SHORT-FORM ANNOUNCEMENT: REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2020

MAS REAL ESTATE

MAS Real Estate Inc. Registered in British Virgin Islands Registration number 1750199
JSE share code: MSP ISIN: VGG5884M1041 LEI code: 213800T1TZPGQ7HS4Q13 (MAS, the Company or the Group)

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)[1] with developer Prime Kapital.

Following the transaction with Prime Kapital in November 2019[2] (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 350,200m² gross lettable area (GLA) (257,400m² in Romania, 60,400m² in Bulgaria and 32,400m² in Poland). Of the Romanian assets, 197,800m² GLA (76.8%) are open-air and strip malls (hereafter jointly referred to as open-air malls) and 145,400m² GLA (56%) was originally developed by the DJV (including most open-air malls and Dambovita 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)[3] 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 Dambovita 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.

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
Open GLA[4]	%	95	96	96	96	83	79	91
Restricted GLA[5]	%	3	2	3	3	6	2	3
Closed GLA[6]	%	2	2	1	1	11	19	6
Footfall (2020 vs. 2019)	%	79	78	85	85	70	65	77
Open-air malls	%	91	84	90	93	83	85	87
Enclosed malls	%	67	72	79	77	55	42	65
Tenants' sales per m² (2020 vs. 2019)	%	91	90	95	99	85	97	92
Open-air malls	%	103	96	104	112	102	98	102
Enclosed malls	%	78	82	84	82	57	91	77
Total pre-pandemic income expectation	€m	3.8	3.9	4.0	4.0	4.0	4.0	23.7
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
Collection Rate	%	96	96	96	96	89	89	94
Pro-Forma Collection Rate	%	89	89	90	90	78	75	85

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 Dambovita 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 (Zalau 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 Dambovita 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. Dambovita 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).

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 Uberior 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' lead 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

Dambovita 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 31,200m² completed GLA. The fit-out and opening of the cinema, representing 1,700m² GLA of the originally planned rentable trading area, were postponed, while tenants who committed to 1,312m² GLA did not perform fit out and did not open.

The development has potential for a further approximately 10,000m² 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 Dambovita 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 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 Sportisimo.

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, Sportisimo 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 Irina Grigore
CEO CFO

24 February 2021
Douglas
Isle of Man

Released 25 February 2021

[1] 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.

[2] 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.

[3] 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, re-structuring 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.

[4] GLA open for trade without restriction.

[5] GLA open for trade subject to restrictions (computed on a pro-rata basis to reflect days with restrictions).

[6] GLA closed for trade (computed on a pro-rata basis to reflect days closed).

All amounts in € thousand unless otherwise stated.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Reviewed 31 Dec 20	Reviewed 31 Dec 19	Audited 30 Jun 20
Non-current assets	689,324	1,041,931	762,978
Current assets	519,070	358,370	530,091
Total assets	**1,208,394**	**1,400,301**	**1,293,069**
Equity attributable to owners of the Group	816,098	906,329	796,023
Non-controlling interest	-	-	-
Total equity	**816,098**	**906,329**	**796,023**
Non-current liabilities	160,705	334,422	266,015
Current liabilities	231,591	159,550	231,031
Total liabilities	**392,296**	**493,972**	**497,046**
Total shareholder equity & liabilities	**1,208,394**	**1,400,301**	**1,293,069**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Reviewed 31 Dec 20	Reviewed 31 Dec 19	Audited 30 Jun 20
Continuing operations			
Rental income	17,952	17,918	35,659
Service charge income and other recoveries	5,081	5,458	11,191
Gross revenue	**23,033**	**23,376**	**46,850**
Impairment of receivables	(3,003)	-	(4,763)
Service charge and other property operating expenses	(6,282)	(6,229)	(11,604)
Net rental income	**13,748**	**17,147**	**30,483**
Corporate expenses	(2,418)	(3,159)	(5,763)
Other income	1,728	4,653	6,308
Investment expenses	(799)	(1,914)	(3,927)
Fair value adjustments	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	3,412	8,378	4,848
Goodwill impairment	-	(22,627)	(29,452)
Profit/(loss) before finance income/(costs)	**24,969**	**47,025**	**(33,055)**
Finance income	7,197	6,673	13,231
Finance costs	(3,781)	(3,688)	(7,502)
Profit/(loss) before tax	**28,385**	**50,010**	**(27,326)**
Current Tax	(92)	(367)	(530)
Deferred Tax	(3,150)	(4,320)	223
Profit/(loss) for continuing operations	**25,143**	**45,323**	**(27,633)**
Discontinued operations			
(Loss)/profit from discontinued operations, net of tax	(3,878)	8,672	7,446
Profit/(loss) for the period/year	**21,265**	**53,995**	**(20,187)**
Attributable to:			
Owners of the Group	21,265	52,567	(21,615)
Non-controlling interest	-	1,428	1,428

FINANCIAL PERFORMANCE	Reviewed 31 Dec 20	Reviewed 31 Dec 19	Audited 30 Jun 20
IFRS Net asset value attributable to owners of the Group	816,098	906,329	796,023
IFRS Net asset value per share (eurocents)	116	129	113
IFRS Gross revenue from continuing operations	23,033	23,376	46,850
Earnings/(loss) per share (eurocents)*	3.02	8.09	(3.19)
Gross headline earnings	17,258	34,775	12,578
Net headline earnings	18,059	42,762	12,076
Gross headline gain per share (eurocents)	2.45	5.35	1.86
Net headline gain per share (eurocents)	2.56	6.58	1.78
Gross diluted headline gain per share (eurocents)	2.45	5.35	1.86
Net diluted headline gain per share (eurocents)	2.56	6.58	1.78
Closing number of shares in issue**	704,493,798	704,493,798	704,493,798

* The Group's earnings per share have decreased by 63% vs. 31 Dec 2019.
** Excluding treasury shares.

SEGMENTAL ANALYSIS INCOME STATEMENT (JUL – DEC 2020)

	Proportionate accounts Six months ended 31 Dec 2020					Adjustments Six months ended 31 Dec 2020					Adjusted proportionate accounts Six months ended 31 Dec 2020				
	Total	CEE	DJV	WE	Co***	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
EARNINGS	**21,265**	**12,112**	**10,609**	**(4,646)**	**3,190**	**35,773**	**3,577**	**1,206**	**30,779**	**211**	**57,038**	**15,689**	**11,815**	**26,133**	**3,401**
Distributable earnings	**23,233**	**9,746**	**7,053**	**7,359**	**(925)**	**(1,718)**	**-**	**-**	**-**	**(1,718)**	**21,515**	**9,746**	**7,053**	**7,359**	**(2,643)**
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	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)
Non-distributable earnings	**(1,968)**	**2,366**	**3,556**	**(12,005)**	**4,115**	**37,491**	**3,577**	**1,206**	**30,779**	**1,929**	**35,523**	**5,943**	**4,762**	**18,774**	**6,044**
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	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	(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	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	-	-	-	-	-	27,311	-	-	27,311	-	27,311	-	-	27,311	-
Weighted average number of shares (million)^											**689.9**				
Adjusted distributable earnings per share (eurocents)											**3.12**				

SEGMENTAL ANALYSIS BALANCE SHEET (DEC 2020)

	Proportionate accounts 31 Dec 2020					Adjustments 31 Dec 2020					Adjusted proportionate accounts 31 Dec 2020				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
NET ASSET VALUE	**816,098**	**309,222**	**228,912**	**237,160**	**40,804**	**(20,203)**	**6,716**	**(5,008)**	**(21,911)**	**-**	**795,895**	**315,938**	**223,904**	**215,249**	**40,804**
Assets	**1,262,832**	**480,891**	**258,451**	**455,141**	**68,349**	**(25,789)**	**(15,012)**	**(10,777)**	**-**	**-**	**1,237,043**	**465,879**	**247,674**	**455,141**	**68,349**
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	45,693	-	10,777	-	34,916	(10,777)	-	(10,777)	-	-	34,916	-	-	-	34,916
Goodwill	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	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
Liabilities	**446,734**	**171,669**	**29,539**	**217,981**	**27,545**	**(5,586)**	**(21,728)**	**(5,769)**	**21,911**	**-**	**441,148**	**149,941**	**23,770**	**239,892**	**27,545**
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	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	-	-	-	-	-	21,911	-	-	21,911	-	21,911	-	-	21,911	-
Closing number of shares in issue (million)^											**687.3**				
Net asset value per share (eurocents)	**119**	**45**	**33**	**35**	**6**										
Tangible net asset value per share (eurocents)											**116**	**46**	**33**	**31**	**6**

*** 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.
^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.

This short-form announcement is the responsibility of the directors and is only a summary of the information contained in the full announcement released on SENS on Thursday, 25 February 2021 and available at: https://senspdf.jse.co.za/documents/2021/jse/isse/msp/MASHYFS21.pdf or on the Company's website: https://www.masrei.com/investors/financials. This short-form announcement does not contain full or complete details, any investment decisions by investors and/or shareholders should be based on consideration of the full announcement. The full announcement is available for inspection or may be requested and obtained in person, at no charge, at the head office of the Company on the 2nd floor, Clarendon House, Douglas, Isle of Man, IM1 2LN, and at the offices of our sponsor Java Capital Trustees and Sponsors Proprietary Limited, at 6th Floor, 1 Park Lane, Sandton, Johannesburg, 2196, South Africa, during office hours from 25 February 2021 to 11 March 2021. The condensed consolidated interim financial statements have been reviewed by the Company's auditors, PricewaterhouseCoopers LLC, who expressed an unmodified review opinion thereon. The opinion, together with the condensed consolidated interim financial statements are available on the Company's website at the above link.