during April 2021. At Barlad, 76% of the phase one planned GLA is leased to anchors including Carrefour, Deichmann, Flanco, Jysk, New Yorker, Noriel, Pepco, Sportissimo and Takko. At Ploiesti, there is very strong tenant interest for the first phase of the development since leasing commenced in December 2020. Construction at Alba Iulia, in respect of an enclosed mall, as opposed to an open-air mall, is planned to commence in October 2021, subject to planning consent. Construction works at Arges Mall and Mall Moldova are presently unscheduled.

Construction on Marmura Residence, the DJV's first residential development in Bucharest, continues, and all five buildings are expected to be completed by June 2022. Presently, 376 of 459 apartments have been released for sale, of which 212 (56%) have been sold.

At Avalon Estate, 32 of 39 (82%) villas, townhouses and apartments, released for sale prior to the issue of the building permit were sold, as were a further 43 of 83 (51.8%) apartments, released for sale in late July 2020. Subsequently, a further 115 apartments and townhouses were released for sale late February 2021 (of which 9 units were sold to date). Phase one works, comprising 254 of the 746 planned dwellings of the approximately 8-hectare low density development site, perimeter walls, main gatehouse, clubhouse, approximately 50% of the extensive landscaped parks and green areas, and internal and external infrastructure works, commenced in November 2020 and is expected to be delivered gradually from December 2021 until completion, by June 2022.

In February 2021, a residential sales office opened at the Silk District site and, subject to permitting, works on the approximately 10-hectare project's substantial infrastructure and the first phase of the residential development (315 apartments) are scheduled to commence during July 2021. The Silk District office development remains on hold.

## *Extensions and refurbishments to directly owned assets*

Planned extensions to directly owned Militari Shopping, Galleria Burgas and Nova Park remain on hold and will be re-assessed during the second half of 2021 (calendar year). Refurbishment of Galleria Stara Zagora has been completed and the refurbishment and reconfiguration of Atrium Mall is ongoing.

## *DJV, MAS and Prime Kapital staff shares purchases*

After 30 June 2020, the DJV acquired 13,004,838 additional MAS shares on the open market, bringing its holding to 42,998,476 (6.05% of issued shares) on 31 December 2020. Additionally, the vast majority of MAS' and Prime Kapital's employees have elected to have their deferred cash bonuses converted into MAS shares (deferred bonuses were replaced by MAS shares, subject to vesting periods and lock-up). As a result, MAS and Prime Kapital management and employees (via Prime Kapital, the DJV, MAS share purchase scheme and otherwise) have a combined exposure to 17.08% of the shares issued by MAS, further strengthening alignment with shareholders.

## *Debt, cost of debt, and liquidity*

On 31 December 2020, MAS had a combined €265.1million in cash, listed securities, expected net sales proceeds from contracted disposals and undrawn credit facilities (figure not proportionally consolidated). This is the result of MAS holding on 31 December 2020 €86.5million in cash and €34.9million in listed securities and expecting accumulation of net estimated proceeds of €83.7million from uncompleted sales of assets in WE contracted by 31 December 2020 (after discharging €91.3million of secured debt as well as transaction costs, tax, estimated early debt repayment penalties, and other costs of approximately €13.1million; figures not proportionally consolidated). In addition to secured bank debt, the Company has an unsecured revolving facility of €60million, which was repaid during December 2020 and is currently undrawn. On 31 December 2020, the Group had an ongoing undrawn commitment to the DJV of €233.3million (figure not proportionally consolidated).

The long-term Group set overall debt limit is a maximum loan to value (LTV) ratio of 40%, or, on a forward-looking basis, seven times net rental income. On 31 December 2020, the Group had €382.7million of outstanding bank debt and the LTV ratio was 25.7%, both figures not taking account of uncompleted sales of assets in WE contracted by 31 December 2020. The effective LTV ratio, taking account of these transactions, is 11.9%.

The weighted average cost of debt was 3.04% per annum for the six months ended 31 December 2020.

## *Dividend*

Due to Covid-19, the Company declined to declare an interim dividend. MAS will consider resuming dividend payments when the pandemic is effectively over, business is sufficiently profitable and depending on the attractiveness of investment opportunities relative to available liquidity at the time. This list is not comprehensive, and, if relevant, other factors will be considered.

## *Prospects*

As previously reported, MAS' retail strategy in CEE is based on expected strong, long-term consumer growth, and is applicable to residential properties in the DJV. This aids LFL growth in annual rental income from commercial property, accelerates the timing and success of developments and extensions in property directly owned by MAS and partially via the DJV, and contributes to a strong development pipeline.

Covid-19 has altered consumer behaviour and disrupted retail operations since mid-March 2020. Leisure and food and beverage tenants, including hotels, indoor cinemas, playgrounds, restaurants, casinos and fast-food operators in food courts (especially in enclosed malls), will continue to experience low turnover until the pandemic ends and confidence is restored. Additionally, social distancing measures and trade restrictions are damaging to tenants. Fortunately, countries in the European Union have begun vaccinations and the Company expects retail trading patterns will start to return to normal concurrent with the roll out of the vaccine. Private consumption in CEE has not contracted as significantly as expected and will apparently recover relatively fast. With a few exceptions, anchors and multinational brands, excepting entertainment and leisure sectors, appear to be in reasonable financial health. Significant uncertainty remains, but the Group expects, and has updated plans on the basis that limited trade restrictions lie ahead and private consumption in relevant markets will recover to pre-pandemic levels by mid-2022 (calendar year).

Although the pandemic has caused significant disruption and necessitated a strategic re-assessment, including re-evaluating development and extension opportunities, many of which were placed on hold by MAS and the DJV, consumption data and current forecasts suggest there will be attractive commercial and residential development opportunities available to be exploited by well capitalised developers. MAS is well positioned to weather the remainder of the Covid-19 storm, has appropriate low gearing and is sufficiently capitalised to exploit opportunities.

The Board and management are optimistic and will continue to steer the Company in line with the long-term investment approach of maximising total long-term returns from investments on a per share basis by concentrating on capital allocation, operational excellence, sensible leveraging and cost efficiency, thereby sustainably growing distributable earnings per share.

*Martin Slabbert*  
Chief Executive Officer

*Irina Grigore*  
Chief Financial Officer

24 February 2021  
Douglas  
Isle of Man

Released 25 February 2021

## ***Statement of Directors' responsibilities***

The Directors are responsible for preparing the Directors' commentary and the condensed consolidated interim financial statements in accordance with applicable laws and regulations.

The Directors have elected to prepare the condensed consolidated interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 "Interim Financial Reporting".

In preparing the condensed consolidated interim financial statements, the Directors are responsible for:

- selecting suitable accounting policies and then applying them consistently;
- stating whether IAS 34 have been followed, subject to any material departures disclosed and explained in the condensed consolidated interim financial statements;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing the condensed consolidated interim financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors confirm that to the best of their knowledge, the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 and that the Directors' commentary includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that the Group faces.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

The condensed consolidated interim financial statements have been reviewed by the Company's auditors, Pricewaterhouse Coopers LLC, and their unqualified review report is available for inspection at the Company's registered office.

The condensed consolidated interim financial statements have been prepared under the supervision of Victor Semionov and Irina Grigore.

The condensed consolidated interim financial statements on pages 1 to 59 were approved and authorised for issue by the Board of Directors on 24 February 2021 and signed on its behalf by:

*Victor Semionov*  
Executive Director

*Irina Grigore*  
Chief Financial Officer

*24 February 2021*  
*Douglas*  
*Isle of Man*



## ***Independent auditor's review report on interim financial statements***

To the shareholders of MAS Real Estate Inc.

We have reviewed the condensed consolidated interim financial statements of MAS Real Estate Inc., contained in the accompanying interim report, which comprise the condensed consolidated statement of financial position as at 31 December 2020 and the condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

### ***Directors' Responsibility for the Interim Financial Statements***

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of MAS Real Estate Inc. for the six months ended 31 December 2020 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

### **PricewaterhouseCoopers LLC**

Sixty Circular Road  
Douglas  
Isle of Man  
IM1 1SA

24 February 2021



**Condensed consolidated statement of profit or loss**

	Note	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<i>Continuing operations</i>				
Rental income	5.1	17,952	17,918	35,659
Service charge income and other recoveries	5.2	5,081	5,458	11,191
<b>Gross revenue</b>		<b>23,033</b>	<b>23,376</b>	<b>46,850</b>
Impairment of receivables	5	(3,003)	-	(4,763)
Service charge and other property operating expenses	5.2	(6,282)	(6,229)	(11,604)
<b>Net rental income</b>	5	<b>13,748</b>	<b>17,147</b>	<b>30,483</b>
Corporate expenses		(2,418)	(3,159)	(5,763)
Other income	6	1,728	4,653	6,308
Investment expenses	7	(799)	(1,914)	(3,927)
Fair value adjustments	8	8,539	39,947	(34,349)
Foreign currency exchange differences		759	4,600	(1,203)
Share of profit from equity accounted investee, net of tax	12	3,412	8,378	4,848
Goodwill impairment	13	-	(22,627)	(29,452)
<b>Profit/(loss) before finance income/(costs)</b>		<b>24,969</b>	<b>47,025</b>	<b>(33,055)</b>
Finance income	9	7,197	6,673	13,231
Finance costs	9	(3,781)	(3,688)	(7,502)
<b>Profit/(loss) before tax</b>		<b>28,385</b>	<b>50,010</b>	<b>(27,326)</b>
Current tax		(92)	(367)	(530)
Deferred tax		(3,150)	(4,320)	223
<b>Tax expense</b>	10	<b>(3,242)</b>	<b>(4,687)</b>	<b>(307)</b>
<b>Profit/(loss) for continuing operations</b>		<b>25,143</b>	<b>45,323</b>	<b>(27,633)</b>
<i>Discontinued operations</i>				
(Loss)/profit from discontinued operations, net of tax	4.1	(3,878)	8,672	7,446
<b>Profit/(loss) for the period/year</b>		<b>21,265</b>	<b>53,995</b>	<b>(20,187)</b>
<i>Attributable to:</i>				
Owners of the Group		21,265	52,567	(21,615)
Non-controlling interest		-	1,428	1,428
<b>Profit/(loss) for the period/year</b>		<b>21,265</b>	<b>53,995</b>	<b>(20,187)</b>
<b>Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the Group:</b>	18.3			
Basic earnings/(loss) per share (eurocents)		3.02	8.09	(3.19)
Diluted earnings/(loss) per share (eurocents)		3.02	8.09	(3.19)
<b>Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the Group – continuing operations</b>				
Basic earnings/(loss) per share (eurocents)		3.57	6.75	(4.29)
Diluted earnings/(loss) per share (eurocents)		3.57	6.75	(4.29)

The Group elected to provide an improved presentation of the statement of profit or loss items, presenting Gross revenue for the six-month period ended 31 December 2020 of €23,033 thousand (six-month period ended 31 December 2019: €23,376 thousand; year ended 30 June 2020: €46,850 thousand) and outline the rental related expenses such as impairment of receivables and service charge and other property operating expenses. The aforementioned represented items are part of the Net rental income line in the statement of profit or loss and does not have an impact in the amounts presented in current and prior periods.

Condensed consolidated statement of other comprehensive income

	Note	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Profit/(loss) for the year		21,265	53,995	(20,187)
<b>Other comprehensive income/(expense)</b>				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations		(1,301)	4,333	(23)
<b>Total comprehensive income/(expense) for the period/year</b>		<b>19,964</b>	<b>58,328</b>	<b>(20,210)</b>
<i>Attributable to:</i>				
Owners of the Group		19,964	56,900	(21,638)
Non-controlling interest		-	1,428	1,428
<b>Total comprehensive income/(expense) for the period/year</b>		<b>19,964</b>	<b>58,328</b>	<b>(20,210)</b>

**Condensed consolidated statement of financial position**

		Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
	Note			
<i>Non-current assets</i>				
Investment property	11.1	444,584	809,670	533,649
Financial assets	16.3	198,714	176,664	186,050
Investment in equity-accounted investee	12	30,148	30,266	26,736
Intangible assets	13	1,696	8,780	1,696
Deferred tax assets	10	3,746	3,767	3,394
Other non-current assets	14	10,436	12,784	11,453
<b>Total non-current assets</b>		<b>689,324</b>	<b>1,041,931</b>	<b>762,978</b>
<i>Current assets</i>				
Financial investments	16.1	10,011	69,416	28,406
Trade and other receivables		22,433	21,773	20,689
Cash and cash equivalents	16.2	86,454	65,091	51,404
Investment property held for sale	4.2	400,172	202,090	429,592
<b>Total current assets</b>		<b>519,070</b>	<b>358,370</b>	<b>530,091</b>
<b>Total assets</b>		<b>1,208,394</b>	<b>1,400,301</b>	<b>1,293,069</b>
<i>Equity</i>				
Share capital and share premium	18.1	900,931	899,858	899,858
Treasury shares – geared share purchase plan shares	18.1	(5,318)	(6,309)	(6,309)
Retained (deficit)/earnings		(64,056)	20,633	(85,321)
Share-based payment reserve	18.2	(1,028)	921	925
Foreign currency translation reserve		(14,431)	(8,774)	(13,130)
<b>Equity attributable to owners of the Group</b>		<b>816,098</b>	<b>906,329</b>	<b>796,023</b>
Non-controlling interest		-	-	-
<b>Total equity</b>		<b>816,098</b>	<b>906,329</b>	<b>796,023</b>
<i>Non-current liabilities</i>				
Interest bearing borrowings	17.1	132,232	299,998	233,666
Financial liabilities	17.2	1,765	2,157	2,148
Deferred tax liabilities	10	24,808	32,267	27,425
Other non-current liabilities	15	1,900	-	2,776
<b>Total non-current liabilities</b>		<b>160,705</b>	<b>334,422</b>	<b>266,015</b>
<i>Current liabilities</i>				
Interest bearing borrowings	17.1	212,700	136,255	211,081
Financial liabilities	17.2	1,276	693	2,323
Trade and other payables		17,615	22,602	17,627
<b>Total current liabilities</b>		<b>231,591</b>	<b>159,550</b>	<b>231,031</b>
<b>Total liabilities</b>		<b>392,296</b>	<b>493,972</b>	<b>497,046</b>
<b>Total shareholder equity and liabilities</b>		<b>1,208,394</b>	<b>1,400,301</b>	<b>1,293,069</b>
Actual number of ordinary shares in issue	18.1	704,493,798	704,493,798	704,493,798
IFRS Net Asset Value per share (eurocents)		115.8	128.6	113.0

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 24 February 2021 and signed on their behalf by:

Victor Semionov  
Executive Director

Irina Grigore  
Chief Financial Officer

Condensed consolidated statement of changes in equity

	Note	Share capital and share premium	Treasury shares – geared share purchase plan shares	Retained (deficit) /earnings	Share-based payment reserve	Foreign currency translation reserve	Equity attributable to owners of the Group	Non-controlling interest	Total equity
<b>Balance at 30 June 2019 (audited)</b>		824,686	(8,299)	53,864	975	(13,107)	858,119	7,439	865,558
<i>Comprehensive income for the period</i>									
Profit for the period		-	-	52,567	-	-	52,567	1,428	53,995
Other comprehensive income for the period/year		-	-	-	-	4,333	4,333	-	4,333
<b>Total comprehensive income for the period</b>		-	-	52,567	-	4,333	56,900	1,428	58,328
<i>Equity transactions</i>									
Employee share schemes – value of employee services		-	-	-	(54)	-	(54)	-	(54)
<b>Total equity transactions</b>		-	-	-	(54)	-	(54)	-	(54)
<i>Transactions with the owners of the Group and non-controlling interests</i>									
Acquisition of non-controlling interest and related transactions	18.1	77,162	-	(54,115)	-	-	23,047	(7,318)	15,729
Shares forfeited and cancelled	18.1	(1,990)	1,990	-	-	-	-	-	-
Dividends paid	18.1	-	-	(31,683)	-	-	(31,683)	(1,549)	(33,232)
<b>Total transactions with the owners of the Group and non-controlling interests</b>		75,172	1,990	(85,798)	-	-	(8,636)	(8,867)	(17,503)
<b>Balance at 31 December 2019 (reviewed)</b>		899,858	(6,309)	20,633	921	(8,774)	906,329	-	906,329
<i>Comprehensive expense for the period</i>									
Loss for the period		-	-	(74,182)	-	-	(74,182)	-	(74,182)
Other comprehensive expense for the period		-	-	-	-	(4,356)	(4,356)	-	(4,356)
<b>Total comprehensive expense for the period</b>		-	-	(74,182)	-	(4,356)	(78,538)	-	(78,538)
<i>Equity transactions</i>									
Employee share schemes – value of employee services		-	-	-	4	-	4	-	4
<b>Total equity transactions</b>		-	-	-	4	-	4	-	4
<i>Transactions with the owners of the Group and non-controlling interests</i>									
Acquisition of non-controlling interest and related transactions	18.1	-	-	(1,899)	-	-	(1,899)	1,899	-
Dividends paid	18.1	-	-	(29,873)	-	-	(29,873)	(1,899)	(31,772)
<b>Total transactions with the owners of the Group and non-controlling interests</b>		-	-	(31,772)	-	-	(31,772)	-	(31,772)

**MAS Real Estate Inc.**
**Condensed consolidated interim financial statements for the six-month period ended 31 December 2020**
**Condensed consolidated statement of changes in equity**

	Note	Share capital	Treasury shares – geared share purchase plan shares	Retained (deficit) /earnings	Share-based payment reserve	Foreign currency translation reserve	Equity attributable to owners of the Group	Non-controlling interest	Total equity
<b>Balance at 30 June 2020 (audited)</b>		899,858	(6,309)	(85,321)	925	(13,130)	796,023	-	796,023
<i>Comprehensive income for the period</i>									
Profit for the period		-	-	21,265	-	-	21,265	-	21,265
Other comprehensive expense for the period		-	-	-	-	(1,301)	(1,301)	-	(1,301)
<b>Total comprehensive income/(expense) for the period</b>		-	-	21,265	-	(1,301)	19,964	-	19,964
<i>Equity transactions</i>									
Employee share schemes – value of employee services	18.1	-	2,064	-	(1,953)	-	111	-	111
<b>Total equity transactions</b>		-	2,064	-	(1,953)	-	111	-	111
<i>Transactions with the owners of the Group</i>									
Issue of shares	18.1	1,073	(1,073)	-	-	-	-	-	-
<b>Total transactions with the owners of the Group</b>		1,073	(1,073)	-	-	-	-	-	-
<b>Balance at 31 December 2020 (reviewed)</b>		900,931	(5,318)	(64,056)	(1,028)	(14,431)	816,098	-	816,098

The notes on pages 7 to 59 form part of these condensed consolidated interim financial statements.  
All amounts in € thousand unless otherwise stated.

**Condensed consolidated statement of cash flows**

	Note	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019 (*Restated)	Audited Year ended 30 June 2020
<i>Operating activities</i>				
Cash generated from operating activities	16.2	43,339	34,162	52,495
Capitalised expenditure on inventory property		-	(996)	(339)
Proceeds from the sales of inventory property		-	6,729	6,689
Interest received on PKM Development preference shares		2,530	4,749	9,911
Tax paid on operating activities		(5,860)	(3,806)	(2,935)
Investment expenses paid		-	(802)	-
Distributions paid to salaried plan participants of geared share purchase plan	18.2	-	(148)	(238)
<b>Net cash inflow from operating activities</b>		<b>40,009</b>	<b>39,888</b>	<b>65,583</b>
<i>Investing activities</i>				
Capitalised expenditure on investment property	11.1	(3,039)	(6,641)	(8,423)
Capitalised expenditure on investment property held for sale	4.2	(2,404)	(1,297)	(4,449)
Proceeds from the sale of investment property held for sale	4.2	127,967	900	-
Proceeds from / (payments for) acquisition of subsidiaries, net of cash acquired		-	86	86
Payment of PKM Developments preference shares		(8,000)	-	(8,700)
Acquisition of direct financial investments	16.1	1,877	-	-
Proceeds from the disposal of direct financial investments	16.1	-	13,485	37,056
Proceeds from the disposal of direct financial investments - transferred to CFDs	16.1	-	-	6,456
Deposit of CFD collateral on CFD purchases	16.1	-	(4,252)	(4,066)
Receipt of CFD collateral on CFD disposals	16.1	3,834	11,872	24,245
Settlement of fair value adjustments on CFDs	16.1	(13,365)	9,547	(28,727)
Settlement of financial liability		-	(5,234)	(5,070)
Investment expenses paid		(2,791)	(1,261)	(4,221)
Acquisitions of non-current assets		-	(342)	-
Interest on bank deposits, net		(90)	(2)	30
Tax paid on investing activities		(61)	(661)	(872)
<b>Net cash inflow from investing activities</b>		<b>103,928</b>	<b>16,200</b>	<b>3,345</b>
<i>Financing activities</i>				
Transaction costs from the issue of share capital		-	(154)	-
Proceeds from interest bearing borrowings	17.1	-	52,423	99,700
Transaction costs relating to interest bearing borrowings	17.1	(539)	(1,611)	(1,734)
Repayment of capital on interest bearing borrowings	17.1	(102,565)	(75,019)	(110,061)
Interest paid on interest-bearing borrowings	17.1	(4,467)	(6,466)	(11,395)
Distributions paid to the owners of the group		-	(31,683)	(61,556)
Distributions paid to non-controlling interest		-	-	(3,448)
<b>Net cash (outflow) from financing activities</b>		<b>(107,571)</b>	<b>(62,510)</b>	<b>(88,494)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>36,366</b>	<b>(6,422)</b>	<b>(19,566)</b>
Cash and cash equivalents at the beginning of the period/year	16.2	51,404	71,155	71,155
Effect of movements in foreign exchange rate fluctuations on cash held		(1,316)	358	(185)
<b>Cash and cash equivalents at the end of the period/year</b>	16.2	<b>86,454</b>	<b>65,091</b>	<b>51,404</b>

\* See note 22 for details regarding the restatement as a result of an error.

\*\*The cash flows above relate to continuing and discontinued operations. See note 4 for cash flow summary on discontinued operations.

**Notes to the condensed consolidated interim financial statements**
**Corporate information**

MAS Real Estate Inc. (the "company" or "MAS") is domiciled in the British Virgin Islands ("BVI"). These condensed consolidated interim financial statements are as at, and for the six-month period ended 31 December 2020 and comprise the company and its subsidiaries (together referred to as the "Group").

Comparative figures are included for the year ended 30 June 2020 and for the six-month period ended 31 December 2019.

All amounts disclosed have been rounded off to the nearest thousand euro ("€ thousand") unless otherwise stated.

**Group subsidiaries**

The Group's subsidiaries at 31 December 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Entity name	Ownership interest held by the Group
MAS (BVI) Holdings Limited	100%
Rhea Mezzi Limited (name changed from MAS Mezzi Limited on 19 January 2021)	100%
MAS Property Advisors Limited	100%
MAS (IOM) Holdings Limited	100%
MAS CEE Developments Limited	100%
MAS CEE Investments Limited	100%
MAS One PCC Limited	100%
MAS Two PCC Limited	100%
MAS Three Limited	100%
Braehead Properties Limited	100%
Chippenham Properties Limited	100%
Langley Properties Limited	100%
North Street Quarter Limited	100%
New Waverley 10 Limited	100%
New Waverley 12 Limited	100%
New Waverley 14 Limited	100%
New Waverley 20 Limited	100%
MAS (European) Holdings Limited	100%
Braunschweig Limited	100%
Flensburg Limited	100%
New Ueber House Limited	100%
Brandenburg Retail Capital SARL	100%
European Property Holdings SARL	100%
Impromptu Capital SARL	100%
Incantada Capital SARL	100%
Innova Capital SARL	100%
Interlude Capital SARL	100%
Intermezzo Capital SARL	100%
Istempo Capital SARL	100%
Instrumento Capital SARL	100%
Intonata Capital SARL	100%
Inventive Capital SARL	100%
Leipzig Retail Capital SARL	100%
Magdeburg Retail Capital SARL	100%
Petrusse Capital SARL	100%
PKM CEE Investments Ltd	100%
PKM Investments Finance Ltd	100%
PKM Investment Sarl	100%
PKM Neptune SRL	100%
Land Development Project SRL	100%
PKM Gemini SRL	100%
PKM Jupiter SRL	100%
PKM Saturn SRL	100%
Mastweight SRL	100%
PK Black SRL	100%
PK Red SRL	100%
PK Indigo SRL	100%
Galleria Burgas ead	100%
Galleria Stara Zagora ead	100%
PKM Investments (Netherlands) BV	100%
Nova Park sp zoo	100%
PK Mezz BV	100%
Prime Kapital CEE Property Investment Management Ltd	100%
PK Property Management (Poland) sp zoo	100%
PK Property Management (Bulgaria) eood	100%



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**1. Significant events in the reporting period**

The financial position and performance of the Group was influenced by the following events and transactions during the reporting period:

- Impact of the coronavirus outbreak starting March 2020 and ongoing measures taken due to the pandemic, which had a wide impact on the Group's operations and financial performance continuing in the six-month period ended 31 December 2020; please see further discussion in note 2;
- Strategic decision to dispose of the investment property within the Western Europe ("WE") portfolio, and the sales process conducted by the Group in respect of properties in the geographical segment; please see further information in note 4.

**2. Going concern and impact of coronavirus pandemic****Background**

During the financial year ended 30 June 2020, in March 2020, the World Health Organisation had declared the coronavirus outbreak a pandemic. Responding to the potentially serious threat the coronavirus presented to public health, government authorities in all jurisdictions where the Group operates took measures to contain the outbreak, including introducing restrictions on the cross-border movement of people, entry restrictions on foreign visitors and the 'lockdown' of certain industries. In particular, transport of people by air and road to and from certain countries affected by the coronavirus outbreaks had been suspended, schools, universities, restaurants, cinemas, theatres and museums and sport facilities, retailers (excluding food retailers, grocery stores and pharmacies) were closed. Some businesses had also instructed employees to remain at home and have curtailed or temporarily suspended business operations.

The Group has prepared for the predicted longer-term recessionary consequences, which potentially include a prolonged reduction in consumption, as well as new investment and development opportunities that may emerge as a result.

**Operations**

MAS' primary business is the investment in, and operation of, retail assets in Central and Eastern Europe (CEE), particularly in Romania, Bulgaria, and Poland. The Group also owns retail and logistic assets held for sale in Germany and hospitality, retail, office and development land in the UK (hereafter, the latter two countries are referred to as Western Europe or WE). The Group benefits from retail and residential development exposure, on a downside protected basis, via the Development Joint Venture ("DJV") with Prime Capital.

At the beginning of the pandemic, authorities in all jurisdictions where the Group operates have introduced pandemic regulatory restrictions, which have resulted in the closure of all non-essential retail property and hospitality operations for different periods depending on jurisdiction. Typically, initial closures commenced in March and remained in full effect until mid-May. This had a direct initial impact on the financial health of the Group's retail and hotel tenants.

By July 2020, most Covid-19 related trading restrictions were lifted and the majority of Group's CEE tenants could trade with limited restrictions until the end of October 2020. In Romania, a patchwork of lighter regional restrictions was introduced during November, varying from limiting trading capacity to closing non-essential retailers on certain days. Notable exceptions were Romanian indoor food and beverage and leisure tenants. The former were limited to takeaway and delivery trading from 15 June to 31 August, and 15 October to 31 December, and subject to regional seating capacity restrictions from 1 September to 14 October. Leisure tenants, except cinemas from 1 September to 24 October, were not permitted to trade. Bulgarian authorities closed non-essential retail during the last week of November. Polish authorities closed non-essential retail for three weeks in November 2020, permitted reopening on 28 November and closed again on 28 December. Excepting Polish indoor food and beverage and leisure tenants, Polish and Bulgarian non-essential retailers remained closed until 1 February 2021.

Edinburgh's hotels and retailers have been negatively affected by the Scottish Government's travel restrictions and limited opening hours of restaurants, cafes and bars. Scotland entered a hard lockdown on 22 December 2020, requiring all hospitality and non-essential retail to close. On 20 November, German authorities introduced capacity restrictions for non-essential retailers.

**CEE**

Temporary closures had an immediate initial impact on collections from non-essential tenants and from tenants which had interrupted operations.

In Romania and Bulgaria, the Group offered tenants rental holidays for the duration of the initial lockdown periods in exchange for measures to be negotiated tenant-by-tenant, and additionally, on a case-by-case basis and dependent on sales, partial rent deferrals for the months immediately following the initial lockdown. This resulted in an impairment of receivables of €3million in the six-month period ended 31 December 2020 and €4.8million in the year ended 30 June 2020. Refer to note 5 for further details on the revenue recognition in the context of the coronavirus pandemic.

**WE**

In WE a significant portion of rental income generated by properties held for sale relates to essential retail tenants, and other tenants with operations unaffected by the pandemic. The Group recovered most rental income and service charges due in respect of the WE assets to date. For the amounts deemed as not recoverable, mostly from hospitality operations an impairment of €1.2 million (30 June 2020: €0.8 million) was recognised, see note 5.

**Developments, extensions and refurbishments**

Planned extensions to directly owned Militari Shopping, Galleria Burgas and Nova Park remain on hold and will be re-assessed during the second half of 2021 (calendar year). Refurbishment of Galleria Stara Zagora has been completed and the refurbishment and reconfiguration of Atrium Mall is ongoing.

DJV's retail development pipeline planning has been adjusted to take cognisance of the strong performances of anchor tenants in open-air malls from July to December 2020 and at Dambovită Mall since opening, the expectation that consumer spending will recover to pre-pandemic levels by mid-2022 (calendar year), and that a vaccine will be widely available in the second half of 2021 (calendar year) enabling consumer behaviour in the Group's markets to begin returning to normal. Construction continues at Sepsi Value Centre with the opening scheduled for March 2021, while works for Barlad and Prahova (Ploiesti) Value Centres are, subject to planning consent, scheduled to start during April 2021. Construction on Marmura Residence, the DJV's first residential development in Bucharest, continues and phase one works on Avalon Estate, commenced in November 2020 and is expected to be delivered gradually from December 2021 until completion, by June 2022.

**Bank debt and liquidity**

To enhance liquidity, the Group drew down in full the available bank debt facilities at the start of the coronavirus crisis in Europe. Due to recovering collections, as well as successful progress of the Group's WE asset sales program, the Group had sufficient liquidity and repaid its revolving facility in December 2020, which remains available.

The Group held €86.5million in cash at 31 December 2020 and a further €10million in net listed securities. This leaves the Group in a strong position to meet day-to-day financial obligations, including commitments to the DJV. On 31 December 2020, the Group had an ongoing undrawn commitment to the DJV of €233.3million. Seeking new investment opportunities, in the six-month period ending 31 December 2020, DJV has drawn preference shares amounting to €8million. These included, in addition to development and redevelopment opportunities, investments in listed securities.

**Dividend**

Due to Covid-19's impact, the Company did not declare an interim dividend.

As discussed above, based on the publicly available information at the date these condensed consolidated interim financial statements were authorised for issue, the Group has considered the potential development of the coronavirus outbreak and its expected impact on the Group and economic environment, in which the Group operates, including measures already taken by the governments in the countries where the Group operates. Consequently, management prepared these financial statements on a going concern basis. There are no material uncertainties relating to events or conditions that cast a significant doubt upon the Group's ability to continue as a going concern.

### 3. Segmental analysis – proportionate accounts

Segment results reported to the executive management team include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's reportable segments are designed so that management can analyse the portfolio on a regional level, consistent with the Group's strategy to increase its geographical focus in the CEE markets. The Group prepares proportionate accounts for the use of investors, analysts, rating agencies and any other interested parties for the purpose of providing a more transparent view of how management determines the Group's operational performance and financial position. The measure of segment performance represents tangible net asset value per segment and adjusted distributable earnings per segment, with each segment detailed in the table below.

The Group's business is more complex when compared to other industry peers due to the development joint venture arrangement with Prime Kapital. Presentation of financial information by using the proportionate consolidation method enhances clarity to interested parties in the Group's operations.

Reportable segment	Description
CEE direct portfolio (CEE)	Income properties located in CEE fully owned and managed by the Group. Until 27 November 2019, these properties were housed in the IJV and consequently the company recognised 80% of the financial result in respect thereof. Following the Transaction (as described in notes 13 and 18), the Group accounts for 100% of these properties.
CEE development joint venture (DJV)	Income and development properties located in CEE, indirectly owned through the DJV with Prime Kapital. Information presented represents the Group's 40% share in the joint venture. In addition, the segment includes other balances and transactions in relation to the DJV, including 60% of the preference share exposure (40% of the redemption value and income related to preference shares is eliminated on proportionate consolidation).
WE direct portfolio (WE)	Income properties located in WE (Germany, UK, Switzerland) fully owned by the Group. The Swiss property located in Zurich, as well as part of the properties in UK and Germany were part of disposals during the period, please see note 4.
Corporate (Co)	Other assets, liabilities and activities related to the Group's management, including investments in listed securities, Group level financing, as well as corporate level administration.

Management analyses the performance and position of the Group by aggregating the Group into the four reportable segments. These reportable segments have different risk profiles and generate revenue/income from different sources. Accordingly, it allows the executive management team to make better informed strategic decisions for the Group.

**Segmental analysis basis for preparation – proportionate accounts**

The Group's management accounts financial information is not intended to be a replacement of the Group's IFRS financial statements but a complement to these.

In considering the accounting policies for the management accounts, management analysed in-depth best practice recommendations by industry institutions (EPRA, SA REIT) and the main changes in presentation are as follows:

Presentation	IFRS	Segmental analysis – proportionate accounts
Joint ventures and non-controlling interests	Equity accounting	Proportionate accounting
Statement of profit or loss	Aggregation based on function (presented as continuing and discontinued operations in accordance with IFRS 5)	Aggregation based on nature*
Properties held for sale	Current assets	Investment property based on type
Statement of financial position – line descriptions	Aggregation with limited details (explanatory notes needed for clarity)	Comprehensive detail with limited aggregation
Statement of financial position – classification by current/non-current	Yes	No
Statement of financial position – equity	Classification by type	Total equity amount

\*Proportionate accounts have been adjusted to reflect investment expenses of €768 thousand, incurred by corporate entities servicing multiple WE subsidiaries, mainly relating to legal fees attributable to disposal of the entire WE portfolio.

Proportionate accounts have been prepared to reflect the Group's proportion of its 40% interest in the DJV and 80% interest in the IJV until the Transaction date, and 100% thereafter.

Presentation of the statement of profit or loss for the purpose of proportionate accounts reflects the main areas of the business whose operational performance is monitored by management, in respect of distributable earnings to shareholders as well as non-distributable earnings. Management monitors earnings generated by each area of the business and its impact on the total adjusted earnings for each segment.

Presentation of the statement of financial position has been disaggregated in a similar manner, so as to clarify to management the assets and liabilities generating the corresponding earnings for each main area of the business comprehensively. As such, for a more comprehensive review process by management the following line items have been presented differently as compared to IFRS so as to more clearly show elements included in each category as followed by management:

- Investment property and investment property held for sale have been disaggregated to show income property, developments – income property and developments – residential property.
- Financial assets and investments have been disaggregated to show Preference shares, Listed securities gross exposure, Interest rate derivative financial assets and Other assets.
- Trade and other receivables have been split to VAT receivable, Share-based payment prepayments and Trade and other receivables under the proportionate accounts.
- Debt financing has been grossed-up to include the funding leg related to listed securities investments.
- Financial liabilities have been split to Interest rate derivative financial liabilities and Other liabilities.

**Segment adjusted proportionate accounts**

In addition to segmental proportionate accounts, management presents a set of segment-adjusted proportionate accounts. The latter include adjustments typical for real estate companies described in more detail below.

1. *Net dividends - listed securities*  
Dividends from listed securities are recognised in adjusted distributable earnings on a basis which is commensurate and matching the holding period of the securities with the reporting period of the company. Consequently, any excess or shortfall in dividends received is reclassified "to" and, respectively, "from" non-distributable earnings (fair value movements in listed securities).
2. *Goodwill*  
No goodwill is included in adjusted proportionate accounts. Consequently, goodwill and related impairments are eliminated.
3. *Share-based payments*  
The allocation of part of the purchase price in a transaction settled in shares to share-based payments is an accounting treatment required under IFRS. Share-based payments related to the Transaction between MAS and Prime Kapital in November 2019 are reversed in adjusted proportionate accounts so that the entire Transaction purchase price is treated as being paid for Prime Kapital's effective economic interest in the IJV and all amounts exceeding the net tangible asset value thereof eliminated.
4. *Deferred tax*  
Deferred tax, which is unlikely to crystallise on disposal as an actual tax, a purchase price adjustment or any other cost.
5. *Estimation for WE disposal realisation costs and losses*  
Estimated costs likely to crystallise on disposal of the assets in WE, including punitive fixed-interest arrangements, early bank debt repayment penalties, agency fees and other related costs or losses.
6. *Elimination of crossholding between MAS and associate*  
Elimination of the proportionate part of the financial asset recognised by the associate representing MAS shares, at cost. Weighted number of shares for the period and Closing number of shares for proportionate accounting purposes are computed by elimination of MAS' 40% share of own shares acquired by the associate.

A reconciliation of the amounts reported in these condensed consolidated interim financial statements to the proportionate accounts is presented in note 24.

**MAS Real Estate Inc.**
**Condensed consolidated interim financial statements for the six-month period ended 31 December 2020**

Six-month ended 31 December 2020	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
<b>EARNINGS</b>	<b>21,265</b>	<b>12,112</b>	<b>10,609</b>	<b>(4,646)</b>	<b>3,190</b>	<b>35,773</b>	<b>3,577</b>	<b>1,206</b>	<b>30,779</b>	<b>211</b>	<b>57,038</b>	<b>15,689</b>	<b>11,815</b>	<b>26,133</b>	<b>3,401</b>
<b>DISTRIBUTABLE EARNINGS</b>	<b>23,233</b>	<b>9,746</b>	<b>7,053</b>	<b>7,359</b>	<b>(925)</b>	<b>(1,718)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,718)</b>	<b>21,515</b>	<b>9,746</b>	<b>7,053</b>	<b>7,359</b>	<b>(2,643)</b>
Net rental income – income property	26,345	12,906	2,226	11,213	-	-	-	-	-	-	26,345	12,906	2,226	11,213	-
Net income – preference shares	4,316	-	4,316	-	-	-	-	-	-	-	4,316	-	4,316	-	-
Net dividends – listed securities <sup>1</sup>	1,728	-	-	-	1,728	(1,718)	-	-	-	(1,718)	10	-	-	-	10
Net corporate expenses	(2,302)	(528)	(167)	(345)	(1,262)	-	-	-	-	-	(2,302)	(528)	(167)	(345)	(1,262)
Interest on debt financing	(6,641)	(2,323)	(143)	(2,791)	(1,384)	-	-	-	-	-	(6,641)	(2,323)	(143)	(2,791)	(1,384)
Interest capitalised on developments	829	-	829	-	-	-	-	-	-	-	829	-	829	-	-
Other distributable net income/(cost)	(263)	(286)	(18)	(21)	62	-	-	-	-	-	(263)	(286)	(18)	(21)	62
Income tax	(779)	(23)	10	(697)	(69)	-	-	-	-	-	(779)	(23)	10	(697)	(69)
<b>NON-DISTRIBUTABLE EARNINGS</b>	<b>(1,968)</b>	<b>2,366</b>	<b>3,556</b>	<b>(12,005)</b>	<b>4,115</b>	<b>37,491</b>	<b>3,577</b>	<b>1,206</b>	<b>30,779</b>	<b>1,929</b>	<b>35,523</b>	<b>5,943</b>	<b>4,762</b>	<b>18,774</b>	<b>6,044</b>
Fair value adjustments – income property	1,016	4,885	4,781	(8,650)	-	699	-	-	699	-	1,715	4,885	4,781	(7,951)	-
Fair value adjustments – interest rate derivatives	358	166	-	199	(7)	-	-	-	-	-	358	166	-	199	(7)
Fair value adjustments – listed securities <sup>1</sup>	3,452	-	-	-	3,452	1,718	-	-	-	1,718	5,170	-	-	-	5,170
Fair value adjustments – other financial liabilities	(312)	43	-	(355)	-	-	-	-	-	-	(312)	43	-	(355)	-
Foreign currency exchange differences	908	-	-	-	908	-	-	-	-	-	908	-	-	-	908
Investment expenses	(3,288)	(5)	(6)	(3,250)	(27)	2,769	-	-	2,769	-	(519)	(5)	(6)	(481)	(27)
Share-based payment expense <sup>3</sup>	(638)	(427)	-	-	(211)	638	427	-	-	211	-	-	-	-	-
Other non-distributable income/(costs)	841	854	(13)	-	-	-	-	-	-	-	841	854	(13)	-	-
Tax on sale of property	(6,022)	-	-	(6,022)	-	-	-	-	-	-	(6,022)	-	-	(6,022)	-
Deferred tax <sup>4</sup>	1,717	(3,150)	(1,206)	6,073	-	4,356	3,150	1,206	-	-	6,073	-	-	6,073	-
Estimation for WE disposal realisation costs and losses <sup>5</sup>	-	-	-	-	-	27,311	-	-	27,311	-	27,311	-	-	27,311	-

Adjusted distributable earnings per share (eurocents)

3.12

**MAS Real Estate Inc.**
**Condensed consolidated interim financial statements for the six-month period ended 31 December 2020**

As at 31 December 2020	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
<b>NET ASSET VALUE</b>	<b>816,098</b>	<b>309,222</b>	<b>228,912</b>	<b>237,160</b>	<b>40,804</b>	<b>(20,203)</b>	<b>6,716</b>	<b>(5,008)</b>	<b>(21,911)</b>	<b>-</b>	<b>795,895</b>	<b>315,938</b>	<b>223,904</b>	<b>215,249</b>	<b>40,804</b>
<b>ASSETS</b>	<b>1,262,832</b>	<b>480,891</b>	<b>258,451</b>	<b>455,141</b>	<b>68,349</b>	<b>(25,789)</b>	<b>(15,012)</b>	<b>(10,777)</b>	<b>-</b>	<b>-</b>	<b>1,237,043</b>	<b>465,879</b>	<b>247,674</b>	<b>455,141</b>	<b>68,349</b>
Income property	915,813	443,149	72,496	400,168	-	-	-	-	-	-	915,813	443,149	72,496	400,168	-
Developments – income property	27,190	1,237	25,953	-	-	-	-	-	-	-	27,190	1,237	25,953	-	-
Developments – residential property	19,520	-	19,520	-	-	-	-	-	-	-	19,520	-	19,520	-	-
Preference shares	119,228	-	119,228	-	-	-	-	-	-	-	119,228	-	119,228	-	-
Listed securities <sup>5</sup>	45,693	-	10,777	-	34,916	(10,777)	-	(10,777)	-	-	34,916	-	-	-	34,916
Goodwill <sup>2</sup>	1,696	1,696	-	-	-	(1,696)	(1,696)	-	-	-	-	-	-	-	-
Deferred tax asset	4,271	1,267	525	2,479	-	-	-	-	-	-	4,271	1,267	525	2,479	-
Other assets	905	624	4	132	145	-	-	-	-	-	905	624	4	132	145
VAT receivable	2,668	294	1,231	702	441	-	-	-	-	-	2,668	294	1,231	702	441
Share-based payment prepayments <sup>3</sup>	13,316	13,316	-	-	-	(13,316)	(13,316)	-	-	-	-	-	-	-	-
Trade and other receivables	19,055	5,636	1,694	11,199	526	-	-	-	-	-	19,055	5,636	1,694	11,199	526
Cash and cash equivalents	93,477	13,672	7,023	40,461	32,321	-	-	-	-	-	93,477	13,672	7,023	40,461	32,321
<b>LIABILITIES</b>	<b>446,734</b>	<b>171,669</b>	<b>29,539</b>	<b>217,981</b>	<b>27,545</b>	<b>(5,586)</b>	<b>(21,728)</b>	<b>(5,769)</b>	<b>21,911</b>	<b>-</b>	<b>441,148</b>	<b>149,941</b>	<b>23,770</b>	<b>239,892</b>	<b>27,545</b>
Debt financing	382,696	140,043	12,858	204,890	24,905	-	-	-	-	-	382,696	140,043	12,858	204,890	24,905
Interest rate derivative financial liabilities	3,041	1,765	-	1,276	-	-	-	-	-	-	3,041	1,765	-	1,276	-
Other liabilities	1,058	-	1,058	-	-	-	-	-	-	-	1,058	-	1,058	-	-
Deferred tax liability <sup>4</sup>	30,579	21,728	5,769	3,082	-	(27,497)	(21,728)	(5,769)	-	-	3,082	-	-	3,082	-
Trade and other payables	29,360	8,133	9,854	8,733	2,640	-	-	-	-	-	29,360	8,133	9,854	8,733	2,640
Estimation for WE disposal realisation costs and losses <sup>5</sup>	-	-	-	-	-	21,911	-	-	21,911	-	21,911	-	-	21,911	-
<b>Closing number of shares in issue</b>											<b>687,294,408</b>				
NAV per share (eurocents)	119	45	33	35	6										
Tangible NAV per share (eurocents)											116	46	33	31	6

All amounts in € thousand unless otherwise stated.

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**Condensed consolidated interim financial statements for the six-month period ended 31 December 2020**

Six-month period ended 31 December 2019	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
<b>EARNINGS</b>	<b>52,567</b>	<b>35,491</b>	<b>14,007</b>	<b>8,672</b>	<b>(5,603)</b>	<b>(6,025)</b>	<b>4,155</b>	<b>3,178</b>	<b>(36,073)</b>	<b>22,715</b>	<b>46,542</b>	<b>39,646</b>	<b>17,185</b>	<b>(27,401)</b>	<b>17,112</b>
<b>DISTRIBUTABLE EARNINGS</b>	<b>27,726</b>	<b>12,680</b>	<b>4,920</b>	<b>8,691</b>	<b>1,435</b>	<b>(176)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(176)</b>	<b>27,550</b>	<b>12,680</b>	<b>4,920</b>	<b>8,691</b>	<b>1,259</b>
Net rental income – income property	28,643	14,899	885	12,859	-	-	-	-	-	-	28,643	14,899	885	12,859	-
Net income – preference shares	3,950	-	3,950	-	-	-	-	-	-	-	3,950	-	3,950	-	-
Net dividends – listed securities <sup>1</sup>	3,890	-	-	-	3,890	(176)	-	-	-	(176)	3,714	-	-	-	3,714
Net corporate expenses	(3,377)	(344)	(120)	(333)	(2,580)	-	-	-	-	-	(3,377)	(344)	(120)	(333)	(2,580)
Interest on debt financing	(5,819)	(1,630)	(477)	(3,256)	(456)	-	-	-	-	-	(5,819)	(1,630)	(477)	(3,256)	(456)
Interest capitalised on developments	738	-	738	-	-	-	-	-	-	-	738	-	738	-	-
Other distributable net income/(cost)	545	(15)	(27)	4	583	-	-	-	-	-	545	(15)	(27)	4	583
Income tax	(844)	(230)	(29)	(583)	(2)	-	-	-	-	-	(844)	(230)	(29)	(583)	(2)
<b>NON-DISTRIBUTABLE EARNINGS</b>	<b>24,841</b>	<b>22,811</b>	<b>9,087</b>	<b>(19)</b>	<b>(7,038)</b>	<b>(5,849)</b>	<b>4,155</b>	<b>3,178</b>	<b>(36,073)</b>	<b>22,891</b>	<b>18,992</b>	<b>26,966</b>	<b>12,265</b>	<b>(36,092)</b>	<b>15,853</b>
Fair value adjustments – income property	42,023	27,338	12,423	2,262	-	-	-	-	-	-	42,023	27,338	12,423	2,262	-
Fair value adjustments – interest rate derivatives	439	507	-	(68)	-	-	-	-	-	-	439	507	-	(68)	-
Fair value adjustments – listed securities <sup>1</sup>	12,051	-	-	-	12,051	176	-	-	-	176	12,227	-	-	-	12,227
Fair value adjustments – other financial liabilities	(171)	-	(265)	94	-	-	-	-	-	-	(171)	-	(265)	94	-
Foreign currency exchange differences	4,554	(188)	-	-	4,742	-	-	-	-	-	4,554	(188)	-	-	4,742
Goodwill impairment <sup>2</sup>	(22,627)	-	-	-	(22,627)	22,627	-	-	-	22,627	-	-	-	-	-
Investment expenses	(1,990)	(691)	(34)	(149)	(1,116)	-	-	-	-	-	(1,990)	(691)	(34)	(149)	(1,116)
Share-based payment expense <sup>3</sup>	(155)	(67)	-	-	(88)	155	67	-	-	88	-	-	-	-	-
Other non-distributable income	141	-	141	-	-	-	-	-	-	-	141	-	141	-	-
Deferred tax <sup>4</sup>	(9,424)	(4,088)	(3,178)	(2,158)	-	7,266	4,088	3,178	-	-	(2,158)	-	-	(2,158)	-
Estimation for WE disposal realisation costs and losses <sup>5</sup>	-	-	-	-	-	(36,073)	-	-	(36,073)	-	(36,073)	-	-	(36,073)	-
<i>Adjusted distributable earnings per share (euro cents)</i>											4.24				
<i>Dividend per share (euro cents)</i>											4.24				

All amounts in € thousand unless otherwise stated.



**MAS Real Estate Inc.**
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As at 31 December 2019	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
<b>NET ASSET VALUE</b>	<b>906,329</b>	<b>344,309</b>	<b>171,275</b>	<b>298,051</b>	<b>92,694</b>	<b>(31,518)</b>	<b>397</b>	<b>4,158</b>	<b>(36,073)</b>	<b>-</b>	<b>874,811</b>	<b>344,706</b>	<b>175,433</b>	<b>261,978</b>	<b>92,694</b>
<b>ASSETS</b>	<b>1,462,182</b>	<b>524,309</b>	<b>206,174</b>	<b>565,630</b>	<b>166,069</b>	<b>(24,664)</b>	<b>(24,664)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,437,518</b>	<b>499,645</b>	<b>206,174</b>	<b>565,630</b>	<b>166,069</b>
Income property	1,043,146	467,375	48,452	527,319	-	-	-	-	-	-	1,043,146	467,375	48,452	527,319	-
Developments – income property	47,673	331	30,608	16,734	-	-	-	-	-	-	47,673	331	30,608	16,734	-
Developments – residential property	12,555	-	12,555	-	-	-	-	-	-	-	12,555	-	12,555	-	-
Preference shares	105,577	-	105,577	-	-	-	-	-	-	-	105,577	-	105,577	-	-
Listed securities	131,350	-	-	-	131,350	-	-	-	-	-	131,350	-	-	-	131,350
Goodwill <sup>2</sup>	8,286	8,286	-	-	-	(8,286)	(8,286)	-	-	-	-	-	-	-	-
Deferred tax asset	4,316	3,208	549	559	-	-	-	-	-	-	4,316	3,208	549	559	-
Interest rate derivative financial assets	702	-	-	702	-	-	-	-	-	-	702	-	-	702	-
Other assets	1,484	57	508	-	919	-	-	-	-	-	1,484	57	508	-	919
VAT receivable	4,820	92	3,923	637	168	-	-	-	-	-	4,820	92	3,923	637	168
Share-based payment prepayments <sup>3</sup>	16,378	16,378	-	-	-	(16,378)	(16,378)	-	-	-	-	-	-	-	-
Trade and other receivables	17,294	9,667	492	6,746	389	-	-	-	-	-	17,294	9,667	492	6,746	389
Cash and cash equivalents	68,601	18,915	3,510	12,933	33,243	-	-	-	-	-	68,601	18,915	3,510	12,933	33,243
<b>LIABILITIES</b>	<b>555,853</b>	<b>180,000</b>	<b>34,899</b>	<b>267,579</b>	<b>73,375</b>	<b>6,854</b>	<b>(25,061)</b>	<b>(4,158)</b>	<b>36,073</b>	<b>-</b>	<b>562,707</b>	<b>154,939</b>	<b>30,741</b>	<b>303,652</b>	<b>73,375</b>
Debt financing	485,266	142,207	22,032	248,644	72,383	-	-	-	-	-	485,266	142,207	22,032	248,644	72,383
Interest rate derivative financial liabilities	2,157	1,205	-	952	-	-	-	-	-	-	2,157	1,205	-	952	-
Other liabilities	693	-	-	693	-	-	-	-	-	-	693	-	-	693	-
Deferred tax liability <sup>4</sup>	36,426	25,061	4,158	7,207	-	(29,219)	(25,061)	(4,158)	-	-	7,207	-	-	7,207	-
Trade and other payables	31,311	11,527	8,709	10,083	992	-	-	-	-	-	31,311	11,527	8,709	10,083	992
Estimation for WE disposal realisation costs and losses <sup>5</sup>	-	-	-	-	-	36,073	-	-	36,073	-	36,073	-	-	36,073	-
<b>Closing number of shares in issue</b>											<b>704,493,798</b>				
NAV per share (euro cents)	129	50	24	42	13						124	49	25	37	13
Tangible NAV per share (euro cents)															

All amounts in € thousand unless otherwise stated.

**MAS Real Estate Inc.**
**Condensed consolidated interim financial statements for the six-month period ended 31 December 2020**

Year ended 30 June 2020	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
<b>EARNINGS</b>	<b>(21,615)</b>	<b>7,704</b>	<b>16,431</b>	<b>7,446</b>	<b>(53,196)</b>	<b>(17,378)</b>	<b>8,853</b>	<b>3,607</b>	<b>(52,690)</b>	<b>22,852</b>	<b>(38,993)</b>	<b>16,557</b>	<b>20,038</b>	<b>(45,244)</b>	<b>(30,344)</b>
<b>DISTRIBUTABLE EARNINGS</b>	<b>52,516</b>	<b>22,636</b>	<b>11,234</b>	<b>18,037</b>	<b>609</b>	<b>(3,094)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,094)</b>	<b>49,422</b>	<b>22,636</b>	<b>11,234</b>	<b>18,037</b>	<b>(2,485)</b>
Net rental income – income property	55,884	27,570	2,321	25,993	-	-	-	-	-	-	55,884	27,570	2,321	25,993	-
Net income – preference shares	7,880	-	7,880	-	-	-	-	-	-	-	7,880	-	7,880	-	-
Net dividends – listed securities <sup>1</sup>	6,190	-	-	-	6,190	(3,094)	-	-	-	(3,094)	3,096	-	-	-	3,096
Net corporate expenses	(5,976)	(552)	(191)	(752)	(4,481)	-	-	-	-	-	(5,976)	(552)	(191)	(752)	(4,481)
Interest on debt financing	(12,668)	(3,695)	(802)	(6,363)	(1,808)	-	-	-	-	-	(12,668)	(3,695)	(802)	(6,363)	(1,808)
Interest capitalised on developments	2,173	-	2,173	-	-	-	-	-	-	-	2,173	-	2,173	-	-
Other distributable net income/(cost)	305	(488)	(79)	(9)	881	-	-	-	-	-	305	(488)	(79)	(9)	881
Income tax	(1,272)	(199)	(68)	(832)	(173)	-	-	-	-	-	(1,272)	(199)	(68)	(832)	(173)
<b>NON-DISTRIBUTABLE EARNINGS</b>	<b>(74,131)</b>	<b>(14,932)</b>	<b>5,197</b>	<b>(10,591)</b>	<b>(53,805)</b>	<b>(14,284)</b>	<b>8,853</b>	<b>3,607</b>	<b>(52,690)</b>	<b>25,946</b>	<b>(88,415)</b>	<b>(6,079)</b>	<b>8,804</b>	<b>(63,281)</b>	<b>(27,859)</b>
Fair value adjustments – income property	(2,055)	(5,060)	9,123	(6,118)	-	-	-	-	-	-	(2,055)	(5,060)	9,123	(6,118)	-
Fair value adjustments – interest rate derivatives	(2,299)	(218)	-	(2,081)	-	-	-	-	-	-	(2,299)	(218)	-	(2,081)	-
Fair value adjustments – listed securities <sup>1</sup>	(27,064)	-	-	-	(27,064)	3,094	-	-	-	3,094	(23,970)	-	-	-	(23,970)
Fair value adjustments – other financial liabilities	(1,865)	(2,058)	(265)	458	-	2,058	2,058	-	-	-	193	-	(265)	458	-
Foreign currency exchange differences	(935)	-	1	-	(936)	-	-	-	-	-	(935)	-	1	-	(936)
Goodwill impairment <sup>2</sup>	(29,453)	(6,826)	-	-	(22,627)	29,453	6,826	-	-	22,627	-	-	-	-	-
Investment expenses	(4,272)	(801)	(44)	(603)	(2,824)	-	-	-	-	-	(4,272)	(801)	(44)	(603)	(2,824)
Share-based payment expense <sup>3</sup>	(648)	(423)	-	-	(225)	648	423	-	-	225	-	-	-	-	-
Other non-distributable (cost)	(140)	-	(11)	-	(129)	-	-	-	-	-	(140)	-	(11)	-	(129)
Tax on sale of property	(61)	-	-	(61)	-	-	-	-	-	-	(61)	-	-	(61)	-
Deferred tax <sup>4</sup>	(5,339)	454	(3,607)	(2,186)	-	3,153	(454)	3,607	-	-	(2,186)	-	-	(2,186)	-
Estimation for WE disposal realisation costs and losses <sup>5</sup>	-	-	-	-	-	(52,690)	-	-	(52,690)	-	(52,690)	-	-	(52,690)	-
<i>Adjusted distributable earnings per share (eurocents)</i>											7.35				
<i>Dividend per share (eurocents)</i>											4.24				

All amounts in € thousand unless otherwise stated.

**MAS Real Estate Inc.**
**Condensed consolidated interim financial statements for the six-month period ended 31 December 2020**

Year ended 30 June 2020	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
<b>NET ASSET VALUE</b>	<b>796,023</b>	<b>299,283</b>	<b>212,729</b>	<b>282,400</b>	<b>1,611</b>	<b>(52,369)</b>	<b>4,132</b>	<b>(3,811)</b>	<b>(52,690)</b>	<b>-</b>	<b>743,654</b>	<b>303,415</b>	<b>208,918</b>	<b>229,710</b>	<b>1,611</b>
<b>ASSETS</b>	<b>1,317,243</b>	<b>473,178</b>	<b>229,818</b>	<b>543,505</b>	<b>70,742</b>	<b>(23,369)</b>	<b>(15,396)</b>	<b>(7,973)</b>	<b>-</b>	<b>-</b>	<b>1,293,874</b>	<b>457,782</b>	<b>221,845</b>	<b>543,505</b>	<b>70,742</b>
Income property	1,007,451	435,699	45,116	526,636	-	-	-	-	-	-	1,007,451	435,699	45,116	526,636	-
Developments – income property	41,682	907	40,775	-	-	-	-	-	-	-	41,682	907	40,775	-	-
Developments – residential property	15,322	-	15,322	-	-	-	-	-	-	-	15,322	-	15,322	-	-
Preference shares	111,630	-	111,630	-	-	-	-	-	-	-	111,630	-	111,630	-	-
Listed securities <sup>5</sup>	43,469	-	7,973	-	35,496	(7,973)	-	(7,973)	-	-	35,496	-	-	-	35,496
Goodwill <sup>2</sup>	1,696	1,696	-	-	-	(1,696)	(1,696)	-	-	-	-	-	-	-	-
Deferred tax asset	3,519	2,218	125	1,176	-	-	-	-	-	-	3,519	2,218	125	1,176	-
Other assets	1,756	464	289	783	220	-	-	-	-	-	1,756	464	289	783	220
VAT receivable	4,465	2	4,028	347	88	-	-	-	-	-	4,465	2	4,028	347	88
Share-based payment prepayments <sup>3</sup>	13,700	13,700	-	-	-	(13,700)	(13,700)	-	-	-	-	-	-	-	-
Trade and other receivables	17,768	8,914	1,179	7,366	309	-	-	-	-	-	17,768	8,914	1,179	7,366	309
Cash and cash equivalents	54,785	9,578	3,381	7,197	34,629	-	-	-	-	-	54,785	9,578	3,381	7,197	34,629
<b>LIABILITIES</b>	<b>521,220</b>	<b>173,895</b>	<b>17,089</b>	<b>261,105</b>	<b>69,131</b>	<b>29,000</b>	<b>(19,528)</b>	<b>(4,162)</b>	<b>52,690</b>	<b>-</b>	<b>550,220</b>	<b>154,367</b>	<b>12,927</b>	<b>313,795</b>	<b>69,131</b>
Debt financing	456,484	143,166	4,646	241,999	66,673	-	-	-	-	-	456,484	143,166	4,646	241,999	66,673
Interest rate derivative financial liabilities	4,175	1,930	-	2,245	-	-	-	-	-	-	4,175	1,930	-	2,245	-
Other liabilities	1,349	-	1,054	295	-	-	-	-	-	-	1,349	-	1,054	295	-
Deferred tax liability <sup>4</sup>	31,586	19,528	4,162	7,896	-	(23,690)	(19,528)	(4,162)	-	-	7,896	-	-	7,896	-
Trade and other payables	27,626	9,271	7,227	8,670	2,458	-	-	-	-	-	27,626	9,271	7,227	8,670	2,458
Estimation for WE disposal realisation costs and losses <sup>5</sup>	-	-	-	-	-	52,690	-	-	52,690	-	52,690	-	-	52,690	-
<b>Closing number of shares in issue</b>											<b>692,496,344</b>				
NAV per share (eurocents)	115	43	31	41	-										
Tangible NAV per share (eurocents)											107	44	30	33	-

All amounts in € thousand unless otherwise stated.

The reconciliations of distributable earnings for the periods ended 31 December 2020, 31 December 2019 and 30 June 2020 are provided below:

Segment	Adjusted distributable earnings for the six-month period ended 31 Dec 2020	Adjusted distributable earnings for the six-month period ended 31 Dec 2019	Adjusted distributable earnings for the six-month period ended 30 Jun 2020	Adjusted distributable earnings for the financial year ended 30 Jun 2020
CEE	9,746	12,680	9,956	22,636
DJV	7,053	4,920	6,313	11,233
WE	7,359	8,691	9,347	18,038
Co	(2,643)	1,259	(3,744)	(2,485)
<b>Total</b>	<b>21,515</b>	<b>27,550</b>	<b>21,872</b>	<b>49,422</b>
Weighted average number of shares for the period	689,974,806	649,874,233	703,288,679	
<b>Adjusted distributable earnings per share (eurocents)</b>	<b>3.12</b>	<b>4.24</b>	<b>3.11</b>	<b>7.35</b>
<b>Dividend per share (eurocents)</b>	<b>-</b>	<b>4.24</b>	<b>-</b>	<b>4.24</b>

The Weighted average number of shares and Closing number of shares for the six-month period ended 31 December 2020 are:

Date	Transaction	Number of shares	Cumulative number of shares outstanding	% of period	Weighted average
01-Jul-20	Opening	692,496,344	692,496,344	36.2%	248,395,428
04-Sep-20	40% of shares purchased by DJV	(1,504)	692,494,840	1.6%	11,290,677
07-Sep-20	40% of shares purchased by DJV	(75,654)	692,419,186	0.5%	3,763,148
08-Sep-20	40% of shares purchased by DJV	(850,400)	691,568,786	0.5%	3,758,526
09-Sep-20	40% of shares purchased by DJV	(43,473)	691,525,313	0.5%	3,758,290
10-Sep-20	40% of shares purchased by DJV	(1,227,145)	690,298,168	0.5%	3,751,619
11-Sep-20	40% of shares purchased by DJV	(25,542)	690,272,626	1.6%	11,254,445
14-Sep-20	40% of shares purchased by DJV	(201,544)	690,071,082	2.2%	15,001,545
18-Sep-20	40% of shares purchased by DJV	(603,930)	689,467,152	2.2%	14,988,416
22-Sep-20	40% of shares purchased by DJV	(84,000)	689,383,152	1.6%	11,239,943
25-Sep-20	40% of shares purchased by DJV	(33,174)	689,349,978	2.2%	14,985,869
29-Sep-20	40% of shares purchased by DJV	(600,096)	688,749,882	0.5%	3,743,206
30-Sep-20	40% of shares purchased by DJV	(8,327)	688,741,555	3.8%	26,202,124
07-Oct-20	40% of shares purchased by DJV	(16,830)	688,724,725	4.3%	29,944,553
15-Oct-20	40% of shares purchased by DJV	(192,781)	688,531,944	2.2%	14,968,086
19-Oct-20	40% of shares purchased by DJV	(10,890)	688,521,054	16.8%	116,000,830
19-Nov-20	40% of shares purchased by DJV	(518,383)	688,002,671	2.2%	14,956,580
23-Nov-20	40% of shares purchased by DJV	(80,000)	687,922,671	3.8%	26,170,971
30-Nov-20	40% of shares purchased by DJV	(9,656)	687,913,015	0.5%	3,738,658
01-Dec-20	40% of shares purchased by DJV	(62,756)	687,850,259	0.5%	3,738,317
02-Dec-20	40% of shares purchased by DJV	(555,851)	687,294,408	15.8%	108,323,575
<b>31-Dec-20</b>	<b>Closing</b>	<b>687,294,408</b>	<b>687,294,408</b>	<b>100.0%</b>	<b>689,974,806</b>

The Weighted average number of shares and Closing number of shares for the six-month period ended 31 December 2019 are:

Date	Transaction	Number of shares	Cumulative number of shares outstanding	% of period	Weighted average
01-Jul-19	Opening	637,493,798	637,493,798	81.5%	519,696,031
27-Nov-19	Shares issued	67,000,000	704,493,798	18.5%	130,178,202
<b>31-Dec-19</b>	<b>Closing</b>	<b>704,493,798</b>	<b>704,493,798</b>	<b>100.0%</b>	<b>649,874,233</b>

The Weighted average number of shares and Closing number of shares for the six-month period ended 30 June 2020 are:

Date	Transaction	Number of shares	Cumulative number of shares outstanding	% of period	Weighted average
01-Jan-20	Opening	704,493,798	704,493,798	85.1%	596,110,137
02-Jun-20	40% of shares purchased by DJV	(1,137,347)	703,356,451	0.5%	3,864,596
03-Jun-20	40% of shares purchased by DJV	(686,977)	702,669,474	0.5%	3,860,821
04-Jun-20	40% of shares purchased by DJV	(543,870)	702,125,604	0.5%	3,857,833
05-Jun-20	40% of shares purchased by DJV	(2,770,030)	699,355,574	2.3%	15,370,452
09-Jun-20	40% of shares purchased by DJV	(824,770)	698,530,804	0.5%	3,838,081
10-Jun-20	40% of shares purchased by DJV	(1,940,000)	696,590,804	0.5%	3,827,422
11-Jun-20	40% of shares purchased by DJV	(3,750)	696,587,054	0.5%	3,827,401
12-Jun-20	40% of shares purchased by DJV	(1,315,684)	695,271,370	3.9%	26,741,207
19-Jun-20	40% of shares purchased by DJV	(485)	695,270,885	1.6%	11,460,509
22-Jun-20	40% of shares purchased by DJV	(130,280)	695,140,605	0.5%	3,819,454
23-Jun-20	40% of shares purchased by DJV	(346,475)	694,794,130	0.5%	3,817,550
24-Jun-20	40% of shares purchased by DJV	(12,082)	694,782,048	0.5%	3,817,484
25-Jun-20	40% of shares purchased by DJV	(114,806)	694,667,242	0.5%	3,816,853
26-Jun-20	40% of shares purchased by DJV	(244,705)	694,422,537	1.6%	11,446,525
29-Jun-20	40% of shares purchased by DJV	(574,193)	693,848,344	0.5%	3,812,354
30-Jun-20	40% of shares purchased by DJV	(1,352,000)	692,496,344	0.0%	-
<b>30-Jun-20</b>	<b>Closing</b>	<b>692,496,344</b>	<b>692,496,344</b>	<b>100%</b>	<b>703,288,679</b>

#### 4. Investment property held for sale and discontinued operations

During 2019 the Group announced its intention to dispose of part of the WE portfolio during the medium term. Management committed at that time to a plan to sell a limited number of properties included in this segment. For properties identified for disposal at period ended 31 December 2019 and year ended 30 June 2020, the Group assessed whether the properties meet the classification criteria for recognition as held for sale and, as a consequence, excluded from investment property.

Subsequently, the Group's reaffirmed its strategic priority to dispose of Western European property, and during the six-month period ended 31 December 2020, a comprehensive process to dispose of all properties owned in Germany, UK and Switzerland was put in place. As the properties represent the entire WE portfolio segment, the plan involves the disposal of a significant business segment, identified as such as part of the Group's segmental reporting. Consequently, the Group assessed whether properties representing the entire WE portfolio, and concluded these meet the classification criteria for recognition as held for sale.

##### *Accounting for Investment property held for sale*

Properties identified for disposal at 31 December 2020, 31 December 2019 and 30 June 2020, that met the criteria for classification as held for sale, were presented in the consolidated financial statements as investment properties held for sale at fair value, as the properties were actively marketed and for which it was probable that the sale transactions would occur in the following twelve months from the periods then ended.

This judgement is based on criteria outlined in IFRS 5 which states that the assets should be classified as held for sale and excluded from investment property, if management assesses that the properties are actively marketed, part of a committed plan to sell and an active programme is in place to locate buyers.

##### *Accounting for discontinued operations*

Key judgements were made in respect of the WE portfolio as at 31 December 2020, which resulted in the segment meeting the criteria for classification as held for sale and disposal of a significant business segment. Therefore, in accordance with IFRS 5, the entire segment has been treated as a discontinued operation and the statement of profit or loss for the current and comparative periods has been separately disclosed from the rest of the business.

The results of the WE portfolio for the current and prior periods were therefore removed on a line by line basis from the condensed consolidated statement of profit or loss and the result of the segment was recognised as a single financial statement line item named '(loss)/profit from discontinued operations, net of tax' in the condensed consolidated statement of profit or loss, with further detail provided below.

Furthermore, the strategic plan involves disposing of assets mostly as asset deals with purchasers, and repayment of bank borrowings secured against the respective investment properties.

At 31 December 2020, 30 June 2020 and 31 December 2019, the Group recognised as held for sale assets actively marketed, for which IFRS 5 criteria was met. Properties within the WE segment classified as held for sale are carried at fair value determined by external valuers, as this measurement has been assessed as the most appropriate, in accordance with IFRS 5 and IAS 37.

During the six-month period ended 31 December 2020, the Group concluded several contracts with purchasers, completed sale processes for seven properties and signed sale purchase agreements ('SPA') for a significant part of the remainder properties, as detailed below. Completion of disposal related to German properties with SPAs signed is subject to certain conditions precedent which include compliance with statutory pre-emptive right procedures in respect of each property which apply under German federal law in favour of local authorities.

##### *Properties classified as discontinued operations:*

Property name	Country	Status	Completion date
Heppenheim Park	Germany	Sold during the period	13 November 2020
Gummersbach	Germany	Sold during the period	13 November 2020
Donnaueschingen	Germany	Sold during the period	13 November 2020
Chippenham	UK	Sold during the period	18 December 2020
Braehead	UK	Sold during the period	13 November 2020
New Waverley (PA4N)	UK	Sold during the period	31 July 2020
New Waverley (PA7)	UK	Sold during the period	23 December 2020
Zurich	Switzerland	Sold during the period	15 October 2020
Flensburg Galerie	Germany	Held for sale	n/a
Edeka Miha (x9 locations)	Germany	SPA signed	n/a
Frankenthal	Germany	SPA signed after 31 December 2020	n/a
Nordhausen	Germany	SPA signed	n/a
Edeka Thales (x3 locations)	Germany	SPA signed	n/a
Braunschweig	Germany	SPA signed	n/a
Braunschweig Edeka – Welfenplatz	Germany	SPA signed	n/a
Bruchsal (3 blocks)	Germany	SPA signed	n/a
Munich	Germany	SPA signed	n/a
Edeka Miha (x4 locations)	Germany	SPA signed	n/a
Gotha	Germany	Held for sale	n/a
Lehrte	Germany	SPA signed	n/a
Edeka Miha (x7 locations)	Germany	SPA signed	n/a
New Uberior House	UK	Held for sale	n/a
Adagio Hotel	UK	Held for sale	n/a
North Street Quarters and Malling Brooks	UK	Held for sale	n/a
New Waverley, Arches	UK	Held for sale	n/a
Langley Park	UK	Held for sale	n/a

4.1. (Loss)/profit from discontinued operations, net of tax

	Note	Six-month period ended 31 December 2020	Six-month period ended 31 December 2019	Year ended 30 June 2020
Rental income	5.1	14,642	15,629	31,175
Service charge income and other recoveries	5.2	1,569	1,960	3,200
<b>Gross revenue – discontinued operations</b>		<b>16,211</b>	<b>17,589</b>	<b>34,375</b>
Impairment of receivables	5.1; 5.2	(1,152)	-	(828)
Service charge and other property operating expenses	5.2	(3,845)	(4,748)	(7,554)
<b>Net rental income – discontinued operations</b>		<b>11,214</b>	<b>12,841</b>	<b>25,993</b>
Corporate expenses		(345)	(333)	(752)
Profit on sales of inventory property		-	326	309
Other income		-	19	-
Investment expenses	7	(2,483)	(149)	(603)
Fair value adjustments	8	(8,107)	1,962	(8,050)
Foreign currency exchange differences		(4)	(14)	-
Gain from disposal of investment property held for sale	4.2	3,133	-	-
<b>Profit before finance (costs)/income – discontinued operations</b>		<b>3,408</b>	<b>14,652</b>	<b>16,897</b>
Finance income	9	-	18	22
Finance costs	9	(6,641)	(3,257)	(6,393)
<b>(Loss)/profit before tax – discontinued operations</b>		<b>(3,233)</b>	<b>11,413</b>	<b>10,526</b>
Current tax		(6,718)	(583)	(894)
Deferred tax		6,073	(2,158)	(2,186)
<b>Tax expense</b>	10	<b>(645)</b>	<b>(2,741)</b>	<b>(3,080)</b>
<b>(Loss)/profit for the period/year - discontinued operations</b>		<b>(3,878)</b>	<b>8,672</b>	<b>7,446</b>

The Group elected to present in these condensed consolidated financial statements, detailed elements of (loss)/profit for the period/year from discontinued operations in comparison with continuing operations, as detailed in each note.

4.2. Investment property held for sale

Reconciliation of the Group's investment property held for sale:

	Note	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Opening balance</b>		<b>429,592</b>	<b>92,610</b>	<b>92,610</b>
Transfer from investment property	11.1	97,679	106,785	332,512
Transfer to inventory property		-	-	(839)
Disposals		(127,967)	(900)	-
Capitalised expenditure <sup>1</sup>		3,282	1,155	4,613
Fair value adjustment	8	(7,951)	1,241	1,052
Gain from disposal of investment property held for sale		3,133	-	-
Foreign currency translation reserve		2,404	1,199	(356)
<b>Closing balance</b>		<b>400,172</b>	<b>202,090</b>	<b>429,592</b>

<sup>1</sup>Of the €3,282 thousand (31 December 2019: €1,155 thousand; 30 June 2020: €4,613 thousand) capitalised expenditure incurred during the period the Group paid €2,404 thousand (31 December 2019: €1,297 thousand; 30 June 2020: €4,449 thousand). The remaining capitalised expenditure during the six-month period ended 31 December 2020, represents mainly transaction costs incurred on properties disposals, as detailed below.

Bank borrowings of €204,890 thousand (31 December 2019: €79,886 thousand; 30 June 2020: €202,068 thousand) are secured against investment property held for sale with a carrying amount of €365,691 thousand (31 December 2019: €160,350 thousand; 30 June 2020: €385,396 thousand).

For bank borrowings balances secured against investment property held for sale, refer to note 17.1.

Investment property held for sale has been adjusted to take into account lease incentive accruals of €1,595 thousand. Comparative amounts were included at 31 December 2019: €2,509 thousand and 30 June 2020: €2,257 thousand, in investment property, as detailed in note 11.1.

Reconciliation of loss from disposal of investment properties held for sale is presented as follows:

Property name	Fair value at completion date	Transaction value	Transaction fees*	Foreign currency translation	Gain/(loss) on disposal
Donnaueschingen	(10,400)	10,152	(195)	-	(443)
Heppenheim Park	(31,600)	30,263	(605)	-	(1,942)
Gummersbach	(15,105)	14,630	(151)	-	(626)
Braehead	(6,590)	7,841	(4)	(7)	1,240
Chippenham	(26,751)	21,412	(163)	32	(5,470)
New Waverley (PA4N & PA7)	(5,301)	8,026	(63)	(35)	2,627
Zurich	(27,881)	35,643	(40)	25	7,747
	<b>(123,628)</b>	<b>127,967</b>	<b>(1,221)</b>	<b>15</b>	<b>3,133</b>

\*Transaction fees incurred on disposal of investment properties held for sale refers mainly to costs to sell, such as legal fees, property management fees and broker fees, capitalised on investment property held for sale, deducted from the transaction value.

Additional €3,832 thousand were incurred by the Group as the debt break fees from repayment of bank borrowings secured against investment property held for sale, refer to note 9, and €2,473 thousand transaction fees incurred prior to the transactions and related to disposal of the properties, were recognised as investment expenses, refer to note 7.

#### 4.3. Cash flows from discontinued operations

	Six-month period ended 31 December 2020	Six-month period ended 31 December 2019	Year ended 30 June 2020
Net cash inflow/(outflow) from operating activities	(50,061)	13,236	39,138
Net cash inflow/(outflow) from investing activities	124,299	(11,098)	(6,555)
Net cash inflow/(outflow) from financing activities	(40,970)	(17,785)	(42,508)
<b>Net cash inflow/(outflow) from discontinued operations</b>	<b>33,268</b>	<b>(15,647)</b>	<b>(9,925)</b>

#### 5. Net rental income

	Note	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Continuing operations</b>				
Rental income	5.1	17,952	17,918	35,659
Service charge income and other recoveries	5.2	5,081	5,458	11,191
<b>Gross revenue – continuing operations</b>		<b>23,033</b>	<b>23,376</b>	<b>46,850</b>
Impairment of receivables		(3,003)	-	(4,763)
Service charge and other property operating expenses	5.2	(6,282)	(6,229)	(11,604)
<b>Net rental income – continuing operations</b>		<b>13,748</b>	<b>17,147</b>	<b>30,483</b>
<b>Discontinued operations</b>				
Rental income	5.1	14,642	15,629	31,175
Service charge income and other recoveries	5.2	1,569	1,960	3,200
<b>Gross revenue – discontinued operations</b>		<b>16,211</b>	<b>17,589</b>	<b>34,375</b>
Impairment of receivables		(1,152)	-	(828)
Service charge and other property operating expenses	5.2	(3,845)	(4,748)	(7,554)
<b>Net rental income – discontinued operations</b>		<b>11,214</b>	<b>12,841</b>	<b>25,993</b>
<b>Total</b>				
Rental income	5.1	32,594	33,547	66,834
Service charge income and other recoveries	5.2	6,650	7,418	14,391
<b>Gross revenue</b>		<b>39,244</b>	<b>40,965</b>	<b>81,225</b>
Impairment of receivables		(4,155)	-	(5,591)
Service charge and other property operating expenses	5.2	(10,127)	(10,977)	(19,158)
<b>Net rental income</b>		<b>24,962</b>	<b>29,988</b>	<b>56,476</b>

For disclosures on disaggregation of the Net rental income by segment, refer to note 3.

As discussed above in note 2, the coronavirus pandemic has had a significant impact in the net rental income of the Group for the duration of the lockdown periods (which generally extended between March and June 2020 in CEE, March and May 2020 in Germany and March and August 2020 in the UK). Additional lockdown measures were taken by Polish authorities closing non-essential tenants for three weeks in November 2020, permitted reopening on 28 November and closed again on 28 December, while authorities in Bulgaria closed non-essential retail operations in the last week of November 2020. Excepting Polish indoor food and beverage and leisure tenants, Polish and Bulgarian non-essential retailers remained closed until 1 February 2021.



An impairment of receivables was recognised as an effect of the lockdown and other economic consequences caused by the coronavirus pandemic; the expected collectability from the Group's tenants was significantly impacted.

The Group applied the principles of IFRS 16 for revenue recognition in the context of the coronavirus pandemic:

- gross rental income and gross service charge income were recognised in full for the lockdown periods;
- rent reliefs granted to tenants, without qualifying as a lease modification, were charged to the statement of profit or loss, with the amounts in line with the signed addendums to the agreements;
- rent reliefs, without changes to the lease contract, imposed by laws in force before an event giving rise to the relief, such as in Poland, and where tenants have sent notifications as per regulatory requirements, were charged to the statement of profit or loss in full as negative variable rent;
- for tenants where no agreement was signed or no deal was agreed informally, a tenant by tenant review of financial status and collectability was performed and an impairment was charged to the statement of profit or loss in full or in specific amounts, on a case by case basis.

All amounts charged to the statement of profit or loss as described above were treated as a receivables impairment, see notes 5.1 and 5.2 below. The impairment amounts split by region and by type (waived and deferred amounts and additional specific provisions) is presented below:

At 31 December 2020	Waived and/or deferred	Additional provision	Total impairment of receivables
<b>CEE – continuing operations</b>	<b>2,241</b>	<b>762</b>	<b>3,003</b>
Romania	583	660	1,243
Bulgaria	911	-	911
Poland	747	102	849
<b>WE – discontinued operations</b>	<b>1,152</b>	<b>-</b>	<b>1,152</b>
Germany	15	-	15
UK	1,137	-	1,137
<b>Total</b>	<b>3,393</b>	<b>762</b>	<b>4,155</b>

  

At 30 June 2020	Waived and/or deferred	Additional provision	Total impairment of receivables
<b>CEE – continuing operations</b>	<b>3,936</b>	<b>827</b>	<b>4,763</b>
Romania	1,964	288	2,252
Bulgaria	1,022	318	1,340
Poland	950	221	1,171
<b>WE – discontinued operations</b>	<b>700</b>	<b>128</b>	<b>828</b>
Germany	435	-	435
UK	265	128	393
<b>Total</b>	<b>4,636</b>	<b>955</b>	<b>5,591</b>

## 5.1. Rental income

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Continuing operations</b>			
Gross rental income	15,970	16,043	33,362
Turnover rent	1,982	1,875	2,297
<b>Rental income – continuing operations</b>	<b>17,952</b>	<b>17,918</b>	<b>35,659</b>
Impairment of receivables	(2,777)	-	(4,280)
<b>Rental income, net of impairment – continuing operations</b>	<b>15,175</b>	<b>17,918</b>	<b>31,379</b>

  

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Discontinued operations</b>			
Gross rental income	14,642	15,629	31,175
Impairment of receivables	(1,137)	-	(828)
<b>Rental income, net of impairment – discontinued operations</b>	<b>13,505</b>	<b>15,629</b>	<b>30,347</b>

<b>Total</b>			
Gross rental income	30,612	31,672	64,537
Turnover rent	1,982	1,875	2,297
<b>Rental income</b>	<b>32,594</b>	<b>33,547</b>	<b>66,834</b>
Impairment of receivables	(3,914)	-	(5,108)
<b>Rental income, net of impairment</b>	<b>28,680</b>	<b>33,547</b>	<b>61,726</b>

Turnover rent represents the portion of the Group's rental income related to variable lease payments.

Out of the Group's total rental income during the periods presented, no single tenant represented a quantum of more than 10%.

The future aggregate minimum rental receivable under non-cancellable operating leases is as follows:

	<b>Reviewed Six-month period ended 31 December 2020</b>	<b>Reviewed Six-month period ended 31 December 2019</b>	<b>Audited Year ended 30 June 2020</b>
No later than 1 year	39,553	61,346	64,633
Greater than 1 year and less than 2 years	33,206	58,312	62,704
Greater than 2 years and less than 3 years	26,007	53,193	58,071
Greater than 3 years and less than 4 years	17,723	43,351	48,010
Greater than 4 years and less than 5 years	10,580	35,957	37,490
Greater than 5 years	35,968	154,437	162,949
<b>Total</b>	<b>163,037</b>	<b>406,596</b>	<b>433,857</b>

The table above presents the future aggregate minimum rental receivable for the six-month period ended 31 December 2019 and year ended 30 June 2020, including future minimum rental receivable from properties in WE portfolio not classified as held for sale for the period then ended.

For the six-month period ended 31 December 2020, the WE portfolio was excluded from the presentation, as discontinued operations are deemed to not generate significant future rental receivables until disposal date.

## 5.2. Service charge

Service charge and other property operating expenses are expenses incurred in relation to the properties held by the Group.

	<b>Reviewed Six-month period ended 31 December 2020</b>	<b>Reviewed Six-month period ended 31 December 2019</b>	<b>Audited Year ended 30 June 2020</b>
<b>Continuing operations</b>			
Gross service charge income	5,081	5,458	11,191
Impairment of receivables	(226)	-	(483)
<b>Service charge income and other recoveries, net – continuing operations</b>	<b>4,855</b>	<b>5,458</b>	<b>10,708</b>
Property expenses	(3,717)	(4,094)	(7,626)
Property management expenses	(1,100)	(1,321)	(2,381)
Marketing fees	(1,150)	(688)	(1,127)
Insurance expenses	(85)	(80)	(159)
Other service charge expenses	(230)	(46)	(311)
<b>Service charge and other property operating expenses – continuing operations</b>	<b>(6,282)</b>	<b>(6,229)</b>	<b>(11,604)</b>
<b>Net service charge – continuing operations</b>	<b>(1,427)</b>	<b>(771)</b>	<b>(896)</b>
<b>Discontinued operations</b>			
Gross service charge income	1,569	1,960	3,200
Impairment of receivables	(15)	-	-
<b>Service charge income and other recoveries, net – discontinued operations</b>	<b>1,554</b>	<b>1,960</b>	<b>3,200</b>
Property expenses	(3,490)	(2,998)	(6,593)
Property management expenses	-	(903)	(113)
Marketing fees	-	(20)	-
Insurance expenses	(320)	(323)	(650)
Other service charge expenses	(35)	(504)	(198)
<b>Service charge and other property operating expenses – discontinued operations</b>	<b>(3,845)</b>	<b>(4,748)</b>	<b>(7,554)</b>
<b>Net service charge – discontinued operations</b>	<b>(2,291)</b>	<b>(2,788)</b>	<b>(4,354)</b>

## MAS Real Estate Inc.

### Condensed consolidated interim financial statements for the six-month period ended 31 December 2020

Total			
Gross service charge income	6,650	7,418	14,391
Impairment of receivables	(241)	-	(483)
<b>Service charge income and other recoveries, net</b>	<b>6,409</b>	<b>7,418</b>	<b>13,908</b>
Property expenses	(7,207)	(7,092)	(14,219)
Property management expenses	(1,100)	(2,224)	(2,494)
Marketing fees	(1,150)	(708)	(1,127)
Insurance expenses	(405)	(403)	(809)
Other service charge expenses	(265)	(550)	(509)
<b>Service charge and other property operating expenses</b>	<b>(10,127)</b>	<b>(10,977)</b>	<b>(19,158)</b>
<b>Net service charge</b>	<b>(3,718)</b>	<b>(3,559)</b>	<b>(5,250)</b>

## 6. Other income

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Dividend income earned on direct financial investments	-	730	861
Dividend income earned on CFDs	1,728	3,254	5,447
Other	-	669	-
<b>Other income – continuing operations</b>	<b>1,728</b>	<b>4,653</b>	<b>6,308</b>
Other income – discontinued operations	-	19	-
<b>Other income</b>	<b>1,728</b>	<b>4,672</b>	<b>6,308</b>

Dividend income earned on direct financial investments is disclosed gross of tax, with any tax consequences included as part of tax, as the Group is liable to settle the related taxes. The amount of tax on dividends from direct financial investments for the period was €nil thousand (December 2019: €94 thousand, June 2020: €930 thousand). Dividend income earned on CFDs is recognised on the date on which the Group's right to receive payment is established, net of tax, as the Group's counterparty is liable for the related taxes.

## 7. Investment expenses

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Continuing operations</b>			
Transaction fees on business combinations and costs related to material transactions	-	(1,914)	(2,190)
Transaction fees on disposal of investment property held for sale	(768)	-	(1,217)
Other investment expenses	(31)	-	(520)
<b>Investment expenses – continuing operations</b>	<b>(799)</b>	<b>(1,914)</b>	<b>(3,927)</b>
<b>Discontinued operations</b>			
Transaction fees on business combinations and costs related to material transactions	-	-	(496)
Transaction fees on disposal of investment property held for sale	(2,473)	(149)	(67)
Other investment expenses	(10)	-	(40)
<b>Investment expenses – discontinued operations</b>	<b>(2,483)</b>	<b>(149)</b>	<b>(603)</b>
<b>Total</b>			
Transaction fees on business combinations and costs related to material transactions	-	(1,914)	(2,686)
Transaction fees on disposal of investment property held for sale	(3,241)	(149)	(1,284)
Other investment expenses	(41)	-	(560)
<b>Investment expenses</b>	<b>(3,282)</b>	<b>(2,063)</b>	<b>(4,530)</b>

### Transaction fees on disposal of investment property

From the total amount of €3,282 thousand of investment expenses incurred by properties considered discontinued operations, €2,473 thousand (30 June 2020: €67 thousand) represented transaction fees directly attributable to disposals of investment property held for sale, while an additional €768 thousand (30 June 2020: €1,217 thousand) were incurred by corporate entities servicing multiple subsidiaries, mainly relating to legal fees attributable to entire portfolio.

**8. Fair value adjustments**

The following items are measured at fair value at the reporting date with changes in fair value being recognised within fair value adjustments in profit or loss in the period in which they occur:

	Note	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Gain/(loss) on fair value of investment property	11.1	4,881	27,379	(5,060)
Gain/(loss) on fair value of financial investments	16.1	3,449	12,051	(27,064)
Gain/(loss) on fair value of financial assets		43	-	(2,833)
Gain on fair value of financial liabilities		166	517	608
<b>Fair value adjustments – continuing operations</b>		<b>8,539</b>	<b>39,947</b>	<b>(34,349)</b>
<i>Detailed as follows:</i>				
<b>Change in fair value of investment property</b>				
Income property	11.1	4,881	27,379	(5,060)
		<b>4,881</b>	<b>27,379</b>	<b>(5,060)</b>
<b>Change in fair value of financial investments</b>				
Direct financial investments	16.1	188	2,652	1,663
Contracts for difference	16.1	3,261	9,399	(28,727)
		<b>3,449</b>	<b>12,051</b>	<b>(27,064)</b>
<b>Change in fair value of financial assets</b>				
Incentive share participants	18.2	43	-	(2,058)
Interest rate swaps		-	-	(775)
		<b>43</b>	<b>-</b>	<b>(2,833)</b>
<b>Change in fair value of financial liabilities</b>				
Interest rate swaps	17.2	166	517	608
		<b>166</b>	<b>517</b>	<b>608</b>
<b>Change in fair value – discontinued operations</b>				
Loss/(gain) on fair value of investment property held for sale	4.2	(7,951)	1,241	1,052
Gain/(loss) on fair value of investment property and land bank		-	654	(7,479)
(Loss) on fair value of financial assets		-	(113)	-
(Loss)/gain on fair value of financial liabilities	17.2	(156)	180	(1,623)
<b>Fair value adjustments discontinued operations</b>		<b>(8,107)</b>	<b>1,962</b>	<b>(8,050)</b>

**9. Finance income and finance costs**

The Group's finance income and finance costs comprise:

	Note	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Continuing operations</b>				
<b>Finance income</b>				
Interest on PKM Development preference shares	16.3	7,194	6,583	13,133
Interest on bank deposits and other finance income		3	90	98
		<b>7,197</b>	<b>6,673</b>	<b>13,231</b>
<b>Finance costs</b>				
Interest on interest bearing borrowings	17.1	(3,706)	(3,578)	(7,442)
Negative interest on bank deposits and other finance expense		(75)	(110)	(60)
		<b>(3,781)</b>	<b>(3,688)</b>	<b>(7,502)</b>
<b>Discontinued operations</b>				
<b>Finance income</b>				
Interest on bank deposits and other finance income		-	18	22
		<b>-</b>	<b>18</b>	<b>22</b>
<b>Finance costs</b>				
Interest on interest bearing borrowings	17.1	(2,791)	(3,256)	(6,363)
Finance expense related to debt break fees	4.2	(3,832)	-	-
Negative interest on bank deposits and other finance expense		(18)	(1)	(30)
		<b>(6,641)</b>	<b>(3,257)</b>	<b>(6,393)</b>
<b>Finance income</b>		<b>7,197</b>	<b>6,691</b>	<b>13,253</b>
<b>Finance costs</b>		<b>(10,422)</b>	<b>(6,945)</b>	<b>(13,895)</b>

# MAS Real Estate Inc.

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### 10. Taxation

The Company is domiciled in the BVI and is not subject to income tax in that jurisdiction. Operating subsidiaries of the Group, however, are subject to tax in the jurisdictions in which they operate and, potentially, in the jurisdictions through which the subsidiary investment companies are held.

The Group's tax includes the following:

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Continuing operations</b>			
Current tax	92	367	530
Deferred tax expense	3,150	4,320	(223)
<b>Tax expense – continued operations</b>	<b>3,242</b>	<b>4,687</b>	<b>307</b>
<b>Discontinued operations</b>			
Current tax	6,718	583	894
Deferred tax expense	(6,073)	2,158	2,186
<b>Tax expense – discontinued operations</b>	<b>645</b>	<b>2,741</b>	<b>3,080</b>
<b>Tax expense</b>			
Current tax	6,810	950	1,424
Deferred tax expense	(2,923)	6,478	1,963
<b>Tax expense</b>	<b>3,887</b>	<b>7,428</b>	<b>3,387</b>

The current tax, including under/over-provisions in respect of earlier periods, for each jurisdiction is as follows:

	Reviewed Six-month period ended 31 December 2020		Reviewed Six-month period ended 31 December 2019		Audited Year ended 30 June 2020	
	Applicable rate %	Amount	Applicable rate %	Amount	Applicable rate %	Amount
<b>Continuing operations</b>						
<b>Income/corporation tax</b>						
Isle of Man	-	-	-	-	-	-
Jersey	-	-	-	-	-	-
Poland	19.0	(23)	19.0	(202)	19.0	(240)
Netherlands	20.0	(69)	20.0	(42)	20.0	(110)
Bulgaria	10.0	-	10.0	-	10.0	-
Romania	16.0	-	16.0	-	16.0	-
		<b>(92)</b>		<b>(244)</b>		<b>(350)</b>
<b>Withholding tax</b>						
UK	20.0	-	20.0	(97)	20.0	(127)
Poland	5.0	-	5.0	(26)	5.0	(53)
Netherlands	15.0	-	15.0	-	15.0	-
		<b>-</b>		<b>(123)</b>		<b>(180)</b>
<b>Discontinued operations</b>						
<b>Income/corporation tax</b>						
UK – income tax	20.0	-	20.0	(349)	20.0	(137)
UK – corporation tax	19.0	(690)	19.0	-	19.0	(383)
Germany	15.8	(1,297)	15.8	(208)	15.8	(331)
Switzerland	26.8	(4,715)	26.8	(6)	26.8	(4)
		<b>(6,702)</b>		<b>(563)</b>		<b>(855)</b>
<b>Wealth tax</b>						
Switzerland	0.2	-	0.2	(2)	0.2	-
Luxembourg	0.5	(16)	0.5	(18)	0.5	(39)
		<b>(16)</b>		<b>(20)</b>		<b>(39)</b>

Reconciliation of deferred tax:

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Net deferred tax liability brought forward</b>	<b>(24,031)</b>	<b>(21,990)</b>	<b>(21,990)</b>
Current year deferred tax movement	2,923	(6,478)	(1,963)
Foreign currency translation difference in OCI	46	(32)	(78)
<b>Net deferred tax liability carried forward</b>	<b>(21,062)</b>	<b>(28,500)</b>	<b>(24,031)</b>

The net deferred tax liability is split as follows:

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Deferred tax asset	3,746	3,767	3,394
Deferred tax liability	(24,808)	(32,267)	(27,425)
<b>Net deferred tax liability</b>	<b>(21,062)</b>	<b>(28,500)</b>	<b>(24,031)</b>

Deferred tax asset and liability result from the following types of differences:

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Revaluation of investment property and investment property cumulative statutory tax allowance	2,072	242	1,171
Fiscal losses	1,376	2,546	1,985
Deductible interest expense	-	357	-
Other taxable temporary differences	298	622	238
<b>Deferred tax asset</b>	<b>3,746</b>	<b>3,767</b>	<b>3,394</b>
Revaluation of investment property and investment property cumulative statutory tax allowance	(25,864)	(32,114)	(28,665)
Other taxable temporary differences	1,056	(153)	1,240
<b>Deferred tax liability</b>	<b>(24,808)</b>	<b>(32,267)</b>	<b>(27,425)</b>
<b>Net deferred tax liability</b>	<b>(21,062)</b>	<b>(28,500)</b>	<b>(24,031)</b>

Reconciliation of effective tax rate:

	Reviewed Six-month period ended 31 December 2020		Reviewed Six-month period ended 31 December 2019		Audited Year ended 30 June 2020	
	Applicable rate %	Amount	Applicable rate %	Amount	Applicable rate %	Amount
<i>Profit/(loss) before tax – continuing operations</i>		28,385		50,010		(27,326)
<i>(Loss)/profit before tax – discontinued operations</i>		(3,233)		11,413		10,526
Tax using the company's domestic rate	0.0	-	0.0	-	0.0	-
Effect of tax rates in foreign jurisdictions	(27.1)	(6,810)	(1.0)	(833)	9.5	(1,724)
Over provision in respect of previous years	-	-	(0.1)	(117)	(1.7)	300
<b>Current tax expense</b>	<b>(27.1)</b>	<b>(6,810)</b>	<b>(1.1)</b>	<b>(950)</b>	<b>7.8</b>	<b>(1,424)</b>
<i>Change in recognised deductible temporary differences</i>						
Revaluation of investment property	5.2	1,315	(6.1)	(5,144)	(4.1)	742
Investment property cumulative statutory tax allowance	9.5	2,392	(1.4)	(1,199)	16.2	(2,937)
Fiscal losses	(3.9)	(969)	(0.5)	(419)	2.4	(436)
Thin capitalisation	-	-	0.4	357	(3.7)	675
Other temporary differences	0.7	185	(0.1)	(73)	0.0	(7)
<b>Deferred tax expense</b>	<b>11.6</b>	<b>2,923</b>	<b>(7.7)</b>	<b>(6,478)</b>	<b>10.8</b>	<b>(1,963)</b>
<b>Net tax expense</b>	<b>(15.5)</b>	<b>(3,887)</b>	<b>(8.8)</b>	<b>(7,428)</b>	<b>18.6</b>	<b>(3,387)</b>

The Isle of Man domestic tax rate of 0% (December 2019: 0%, June 2020: 0%) was considered the most meaningful rate on the basis that the profits are earned across several jurisdictions and none of those jurisdictions dominates the Group's portfolio.

The other taxable temporary differences relate to prepayments, accruals and deferred income.

There has been no change in the applicable tax rates. The primary reason for the decrease in the effective tax rate from 18.6% for the year ended 30 June 2020 to negative 15.5% for the six-month period ended 31 December 2020 is a result of changes in the geographical mix of taxable profits, effective tax rate being impacted by the sale of Zurich property.

**11. Investment property**
**11.1. Investment property**

The Group's investment property comprises:

Type	Detail
Income property	Property held to earn rental income.
Development property	Property under construction, in process of being developed for future use as income property or for sale and land plots to be utilised for future developments.
Land bank	Land plots held for future development.

The carrying amount of the Group's investment property was as follows:

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Income property	443,145	809,339	532,742
Development property and land bank	1,439	331	907
	<b>444,584</b>	<b>809,670</b>	<b>533,649</b>

As at 31 December 2020 (reviewed)	Note	Income property	Development property and land bank	Total
Opening balance		532,742	907	533,649
Capitalised expenditure <sup>1</sup>		3,179	532	3,711
Transfer to investment property held for sale	4.2	(97,679)	-	(97,679)
Fair value adjustment	8	4,881	-	4,881
Foreign currency translation difference		22	-	22
Closing balance		<b>443,145</b>	<b>1,439</b>	<b>444,584</b>

<sup>1</sup> The Group paid €3,039 thousand in relation to capitalised expenditure during the period.

As at 31 December 2019 (reviewed)	Note	Income property	Development property and land bank	Total
Opening balance		852,840	19,222	872,062
Capitalised expenditure <sup>1</sup>		5,735	1,008	6,743
Transfer to development property		(331)	331	-
Transfer to investment property held for sale	4.2	(89,010)	(17,775)	(106,785)
Fair value adjustment	8	31,438	(3,405)	28,033
Foreign currency translation difference		8,667	950	9,617
Closing balance		<b>809,339</b>	<b>331</b>	<b>809,670</b>

<sup>1</sup> The Group paid €6,641 thousand in relation to capitalised expenditure during the period.

At 30 June 2020 (audited)	Note	Income property	Development property and land bank	Total
Opening balance		852,840	19,222	872,062
Transfer to investment property held for sale	4.2	(315,937)	(16,575)	(332,512)
Capitalised expenditure <sup>1</sup>		6,966	1,648	8,614
Fair value adjustment	8	(9,365)	(3,174)	(12,539)
Foreign currency translation difference		(1,762)	(214)	(1,976)
Closing balance		<b>532,742</b>	<b>907</b>	<b>533,649</b>

<sup>1</sup> The Group paid €8,423 thousand in relation to capitalised expenditure during the year.

**Lease incentive accrual**

Investment property has been adjusted to take into account the lease incentive accruals as follows:

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Gross valuation	443,145	811,848	534,999
Lease incentive accrual*	-	(2,509)	(2,257)
Carrying value	<b>443,145</b>	<b>809,339</b>	<b>532,742</b>

\*Lease incentive accruals refers to WE investment properties presented assets held for sale, note 4.2.

**Interest bearing borrowings**

Bank borrowings of €140,043 thousand (31 December 2019: €310,965 thousand; 30 June 2020: €183,097 thousand) are secured against investment property with a carrying amount of €319,469 thousand (December 2019: €644,145 thousand; 30 June 2020: €532,742 thousand), refer to note 17.1.



## 11.2. Valuation sensitivity analysis

### Investment property – measurement of fair values

#### Valuation process for level 3 investment property

Fair value of investment property is determined semi-annually, on 30 June and 31 December, by external, independent professional valuers, with appropriate and recognised qualifications and recent experience in the location and category of property being valued. For details of the respective valuers used by the Group in its valuation process at 31 December 2020, refer to page 60. For all investment properties their current values equate to the highest and best use.

#### Fair value hierarchy

The fair value measurement of all the Group's investment properties has been categorised as level 3 in the fair value hierarchy based upon the significant unobservable inputs into the valuation techniques used.

#### Valuation techniques and significant unobservable inputs

##### Discounted cash flows (DCF) method:

The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rates, void periods, occupancy rates, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.

Unobservable inputs used in the DCF valuation model are risk adjusted discount rates (yields), net rental income, net rental income growth, unrecoverable capital expenditures etc. The most significant inputs are considered to be the net rental income and the yield; the estimated fair value would increase/(decrease) if the expected net rental income was higher/(lower) and/or the yield was lower/(higher).

##### Capitalisation method:

The valuation model considers the value of the property based on actual location, size and quality of the property taking into account market data and the capitalisation rate of future income streams at the valuation date. Significant unobservable inputs used in the capitalisation rate model are the capitalisation rate (yield) and the estimated rental value. The estimated fair value would increase/(decrease) if either the yield was lower/(higher) or if the estimated market rent were higher/(lower).

##### Residual method:

The valuation model considers the gross development value of the property based on an independent view of market values for the completed development less any build costs. The method starts with an estimation of the value of the completed development, normally referred to as the Gross Development Value (GDV). Thereafter, various costs to complete the development are deducted (including construction costs, professional fees, marketing fees/costs, finance, etc. together with developer's profit); to arrive at a 'residual' site value, which is the price which a developer could afford to pay for the land (and still generate their target profit level). Significant unobservable inputs used in the residual method are the gross development value and the profit on GDV. The estimated fair value would increase/(decrease) if the GDV were higher/(lower) or if the target profit was lower/(higher).

##### Purchase price:

The valuation model takes into account the recent acquisition price, which equals the amount a third party would be willing to pay. Significant unobservable inputs used in the purchase price method represents the purchase price for the property. The estimated fair value would increase/(decrease) if the number of the interested parties were higher/(lower) or if the availability of comparable properties were lower/(higher), thus altering the acquisition price.

##### Firm offers less costs to complete:

Fair value is based on the amount a third party is willing to pay less any costs to complete. Significant unobservable inputs used in the firm offers less costs to complete method are the firm offer and costs to complete (excluding transaction costs). The estimated fair value would increase/(decrease) if the number of the interested parties were higher/(lower) and or, the availability of comparable properties lower/(higher), thus altering the offer price, or the budgeted costs to complete was lower/(higher) and/or, the residential unit price was higher/(lower).

#### Changes to valuation methods used

There were no changes to valuation methods used in the six-month period ended 31 December 2020 compared to the previous periods.

### Significant inputs and coronavirus impact

At 30 June 2020, the general risk environment in which the Group operates had heightened in the three months prior to the reporting date, largely due to the coronavirus outbreak. For some of the Group's properties, the outbreak had a significant impact on valuations. As at 30 June 2020, the external valuers considered that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The response to the outbreak meant that external valuers were faced with an unprecedented set of circumstances on which to base a judgment. The valuations across all asset classes were therefore reported on the basis of a "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – would have been attached to the valuations provided than would normally be the case. The external valuers have confirmed that the inclusion of the "material valuation uncertainty" declaration did not mean that valuations cannot be relied upon. Rather, the phrase was used in order to be clear and transparent with all parties, in a professional manner that – in the extraordinary circumstances – less certainty could have been attached to valuations than would otherwise be the case.

At 31 December 2020, the valuers have considered that by the end of 2020 the real-estate market recovered and sufficient market evidence existed by the reporting date. Consequently, the valuation reports for all the Group's properties were no longer prepared on the "material valuation uncertainty" basis.

The Group had reviewed the ranges used in assessing the impact of changes in unobservable inputs on the fair value of the Group's property portfolio. There has been no change in valuation methodology used for investment property since coronavirus outbreak. Whilst the property valuations reflect the external valuers' assessment, we consider +/-5% for Net Rental Income and +/-0.5% for Yields to capture the current market conditions in these key valuation assumptions. The results of this analysis are detailed in the sensitivity tables below.

**Other inputs**

Ranges of other inputs considered by the valuers in their discounted cash flow models (where such method was applied for the assets' valuation) are presented below:

**Period ended 31 December 2020**

	Discount rates (unlevered)	Estimated rental value long-term growth rate	Capex reserve as % of Net Rental Income
<b>Retail assets</b>			
Romania	9.8-10.5%	2.5-3.25%	5.0-10.0%
Bulgaria	10.3-11.1%	3.0%	10.0%
Germany – held for sale	4.3-6.3%	0.75-2.0%	3.0-15.0%
<b>Industrial &amp; Logistics assets</b>			
Germany – held for sale	6.2%	0.0-1.0%	1%

**Year ended 30 June 2020**

	Discount rates (unlevered)	Estimated rental value long-term growth rate	Capex reserve as % of Net Rental Income
<b>Retail assets</b>			
Romania	9.8-10.5%	2.5-3.3%	5.0-10.0%
Bulgaria	10.4-11.2%	3.0%	10.0%
Germany	4.3-6.3%	0.8-2.0%	3.0-15.0%
<b>Industrial &amp; Logistics assets</b>			
Germany	6.0%	1.4-2.0%	6.0%
UK	7.0%	0.0-2.0%	5.0-7.0%
Switzerland	3.5%	0.0%	2.0%

**Period ended 31 December 2019**

	Discount rates (unlevered)	Estimated rental value long-term growth rate	Capex reserve as % of Net Rental Income
<b>Retail assets</b>			
Romania	9.5-10%	2.5-3.3%	5.0-10.0%
Bulgaria	9.8-10.6%	3.0%	10.0%
Germany	4.3-5.9%	1-2%	0-2.22%
<b>Industrial &amp; Logistics assets</b>			
Germany	6%	1.4-2%	10.0%
UK	6.9-7%	0.0-2.0%	5.0-7.0%
Switzerland	3.7%	0.0%	8.7%

The Hotel and Office type assets are valued under the capitalisation method, therefore are not included in the analysis above.

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									Sensitivity analysis (variance)			
31 December 2020	Location	Type	Valuation Method	Rental income €	Fair value €	Lease incentive €	Book Value €	Yield %	NRI +5% €	NRI -5% €	Yield -0.5% €	Yield +0.5% €
Investment property, including Investment property held for sale				52,237	843,317	(1,595)	843,317	6.2%	40,595	(40,595)	71,180	(60,179)
CEE income property				31,179	443,145	-	443,145	7.0%	22,158	(22,158)	34,208	(29,599)
Militari Shopping	RO, Bucharest	Retail	DCF	7,931	108,880	-	108,880	7.3%	5,444	(5,444)	8,025	(6,994)
Galleria Burgas	BG, Burgas	Retail	DCF	4,410	71,460	-	71,460	6.2%	3,573	(3,573)	6,300	(5,356)
Nova Park	PL, Gorzów	Retail	Capitalisation	5,998	81,965	-	81,965	7.3%	4,098	(4,098)	6,011	(5,242)
Atrium Mall	RO, Arad	Retail	DCF	4,265	57,160	-	57,160	7.5%	2,858	(2,858)	4,106	(3,590)
Kaufland centres	RO, Various	Retail	DCF	2,960	37,370	-	37,370	7.9%	1,869	(1,869)	2,518	(2,219)
Baia Mare Value Centre	RO, Baia Mare	Retail	DCF	2,246	32,840	-	32,840	6.8%	1,642	(1,642)	2,591	(2,238)
Roman Value Centre	RO, Roman	Retail	DCF	2,240	33,170	-	33,170	6.8%	1,659	(1,659)	2,652	(2,286)
Galleria Stara Zagora	BG, Stara Zagora	Retail	DCF	1,129	20,300	-	20,300	5.6%	1,015	(1,015)	2,005	(1,674)
WE income property and land bank – discontinued operations				21,058	400,172	(1,595)	400,172	5.3%	18,437	(18,437)	36,972	(30,580)
Edeka portfolio	DE, Various	Retail	DCF	5,393	87,711	-	87,711	6.1%	4,386	(4,386)	7,763	(6,596)
New Uberior House	UK, Edinburgh	Office	Capitalisation	5,102	81,865	(1,290)	80,575	6.2%	4,093	(4,093)	7,141	(6,080)
DIY portfolio	DE, Various	Retail	DCF	1,660	24,260	-	24,260	6.8%	1,213	(1,213)	1,913	(1,652)
Retail portfolio	DE, Various	Retail	DCF	1,302	24,060	-	24,060	5.4%	1,203	(1,203)	2,449	(2,034)
Flensburg Galerie	DE, Flensburg	Retail	DCF	2,601	66,200	(104)	66,096	3.9%	3,310	(3,310)	9,653	(7,473)
Adagio, retail and arches	UK, Edinburgh	Hotel and Retail	Capitalisation	1,959	33,536	(201)	33,335	5.8%	1,677	(1,677)	3,138	(2,644)
Bruchsal	DE, Bruchsal	Retail	DCF	1,263	23,000	-	23,000	5.5%	1,150	(1,150)	2,305	(1,920)
Gotha	DE, Gotha	Retail	DCF	905	10,600	-	10,600	8.5%	530	(530)	660	(587)
Munich	DE, Munich	Industrial	DCF	873	17,500	-	17,500	5.0%	875	(875)	1,950	(1,594)
Lewes NSQ	UK, Lewes	Land	Residual	-	17,018	-	17,018	-	-	-	-	-
Langley Park	UK, Chippenham	Land	Residual	-	16,017	-	16,017	-	-	-	-	-
New Waverley	UK, Edinburgh	Land	Residual	-	-	-	-	-	-	-	-	-
Lease incentive accruals					(1,595)							

**Net Rental income (NRI):** rental income less non-recoverable property related expenses for properties valued using the discounted cash flow method; estimated rental value for properties valued using the capitalisation method.

All properties except land are valued either by discounted cash flows or by capitalisation method.

Land is valued either by residual or by firm offers less costs-to-complete method.

The Group does not present any sensitivity analysis for the land, as it is not considered relevant – land is valued considering its best use.

**MAS Real Estate Inc.**
**Condensed consolidated interim financial statements for the six-month period ended 31 December 2020**

									Sensitivity analysis (variance)			
31 December 2019	Location	Type	Valuation method	Rental income €	Fair value €	Lease incentive €	Book Value €	Yield %	NRI +2.5% €	NRI -2.5% €	Yield -0.25% €	Yield +0.25% €
Investment property, including Investment property held for sale				65,182	1,011,429	(2,509)	1,011,429	6.4%	24,307	(24,307)	39,122	(36,095)
CEE income property				35,156	467,439	-	467,439	7.5%	11,687	(11,687)	16,153	(15,104)
Militari Shopping	RO, Bucharest	Retail	DCF	8,237	113,490	-	113,490	7.3%	2,837	(2,837)	4,049	(3,779)
Galleria Burgas	BG, Burgas	Retail	DCF	6,068	77,810	-	77,810	7.8%	1,945	(1,945)	2,577	(2,417)
Nova Park	PL, Gorzów	Retail	Capitalisation	6,114	89,369	-	89,369	6.8%	2,234	(2,234)	3,390	(3,151)
Atrium Mall	RO, Arad	Retail	DCF	4,576	57,980	-	57,980	7.9%	1,450	(1,450)	1,897	(1,780)
Kaufland centres	RO, Various	Retail	DCF	3,030	39,660	-	39,660	7.6%	992	(992)	1,342	(1,257)
Baia Mare Value Centre	RO, Baia Mare	Retail	DCF	2,653	34,360	-	34,360	7.7%	859	(859)	1,150	(1,078)
Roman Value Centre	RO, Roman	Retail	DCF	2,571	34,260	-	34,260	7.5%	857	(857)	1,181	(1,105)
Galleria Stara Zagora	BG, Stara Zagora	Retail	DCF	1,907	20,510	-	20,510	9.3%	513	(513)	567	(537)
WE income property and land bank				30,026	543,990	(2,509)	543,990	5.5%	12,620	(12,620)	22,969	(20,991)
Edeka portfolio	DE, Various	Retail	DCF	5,396	89,010	-	89,010	6.1%	2,225	(2,225)	3,829	(3,525)
New Uberior House	UK, Edinburgh	Office	Capitalisation	5,631	89,801	(1,502)	88,299	6.3%	2,245	(2,245)	3,729	(3,443)
DIY portfolio	DE, Various	Retail	DCF	3,406	50,440	-	50,440	6.8%	1,261	(1,261)	1,939	(1,801)
Retail portfolio	DE, Various	Retail	DCF	3,046	57,370	-	57,370	5.3%	1,434	(1,434)	2,835	(2,580)
Flensburg Galerie	DE, Flensburg	Retail	DCF	2,994	71,400	(106)	71,294	4.2%	1,785	(1,785)	4,527	(4,017)
Industrial portfolio	UK, Various	Industrial	DCF	2,963	35,100	(775)	34,326	8.4%	878	(878)	1,071	(1,010)
Adagio, retail and arches	UK, Edinburgh	Hotel and Retail	Capitalisation	2,277	42,702	(127)	42,575	5.3%	1,068	(1,068)	2,101	(1,912)
Bruchsal	DE, Bruchsal	Retail	DCF	1,311	23,200	-	23,200	5.6%	580	(580)	1,074	(983)
Zurich	CH, Buchs	Logistics	DCF	1,264	17,136	-	17,136	7.4%	428	(428)	601	(562)
Gotha	DE, Gotha	Retail	DCF	878	12,100	-	12,100	7.3%	303	(303)	432	(403)
Munich	DE, Munich	Industrial	DCF	860	16,500	-	16,500	5.2%	413	(413)	831	(755)
Lewes NSQ	UK, Lewes	Land	Residual	-	17,775	-	17,775					
Langley Park	UK, Chippenham	Land	Residual	-	16,734	-	16,734					
New Waverley	UK, Edinburgh	Land	Residual	-	7,231	-	7,231					
Lease incentive accruals					(2,509)							

**Net Rental income (NRI):** rental income less non-recoverable property related expenses for properties valued using the discounted cash flow method; estimated rental value for properties valued using the capitalisation method.

All properties except land are valued either by discounted cash flows or by capitalisation method.

Land is valued either by residual or by firm offers less costs-to-complete method.

The Group does not present any sensitivity analysis for the land, as it is not considered relevant – land is valued considering its best use.

									Sensitivity analysis (variance)			
30 June 2020	Location	Type	Valuation Method	Rental income €	Fair value €	Lease incentive €	Book Value €	Yield %	NRI +5% €	NRI -5% €	Yield -0.5% €	Yield +0.5% €
<b>Investment property, including Investment property held for sale</b>				<b>62,536</b>	<b>962,334</b>	<b>(2,257)</b>	<b>962,334</b>	<b>6.5%</b>	<b>46,365</b>	<b>(46,365)</b>	<b>78,171</b>	<b>(66,412)</b>
<b>CEE income property</b>				<b>34,219</b>	<b>435,694</b>	<b>-</b>	<b>435,694</b>	<b>7.8%</b>	<b>21,804</b>	<b>(21,804)</b>	<b>29,816</b>	<b>(26,217)</b>
Militari Shopping	RO, Bucharest	Retail	DCF	7,948	104,310	-	104,310	7.6%	5,216	(5,216)	7,326	(6,424)
Galleria Burgas	BG, Burgas	Retail	DCF	6,048	72,590	-	72,590	8.3%	3,630	(3,630)	4,635	(4,110)
Nova Park	PL, Gorzów	Retail	Capitalisation	5,892	82,264	-	82,264	7.1%	4,130	(4,130)	6,226	(5,410)
Atrium Mall	RO, Arad	Retail	DCF	4,418	54,910	-	54,910	8.0%	2,746	(2,746)	3,638	(3,213)
Kaufland centres	RO, Various	Retail	DCF	2,944	36,970	-	36,970	8.0%	1,849	(1,849)	2,477	(2,184)
Baia Mare Value Centre	RO, Baia Mare	Retail	DCF	2,549	31,570	-	31,570	8.1%	1,579	(1,579)	2,084	(1,841)
Roman Value Centre	RO, Roman	Retail	DCF	2,537	33,140	-	33,140	7.7%	1,657	(1,657)	2,315	(2,032)
Galleria Stara Zagora	BG, Stara Zagora	Retail	DCF	1,883	19,940	-	19,940	9.4%	997	(997)	1,115	(1,003)
<b>WE income property and land bank</b>				<b>28,317</b>	<b>526,640</b>	<b>(2,257)</b>	<b>526,640</b>	<b>5.4%</b>	<b>24,561</b>	<b>(24,561)</b>	<b>48,355</b>	<b>(40,195)</b>
Edeka portfolio	DE, Various	Retail	DCF	5,396	90,990	-	90,990	5.9%	4,550	(4,550)	8,377	(7,075)
New Uberior House	UK, Edinburgh	Office	Capitalisation	4,714	83,734	(1,334)	82,400	5.6%	4,187	(4,187)	8,161	(6,830)
DIY portfolio	DE, Various	Retail	DCF	3,399	50,570	-	50,570	6.7%	2,529	(2,529)	4,065	(3,502)
Retail portfolio	DE, Various	Retail	DCF	3,010	57,170	-	57,170	5.3%	2,859	(2,859)	5,998	(4,958)
Flensburg Galerie	DE, Flensburg	Retail	DCF	2,757	67,400	(102)	67,298	4.1%	3,370	(3,370)	9,386	(7,341)
Industrial portfolio	UK, Various	Industrial	DCF	2,650	32,853	(666)	32,187	8.1%	1,643	(1,643)	2,171	(1,917)
Adagio, retail and arches	UK, Edinburgh	Hotel and Retail	Capitalisation	1,954	33,209	(155)	33,054	5.9%	1,660	(1,660)	3,084	(2,601)
Zurich	CH, Buchs	Logistics	DCF	1,287	25,069	-	25,069	5.6%	1,253	(1,253)	2,467	(2,062)
Bruchsal	DE, Bruchsal	Retail	DCF	1,399	22,600	-	22,600	5.7%	1,130	(1,130)	2,175	(1,824)
Gotha	DE, Gotha	Retail	DCF	878	11,100	-	11,100	7.9%	555	(555)	749	(660)
Munich	DE, Munich	Industrial	DCF	873	16,500	-	16,500	5.3%	825	(825)	1,722	(1,425)
Lewes NSQ	UK, Lewes	Land	Residual	-	16,221	-	16,221					
Langley Park	UK, Chippenham	Land	Residual	-	15,782	-	15,782					
New Waverley	UK, Edinburgh	Land	Residual	-	5,699	-	5,699					
Lease incentive accruals					(2,257)							

**Net Rental income (NRI):** rental income less non-recoverable property related expenses for properties valued using the discounted cash flow method; estimated rental value for properties valued using the capitalisation method.

All properties except land are valued either by discounted cash flows or by capitalisation method.

Land is valued either by residual or by firm offers less costs-to-complete method.

The Group does not present any sensitivity analysis for the land, as it is not considered relevant – land is valued considering its best use.

**12. Investment in equity-accounted investee**

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Opening balance	26,736	21,888	21,888
Share of profit from equity accounted investee, net of tax	3,412	8,378	4,848
Distribution	-	-	-
Closing balance	30,148	30,266	26,736

The Group has an investment in P K M Development Limited (incorporated in the Isle of Man), a holding entity of a group which develops investment property predominantly in Romania, as well as other central and eastern European countries. P K M Development Limited ('PKM Development' or 'DJV') is an associate of the Group, of which the Group owns 40% of the ordinary shares and therefore has significant influence. The remaining 60% of the ordinary shares are owned by Prime Kapital. Prime Kapital provides development services and oversees the development process for the DJV.

In addition to the investment in the ordinary shares, the Group has invested in 7.5% preference shares issued by PKM Development, refer to note 16. At the period end the amount invested was €186.7 million (31 December 2019: €170 million; 30 June 2020: €178.7 million). The preference shares issued by PKM Development are not considered to be part of the long-term interest that the Group has in PKM Development.

The following table summarises the financial information of PKM Development as included in its own financial statements which are prepared in accordance with IFRS:

Statement of financial position PKM Development	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Non-current assets	275,110	228,095	232,443
Current assets	76,426	58,400	63,301
<b>Total assets</b>	<b>351,536</b>	<b>286,495</b>	<b>295,744</b>
Non-current liabilities	247,834	189,438	210,467
Current liabilities	24,726	19,287	18,306
<b>Total liabilities</b>	<b>272,560</b>	<b>208,725</b>	<b>228,773</b>
<b>Net assets</b>	<b>78,976</b>	<b>77,770</b>	<b>66,971</b>
Percentage of the Group's ownership interest	40%	40%	40%
<b>Un-adjusted Group share of net assets</b>	<b>31,590</b>	<b>31,108</b>	<b>26,788</b>
Elimination of preference share interest capitalised on qualifying assets carried at cost	-	(901)	-
Elimination of cross-shareholding	(1,501)	-	(111)
<b>Net assets attributable to the Group</b>	<b>30,085</b>	<b>30,207</b>	<b>26,677</b>
Capitalised costs	59	59	59
<b>Carrying amount</b>	<b>30,148</b>	<b>30,266</b>	<b>26,736</b>

The majority of PKM Development's non-current assets represent investment property. These properties have been valued by external independent valuers in a manner consistent with the policies disclosed in note 11.

Statement of profit or loss and other comprehensive income PKM Development	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Rental income	6,298	2,219	6,636
Service charge income and other recoveries	2,149	808	2,248
Impairment of receivables	(627)	-	(958)
Service charge and other property operating expenses	(2,383)	(886)	(2,228)
Other income	124	621	102
Corporate expenses	(418)	(300)	(477)
Investment expenses	(49)	(85)	(216)
Fair value adjustments	11,046	27,435	17,496
Foreign currency exchange differences	2,245	(87)	(574)
Finance income	7	1,219	1,689
Finance costs	(3,398)	(1,767)	(3,723)
Tax expense	(2,989)	(8,017)	(9,187)
<b>Total profit</b>	<b>12,005</b>	<b>21,160</b>	<b>10,808</b>
Percentage of the Groups ownership interest	40%	40%	40%
<b>Total profit and other comprehensive income attributable to the Group</b>	<b>4,802</b>	<b>8,464</b>	<b>4,323</b>

Statement of profit or loss and other comprehensive income PKM Development	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Adjustments in respect of interest	-	-	636
Elimination of cross-shareholding	(1,390)	(86)	(111)
<b>Group's share of profit</b>	<b>3,412</b>	<b>8,378</b>	<b>4,848</b>

PKM Development has no other comprehensive income.

**Acquisition of MAS shares by PKM Development and dealings in securities by an associate of Directors of MAS**

Given the predicted longer-term recessionary consequences of the coronavirus pandemic, the DJV has put on hold and is reconsidering the development opportunities previously reported and is positioning for new investment opportunities that may emerge in due course. Investments in listed securities, including MAS' ordinary shares, that could be disposed of to fund developments or other investment opportunities when appropriate, form part of this strategy.

During the six-month period ended 31 December 2020, PKM Development acquired 13,004,838 further MAS shares on the open market, bringing its holding to 42,998,476 (30 June 2020: 29,993,638) MAS shares, with a total value of €30,420 thousand at 31 December 2020 (30 June 2020: €20,209 thousand); the weighted average price per security is €0.627 at 31 December 2020 (30 June 2020: €0.665). On consolidation, the 40% proportion of MAS shares are adjusted to their original cost of €10,777 thousand (30 June 2020: €7,973 thousand) so that no gains or losses are recognised on these assets within Share of profit from equity accounted associate, net of tax. The purchases were conducted on-market on the JSE Limited. As a result of these transactions Martin Slabbert and Victor Semionov have indirect beneficial interests in the MAS ordinary shares acquired by PKM Development.

### 13. Intangible assets

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Goodwill	1,696	8,286	1,696
Other assets	-	494	-
<b>Intangible assets</b>	<b>1,696</b>	<b>8,780</b>	<b>1,696</b>

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Goodwill</b>			
Spark portfolio	1,628	8,218	1,628
Property Management Platform ("PMP")	68	68	68
	<b>1,696</b>	<b>8,286</b>	<b>1,696</b>

Reconciliation of goodwill:	PMP	Spark portfolio	MAS Prop	Total
<b>Balance at 30 June 2019 (audited)</b>	-	8,218	22,034	30,252
Acquisition of subsidiaries	68	-	-	68
Foreign currency translation difference in OCI	-	-	593	593
Impairment	-	-	(22,627)	(22,627)
<b>Balance at 31 December 2019 (reviewed)</b>	<b>68</b>	<b>8,218</b>	<b>-</b>	<b>8,286</b>
Purchase price adjustment	-	235	-	235
Impairment	-	(6,825)	-	(6,825)
<b>Balance at 30 June 2020 (audited)</b>	<b>68</b>	<b>1,628</b>	<b>-</b>	<b>1,696</b>
<b>Balance at 31 December 2020 (reviewed)</b>	<b>68</b>	<b>1,628</b>	<b>-</b>	<b>1,696</b>

**Property Management Platform ("PMP")**

In November 2016 the Group entered into a joint venture with Prime Kapital Holdings Limited through PKM CEE Investments Limited, in which Prime Kapital's effective economic interest was equivalent to 20% direct participation in the joint venture less the interest cost on the participation funding that is provided by the Group. Under the terms of the joint venture, Prime Kapital provided property investment and management services to the venture on a cost recovery basis. The property investment and management services were provided by three entities, PK Property Management (Bulgaria) EOOD (the "Bulgarian Property Management Platform"); PK Property Management (Poland) sp zoo (the "Polish Property Management Platform"); and Prime Kapital Development S.R.L. (the "Romanian Property Management Platform"), (together the "Property Management Platform").

On 27 November 2019, with shareholder approval, the Group acquired the Property Management Platform and Prime Kapital's effective economic interest in the joint venture through the acquisition of the entire share capital of PK Mezz BV and Prime Kapital CEE Property Investment Management Limited (the "Transaction"). The acquisition was part of the Group's strategy of continued investment into Central and Eastern Europe ("CEE") to enhance the Group's distributions over the immediate, medium and long-term.

On this date, the Group acquired the Romanian, Bulgarian and Polish property management platform. The acquisition resulted in recognition of goodwill. An impairment test was performed at 31 December 2020, in accordance with the Group's accounting policies, as a result of which no impairment charge arose.



**Spark portfolio**

On 28 February 2019, the Group acquired 9 properties from PKM Development through the acquisition of 100% of the share capital of the legal entities holding the properties. The acquisitions (collectively referred to as the "Spark portfolio") have all been treated as business combinations as the Group acquired substantially all of the business operations of the entities. Goodwill arose on the acquisition due to the recognition of deferred tax liabilities at the carrying amount as determined by IAS 12 Income Taxes, rather than fair value. IFRS does not permit the deferred tax liabilities to be discounted, which creates a mismatch between the recognition of the consideration at fair value and the deferred tax liabilities at the carrying amount. This difference has been recognised as goodwill. The goodwill arising on the acquisition of the shopping centre portfolio has been allocated to the properties as individual cash generating units.

An impairment test was performed at 31 December 2020, in accordance with the Group's accounting policies, as a result of which no impairment charge arose.

**MAS Property Advisors Limited ("MAS Prop")**

An impairment test was performed at 31 December 2019 as a result of the acquisition of the Property Management Platform. The Property Management Platform included a change in management to enact the Group's announced strategy to dispose of the Western European portfolio and reinvest in Central and Eastern Europe, therefore with no intention to continue its use of the services provided by MAS Prop. Therefore, the acquisition of the platform represented an impairment indicator in respect of the goodwill attributable to MAS Prop. The discount rate used was 5.86% and the budgeted period was 4 years.

The carrying amount of the CGU, which included goodwill, exceeded its recoverable amount by €22,627 thousand, accordingly the goodwill attributable to the CGU has been fully impaired. The recoverable amount of the asset was deemed to be its value in use. In determining the recoverable amount, the Group expects that the income generated by the CGU would significantly decrease as the Western European portfolio is disposed in line with the Group's strategy.

**14. Other non-current assets**

Other non-current assets include prepaid equity share-based payments, property, plant and equipment, computer and other licenses, guarantees received from property suppliers and lease incentives.

	Note	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Equity settled share-based payment expense	18.2			
– Incentive Share Participants		1,455	2,540	1,059
– PK Prepaid Development Services		7,634	8,136	7,918
– Executive Directors		648	1,363	1,008
Other intangible assets		-	-	133
Property, plant and equipment		174	480	252
Lease incentive accrual	11.1	-	-	651
Other non-current assets		525	265	432
<b>Total non-current assets</b>		<b>10,436</b>	<b>12,784</b>	<b>11,453</b>

**15. Other non-current liabilities**

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Security deposits from tenants	1,574	-	1,613
Security deposits from construction suppliers	289	-	270
Other non-current liabilities	37	-	893
<b>Total non-current liabilities</b>	<b>1,900</b>	<b>-</b>	<b>2,776</b>

**16. Financial assets**

**16.1. Financial investments**

Financial investments have been classified as fair value through profit or loss. Accordingly, they are measured at fair value at the reporting date with changes in fair value recognised in profit or loss. The Group's financial investments comprise:

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Direct financial investments	2,065	31,016	-
Contract for difference collateral held	7,946	38,400	28,406
	<b>10,011</b>	<b>69,416</b>	<b>28,406</b>

The Group's portfolio of listed real estate equity securities is used to manage liquidity, whilst generating a return on euro deposits awaiting investment, including to fund commitments to PKM Developments. During the period ended 30 June 2019 some of the direct financial investments were converted into Contracts for Difference ("CFDs") held with a large investment banking company. The CFDs require the group to maintain a minimum of 40% collateral on all CFD positions. On conversion the Group received cash,



referred to as the 'on acquisition funding leg', equal to the difference between the initial collateral amount and the initial notional gross exposure of the CFD. The funding leg, including subsequent variable exposure movements, is recognised as an off-balance item. Variable exposure movements in the market value of the gross CFD positions result in the Group receiving or paying funds on a daily basis. Any dividends received on the CFD positions are paid directly to the Group, net of tax. During the period ended 31 December 2020, no dividends were received in respect of CFD positions of direct financial investments, refer to note 6. The full notional exposure for all positions, including CFDs, are disclosed below.

						At 31 December 2020 (reviewed)		
	Share price €	No of shares '000	Fair value direct investments	CFD collateral	Total financial investments	Funding leg		
						On acquisition	Variable exposure movement	Gross exposure
<b>Direct financial investments</b>								
NEPI Rockcastle plc	5.19	398	2,065	-	2,065	-	-	2,065
			2,065	-	2,065	-	-	2,065
<b>Contracts for difference</b>								
Klepierre SA	18.39	1,321	-	6,030	6,030	9,045	9,211	24,286
Unibail-Rodamco Westfield SE	64.58	133	-	1,916	1,916	2,874	3,775	8,565
			-	7,946	7,946	11,919	12,986	32,851
<b>Total financial investments</b>			2,065	7,946	10,011	11,919	12,986	34,916

						At 31 December 2019 (reviewed)		
	Share price €	No of shares '000	Fair value direct investments	CFD collateral	Total financial investments	Funding leg		
						On acquisition	Variable exposure movement	Gross exposure
<b>Direct financial investments</b>								
British Land Company PLC	7.51	813	6,100	-	6,100	-	-	6,100
Land Securities Group PLC	11.64	558	6,487	-	6,487	-	-	6,487
Empiric Student Property PLC	1.15	2,685	3,077	-	3,077	-	-	3,077
Primary Health Properties PLC	1.88	1,450	2,727	-	2,727	-	-	2,727
PRS REIT PLC	1.10	750	811	-	811	-	-	811
Real Estate Credit Investments Ltd	1.97	1,583	3,125	-	3,125	-	-	3,125
Target Healthcare REIT Ltd	1.36	600	818	-	818	-	-	818
Tritax Big Box REIT PLC	1.75	4,500	7,871	-	7,871	-	-	7,871
			31,016	-	31,016	-	-	31,016
<b>Contracts for difference</b>								
Cofinimmo CMN	131.00	90	-	4,284	4,284	6,426	1,080	11,790
Intervest offices & warehouses CMN	25.60	132	-	1,313	1,313	1,969	88	3,370
Klepierre SA	33.85	1,626	-	20,393	20,393	30,590	4,069	55,052
Unibail-Rodamco Westfield SE	140.65	133	-	8,012	8,012	12,018	(1,377)	18,653
LXI REIT	1.64	4,964	-	3,042	3,042	4,553	556	8,151
PRS REIT PLC	1.10	3,000	-	1,356	1,356	2,096	(134)	3,318
			-	38,400	38,400	57,652	4,282	100,334
<b>Total financial investments</b>			31,016	38,400	69,416	57,652	4,282	131,350

						At 30 June 2020 (audited)		
	Share price €	No of shares '000	Fair value direct investments	CFD collateral	Total financial investments	Funding leg		
						On acquisition	Variable exposure movement	Gross exposure
<b>Contracts for difference</b>								
Klepierre SA	17.74	1,626	-	20,394	20,394	30,590	(22,140)	28,844
Unibail-Rodamco Westfield SE	50.16	133	-	8,012	8,012	12,018	(13,378)	6,652
<b>Total financial investments</b>			-	28,406	28,406	42,608	(35,518)	35,496

Reconciliation of financial investments:

	Note	Fair value direct financial investments	CFD collateral	CFD gross exposure
<b>At 30 June 2019 (audited)</b>		41,849	45,965	105,523
Purchases		-	-	10,831 <sup>1</sup>
Disposals		(13,485) <sup>2</sup>	-	(25,567) <sup>1</sup>
Transfer to CFD		-	4,252 <sup>2</sup>	-
CFD collateral in relation to purchases		-	(11,872) <sup>2</sup>	-
CFD collateral in relation to disposals		-	203 <sup>1</sup>	-
Fair value adjustment	8	2,652 <sup>1</sup>	(148) <sup>1</sup>	9,547 <sup>2</sup>
<b>At 31 December 2019 (reviewed)</b>		31,016	38,400	100,334
Purchases		-	-	(667) <sup>1</sup>
Disposals		(23,571) <sup>2</sup>	-	(32,584) <sup>1</sup>

	Note	Fair value direct financial investments	CFD collateral	CFD gross exposure
Transfer to CFD		(6,456) <sup>2</sup>	-	6,456 <sup>1</sup>
CFD collateral in relation to purchases		-	2,418 <sup>2</sup>	-
CFD collateral in relation to disposals		-	(12,373) <sup>2</sup>	-
Foreign exchange in relation to CFD Collateral		-	44 <sup>1</sup>	-
Fair value adjustment	8	(989) <sup>1</sup>	(83) <sup>2</sup>	(38,043) <sup>2</sup>
<b>At 30 June 2020 (audited)</b>		-	<b>28,406</b>	<b>35,496</b>
Purchases		1,877 <sup>2</sup>	-	2,065 <sup>1</sup>
Disposals		-	-	(5,906) <sup>1</sup>
CFD collateral in relation to disposals		-	(3,834) <sup>2</sup>	-
CFD collateral in relation to notional reset		-	(16,626) <sup>2</sup>	-
Fair value adjustment		188 <sup>1</sup>	-	3,261 <sup>2</sup>
<b>At 31 December 2020 (reviewed)</b>		<b>2,065</b>	<b>7,946</b>	<b>34,916</b>

<sup>1</sup> Non-cash flow movements

<sup>2</sup> Cash flow movements

#### Direct financial investments

Fair value adjustments in relation to direct financial investments represent the full fair value movement of the direct financial investment portfolio, including fair value movements on purchases and disposals during the year.

#### CFD Collateral

The CFD collateral is contractually required to be held either in the form of German government bonds with a maturity of 1 year or less or cash.

German bonds as at 31 December 2019 were carried at fair value through profit or loss. They had a maturity of 13 March 2020, with the remaining portion of the collateral held as cash.

As at 31 December 2020 and 30 June 2020 the CFD collateral was entirely held as cash. The CFD collateral held as cash is carried at amortised cost.

	Held as German bonds	Held as Cash	Total
<b>At 30 June 2019 (audited)</b>	<b>41,190</b>	<b>4,775</b>	<b>45,965</b>
Purchase price of 1-year German bonds	-	(4,775)	(4,775)
Transfer of cash to collateral account	(2,642)	-	(2,642)
Fair value adjustment	(148)	-	(148)
<b>At 31 December 2019 (reviewed)</b>	<b>38,400</b>	<b>-</b>	<b>38,400</b>
Transfer of cash from collateral account	-	15,943	15,943
Amounts transferred to held as cash	(38,317)	40,959	2,642
Fair value adjustment	(83)	(28,496)	(28,579)
<b>At 30 June 2020 (audited)</b>	<b>-</b>	<b>28,406</b>	<b>28,406</b>
Transfer of cash from collateral account	-	-	-
Amounts transferred to held as cash	-	-	-
Fair value adjustment	-	(20,460)	(20,460)
<b>At 31 December 2020 (reviewed)</b>	<b>-</b>	<b>7,946</b>	<b>7,946</b>

During the period gross dividend income of €nil (31 December 2019: €730 thousand; 30 June 2020: €861 thousand) was recognised from direct financial investments and €1,728 thousand (31 December 2019: €3,254 thousand; 30 June 2020: €5,447 thousand) was recognised from the CFD portfolio as other income, refer to note 6.

The total fair value gains/(losses) related to financial investments represents a gain of €3,449 thousand (31 December 2019: gain of €12,051 thousand; 30 June 2020: loss of €27,064 thousand), refer to note 8.

## 16.2. Cash and cash equivalents

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Bank balances	86,454	62,449	51,404
German bonds	-	2,642	-
	<b>86,454</b>	<b>65,091</b>	<b>51,404</b>

**Cash flow information**

Reconciliation of cash generated from operating activities:

	Note	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019 (Restated*)	Audited Year ended 30 June 2020
<b>Profit/(loss) for the period/year - continuing operations</b>		<b>25,143</b>	<b>45,323</b>	<b>(27,633)</b>
<b>Loss/(profit) for the period/year - discontinued operations</b>		<b>(3,878)</b>	<b>8,672</b>	<b>7,446</b>
<i>Adjustments for non-cash movements:</i>				
Fair value adjustments	8	(432)	(41,909)	42,399
Finance income	9	(7,197)	(6,691)	(13,253)
Finance costs	9	10,422	6,945	13,895
Share of profit from equity accounted investee	12	(3,412)	(8,378)	(4,848)
Tax expense	10	3,887	7,428	3,387
Investment expenses	7	3,282	2,063	4,530
Share-based payment expense		534	164	610
Depreciation and amortisation		85	116	318
Goodwill impairment	13	-	22,627	29,452
Profit on sales of inventory property		-	(326)	(309)
Gain on sale of investment property held for sale		(3,133)	-	-
Foreign exchange differences		(755)	(4,587)	1,203
Decrease/(increase) in trade receivables and other operating assets		28,225	(305)	8,554
(Decrease)/increase in trade payables and other operating liabilities		(9,432)	3,020	(13,256)
<b>Cash generated from operating activities</b>		<b>43,339</b>	<b>34,162</b>	<b>52,495</b>

\* See note 22 for details regarding the restatement as a result of an error.

Included within cash from operations is cash received from dividend income from direct financial investments and from CFDs of €nil thousand (31 December 2019: €730 thousand; 30 June 2020: €861 thousand) and €1,728 thousand (31 December 2019: €3,254 thousand; 30 June 2020: €5,447 thousand) respectively, refer to note 6.

**16.3. Financial assets**

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Non-current assets</b>			
PKM Development preference shares	198,714	175,962	186,050
Interest rate swap	-	702	-
	<b>198,714</b>	<b>176,664</b>	<b>186,050</b>
<b>Current assets</b>	-	-	-
<b>Total financial assets</b>	<b>198,714</b>	<b>176,664</b>	<b>186,050</b>

**PKM Development preference shares**

The preference shares are held at amortised cost. The Group has performed an impairment assessment and considers that there has not been a significant increase in credit risk in relation to PKM Development, and that the expected credit loss is €nil (31 December 2019: €nil; 30 June 2020: €nil). To determine whether there has been a significant increase in credit risk, management has considered quantitative factors such as forecasted profits and actual profits, and qualitative factors such as progress of the development pipeline.

**Financial assets at amortised cost**

	Note	PKM Development preference shares	Capital Contribution	Total
<b>Balance at 30 June 2019 (audited)</b>		<b>174,128</b>	<b>11,594</b>	<b>185,722</b>
Finance income	9	6,583	-	6,583
Distribution received		(4,749)	-	(4,749)
Amounts invoiced and collected		-	(12,218)	(12,218)
Foreign currency translation reserve		-	624	624
<b>Balance at 31 December 2019 (reviewed)</b>		<b>175,962</b>	<b>-</b>	<b>175,962</b>
Finance income	9	6,550	-	6,550
Drawdown of preference shares		8,700	-	8,700
Distribution received in cash		(5,162)	-	(5,162)
<b>Balance at 30 June 2020 (audited)</b>		<b>186,050</b>	<b>-</b>	<b>186,050</b>
Finance income	9	7,194	-	7,194
Drawdown of preference shares		8,000	-	8,000
Distribution received in cash		(2,530)	-	(2,530)
<b>Balance at 31 December 2020 (reviewed)</b>		<b>198,714</b>	<b>-</b>	<b>198,714</b>

**Capital contribution**

A financial liability and corresponding financial asset have been recognised in respect of the capital contribution due from Legal & General, and due to the UK Government, under the terms of the Pre-let Agreement. Both the financial asset and financial liability are held at amortised cost. Amounts invoiced and collected of €nil (31 December 2019: €12,218 thousand; 30 June 2020: €nil) in relation to the capital contribution have been offset against amounts invoiced and paid of €nil (31 December 2019: €12,218 thousand; 30 June 2020: €nil) in relation to the capital contribution payable. Both financial asset and financial liability were closed as at 31 December 2019.

**Financial assets at FVTPL**

	Note	Interest rate swap	Total
<b>Balance at 30 June 2019 (audited)</b>		<b>775</b>	<b>775</b>
Fair value adjustment	8	(113)	(113)
Foreign currency exchange difference in OCI		40	40
<b>Balance at 31 December 2019 (reviewed)</b>		<b>702</b>	<b>702</b>
Fair value adjustment	8	(702)	(702)
Foreign currency exchange difference in OCI		-	-
<b>Balance at 30 June 2020 (audited)</b>		<b>-</b>	<b>-</b>
<b>Balance at 31 December 2020 (reviewed)</b>		<b>-</b>	<b>-</b>

**17. Financial liabilities**
**17.1. Interest bearing borrowings**

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Non-current</b>			
Bank borrowings	132,232	299,998	233,666
	<b>132,232</b>	<b>299,998</b>	<b>233,666</b>
<b>Current</b>			
Bank borrowings	212,700	101,302	211,081
Amounts owed to PKM Development Limited	-	34,953	-
	<b>212,700</b>	<b>136,255</b>	<b>211,081</b>
<b>Total interest-bearing borrowings</b>	<b>344,932</b>	<b>436,253</b>	<b>444,747</b>

The amount owed to PKM Development of €nil (31 December 2019: €34,953 thousand; 30 June 2020: €nil) related to the interest-bearing deferred consideration on the Spark portfolio acquired from PKM Development in the prior financial year.

During the year, interest expense of €nil thousand (31 December 2019: €1,192 thousand; 30 June 2020: €1,569 thousand) has been recognised on the interest-bearing deferred consideration, and €nil thousand (31 December 2019: €58,000 thousand; 30 June 2020: €1,946 thousand) has been repaid to PKM Development. The amounts owed to PKM Development were guaranteed by the Group and were secured against the PKM Development preference shares and the shares of the property-owning legal entities acquired in the transaction.

Included within bank borrowings is €204,890 thousand (31 December 2019: €79,886 thousand; 30 June 2020: €202,068 thousand) of current debt which is secured against investment property held for sale with a carrying amount of €365,691 thousand (31 December 2019: €160,350 thousand; 30 June 2020: €385,396 thousand), refer to note 4.2. Bank borrowings of €140,043 thousand (31 December 2019: €310,965 thousand; 30 June 2020: €183,097 thousand) are secured against investment property with a carrying amount of €319,469 thousand (31 December 2019: €644,145 thousand; 30 June 2020: €532,742 thousand), refer to note 11.1.

The carrying amount of the Group's bank borrowings by jurisdiction was as follows:

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Non-current</b>			
German investment property	-	95,319	22,177
CEE investment property	132,232	134,793	135,266
UK investment property	-	62,739	16,640
Swiss investment property	-	7,147	-
Corporate	-	-	59,583
	<b>132,232</b>	<b>299,998</b>	<b>233,666</b>
<b>Current</b>			
German investment property held for sale	144,858	82,095	153,323
CEE investment property	7,810	7,414	7,899
UK investment property held for sale	60,032	985	42,393
Swiss investment property held for sale	-	359	7,466
Corporate	-	10,449	-
	<b>212,700</b>	<b>101,302</b>	<b>211,081</b>
<b>Total bank borrowings</b>	<b>344,932</b>	<b>401,300</b>	<b>444,747</b>

Reconciliation of the Group's carrying amount of interest-bearing borrowings:

	Note	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Opening balance</b>		<b>444,747</b>	<b>456,462</b>	<b>456,462</b>
<i>Changes from financing cash flows</i>				
Proceeds from interest-bearing borrowings		-	52,423	99,700
Transaction costs related to interest-bearing borrowings		(539)	(1,611)	(1,734)
Repayment of interest-bearing borrowings		(102,565)	(75,019)	(110,061)
Interest paid		(4,467)	(6,466)	(11,395)
<i>Non cash-flow movements</i>				
Interest-bearing deferred consideration		-	-	(1,187)
Interest-bearing borrowings commissions		434	-	-
<b>Finance costs</b>		<b>6,497</b>	<b>6,834</b>	<b>13,805</b>
Finance costs – expenses	9	6,497	6,834	13,805
Foreign currency translation difference		825	3,630	(843)
<b>Closing balance</b>		<b>344,932</b>	<b>436,253</b>	<b>444,747</b>

Within the disposals completed during the period, the Group repaid €34,449 thousand interest-bearing borrowings secured against the investment properties disposed, incurring €3,832 thousand debt break fees.

The Group has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade and other receivables, trade and other payables and interest-bearing borrowings because their carrying amounts are a reasonable approximation of fair values.

#### Fixed and variable debt

The Group is subject to both fixed and variable interest rates on its interest-bearing borrowings:

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Fixed debt	158,313	404,663	248,750
Variable/hedged debt	186,619	31,590	195,997
	<b>344,932</b>	<b>436,253</b>	<b>444,747</b>

#### Summary of interest-bearing borrowing terms and covenants

Summary of interest-bearing borrowing terms and covenants					Weighted average interest rate			Significant terms and conditions
Jurisdiction	Currency	31 December 2020	31 December 2019	30 June 2020	31 December 2020	31 December 2019	30 June 2020	
CEE								Owed to PKM Development in respect of portfolio acquired in 2019, repaid until 30 June 2020
Owed to PKM Development	EUR	-	On demand	On demand	-	3.81%	3.81%	
CEE								<ul style="list-style-type: none"><li>All loans were utilised to purchase properties or to invest in shares of property-owning entities</li><li>Some loans have covenants attached</li><li>All loans are secured against specific properties</li></ul>
Fixed debt	EUR	8 years	9 years	8.5 years	3.35%	3.35%	3.35%	
Floating/hedged debt	EUR	10.69 years	11.79 years	11.24 years	2.50% + 1M EUR LIBOR <sup>1</sup>	2.50% + 1M EUR LIBOR <sup>1</sup>	2.50% + 1M EUR LIBOR <sup>1</sup>	
					2.5%	2.5%	2.5%	
Hedged debt	EUR	1.5 years	2.5 years	2 years	+ 12M EUR LIBOR <sup>1</sup>	+ 12M EUR LIBOR <sup>1</sup>	+ 12M EUR LIBOR <sup>1</sup>	
UK								
Floating/hedged debt	GBP	2.03 years	2.86 years	2.53 years	1.60% + 3M UK LIBOR <sup>1</sup>	1.64% + 3M UK LIBOR <sup>1</sup>	1.64% + 3M UK LIBOR <sup>1</sup>	
Germany								
Fixed debt	EUR	3.96 years	4.96 years	4.46 years	1.96%	1.97%	1.97%	
Swiss								
Hedged debt	CHF	-	5.5 years	5 years	-	1.29% + 12M Swiss LIBOR <sup>1</sup>	1.29% + 12M Swiss LIBOR <sup>1</sup>	Bank borrowing repaid at disposal of the property.

<sup>1</sup> The Group has entered into interest rate swaps to hedge some of the Group's exposure to the applicable LIBOR, refer to note 16.3 and 17.2 for further information. The Group has not applied hedge accounting.

At 31 December 2020 and 30 June 2020, the Group has obtained appropriate waivers as required to deal with income covenant breaches due to lockdown. Apart from two bank loans as at 31 December 2020 and 30 June 2020, which were covered by waivers, the Group has complied with its loan covenants during the current period and the prior year.

**17.2. Financial liabilities**

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Non-current liabilities</b>			
Interest rate swaps	1,765	2,157	2,148
	<b>1,765</b>	<b>2,157</b>	<b>2,148</b>
<b>Current liabilities</b>			
Interest rate swaps	1,276	-	2,028
Priority participating profit dividend	-	416	177
Development management fee	-	277	118
	<b>1,276</b>	<b>693</b>	<b>2,323</b>
<b>Total financial liabilities</b>	<b>3,041</b>	<b>2,850</b>	<b>4,471</b>

**Interest rate swaps**

The Group has hedged some of the interest rate exposure on the interest-bearing borrowings using interest rate swaps. These interest rate swaps are classified as fair value through profit or loss. Accordingly, they are measured at fair value at the reporting date with changes in fair value being recognised in profit or loss. Hedge accounting under IFRS 9 has not been applied.

**Financial liabilities at FVTPL**

	Note	Interest rate swaps	Development management fee	Priority participating profit dividend	Total
<b>Balance at 30 June 2019 (audited)</b>		<b>2,735</b>	<b>2,285</b>	<b>3,430</b>	<b>8,450</b>
Fair value adjustment	8	(602)	(38)	(56)	(696)
Foreign currency translation difference in OCI		24	124	182	330
Settlement		-	(2,094)	(3,140)	(5,234)
<b>Balance at 31 December 2019 (reviewed)</b>		<b>2,157</b>	<b>277</b>	<b>416</b>	<b>2,850</b>
Settlement		-	66	98	164
Fair value adjustment	8	2,075	(145)	(219)	1,711
Foreign currency translation difference in OCI		(56)	(80)	(118)	(254)
<b>Balance at 30 June 2020 (audited)</b>		<b>4,176</b>	<b>118</b>	<b>177</b>	<b>4,471</b>
Settlement		(780)	-	-	(780)
Construction payables transfer		-	(260)	(390)	(650)
Fair value adjustment	8	(365)	142	213	(10)
Foreign currency translation difference in OCI		10	-	-	10
<b>Balance at 31 December 2020 (reviewed)</b>		<b>3,041</b>	<b>-</b>	<b>-</b>	<b>3,041</b>

**Level 2 financial instruments**
**Valuation techniques and observable inputs**

The following table shows the valuation technique used to measure financial instruments held at fair value as well as the observable inputs used for level 2 financial instruments.

At 31 December 2020, 31 December 2019 and 30 June 2020

Financial instrument	Valuation technique	Inputs	Inter-relationship between inputs and fair value measurement
Interest rate swaps – liability	The fair value is based on discounting future cash flows using the interest rate swap curves plus the historic charged credit margin at the dates when the cash flows will take place.	<ul style="list-style-type: none"> <li>3-month EUR/CHF Libor</li> <li>Swap rate</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>3-month EUR LIBOR/CHF LIBOR was higher/ (lower)</li> <li>Swap rate was lower/ (higher)</li> </ul>

**Level 3 financial instruments**
**Valuation techniques and unobservable inputs**

The following table shows the valuation technique used to measure financial instruments held at fair value as well as the significant unobservable inputs used for level 3 financial instruments:

At 31 December 2019 and 30 June 2020

Financial instrument	Valuation technique	Inputs	Inter-relationship between inputs and fair value measurement
Development management fee and priority profit dividend	<i>Gross development value:</i> The fair value of the level 3 financial liability in respect of New Waverley Advisers Limited and New Waverley Holdings Limited is the net development value calculated semi-annually. The fair value is derived from the fair value of the properties in the New Waverley development up to completion less costs incurred. Consequently, the investment property valuation process, is part of this valuation process, refer to note 11.	<ul style="list-style-type: none"> <li>Value of investment property</li> </ul>	The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none"> <li>Value of investment property was higher/(lower)</li> </ul>

**Fair value sensitivity analysis**

At 31 December 2019 (reviewed)			Sensitivity		
Financial liability	Technique	Valuation	Input	Change	Valuation
Priority participating profit dividend	Development profit	416	2,772	+5%	437
				-5%	395
Development management fee	Development profit	277	2,772	+5%	291
				-5%	263

At 30 June 2020 (audited)			Sensitivity		
Financial liability	Technique	Valuation	Input	Change	Valuation
Priority participating profit dividend	Development profit	177	1,182	+5%	9
				-5%	(9)
Development management fee	Development profit	118	1,182	+5%	6
				-5%	(6)

## 18. Equity

### 18.1. Share capital, share premium and treasury shares

The ordinary share capital of the company has no par value. The reconciliation of share capital is as follows:

	Note	Share capital and share premium		Treasury shares – geared share purchase plan shares		Total	
		No of shares		No of shares		No of shares	
<b>Balance at 30 June 2019 (audited)</b>		<b>642,874,925</b>	<b>824,686</b>	<b>(5,381,127)</b>	<b>(8,299)</b>	<b>637,493,798</b>	<b>816,387</b>
Issued during the year							
Consideration shares issued	18.2	67,000,000	77,162	-	-	67,000,000	77,162
Geared share purchase plan shares forfeited and cancelled	18.2	(1,531,127)	(1,990)	1,531,127	1,990	-	-
<b>Balance at 31 December 2019 (reviewed)</b>		<b>708,343,798</b>	<b>899,858</b>	<b>(3,850,000)</b>	<b>(6,309)</b>	<b>704,493,798</b>	<b>893,549</b>
<b>Balance at 30 June 2020 (audited)</b>		<b>708,343,798</b>	<b>899,858</b>	<b>(3,850,000)</b>	<b>(6,309)</b>	<b>704,493,798</b>	<b>893,549</b>
Issued during the year							
Geared share purchase plan shares issued	18.2	1,941,931	1,073	(1,941,931)	(1,073)	-	-
Geared share purchase plan shares forfeited		-	-	1,900,000	3,113	1,900,000	3,113
Geared share purchase plan shares returned to the scheme	18.2	-	-	(1,900,000)	(1,049)	(1,900,000)	(1,049)
<b>Balance at 31 December 2020 (reviewed)</b>		<b>710,285,729</b>	<b>900,931</b>	<b>(5,791,931)</b>	<b>(5,318)</b>	<b>704,493,798</b>	<b>895,613</b>

**Treasury shares - geared share purchase plan shares**

On 1 September 2020, 1,900,000 allocated geared share purchase plan shares were forfeited following the departure of several participants from the scheme and subsequently returned to the scheme with different participants. The shares were forfeited at the initial issue price of €1.6386 and returned to the scheme at the share price on 1 September 2020, €0.5525, refer to note 18.2.

During the six-month period ended 31 December 2020, a total number of 1,941,931 shares were issued in the geared share purchase plan, out of which 1,362,690 shares were issued on 23 September 2020 at an issue price of €0.5525 and 579,241 shares issued on 1 October 2020 at an issue price of €0.5525, refer to note 18.2.

During the year ended 30 June 2020, 1,531,127 allocated geared share purchase plan shares were forfeited and cancelled upon their exit from the scheme, as Werner Behrens and Paul Osbourn resigned as CEO and CFO respectively on 20 November 2019, refer to note 18.2.



**Consideration shares issued**

During the financial year ended 30 June 2020, the Group issued 67,000,000 shares at an issue price of €1.15395 (ZAR 18.96) per share in consideration for the acquisition of the Property Management Platform and Prime Kapital's effective economic interest in the Joint venture (the 'Transaction'). Transaction costs of €nil (31 December 2019: €152 thousand; 30 June 2020: €152 thousand) were deducted from share capital.

The Consideration Shares are locked for 3 years commencing on the date of the Transaction ("the Lock-In Period"). Prime Kapital will not during the Lock-In Period, transfer any interest in the Consideration Shares to another person (other than the Incentive Shares to be issued to key individuals that are part of the Property Management Platform ("Incentive Share Participants"). The Group considered the requirements of IFRS 2 'Share-based Payments', and of IFRS 3 'Business Combinations' to determine whether any of the Consideration Shares relate to components other than the settlement of the purchase consideration. This resulted in an equity-settled share-based payment being recognised in respect of the Executive Management, an equity-settled share-based payment being recognised in relation to the Incentive Share Participants and an equity-settled share-based payment being recognised in relation to PK Prepaid Development Services.

**Distributions**

The holders of the company's shares are entitled to distributions as declared and to one vote per share at general meetings of the company. Distributions of the company can be paid from retained earnings or as a return of capital in accordance with the BVI Business Companies Act 2004.

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Distribution to shareholders of the Group	-	31,683	61,556
Distribution to non-controlling interest	-	1,549	3,448

During the six-month period ended 31 December 2020 no distributions were declared and paid.

**18.2. Share-based payment arrangements**

At 31 December 2020, the Group had the following share-based payment arrangements:

- Incentive Share Participants;
- PK Prepaid Development Services;
- Executive Management; and
- Salaried geared share purchase plan.

The Incentive Share Participants, PK Prepaid Development Services and the Executive Management share-based payment arrangements (the "Transaction Share-Based Payments") have been recognised as a result of the Transaction.

**Incentive Share Participants**

In accordance with the terms of the Transaction, Prime Kapital had placed in reserve 5% of the Consideration Shares to be allocated to existing and future employees and service providers who, directly or indirectly, provide services to or for the benefit of MAS through the Property Management Platform or as otherwise required by MAS from time to time (the "Incentive Share Participants"). The incentive shares are held in trust for the benefit of Incentive Share Participants. The incentive shares have been treated as a share-based payment in accordance with the requirements of IFRS 2 'Share-based Payments'. The incentive shares represent issued shares as part of the Transaction for the benefit of present and future Incentive Share Participants.

The terms of share-based payment had not been communicated to the Incentive Share Participants at 31 December 2019. Consequently, the incentive shares were initially recognised as a prepaid employee service expense of €3,866 thousand.

The equity-settled share-based payment expense has been calculated at Transaction date based on 3,350,000 Consideration Shares at market price as at 27 November 2019 and subsequently a fair value adjustment has been recognised to reflect a reasonable expected grant date fair value (refer to note 8). The Incentive shares cannot be delisted, have attached rights to vote, exercise pre-emptive rights as shareholders and to receive distributions.

The terms of the share-based payment have been communicated to the Incentive Share Participants by 31 December 2020 and had a grant date of 1 September 2020. Consequently, the incentive shares were recognised as a prepaid employee service expense of €1,851 thousand (30 June 2020: €1,808 thousand) and the share-based payment will be expensed over the vesting period. For the period ended 31 December 2020, share-based payment expense recognised was of €67 thousand.

As such, at 31 December 2020 the Group recognised non-current prepaid employee service expense amounting to €1,455 thousand (31 December 2020: €2,540 thousand; 30 June 2020: €1,059 thousand), refer to note 14, and current prepaid employee service expense amounting to €329 thousand (31 December 2020: €1,325 thousand; 30 June 2020: €749 thousand).

The price at grant date has been estimated at the MAS share price as of 1 September 2020, €0.5525, with the difference to the price at Transaction date recognised as a fair value difference through profit or loss, as shown in the table below.

	Note	No of shares	Share price	Value
<b>Transaction date 27 November 2019</b>		3,350,000	1.15395	<b>3,866</b>
Fair value loss	8			(2,058)
<b>Closing balance 30 June 2020</b>	14	3,350,000	0.53975	<b>1,808</b>
Fair value gain	8	3,350,000	0.5525	43
Share-based payment expense				(67)
<b>Closing balance 31 December 2020</b>	14	3,350,000		<b>1,784</b>

**Executive Management**

In accordance with the terms of the Transaction, Martin Slabbert and Victor Semionov will not be paid any remuneration during the three-year Lock-In period from the date of the Transaction. In accordance with IFRS 2 'Share Based payments' and IFRS 3 'Business Combinations' it has been determined that 1,858,331 Consideration Shares are recognised as an equity-settled share-based payment expense, which represents the value of the Share-based payment in relation to IFRS 2 for the respective executives



based on their estimated implied remuneration. The treatment does not affect the commercial structure of the Transaction, and Martin Slabbert and Victor Semionov will not receive cash or other actual remuneration for the duration of the Lock-In period.

The fair value of the equity-settled share-based payment expense has been calculated based on 1,858,331 Consideration Shares at market price as at 27 November 2019.

The key terms of the Executive Management share-based payment are:

Share-based payment	Grant date	Number of shares	Issue price	Vesting period	Vesting conditions
Executive Management	27 Nov 2019	1,858,331	€1.15395	3 years	Service for the Lock-In period

The grant date fair value has been determined using the share price at 27 November 2019.

During the six-month period ended 31 December 2020, €360 thousand (2020: €422 thousand) has been recognised in consolidated statement of profit or loss as an employment share-based payment expense and disclosed as a related party transaction (refer to note 23) in relation to employment services provided by Martin Slabbert and Victor Semionov.

#### **PK Prepaid Development Services**

In accordance with the terms of the Transaction Prime Kapital committed to provide property development services in relation to the extension of commercial real estate assets held within the joint venture on a cost recovery basis. The fair value of these services has been determined in accordance with the market approach of IFRS 13 'Fair Value Measurement', and a corresponding share-based payment has been recognised.

At 31 December 2020, Prime Kapital has not provided the relevant development services to the Group and therefore a prepayment for the future development services of €10,170 thousand has been recognised. The fair value of the equity-settled share-based payment expense has been calculated based on 8,813,237 Consideration Shares at market price as at 27 November 2019. It remains the intention of the Group to utilise the development management services in the future.

As the development services provided by Prime Kapital to the joint venture is a pre-existing relationship that existed before the transaction was completed, Prime Kapital is acting as counterparty, not as shareholder of the Group and therefore the provision of the development services on a cost recovery basis at below market value is determined to be an equity-settled share-based payment arrangement with a non-employee.

The key terms of the PK Prepaid Development Services share-based payment are:

Share-based payment	Grant date	Number of shares	Issue price	Vesting period
PK Prepaid Development Services	Transaction date	8,813,237	€1.15395	Services to be performed for a period of up to 5 years

#### **Measurement of fair value of the Transaction share-based payments**

The fair value of the share-based payments has been determined using the quoted share price on the grant date being €1.15395, multiplied by the number of shares allocated to the share-based payment for Share-based payment in relation to IFRS 2.

#### **Geared purchase plan**

Reconciliation of geared share purchase plan:

	As at 31 December 2020 (reviewed)	As at 31 December 2019 (reviewed)	As at 30 June 2020 (audited)
Opening balance	925	975	975
Share-based payment expense	(1,953)	94	188
Recognised during the year	111	164	258
Recycled during the year - forfeited shares	(2,064)	(70)	(70)
Non-forfeitable distribution	-	(148)	(238)
Closing balance	(1,028)	921	925

#### **Reconciliation of outstanding loans and shares**

At 31 December 2020 (reviewed)

	Geared purchase plan		
	Number of shares	Weighted average share price	Weighted average loan per share
Opening outstanding balance	3,850,000	€0.6734	€1.6442
Granted	1,941,931	-	€ 0.5525
Forfeited	(1,900,000)	-	(€ 1.8191)
Returned to the scheme	1,900,000	-	€ 0.5406
Interest	-	-	€ 0.0196
Capital repayment	-	-	-
Share price movement	-	(€0.0270)	-
Closing outstanding balance	5,791,931	€0.6464	€ 0.9378
Exercisable	1,350,000	€0.6464	€ 0.9378

**As at 31 December 2019 (reviewed)**

	Geared purchase plan		
	Number of shares	Weighted average share price	Weighted average loan per share
<b>Opening outstanding balance</b>	<b>5,381,127</b>	<b>€1.2964</b>	<b>€1.5497</b>
Granted	-	-	-
Forfeited	(1,531,127)	-	-
Interest	-	-	€0.0405
Interest repayment	-	-	(€0.0426)
Capital repayment	-	-	€0.0989
Share price movement	-	(€0.0855)	-
<b>Closing outstanding balance</b>	<b>3,850,000</b>	<b>€1.2109</b>	<b>€1.6465</b>
Exercisable	1,540,000	€1.2109	€1.6465

**At 30 June 2020 (audited)**

	Geared purchase plan		
	Number of shares	Weighted average share price	Weighted average loan per share
<b>Opening outstanding balance</b>	<b>5,381,127</b>	<b>€1.2964</b>	<b>€1.5497</b>
Granted	-	-	-
Forfeited	(1,531,127)	-	-
Interest	-	-	€0.05923
Interest repayment	-	-	(€0.06224)
Capital repayment	-	-	€0.09750
Share price movement	-	(€0.6230)	-
<b>Closing outstanding balance</b>	<b>3,850,000</b>	<b>€0.6734</b>	<b>€1.6442</b>
Exercisable	2,310,000	€0.6734	€1.6442

The remaining term of the loans in relation to the geared purchase plan were as follows:

	As at 31 December 2020	As at 31 December 2019	As at 30 June 2020
Shares granted on 9 March 2017	6.19 years	7.18 years	6.69 years
Shares granted on 1 September 2020	9.67 years	-	-

As the options relate to multiple service periods, the awards have a graded vesting pattern whereby each tranche relating to a particular service period is recognised as an expense in profit or loss over that service period.

During the year €(1,953) thousand (31 December 2019: €94 thousand; 30 June 2020: €188 thousand) was recognised in the share-based payment reserve in relation to the options.

**18.3. Earnings per share**
**Basic earnings per share**

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding.

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Opening issued ordinary shares</b>	<b>704,493,798</b>	<b>637,493,798</b>	<b>637,493,798</b>
Effect of shares issued	-	12,380,435	39,540,984
<b>Weighted-average number of ordinary shares</b>	<b>704,493,798</b>	<b>649,874,233</b>	<b>677,034,782</b>

The shares issued as part of the geared share purchase plans are not included in the calculation of the weighted-average number of ordinary shares as they are deemed to be unissued (treasury shares).

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
<b>Profit/(loss) from continuing operations attributable to owners of the Group (thousand euro)</b>	<b>25,143</b>	<b>43,895</b>	<b>(29,061)</b>
<b>(Loss)/profit from discontinued operations attributable to owners of the Group (thousand euro)</b>	<b>(3,878)</b>	<b>8,672</b>	<b>7,446</b>
Weighted-average number of ordinary shares	704,493,798	649,874,233	677,034,782
<b>Basic earnings/(loss) per share (euro cents)</b>	<b>3.02</b>	<b>8.09</b>	<b>(3.19)</b>
Basic earnings/(loss) per share (euro cents) - continuing operations	3.57	6.75	(4.29)
Basic (loss)/earnings per share (euro cents) - discontinued operations	(0.55)	1.33	1.10

**Diluted earnings per share**

The calculation of diluted earnings per share has been based on the following weighted-average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Weighted-average number of ordinary shares (basic)	704,493,798	649,874,233	677,034,782
Effect of share options	-	-	-
Weighted-average number of ordinary shares (diluted)	704,493,798	649,874,233	677,034,782
	Reviewed Six-month period ended 31 December 2020	Reviewed Six-month period ended 31 December 2019	Audited Year ended 30 June 2020
Profit/(loss) from continuing operations attributable to owners of the Group (thousand euro)	25,143	43,895	(29,061)
(Loss)/Profit from discontinued operations attributable to owners of the Group (thousand euro)	(3,878)	8,672	7,446
Weighted-average number of ordinary shares	704,493,798	649,874,233	677,034,782
Diluted earnings/(loss) per share (eurocents)	3.02	8.09	(3.19)
Diluted earnings/(loss) per share (eurocents) - continuing operations	3.57	6.75	(4.29)
Diluted (loss)/earnings per share (eurocents) - discontinued operations	(0.55)	1.33	1.10

As at 31 December 2020, options on 5,791,931 shares (31 December 2019: 3,850,000 shares; 30 June 2020: 3,850,000 shares) were excluded from the diluted weighted-average number of ordinary shares because their effect would have been anti-dilutive.

The average market value of the company's shares for the purpose of calculating the dilutive effect of the share options was based on quoted market prices for the period during which the options were outstanding.

**Headline earnings and diluted headline earnings per share**

	Note	Reviewed Six-month period ended 31 December 2020		Reviewed Six-month period ended 31 December 2019		Audited Year ended 30 June 2020	
		Gross	Net	Gross	Net	Gross	Net
Profit/(loss) for the period/year attributable to ordinary shareholders – continuing operations		25,143	25,143	43,895	43,895	(29,061)	(29,061)
(Loss)/profit for the period/year attributable to ordinary shareholders – discontinued operations		(3,878)	(3,878)	8,672	8,672	7,446	7,446
Adjusted for:							
Fair value (gain)/loss on investment property	8	(4,881)	(2,644)	(28,033)	(22,199)	12,539	10,749
Fair value (gain) on investment property in associate		(3,944)	(3,217)	(11,145)	(9,502)	(6,746)	(5,862)
Fair value loss/(gain) on investment property held for sale	8	7,951	2,006	(1,241)	(731)	(1,052)	(648)
(Gain) on disposal of investment property held for sale – discontinued operations	4.1	(11,614)	(6,712)	-	-	-	-
Loss on disposal of investment property held for sale – discontinued operations	4.1	8,481	7,361	-	-	-	-
Goodwill impairment	13	-	-	22,627	22,627	29,452	29,452
Loss on disposal of property, plant and equipment		-	-	1	1	1	1
Recycle of foreign currency exchange through profit and loss		-	-	(1)	(1)	(1)	(1)
<b>Headline earnings</b>		<b>17,258</b>	<b>18,059</b>	<b>34,775</b>	<b>42,762</b>	<b>12,578</b>	<b>12,076</b>
Headline earnings per share							
Weighted-average number of ordinary shares (basic)		704,493,798	704,493,798	649,874,233	649,874,233	677,034,782	677,034,782
<b>Headline earnings per share (eurocents)</b>		<b>2.45</b>	<b>2.56</b>	<b>5.35</b>	<b>6.58</b>	<b>1.86</b>	<b>1.78</b>
Diluted headline earnings per share							
Weighted-average number of ordinary shares (diluted)		704,493,798	704,493,798	649,874,233	649,874,233	677,034,782	677,034,782
<b>Diluted headline earnings per share (eurocents)</b>		<b>2.45</b>	<b>2.56</b>	<b>5.35</b>	<b>6.58</b>	<b>1.86</b>	<b>1.78</b>

The JSE Listings Requirements require the calculation of headline earnings and diluted headline earnings per share and the disclosure of a detailed reconciliation of headline earnings to the earnings numbers used in the calculation of basic earnings per share, as required by IAS 33 'Earnings per Share'. Disclosure of headline earnings is not an IFRS requirement. The Directors do not use headline earnings or headline earnings per share in their analysis of the Group's performance, and do not consider it to be a useful or relevant metric for the Group. The Directors make no reference to headline earnings or headline earnings per share in their commentaries, instead, the Directors use distributable earnings as a more relevant measure.

## **19. Contingent liabilities and contingent assets**

There are no contingent liabilities or assets.

## **20. Commitments**

The Group has committed to fund PKM Development through 7.5% cumulative preference shares issued by PKM Development. The Group is committed to fund up to a total of €420million (31 December 2019: €420million; 30 June 2020: €420million). The outstanding commitment at the reporting date was €233.3million (31 December 2019: €250million; 30 June 2020: €241.3million) which is expected to be funded by 23 March 2025. The commitments have been reviewed and are not considered to be onerous at the reporting date.

On 28 February 2019, the Group acquired 7 properties (collectively referred to as the "Spark portfolio") from PKM Development through the acquisition of 100% of the share capital of their holding company. In the following years PKM Development may develop extensions for 3 of the completed properties on adjacent land plots. The Group has granted PKM Development an option ("the put option"), under the terms of which it can sell these completed extensions to the Group at an acquisition yield of 7.5% if developed over the following five years, and thereafter at an acquisition yield equating to the latest valuation yield of the relevant property. The extensions have zoning approval. The put option is outside the scope of IFRS 9 (2014) Financial Instruments as it relates to the 'own use' exemption (i.e. the purpose of entering into the contract was to meet the Group's expected purchase, sale or usage requirements and cannot be net settled). Accordingly, it was not accounted for as a derivative financial instrument. Instead IAS 37 - Provisions, Contingent Liabilities and Contingent Assets was considered in assessing whether an onerous contract exists.

## **21. Events after the reporting date**

### ***Disposal of investment property held for sale***

On 14 January 2021, the Group signed a contract for the disposal of the Frankenthal property recognised as held for sale, for a transaction price of €7,200 thousand.

### ***CFD disposals and direct financial investments acquisitions***

In January 2021, the Group disposed of CFDs in amount of €36.8million, respectively of its financial investment in Klepierre SA and Unibail-Rodamco Westfield SE, at a realised profit of €3.96million compared to the values on 31 December 2020. The Group acquired 5,221,867 additional shares by 17 February 2021 in the form of direct financial investments.

### ***Fair value of financial investments***

At 23 February 2021, gross exposure on financial investments had increased by €26.6million as compared to reported amounts as at 31 December 2020. The gross exposure includes additional shares acquired as mentioned above.

## **22. Critical estimates, judgements and errors**

The Board has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts in the condensed consolidated interim financial statements. The directors continually evaluate these judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses based upon historical experience and on other factors that they believe to be reasonable under the circumstances. Actual results may differ from the judgements, estimates and assumptions.

The key judgements and estimates are:

### ***Determination of whether disposal of investment property represents discontinued operations***

Management concluded that the sale of the Western European portfolio represents an identifiable segment of the business and forms part of a co-ordinated disposal plan. As noted below the WE portfolio met the criteria for 'held for sale', therefore, in accordance with IFRS 5, the entire segment has been treated as a discontinued operation and the results for the current and prior year have been separately disclosed from the rest of the business.

### ***Determination of whether investment property is classified as held for sale***

The Group applies judgements to determine whether investment property meets the criteria to be classified as held for sale under IFRS 5 'Non-current assets held for sale'. The Group's strategy is to dispose of its Western European portfolio of investment property, however, in accordance with the standard, it does not classify an asset as held for sale until the relevant criteria has been met.

The key areas of estimation uncertainty are:

### ***Valuation of investment properties and investment properties held for sale***

The Group uses external professional valuers to determine the relevant amounts. The external property valuation experts use recognised valuation techniques and apply the principles of IFRS 13: Fair Value Measurement. The primary source of evidence for property valuations is recent, comparable market transactions on an arms-length basis. However, the valuation of the Group's property portfolio is inherently subjective, as they are based upon valuer assumptions which may prove to be inaccurate. The methods and significant assumptions used by the valuers in estimating fair value are set out in note 11.

The valuers have modified some of their assumptions in light of the effects of the coronavirus pandemic:

- Assumptions affecting short-term cash flows: depending on the types of assets as well as the market the properties are operating in, the appraisers took into account various levels of rent holidays, prolonged void periods. The appraisers also factored in lower levels of sales-based rents and of ancillary income over the same period.
- Assumptions affecting long-term cash flows and values: the appraisers applied lower levels of indexation and considered higher levels of structural vacancy, although future estimated market rents have not been significantly revised at this stage in view of the dearth of leasing transactions.

- The appraisers also increased discount rates and exit cap rates in most countries, despite lower inflation prospects, to reflect greater uncertainty over long-term cash flows, liquidity and value and growth prospects on exit.
- The appraisers have included a 'material valuation uncertainty clause' in the reports as at 30 June 2020, as per the RICS recommendation, which states that the valuations can be relied upon, but need to be monitored, due to the lack of market comparable and appreciation of the long-term effects of Covid-19. As at 31 December 2020, the market indicated increase in transactions during the period and the appraisers have excluded from their independent reports the 'material valuation uncertainty clause'. Further information and sensitivity tables are included within note 11.2.

#### Valuation of financial instruments

Financial instruments: In determining the fair value of financial instruments measured at fair value through profit or loss, the Group is required to make estimations of unobservable inputs in determining fair value. The methods and significant assumptions used in estimating fair value are set out in note 17.2.

#### Loan commitments

The Group has committed to advancing funds to PKM Development in the future by acquiring preference shares, refer to note 20. Judgements are made to assess the market related rate of these loan commitments. The Group applies judgement in reviewing the loan commitments made and determined that the PKM Development preference share commitments are a market related rate.

#### Restatement of prior year presentation error in the statement of cash flows

The presentation of Capitalised expenditure on inventory property of €(996) thousand and Proceeds from the sales of inventory property of €6,729 thousand, previously presented within Net cash outflow from investing activities for the six-month period ended 31 December 2019, have been restated and presented within Net cash inflow from operating activities for the six-month period ended 31 December 2019. The presentation of these items has been restated as the categorisation as an investing activity was considered a prior year presentation error due to inconsistency with the categorisation of these transactions and balances within the other primary statements. There was no impact on the other primary statements or basic/diluted earnings per share.

## 23. Related parties

#### Parent and ultimate controlling party

The Group has no ultimate controlling party but is controlled by its ordinary shareholders in aggregate.

#### Key management

Key management consists of the executive and non-executive directors ('NED').

#### Transactions with key management

		Six-month period ended 31 December 2020 (reviewed)								
	Role	During the period	Basic salary	Benefits <sup>2</sup>	Short-term incentive	Long-term incentive	Sub Total	IFRS 2 option expense	Total	
Martin Slabbert	CEO	-	-	-	-	-	-	180	180	
Victor Semionov	CFO	-	-	-	-	-	-	180	180	
Jonathan Knight <sup>1</sup>	Alternative director	51	-	-	12	-	63	-	63	
Dan Petrisor	Alternative director	-	-	-	-	-	-	-	-	
Malcolm Levy	NED	18	-	-	-	-	18	-	18	
Pierre Goosen	NED	17	-	-	-	-	17	-	17	
Werner Alberts	NED	19	-	-	-	-	19	-	19	
Melt Hamman	NED	17	-	-	-	-	17	-	17	
Claudia Pendred	NED	20	-	-	-	-	20	-	20	
Brett Nagle	NED	19	-	-	-	-	19	-	19	
Vasile Iuga	NED	20	-	-	-	-	20	-	20	
Dan Pascariu	NED	18	-	-	-	-	18	-	18	
			199	-	12	-	211	360	571	

<sup>1</sup> Jonathan Knight has a contract of employment with Corona Real Estate Partners Limited, a service provider to MAS Property Advisors Limited. The total remuneration charged by Corona in relation to services provided to MAS by Jonathan Knight was €80 thousand. Jonathan Knight received a salary of €38 thousand from Corona Real Estate Partners Limited.

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Six-month period ended 31 December 2019 (reviewed)									
	Role	During the period	Basic salary	Benefits <sup>2</sup>	Short-term incentive	Long-term incentive	Sub Total	IFRS 2 option expense	Total
Martin Slabbert	CEO	Appointed	-	-	-	-	-	33	33
Victor Semionov	CFO	Appointed	-	-	-	-	-	33	33
Jonathan Knight <sup>1</sup>	CIO		46	-	34	-	80	37	117
Dan Petrisor	Executive director	Appointed	-	-	-	-	-	-	-
Malcolm Levy	NED		18	-	-	-	18	-	18
Pierre Goosen	NED		26	-	-	-	26	-	26
Werner Alberts	NED		17	-	-	-	17	-	17
Melt Hamman	NED		19	-	-	-	19	-	19
Claudia Pendred	NED	Appointed	-	-	-	-	-	-	-
Brett Nagle	NED	Appointed	-	-	-	-	-	-	-
Helen Cullen <sup>2</sup>	Company Secretary		56	2	17	-	75	12	87
Werner Behrens <sup>2</sup>	Former CEO	Resigned	132	282	35	-	449	(1)	448
Paul Osbourn <sup>2</sup>	Former CFO	Resigned	98	344	128	-	570	(1)	569
Ron Spencer	Former Chairman	Resigned	20	-	-	-	20	-	20
Jaco Jansen	Former NED	Resigned	19	-	-	-	19	-	19
Glynnis Carthy	Former NED	Resigned	20	-	-	-	20	-	20
			471	628	214	-	1,313	113	1,426

<sup>1</sup> Jonathan Knight has a contract of employment with Corona Real Estate Partners Limited, a service provider to MAS Property Advisors Limited. The total remuneration charged by Corona in relation to services provided to MAS by Jonathan Knight was €117 thousand. Jonathan Knight received a salary of €34 thousand from Corona Real Estate Partners Limited.

<sup>2</sup> The benefits provided to Helen Cullen are in relation to pension contributions. The benefits provided to Werner Behrens and Paul Osbourn are in relation to pension contributions and payments in relation to their resignations.

Year ended 30 June 2020 (audited)									
	Role	During the year	Basic salary	Benefits <sup>2</sup>	Short-term incentive	Long-term incentive	Sub Total	IFRS 2 option expense	Total
Martin Slabbert	CEO	Appointed	-	-	-	-	-	211	211
Victor Semionov	CFO	Appointed	-	-	-	-	-	211	211
Jonathan Knight <sup>1</sup>	Alternative director	Appointed	69	-	109	-	178	-	178
Dan Petrisor	Alternative director	Appointed	-	-	-	-	-	-	-
Malcolm Levy	NED		35	-	-	-	35	-	35
Pierre Goosen	NED		42	-	-	-	42	-	42
Werner Alberts	NED		36	-	-	-	36	-	36
Melt Hamman	NED		35	-	-	-	35	-	35
Claudia Pendred	NED	Appointed	20	-	-	-	20	-	20
Brett Nagle	NED	Appointed	22	-	-	-	22	-	22
Vasile Iuga	NED		20	-	-	-	20	-	20
Dan Pascariu	NED		18	-	-	-	18	-	18
Helen Cullen <sup>2</sup>	Company secretary	Resigned	106	3	58	-	167	-	167
Werner Behrens <sup>2</sup>	Former CEO	Resigned	214	243	48	-	505	-	505
Paul Osbourn <sup>2</sup>	Former CFO	Resigned	252	193	139	-	584	-	584
Ron Spencer	Former Chairman	Resigned	49	-	-	-	49	-	49
Jaco Jansen	Former NED	Resigned	38	-	-	-	38	-	38
Glynnis Carthy	Former NED	Resigned	40	-	-	-	40	-	40
			996	439	354	-	1,789	422	2,211

<sup>1</sup> Jonathan Knight has a contract of employment with Corona Real Estate Partners Limited, a service provider to MAS Property Advisors Limited. The total remuneration charged by Corona in relation to services provided to MAS by Jonathan Knight was €165 thousand out of which Jonathan Knight received a salary of €78 thousand. Jonathan Knight received a salary of €69 thousand through MAS payroll. Amounts presented in the table above reflect Jonathan Knight's period of directorship.

The benefits provided to Werner Behrens and Paul Osbourn were in relation to pension contributions and payments in relation to their resignations. All amounts presented in the table above are cost to company.

***Related party relationships***

*Corona Real Estate Partners Limited*

Corona Real Estate Partners Limited is a real estate management company with five staff members and is owned 100% by Jonathan Knight who is an Alternate Director of the Group.

*Prime Kapital Development SRL*

Prime Kapital Development SRL is one of the subsidiaries of Prime Kapital Holdings Limited, providing property management, construction and development services to the Group and PKM Development.

*PKM Development Limited*

PKM Development is an associate of the Group and the Group owns 40% of the ordinary shares. In June 2020 PKM Development acquired shares in MAS, refer to note 12.

*PK Energy Control SRL*

PK Energy Control SRL is one of the subsidiaries of PKM Development Limited. It rents equipment from the Group's subsidiaries and provides energy transformation services in return.

*Hameys Fiduciary*

Hameys Fiduciary provides BVI corporate services and is a director of MAS (BVI) Holdings Limited and MAS CEE Investments Limited, 100% owned subsidiaries of the company. Services are provided by its subsidiary Epstone formally known as Momats.

*Prime Kapital Holdings Limited*

Prime Kapital Holdings Limited is an integrated real estate developer, investor and operator. Martin Slabbert, CEO and Victor Semionov, CFO are partners and jointly control Prime Kapital. Prime Kapital became a related party of the Group on 27 November 2019, the date on which Martin and Victor were appointed to the MAS Board.

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	Note	Income/(expenses) for the period/year ended			Net (receipts)/payments for the period/year ended			Balances receivable/(payable) as at		
		Reviewed 31 December 2020	Reviewed 31 December 2019	Audited 30 June 2020	Reviewed 31 December 2020	Reviewed 31 December 2019	Audited 30 June 2020	Reviewed 31 December 2020	Reviewed 31 December 2019	Audited 30 June 2020
<i>Corona Real Estate Partners Limited</i>										
• Legal and professional expenses		(366)	(775)	(1,143)	370	736	1,222	(4)	-	(365)
		<b>(366)</b>	<b>(775)</b>	<b>(1,143)</b>	<b>370</b>	<b>736</b>	<b>1,222</b>	<b>(4)</b>	<b>-</b>	<b>(365)</b>
<i>Prime Kapital Development SRL</i>										
• Other income		87	-	145	(78)	-	(138)	28	-	-
• Rental income		-	-	48	-	-	(56)	-	-	-
• Service charge and other property operating expenses		(697)	(169)	(613)	847	91	1,118	(182)	(169)	(168)
		<b>(610)</b>	<b>(169)</b>	<b>(420)</b>	<b>769</b>	<b>91</b>	<b>924</b>	<b>(154)</b>	<b>(169)</b>	<b>(168)</b>
<i>PKM Development Limited</i>										
• Equity accounted investee	12	3,412	8,378	4,848	-	-	-	30,148	30,266	26,736
• Preference shares	9; 16.3	2,530	6,583	13,133	5,470	(4,749)	(1,211)	198,714	175,962	186,050
• Interest bearing consideration	17.1	-	(1,192)	(1,569)	-	58,000	1,946	-	(34,953)	-
• Net assets acquired in business combinations		-	-	(236)	-	-	-	-	-	-
		<b>5,942</b>	<b>13,769</b>	<b>16,176</b>	<b>5,470</b>	<b>53,251</b>	<b>735</b>	<b>228,862</b>	<b>171,275</b>	<b>212,786</b>
<i>PK Energy Control SRL</i>										
• Electrical energy transformation fee		(142)	-	(122)	163	-	89	(14)	-	(4)
• Rental income energy equipment		127	-	132	(152)	-	(121)	9	-	1
		<b>(15)</b>	<b>-</b>	<b>10</b>	<b>11</b>	<b>-</b>	<b>(32)</b>	<b>(5)</b>	<b>-</b>	<b>(3)</b>
<i>Hameys Fiduciary</i>										
• Directors fees and legal and professional fees		(6)	(27)	(43)	9	20	44	3	(32)	9
		<b>(6)</b>	<b>(27)</b>	<b>(43)</b>	<b>9</b>	<b>20</b>	<b>44</b>	<b>3</b>	<b>(32)</b>	<b>9</b>
<i>Prime Kapital Holdings Limited</i>										
• Other non-current receivable		-	-	-	-	271	-	-	271	-
• Prepaid development services	14	-	-	-	-	10,676	-	10,170	-	10,170
• Recharged costs		(294)	-	-	-	-	-	(294)	-	-
• Dividend from non-controlling interest		-	-	-	-	-	(1,684)	-	(1,549)	-
		<b>(294)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,947</b>	<b>(1,684)</b>	<b>9,876</b>	<b>(1,278)</b>	<b>10,170</b>
		<b>4,651</b>	<b>12,798</b>	<b>14,580</b>	<b>6,629</b>	<b>65,045</b>	<b>1,209</b>	<b>238,578</b>	<b>169,796</b>	<b>222,429</b>

All amounts in € thousand unless otherwise stated.



**24. Reconciliation of amounts reported under IFRS to Segmental analysis – proportionate accounts**

Six-month period ended 31 December 2020 (reviewed)

Consolidated Statement of Profit and Loss	Proportionate accounts Line Item	IFRS Accounts	Discontinued operations	Add 40% DJV	Other reclass	Proportionate Accounts
Rental income	Net rental income - income property	17,952	14,642	2,757	(9,006)	26,345
Service charge income and other recoveries		5,081	1,569	853	(7,503)	-
<b>Gross revenue</b>		<b>23,033</b>	<b>16,211</b>			
Impairment of receivables		(3,003)	(1,152)	(251)	4,406	-
Service charge and other property operating expenses		(6,282)	(3,845)	(1,184)	11,311	-
<b>Net rental income</b>		<b>13,748</b>	<b>11,214</b>			
Corporate expenses		(2,418)	(345)			
Corporate expenses	Net corporate expenses	(2,418)	(345)	(167)	628	(2,302)
	Share-based payment expense	-	-	-	(638)	(638)
Profit on sales of inventory property		-	-	-	-	-
Other income		1,728	-	-	-	-
Dividend income (note 6)	Net dividends - listed securities	1,728	-	-	-	1,728
Other income (note 6)	Other distributable net income/(cost)	-	-	50	(313)	(263)
	Other non-distributable income/(cost)	-	-	-	841	841
Investment expenses	Investment expenses	(799)	(2,483)	(20)	14	(3,288)
Fair value adjustments		8,539	(8,107)			
Gain/(loss) on fair value of inv. prop. incl. inv. prop. held for sale (note 8)	Fair value adj. – income property	4,881	(7,951)	3,944	142	1,016
Loss on FV of fin. investments (note 8)	Fair value adj. – listed securities	3,449	-	(915)	918	3,452
Change in FV of interest rate swaps (note 8)	Fair value adj. – interest rate derivatives	209	(156)	-	305	358
Other financial liabilities (note 8)	Fair value adj. – other fin. Liabilities	-	-	-	(312)	(312)
Gain/loss from disposal of assets		-	3,133	-	(3,133)	-
Foreign currency exchange differences	Foreign currency exchange differences	759	(4)	898	(745)	908
Share of profit from eq. acc. investees		3,412	-	(3,412)	-	-
Gain on bargain purchase		-	-	-	-	-
Goodwill impairment	Goodwill impairment	-	-	-	-	-
<b>Profit before finance income/(costs)</b>		<b>24,969</b>	<b>3,408</b>			
Finance income		7,197	-			
Interest on preference shares (note 9)	Net income - preference shares	7,197	-	-	(2,881)	4,316
Amort. of cap. contrib. recvb. (note 9)		-	-	-	-	-
Interest on bank deposits (note 9)		-	-	3	(3)	-
	Interest capitalised on developments	-	-	-	829	829
Finance costs		(3,781)	(6,641)			
Interest on interest bearing borrowings (note 9)	Interest on debt financing	(3,706)	(2,791)	(1,212)	1,068	(6,641)
Amort. cap. contrib. payable (note 9)		-	-	-	-	-
Neg. int on bank deposits (note 9)		(75)	(18)	(147)	240	-
Finance expense - debt break fees (note 9)		-	(3,832)	-	3,832	-
<b>Profit/(loss) before tax</b>		<b>28,385</b>	<b>(3,233)</b>			
Current tax		(92)	(6,718)			
Current tax (note 10)	Income tax	(92)	(6,718)	9	6,022	(779)
	Tax on sale of property	-	-	-	(6,022)	(6,022)
Deferred tax	Deferred tax	(3,150)	6,073	(1,206)	-	1,717
<b>Tax expense</b>		<b>(3,242)</b>	<b>(645)</b>			
<b>Profit/(loss) for the period, attributable to:</b>		<b>25,143</b>	<b>(3,878)</b>	<b>-</b>	<b>-</b>	<b>21,265</b>
Owners of the group	Earnings	25,143	(3,878)	-	-	21,265
Non-controlling interest		-	-	-	-	-

**MAS Real Estate Inc.**
**Condensed consolidated interim financial statements for the six-month period ended 31 December 2020**

As at 31 December 2020 (reviewed)

Consolidated Statement of Financial Position	Proportionate accounts Line Item	IFRS accounts	Discontinued operations	Add 40% DJV	Other reclass	Proportionate Accounts
<i>Non-current assets</i>						
Investment property		444,584				
Income-generating property (note 11)	Income property	443,145	-	72,496	400,172	915,813
Dev. property and land bank (note 11)	Developments - income property	1,439	-	25,953	(202)	27,190
	Developments - residential property	-	-	19,520	-	19,520
Intangible assets		1,696				
Goodwill (note 13)	Goodwill	1,696	-	-	-	1,696
Other intangible assets (note 13)		-	-	-	-	-
Inv. in equity-accounted investees		30,148	-	(30,148)	-	-
Financial assets		198,714				
PKM Dev preference shares (note 16.3)	Preference shares	198,714	-	-	(79,486)	119,228
Interest rate swaps (note 16.3)	Interest rate derivative financial assets	-	-	-	-	-
Property, plant and equipment		-	-	-	-	-
Other receivables		10,436	-	-	(10,436)	-
Deferred tax asset	Deferred tax asset	3,746	-	525	-	4,271
<b>Total non-current assets</b>		<b>689,324</b>	<b>-</b>			
<i>Current assets</i>						
Financial assets	Other assets	-	-	-	905	905
Inventory property		-	-	-	-	-
Investment property held for sale		-	400,172	-	(400,172)	-
Financial investments	Listed securities	10,011	-	10,777	24,905	45,693
Trade and other receivables		22,433	-	-	-	-
Trade and other receivables	Trade and other receivables	20,996	-	1,669	(3,610)	19,055
VAT receivable	VAT receivable	1,437	-	1,231	-	2,668
Other non-current liabilities	Share-based payment prepayments	-	-	-	13,316	13,316
Cash and cash equivalents	Cash and cash equivalents	86,454	-	7,023	-	93,477
<b>Total current assets</b>		<b>118,898</b>	<b>400,172</b>			
<b>Total assets</b>	<b>Assets</b>	<b>808,222</b>	<b>400,172</b>	<b>109,046</b>	<b>(54,608)</b>	<b>1,262,832</b>
<i>Non-current liabilities</i>						
Interest bearing borrowings	Debt financing	132,232	-	91,822	158,642	382,696
Financial liabilities	Interest rate derivative fin. liabilities	1,765	-	-	1,276	3,041
		1,900	-	1,058	(2,958)	-
Deferred tax liability	Deferred tax liability	24,808	-	5,768	3	30,579
<b>Total non-current liabilities</b>		<b>160,705</b>	<b>-</b>			
<i>Current liabilities</i>						
Interest bearing borrowings		212,700	-	544	(213,244)	-
Financial liabilities	Other liabilities	1,276	-	-	(218)	1,058
Trade and other payables	Trade and other payables	17,615	-	9,854	1,891	29,360
<b>Total current liabilities</b>		<b>231,591</b>	<b>-</b>			
<b>Total liabilities</b>	<b>Liabilities</b>	<b>392,296</b>		<b>109,046</b>	<b>(54,608)</b>	<b>446,734</b>
<b>Total equity, attributable to:</b>		<b>816,098</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Owners of the group	Net asset value	<b>816,098</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>816,098</b>
Non-controlling interest		-	-	-	-	-

All amounts in € thousand unless otherwise stated.

**MAS Real Estate Inc.**
**Condensed consolidated interim financial statements for the six-month period ended 31 December 2020**

Six-month period ended 31 December 2019 (reviewed)

Consolidated Statement of Profit and Loss	Proportionate accounts Line Item	IFRS accounts	Discontinued operations	Add 40% DJV	Deduct 20% NCI	Other reclass	Proportionate accounts
Rental income	Net rental income - income property	17,918	15,629	888	(2,912)	(2,880)	28,643
Service charge income and other recoveries		5,458	1,960	323	(864)	(6,877)	-
<b>Gross revenue</b>		<b>23,376</b>	<b>17,589</b>				
Impairment of receivables							
Service charge and other property operating expenses		(6,229)	(4,748)	(354)	975	10,356	-
<b>Net rental income</b>		<b>17,147</b>	<b>12,841</b>				
Corporate expenses		(3,159)	(333)				
Corporate expenses	Net corporate expenses	(3,159)	(333)	(121)	79	157	(3,377)
	Share-based payment expense	-	-	-	-	(155)	(155)
Profit on sales of inventory property		-	326			326	
Other income		4,653	19				
Dividend income (note 6)	Net dividends - listed securities	3,984		-	-	(94)	3,890
Other income (note 6)	Other distributable net income/(cost)	669	19	248	428	(819)	545
	Other non-distributable income/(cost)	-	-	-	-	141	141
Investment expenses	Investment expenses	(1,914)	(149)	(34)	83	24	(1,990)
Fair value adjustments		39,947	1,962				
Gain/(loss) on fair value of inv. prop. incl. inv. prop. held for sale (note 8)	Fair value adj. – income property	27,379	1,895	10,974	-	1,775	42,023
Loss on FV of fin. investments (note 8)	Fair value adj.– listed securities	12,051		-	-	-	12,051
Change in FV of interest rate swaps (note 8)	Fair value adj.– interest rate derivatives	-	(113)	-	(50)	602	439
Other financial liabilities (note 8)	Fair value adj. – other fin. Liabilities	517	180	-	-	(868)	(171)
Foreign currency exchange differences	Foreign currency exchange differences	4,600	(14)	(35)	(5)	8	4,554
Share of profit from eq. acc. investees		8,378	-	(8,378)	-	-	-
Gain on bargain purchase		-	-	-	-	-	-
Goodwill impairment	Goodwill impairment	(22,627)	-	-	-	-	(22,627)
<b>Profit before finance income/(costs)</b>		<b>47,025</b>	<b>14,652</b>				
Finance income		6,673	18				
Interest on preference shares (note 9)	Net income - preference shares	6,583		397	(720)	(2,310)	3,950
Amort. of cap. contrib. recvb. (note 9)		-		-	-	-	-
Interest on bank deposits (note 9)		90	18	5	(8)	(105)	-
	Interest capitalised on developments	-	-	-	-	738	738
Finance costs		(3,688)	(3,257)				
Interest on interest bearing borrowings (note 9)	Interest on debt financing	(3,578)	(3,256)	(703)	1,290	428	(5,819)
Amort. cap. contrib. payable (note 9)		-		-	-	-	-
Neg. int on bank deposits (note 9)		(110)	(1)	(4)	5	110	-
<b>Profit before tax</b>		<b>50,010</b>	<b>11,413</b>				
Current tax		(367)	(583)				
Current tax (note 10)	Income tax	(367)	(583)	(29)	(593)	728	(844)
	Tax on sale of property	-	-	-	-	-	-
Deferred tax	Deferred tax	(4,320)	(2,158)	(3,177)	864	(633)	(9,424)
<b>Tax expense</b>		<b>(4,687)</b>	<b>(2,741)</b>				
<b>Profit/(loss) for the period, attributable to:</b>		<b>45,323</b>	<b>8,672</b>	<b>-</b>	<b>(1,428)</b>	<b>-</b>	<b>52,567</b>
Owners of the group	Earnings	43,895	8,672	-	-	-	52,567
Non-controlling interest		1,428					

All amounts in € thousand unless otherwise stated.

**MAS Real Estate Inc.**
**Condensed consolidated interim financial statements for the six-month period ended 31 December 2020**

As at 31 December 2019 (reviewed)

Consolidated Statement of Financial Position	Proportionate accounts Line Item	IFRS accounts	Discontinued operations	Add 40% DJV	Deduct 20% NCI	Other reclass	Proportionate Accounts
<i>Non-current assets</i>							
Investment property		809,670	-				
Income-generating property (note 11)	Income property	809,339	-	48,452	-	185,355	1,043,146
Dev. property and land bank (note 11)	Developments - income property	331	-	30,589	-	16,753	47,673
	Developments - residential property	-	-	12,555	-	-	12,555
Intangible assets		8,780	-				
Goodwill (note 13)	Goodwill	8,286	-	-	-	-	8,286
Other intangible assets (note 13)		494	-	-	-	(494)	-
Inv. in equity-accounted investees		30,266	-	(30,266)	-	-	-
Financial assets		176,664	-				
PKM Dev preference shares (note 16.3)	Preference shares	175,962	-	(70,385)	-	-	105,577
Interest rate swaps (note 16.3)	Interest rate derivative financial assets	702	-	-	-	-	702
Property, plant and equipment		480	-	74	-	(554)	-
Other receivables		12,304	-	-	-	(12,304)	-
Deferred tax asset	Deferred tax asset	3,767	-	549	-	-	4,316
<b>Total non-current assets</b>		<b>1,041,931</b>	<b>-</b>				
<i>Current assets</i>							
Financial assets	Other assets	-	-	-	-	1,484	1,484
Inventory property		-	-	-	-	-	-
Investment property held for sale		-	202,090	-	-	(202,090)	-
Financial investments	Listed securities	69,416	-	-	-	61,934	131,350
Trade and other receivables		21,773	-				
Trade and other receivables	Trade and other receivables	16,802	-	791	-	(299)	17,294
VAT receivable	VAT receivable	897	-	3,923	-	-	4,820
	Share-based payment prepayments	4,074	-	-	-	12,304	16,378
Cash and cash equivalents	Cash and cash equivalents	65,091	-	3,510	-	-	68,601
<b>Total current assets</b>		<b>156,280</b>	<b>202,090</b>				
<b>Total assets</b>	<b>Assets</b>	<b>1,198,211</b>	<b>202,090</b>	<b>(208)</b>	<b>-</b>	<b>62,089</b>	<b>1,462,182</b>
<i>Non-current liabilities</i>							
Interest bearing borrowings	Debt financing	299,998	-	(13,087)	-	198,355	485,266
Financial liabilities	Interest rate derivative fin. liabilities	2,157	-	-	-	-	2,157
Deferred tax liability	Deferred tax liability	32,267	-	4,159	-	-	36,426
<b>Total non-current liabilities</b>		<b>334,422</b>	<b>-</b>				
<i>Current liabilities</i>							
Interest bearing borrowings		136,255	-	10	-	(136,265)	-
Financial liabilities	Other liabilities	693	-	-	-	-	693
Trade and other payables	Trade and other payables	22,200	-	8,710	-	401	31,311
Provisions		402	-	-	-	(402)	-
<b>Total current liabilities</b>		<b>159,551</b>	<b>-</b>				
<b>Total liabilities</b>	<b>Liabilities</b>	<b>493,972</b>	<b>-</b>	<b>(208)</b>	<b>-</b>	<b>62,089</b>	<b>555,853</b>
<b>Total equity, attributable to:</b>		<b>906,329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>906,329</b>
Owners of the group	Net asset value	<b>906,329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>906,329</b>
Non-controlling interest		-	-	-	-	-	-

All amounts in € thousand unless otherwise stated.

**MAS Real Estate Inc.**
**Condensed consolidated interim financial statements for the six-month period ended 31 December 2020**

Year ended 30 June 2020

Consolidated Statement of Profit and Loss	Proportionate accounts Line Item	IFRS accounts	Discontinued operations	Add 40% DJV	Deduct 20% NCI	Other reclass	Proportionate accounts
Rental income	Net rental income - income property	35,659	31,175	2,293	(2,912)	(10,331)	55,884
Service charge income and other recoveries		11,191	3,200	878	(864)	(14,405)	-
<b>Revenue</b>		<b>46,850</b>	<b>34,375</b>				
Impairment of receivables		(4,763)	(828)	-	-	5,591	-
Service charge and other property operating expenses		(11,604)	(7,554)	(891)	975	19,074	-
<b>Net rental income</b>		<b>30,483</b>	<b>25,993</b>				
Corporate expenses		(5,763)	(752)				
Corporate expenses	Net corporate expenses	(5,763)	(752)	(191)	79	651	(5,976)
	Share-based payment expense	-	-	-	-	(648)	(648)
Profit on sales of inventory property		-	309			(309)	
Other income		6,308	-				
Dividend income (note 6)	Net dividends - listed securities	6,308	-	-	-	(118)	6,190
Other income (note 6)	Other distributable net income/(cost)	-	-	41	428	(164)	305
	Other non-distributable income/(cost)	-	-	-	-	(140)	(140)
Investment expenses	Investment expenses	(3,927)	(603)	(86)	83	261	(4,272)
Fair value adjustments		(34,349)	(8,050)				
Gain/(loss) on fair value of inv. prop. incl. inv. prop. held for sale (note 8)	Fair value adj. - income property	(5,060)	(6,427)	8,098	-	1,334	(2,055)
Loss on FV of fin. investments (note 8)	Fair value adj.- listed securities	(27,064)		142	-	(142)	(27,064)
Change in FV of interest rate swaps (note 8)	Fair value adj.- interest rate derivatives	(2,225)	(1,623)	-	(50)	1,599	(2,299)
Other financial liabilities (note 8)	Fair value adj. - other fin. Liabilities	-	-	-	-	(1,865)	(1,865)
Foreign currency exchange differences	Foreign currency exchange differences	(1,203)	-	(229)	(5)	502	(935)
Share of profit from eq. acc. investees		4,848	-	(4,848)	-	-	-
Gain on bargain purchase		-	-	-	-	-	-
Goodwill impairment	Goodwill impairment	(29,452)	-	-	-	(1)	(29,453)
<b>(Loss)/Profit before finance income/(costs)</b>		<b>(33,055)</b>	<b>16,897</b>				
Finance income		13,231	22				
Interest on preference shares (note 9)	Net income - preference shares	13,133		627	(720)	(5,160)	7,880
Amort. of cap. contrib. recvb. (note 9)		-		-	-	-	-
Interest on bank deposits (note 9)		98	22	47	(8)	(159)	-
	Interest capitalised on developments	-	-	-	-	2,173	2,173
Finance costs		(7,502)	(6,393)				
Interest on interest bearing borrowings (note 9)	Interest on debt financing	(7,412)	(6,393)	(2,140)	1,290	1,987	(12,668)
Amort. cap. contrib. payable (note 9)		-		-	-	-	-
Neg. int on bank deposits (note 9)		(60)	(30)	(66)	5	151	-
<b>Profit before tax</b>		<b>(27,326)</b>	<b>10,526</b>				
Current tax		(530)	(894)				
Current tax (note 10)	Income tax	(530)	(894)	(68)	(593)	813	(1,272)
	Tax on sale of property	-	-	-	-	(61)	(61)
Deferred tax	Deferred tax	223	(2,186)	(3,607)	864	(633)	(5,339)
<b>Tax expense</b>		<b>(307)</b>	<b>(3,080)</b>				
<b>(Loss)/Profit for the period, attributable to:</b>		<b>(27,633)</b>	<b>7,446</b>	<b>-</b>	<b>(1,428)</b>	<b>-</b>	<b>(21,615)</b>
Owners of the group	Earnings	(21,615)		-	-	-	(21,615)
Non-controlling interest		1,428					

All amounts in € thousand unless otherwise stated.

**MAS Real Estate Inc.**
**Condensed consolidated interim financial statements for the six-month period ended 31 December 2020**

As at 30 June 2020

Consolidated Statement of Financial Position	Proportionate accounts Line Item	IFRS accounts	Discontinued operations	Add 40% DJV	Deduct 20% NCI	Other reclass	Proportionate accounts
<i>Non-current assets</i>							
Investment property		533,649	-				
Income-generating property (note 11)	Income property	532,742	-	45,116	-	429,593	1,007,451
Dev. property and land bank (note 11)	Developments - income property	907	-	40,775	-	-	41,682
	Developments - residential property	-	-	15,322	-	-	15,322
Intangible assets		1,696	-				
Goodwill (note 13)	Goodwill	1,696	-	-	-	-	1,696
Other intangible assets (note 13)		-	-	-	-	-	-
Inv. in equity-accounted investees		26,736	-	(26,736)	-	-	-
Financial assets		186,050	-				
PKM Dev preference shares (note 16.3)	Preference shares	186,050	-	-	-	(74,420)	111,630
Interest rate swaps (note 16.3)	Interest rate derivative financial assets	-	-	-	-	-	-
Property, plant and equipment		-	-	-	-	-	-
Other receivables		11,453	-	24	-	(11,477)	-
Deferred tax asset	Deferred tax asset	3,394	-	124	-	1	3,519
<b>Total non-current assets</b>		<b>762,978</b>	<b>-</b>				
<i>Current assets</i>							
Financial assets	Other assets	-	-	-	-	1,756	1,756
Inventory property		-	-	-	-	-	-
Investment property held for sale		-	429,592	-	-	(429,592)	-
Financial investments	Listed securities	28,406	-	7,973	-	7,090	43,469
Trade and other receivables		20,689	-				
Trade and other receivables	Trade and other receivables	20,252	-	1,503	-	(3,987)	17,768
VAT receivable	VAT receivable	437	-	4,028	-	-	4,465
	Share-based payment prepayments	-	-	-	-	13,700	13,700
Cash and cash equivalents	Cash and cash equivalents	51,404	-	3,381	-	-	54,785
<b>Total current assets</b>		<b>100,499</b>	<b>429,592</b>				
<b>Total assets</b>	<b>Assets</b>	<b>863,477</b>	<b>429,592</b>	<b>91,510</b>	<b>-</b>	<b>(67,336)</b>	<b>1,317,243</b>
<i>Non-current liabilities</i>							
Interest bearing borrowings	Debt financing	233,666	-	78,660	-	144,158	456,484
Financial liabilities	Interest rate derivative fin. liabilities	2,148	-	-	-	2,027	4,175
Other non-current liabilities		2,776	-	1,389	-	(4,165)	-
Deferred tax liability	Deferred tax liability	27,425	-	4,162	-	(1)	31,586
<b>Total non-current liabilities</b>		<b>266,015</b>	<b>-</b>				
<i>Current liabilities</i>							
Interest bearing borrowings		211,081	-	406	-	(211,487)	-
Financial liabilities	Other liabilities	2,323	-	-	-	(974)	1,349
Trade and other payables	Trade and other payables	17,627	-	6,893	-	3,106	27,626
<b>Total current liabilities</b>		<b>231,031</b>	<b>-</b>				
<b>Total liabilities</b>	<b>Liabilities</b>	<b>497,046</b>	<b>-</b>	<b>91,510</b>	<b>-</b>	<b>(67,336)</b>	<b>521,220</b>
<b>Total equity, attributable to:</b>		<b>796,023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Owners of the group	Net asset value	<b>796,023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>796,023</b>
Non-controlling interest		-	-	-	-	-	-

All amounts in € thousand unless otherwise stated.

## 25. Summary of general accounting policies

### Basis of preparation – statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standard as issued by the IASB ("IFRS"), IAS 34 "Interim Financial Reporting", the Johannesburg Stock Exchange ("JSE") Listings Requirements, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and applicable legal and regulatory requirements of the BVI Business Companies Act 2004.

### Basis of measurement

These condensed consolidated interim financial statements are prepared on the historical cost basis except for the following items that are measured on the fair value basis:

- Financial instruments classified at fair value through profit or loss ("FVTPL"), refer to note 17.2;
- Financial investments, refer to note 16.1;
- Share-based payments on grant date, refer to note 18.2; and
- Investment property and investment property held for sale, refer to notes 11.1 and 4.2.

### Accounting policies

Except as described below or in each financial note, the accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended 30 June 2020. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 June 2020 as well as any public announcements made by the Group during the six-month period ended 31 December 2020.

### Adoption of new/revised standards

During the period, the Group adopted the following amendments/improvements to standards and interpretations:

- Definition of Material – amendments to IAS 1 and IAS 8;
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7; and
- Revised Conceptual Framework for Financial Reporting.

### Definition of Material – amendments to IAS 1 and IAS 8

The Group has adopted amendments to IAS 1 and IAS 8 with effect from 1 July 2020. There has been no impact on the amounts or disclosures previously reported as a result of the adoption of the amendments.

### Amendments to IFRS 9, IAS 39 and IFRS 7

The Group adopted the amendments on 1 July 2020. In accordance with the transition provisions, the Group has adopted the amendments to IFRS 9 and IFRS 7 retrospectively to hedging relationships that existed at the start of the reporting period or were designated thereafter, and to the amount accumulated in the cash flow hedge reserve at that date. There has been no impact on the amounts or disclosures previously reported as a result of the adoption of the amendments.

### Revised Conceptual Framework for Financial Reporting

The Group has adopted the Revised Conceptual Framework for Financial Reporting with effect from 1 July 2020.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### New and amended standards and interpretations not yet adopted

Below is a summary of new standards and amendments/improvements to existing standards and interpretations that are not yet effective, and which are expected to be applicable to the Group:

Amendments/improvements to standards and interpretations not yet effective	Effective for annual periods beginning on or after
IAS 1 – Amendment on classification of liabilities	1 Jan 2022

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## MAS Real Estate Inc.

### Company information, advisors and property valuers

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#### Company information and advisors

##### **Identification**

MAS Real Estate Inc.  
Registration number 1750199  
JSE share code: MSP  
ISIN: VGG5884M1041  
LEI code: 213800T1TZPGQ7HS4Q13

##### **Registered office in the BVI**

MAS Real Estate Inc.  
Craigmuir Chambers Road Town  
Tortola VG1110  
British Virgin Islands

##### **Correspondence address**

MAS Real Estate Inc.  
2nd Floor, Clarendon House Victoria Street Douglas  
Isle of Man IM1 1LN

##### **Company secretary**

Timothy Callister

##### **Independent auditor**

PricewaterhouseCoopers LLC  
Sixty Circular Road Douglas  
Isle of Man IM1 1SA

##### **JSE Sponsor**

Java Capital Trustees and Sponsors Proprietary Limited  
6th Floor, 1 Park Lane, Sandton  
Johannesburg 2196  
South Africa

##### **BVI Administrator**

Harneys Corporate and Trust Services Limited  
Craigmuir Chambers Road Town, Tortola VG1110 British Virgin Islands

##### **Registrar / Transfer Secretaries**

British Virgin Islands  
Computershare Investor Services (BVI) Limited  
Registration number 003287V Woodbourne Hall  
PO Box 3162  
Road Town, Tortola British Virgin Islands

South Africa  
Computershare Investor Services Proprietary Limited  
Registration number 2004/003647/07  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196  
PO Box 61051 Marshalltown 2107

##### **Depository**

Computershare Investor Services PLC  
The Pavilions Bridgewater Road Bristol,  
BS13 8AE

#### Property Valuers

##### **Germany**

Cushman & Wakefield (UK) LLP – German Branch  
Rathenauplatz 1  
D-60313 Frankfurt am Main  
Germany

Jones Lang LaSalle SE  
Blockenhaimer Landstrasse 55  
60325 Frankfurt  
Germany

##### **Poland**

Cushman & Wakefield Polska Sp. z o.o.  
Metropolitan  
Plac Pilsudskiego 1  
Warsaw, 00-078  
Poland

##### **Romania and Bulgaria**

Cushman & Wakefield Echinox  
Banu Antonache Street  
No 40-44, 3<sup>rd</sup> Floor Sector 1,  
Bucharest

##### **Switzerland**

Wüest & Partner AG  
Bleicherweg 5  
CH-8001  
Zürich  
Switzerland

##### **United Kingdom**

Gerald Eve LLP  
72 Welbeck Street  
London, W1G 0AY  
England

Montagu Evans LLP  
4th Floor Exchange Tower  
19 Canning Street  
Edinburgh, EH3 8EG  
Scotland

CBRE Limited  
7 Castle Street,  
Edinburgh, EH2 3AH  
Scotland

Avison Young (GVA Grimley Limited)  
Sutherland House 149  
St. Vincent Street  
Glasgow, G2 5NW  
Scotland

Jones Lang LaSalle Limited  
7 Exchange Crescent Conference Square  
Edinburgh, EH3 8LL  
Scotland



## Glossary

Adjusted distributable earnings	Adjusted distributable earnings represents the adjusted underlying earnings of the Group from net rental income from income property, net income from preference shares, net dividends on listed securities, net corporate expenses, interest on debt financing, interest capitalised on developments, other distributable net income or cost and income tax
BVI	British Virgin Islands
CEE	Central and Eastern Europe
CFDs	Contract for Differences
CGU	Cash-generating unit
Company	MAS Real Estate Inc.
Covid-19	Pandemic resulted following the global spread of the infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
Development property	Property under construction, in process of being developed for future use as income property or for sale and land plots to be utilised for future developments
DJV	Development Joint Venture
EPRA	European Public Real Estate Association
ERV	Estimated rental value
FVTPL	Fair value through profit and loss
Group	MAS Real Estate Inc. and its subsidiaries
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards as issued by the IASB
IFRS NAV per share	IFRS Net Asset Value divided by the IFRS basic number of shares in issue at the reporting date For clarity this excludes the geared share purchase plan shares
Income property	Property held to earn rental income
Investment property	Income property, Development property and Land bank
IOM	Isle of Man
IJV	Investment joint venture, former joint venture with Prime Kapital, 80% owned and controlled by the company, for investing in CEE Income properties
JSE	Johannesburg Stock Exchange
King IV	King IV Code of Corporate Governance for South Africa
Land bank	Land plots held for future developments
Lease incentives	Incentives offered to lessees to enter into a lease, typically in the form of a rent-free period or cash contribution towards fit-out costs
LTV	Loan to value, the ratio of the nominal value of debt net of cash to investment property, listed securities and preference shares

LFL	Like-for-like
Median daily share volume	The median number of shares traded per day during the reporting period on the JSE
NAV	Net asset value
SA REIT	South African Real Estate Investment Trust Association, the representative umbrella body comprised of voluntary members of South African listed REIT companies and trusts
Tangible NAV	Net asset value which includes only assets and liabilities likely to crystallise on disposal, and corresponds to net asset value under adjusted proportionate accounts
Transaction	The acquisition on 27 November 2019 by the Group of Prime Kapital's effective economic interest in the IJV with MAS
NCI	Non-controlling interest
NRI	Net rental income
Prime Kapital / PK	Prime Kapital Holdings Limited
PKM Development	P K M Development Limited
REIT	Investment in listed real estate equity securities
WE	Western Europe
WALT	Weighted average lease term across the portfolio weighted by passing rent
WACD	Weighted average cost of debt

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