



MAS Securities B.V.

(incorporated in the Netherlands with limited liability)

€300,000,000 4.25 per cent. Guaranteed Notes due 2026

guaranteed by MAS Real Estate Inc.

(incorporated in the British Virgin Islands with limited liability)

Issue Price: 98.903 per cent.

The €300,000,000 4.25 per cent. Guaranteed Notes due 2026 (the "**Notes**") will be issued by MAS Securities B.V. (the "**Issuer**") and guaranteed by MAS Real Estate Inc. (the "**Guarantor**"). Interest on the Notes will be payable annually in arrear on 19 May in each year. The first payment of interest shall be payable on 19 May 2022 in respect of the period from (and including) 19 May 2021 to (but excluding) 19 May 2022. Payments on the Notes will be made in euro without deduction for or on account of taxes of the Netherlands, or the Isle of Man to the extent described under "*Terms and Conditions of the Notes — Taxation*".

The Notes will mature on 19 May 2026 (the "**Maturity Date**"). The Notes will be subject to redemption in whole, but not in part, at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption, at the option of the Issuer at any time in the event of certain changes affecting taxation in the Netherlands or the Isle of Man. The Notes will also be subject to redemption at the option of the Issuer (i) in whole or in part at any time at the higher of their principal amount and the Optional Redemption Price (as defined herein) and (ii) in whole but not in part at their principal amount if 80 per cent. or more of the Notes originally issued have been redeemed or purchased and cancelled by the Issuer, in each case together with interest accrued to (but at any time excluding) the date fixed for redemption. In addition, upon the occurrence of a Change of Control Put Event (as defined herein), the Notes may be redeemed at the option of the relevant holder at their principal amount together with interest accrued to (but excluding) the Change of Control Put Date. See "*Terms and Conditions of the Notes — Redemption and Purchase*".

This Offering Circular is for the purpose of the application to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the listing of the Notes and does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Application has been made for this Offering Circular to be approved by Euronext Dublin as listing particulars. Application has also been made to Euronext Dublin for the Notes to be admitted to the official list (the "**Official List**") and to trading on the Global Exchange Market of Euronext Dublin (the "**Global Exchange Market**").

The Notes will be issued in minimum denominations of €100,000 and higher integral multiples of €1,000.

The Notes will initially be represented by a global certificate (the "**Global Certificate**"), which will be deposited with, and registered in the name of a nominee for, a common safekeeper (the "**Common Safekeeper**") on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") on or prior to 19 May 2021. The Global Certificate will be exchangeable for individual certificates in registered form ("**Certificates**") in the limited circumstances set out in it. See "*Summary of Provisions relating to the Notes while in Global Form*".

The Notes and the guarantee of the Notes (the "**Guarantee**") have not been, and will not be, registered under the United States Securities Act 1933, as amended (the "**Securities Act**"). The Notes are being offered outside the United States by the Joint Lead Managers (as defined in "*Subscription and Sale*" below) in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered or sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act.

The Notes are expected to be rated Ba1 by Moody's Investor Services Ltd and BB by Fitch Ratings Limited. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Offering Circular.

Sole Global Coordinator and Green Structuring Agent
Deutsche Bank

Joint Bookrunners and Joint Lead Managers

Deutsche Bank

Raiffeisen Bank International

Offering Circular dated 17 May 2021

IMPORTANT NOTICES

The Issuer and the Guarantor accept responsibility for the information contained in this Offering Circular. Having taken all reasonable care to ensure that such is the case, to the best of the knowledge of each of the Issuer and the Guarantor, the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all the documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*").

To the fullest extent permitted by law, Deutsche Trustee Company Limited (the "**Trustee**"), Deutsche Bank AG, London Branch (the "**Principal Paying Agent**" and the "**Transfer Agent**"), Deutsche Bank Luxembourg S.A. (the "**Registrar**", and together with the Principal Paying Agent and the Transfer Agent, the "**Agents**") and the Joint Lead Managers (as defined in "*Subscription and Sale*" below) accept no responsibility whatsoever for the contents of this Offering Circular or for any other statement made or purported to be made by a Joint Lead Manager, the Trustee or any Agent or on behalf of any of them in connection with the Issuer, the Guarantor or the issue and offering of the Notes. Each Joint Lead Manager, the Trustee and each Agent accordingly disclaims all and any liability whether arising in tort or contract or which it might otherwise have in respect of this Offering Circular or any such statement.

Pursuant to the recommendation in the voluntary process guidelines for issuing "green" bonds published by the International Capital Market Association (the "**Green Bond Principles**") that external assurance is obtained to confirm alignment with the key features of the Green Bond Principles, at the request of the Issuer, Sustainalytics has issued a second party opinion dated 22 February 2021 (the "**SPO**") in relation to the Issuer's Green Financing Framework. Neither the Green Financing Framework nor the SPO is incorporated into, and does not form part of, this Offering Circular. None of the Joint Lead Managers, the Trustee or the Agents makes any representation as to the suitability or content of the Green Financing Framework and none of the Issuer, the Joint Lead Managers, the Trustee or the Agents makes any representation as to the suitability of the SPO. The SPO is not a recommendation to buy, sell or hold securities and is only current as of the date it was initially issued. Furthermore, the SPO is for information purposes only and Sustainalytics does not accept any form of liability for its content and/or any liability for loss arising from the use of the SPO and/or the information provided therein. See "*Risk Factors—Risk Factors Relating to the Notes—The Notes may not be a suitable investment for all investors seeking exposure to green assets, and there is currently no market consensus on what constitutes a "green" note*".

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor, any Joint Lead Manager, the Trustee or any Agent that any recipient of this Offering Circular or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, any Guarantor, any Joint Lead Manager, the Trustee or any Agent to any person to subscribe for or to purchase any Notes.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of the investment in light of its own circumstances. In particular, each potential investor should (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Circular or any applicable supplement; (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency; (d) understand thoroughly the terms

of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

OFFER RESTRICTIONS

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Joint Lead Managers to subscribe or purchase, any of the Notes. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Notes and distribution of this Offering Circular, see "*Subscription and Sale*" below.

MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended ("**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

STABILISATION

In connection with the issue of the Notes, Deutsche Bank Aktiengesellschaft (the "**Stabilisation Manager**") (or any person acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or any person acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

GENERAL

Unless otherwise specified or the context requires, references to "euro", "EUR" and "€" are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community.

The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Unless otherwise specified or the context so requires, references herein to the "Group" are to the Guarantor and its subsidiaries.

FORWARD LOOKING STATEMENTS

This Offering Circular includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Circular and include, but are not limited to, statements regarding the intentions of the Issuer and/or the Guarantor, and beliefs or current expectations concerning, among other things, the business, results of operations, financial position and/or prospects of the Issuer and/or the Guarantor.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Group, and the development of the markets and the industries in which members of the Group operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Offering Circular. In addition, even if the Group's results of operations and financial position, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements, including, among other factors described in this Offering Circular:

- the global economic recession and any possible related financial crisis that might occur due to the ongoing global coronavirus pandemic;
- the Group's ability to integrate recent or future acquisitions or realise synergies from such acquisitions;
- ability to attract and retain anchor tenants;
- ability to raise the financing that the Group requires or refinance existing debt at maturity; and
- legal systems and legislation in the Central and Eastern Europe ("CEE") region continue to develop, which may create an uncertain environment for investments and for business activity in general.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*" below.

These forward-looking statements are made only as at the date of this Offering Circular. Except to the extent required by law, neither the Issuer nor the Guarantor is obliged to, and neither of them intends to, update or revise any forward-looking statements made in this Offering Circular whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Issuer or the Guarantor, or persons acting on the Issuer's or the Guarantor's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Offering Circular. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Notes should not place undue reliance on these forward-looking statements.

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OVERVIEW

The overview below describes the principal terms of the Notes and is qualified in its entirety by the more detailed information contained elsewhere in this Offering Circular. Capitalised terms used herein and not otherwise defined have the - meanings given to them in the "*Terms and Conditions of the Notes*" (the "**Conditions**").

Issuer	MAS Securities B.V.
Legal Entity Identifier of the Issuer	724500YWF5KUNMZZ9J87
Guarantor	MAS Real Estate Inc.
Legal Entity Identifier of the Guarantor	213800T1TZPGQ7HS4Q13 BVI Company Number 1750199
Trustee	Deutsche Trustee Company Limited
Principal Paying Agent	Deutsche Bank AG, London Branch
Registrar	Deutsche Bank Luxembourg S.A.
Transfer Agent	Deutsche Bank AG, London Branch
Sole Global Coordinator and Green Structuring Agent	Deutsche Bank Aktiengesellschaft
Joint Bookrunners and Joint Lead Managers	Deutsche Bank Aktiengesellschaft and Raiffeisen Bank International AG
Notes	€300,000,000 4.25 per cent. Guaranteed Notes due 2026
Maturity Date	19 May 2026
Issue Price	98.903 per cent.
Interest	4.25 per cent. per annum
Securities Identifiers	ISIN: XS2339025277 Common Code: 233902527 FISN: See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN CFI Code: See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN

Issue Date	19 May 2021
Form and Denomination	The Notes will be issued in registered form in denominations of €100,000 and higher integral multiples of €1,000. The Notes will initially be represented by a Global Certificate, which will be deposited with, and registered in the name of a nominee for, the Common Safekeeper on behalf of Euroclear and Clearstream, Luxembourg on or prior to the Issue Date. The Notes will be issued in the new safekeeping structure. The Global Certificate will be exchangeable for Certificates representing Notes in the limited circumstances set out therein
Status of the Notes	The Notes will constitute direct, general and unconditional obligations of the Issuer which shall at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all other present and future unsecured obligations of the Issuer, save for certain obligations preferred by law and subject to Condition 4 (<i>Negative Pledge</i>)
Status of the Guarantee	The guarantee of the Notes constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank at least <i>pari passu</i> with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application and subject to Condition 4 (<i>Negative Pledge</i>)
Interest Payment Dates	Interest in respect of the Notes will be payable annually in arrear on 19 May in each year and ending on the Maturity Date (unless the Notes are previously redeemed or purchased and cancelled)
Redemption	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date
Issuer Call Option for Taxation Reasons	The Issuer may, at its option, redeem all, but not some only, of the Notes at any time at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption, in the event of certain tax changes, as further described in Condition 7(b) (<i>Redemption and Purchase – Redemption for tax reasons</i>)
Issuer Make Whole Call Option	The Issuer may, at its option, redeem all or some only of the Notes outstanding at any time at the Optional Redemption Price (as defined in the Conditions) together with interest accrued to (but excluding) the date fixed for redemption, as further described in Condition 7(c) (<i>Redemption and Purchase – Make-whole Call</i>)
Issuer Clean Up Call Option	The Notes will be subject to redemption at the option of the Issuer in whole but not in part at their principal amount if 80 per cent. or more of the Notes originally issued have been redeemed or purchased and cancelled by the Issuer, together with interest accrued to (but at any time excluding) the date fixed for redemption.
Issuer Par Call	The Notes may be redeemed at the option of the Issuer in whole, but not in part, on each date falling on (and including) 19 February 2026 to (but excluding) the Maturity Date, at their principal amount, together with interest accrued to the date fixed for redemption
Change of Control Put Option	Upon the occurrence of a Change of Control Put Event (as defined in the Conditions), each Noteholder shall have the option to require the Issuer to redeem the Notes of such holder at their

	principal amount together with interest accrued to (but excluding) the Change of Control Put Date (as defined in the Conditions), as further described in Condition 7(d) (<i>Redemption and Purchase – Redemption at the Option of the Noteholders upon a Change of Control</i>).
Cross Default/Cross-acceleration	The Notes will have the benefit of a cross default and cross-acceleration in respect of any Indebtedness (as defined in the Conditions) of the Issuer, the Guarantor or any Material Subsidiary (as defined in the Conditions), provided that the amount of Indebtedness individually or in the aggregate exceeds EUR 40,000,000 (or its equivalent in any other currency or currencies), as described in Condition 11 (<i>Events of Default</i>).
Negative Pledge	The Conditions include a negative pledge, as further described in Condition 4 (<i>Negative Pledge</i>).
Withholding Tax	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of any Tax Jurisdiction (as defined in Condition 9 (<i>Taxation</i>) of the Notes), unless the withholding is required by law. In such event, the Issuer or (as the case may be) the Guarantor shall, subject to customary exceptions, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding been required, all as described in Condition 9 (<i>Taxation</i>). As more fully set out in "Taxation", the Issuer or Guarantor may be required under certain circumstances to withhold amounts in respect of taxes on payments on the Notes or the Guarantee representing interest, discounts or premiums. See also " <i>Risk Factors - Payments to persons with certain ties to Malta may be subject to withholding and such Noteholders may be subject to additional income tax as a result of gross-up</i> ".
Governing Law	English law
Clearing and Settlement	Euroclear Bank SA/NV (" Euroclear ") and Clearstream Banking S.A. (" Clearstream, Luxembourg ")
Listing and Admission to Trading	Application has been made for the Notes to be admitted to the Official List and to trading on the Global Exchange Market
Ratings	The Notes are expected to be rated Ba1 by Moody's Investors Service Ltd and BB by Fitch Ratings Limited. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.
Selling Restrictions	The United States, the EEA, the UK, Malta, the British Virgin Islands, Japan and the Republic of Italy. See " <i>Subscription and Sale</i> " The Issuer and Guarantor are Category 2 for the purposes of Regulation S under the Securities Act, as amended.
Risk Factors	For a discussion of certain risk factors relating to the Issuer, the Guarantor and the Notes that prospective investors should carefully consider prior to making an investment in the Notes, see " <i>Risk Factors</i> "

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the Guarantor and the markets in which they operate together with all other information contained in this Offering Circular, including, in particular the risk factors described below.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer and the Guarantor that are not currently known to the Issuer and the Guarantor, or that either currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and the Guarantor and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Offering Circular and their personal circumstances.

FACTORS RELATING TO THE GROUP'S BUSINESS

Risks relating to the Group's business and industry

The recent global coronavirus pandemic has led to significant volatility in financial and other markets and could harm the Group's business and results of operations

The outbreak of the Covid-19 pandemic, together with measures aimed at mitigating the further spread of Covid-19, such as restrictions on travel, imposition of quarantines, prolonged closures of workplaces, curfews or other social distancing measures, has had a significant adverse effect on the Group's business the global economy and international financial markets and may significantly negatively impact the Group's business.

A number of factors that are important for the Group to successfully conduct its business could continue to be materially affected by the Covid-19 pandemic. The social distancing measures implemented by countries around the world to slow the spread of Covid-19 could result in a severe global recession and financial crisis. As economic activity is expected to be drastically reduced for several more months, many more businesses could be forced to close, leading to a dramatic increase in unemployment. Such developments could have a number of effects on the Group's business, including the following:

- some tenants of the Group's properties could find it increasingly difficult to pay rent, thereby leading to an increase in late payments and a consequential reduction in the Group's cash flow;
- other tenants of the Group's properties may go bankrupt and/or may no longer be able to afford to pay rent at all and be forced to move out, thereby further reducing the Group's revenue streams. As a result, the Group may be exposed to lower occupancy levels or having to lower rental prices and/or rent reductions in respect of its properties;
- the Covid-19 pandemic may have a negative impact on rental and sale prices and overall demand, which may also affect the Group's cash flow. Subdued economic activity could make it more difficult for the Group to sell its remaining Western European properties at the prices expected by the Group, if at all; and
- lower consumer spending in the Group's retail centres, which may affect the cash flows of tenants and, by extension, those of the Group, either because agreed rent is linked to tenants' turnover or where tenants exercise the right to terminate their lease agreements (for example, in cases where large tenants have a right to terminate their lease agreements (A) if the occupancy ratio of the relevant shopping centre falls to a specified threshold level; or (B) where the tenant mix in the relevant shopping centre changes and these circumstances continue or remain unremedied for a specified period of time; or (C) in a limited number of cases, where the revenues of a particular tenant falls to below a specified level).

The Covid-19 pandemic could also affect the Group's plans, as well as the operations of PKM Development - the Group's development joint venture, whose mandate is to develop retail and residential assets in the Central and Eastern Europe ("CEE") including direct investment in real estate in the CEE and real estate listed securities and other instruments (the "DJV") - resulting in cessation of or delay in refurbishment or development works, a number of such works having already been put on hold for certain periods throughout the pandemic. The quarantines and other restrictions imposed by the governments of the countries in which the Group has operations have resulted and could continue to result in (i) increased costs as a result of any necessary disinfections and other health and safety measures implemented at the Group's properties (including by tenants in leased premises), (ii) short-term unavailability of staff

working for the Group or for its contractors as a result of illness, quarantines or other restrictive measures, (iii) short-term unavailability or delays in the delivery of various materials necessary for the development or refurbishing works, any of which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The duration of the pandemic and the success in containing the outbreak of Covid-19 is still uncertain. While at the date of this Offering Circular the EU has approved several vaccines and the vaccination of the EU population is ongoing, any shortages of vaccine supply and the incidence of new more contagious strains of the Covid-19 virus, could result in an increase in Covid-19 cases and mortality rates, which may result in further or extended quarantines, lockdowns, travel and other restrictions imposed by governments.

The Covid-19 pandemic has had a significant impact on the net rental income of the Group during the applicable lockdown periods. At the beginning of the pandemic, authorities in all jurisdictions where the Group operates introduced restrictions to constrain the spread of the pandemic. This resulted in the closure of all non-essential retail property and hospitality operations for periods of time that differed from one jurisdiction to the another. Initial closures commenced in March 2020 and remained in force until mid-May 2020.

By July 2020, most Covid-19 related trading restrictions were lifted and the majority of the Group's tenants in the CEE could resume trade with limited restrictions until the end of October 2020. In Romania, a patchwork of lighter regional restrictions was introduced during November 2020 including up to the date of this Offering Circular, varying from restrictions on trading capacity to mandatory closures of non-essential retailers on certain days. Notable exceptions were Romanian indoor food and beverage and leisure tenants. For these tenants, operations were limited to takeaway and delivery trading from 15 June to 31 August 2020, and, again, from 15 October to 31 December 2020, and, thereafter from 1 September to 14 October 2020, subject to regional seating capacity restrictions. Leisure tenants, except cinemas from 1 September to 24 October 2020, were not permitted to trade. In Bulgaria, authorities closed non-essential retail during the last week of November 2020. In Poland, authorities closed non-essential retail for three weeks in November 2020, permitted reopening on 28 November 2020 and followed with another closure from 28 December 2020. Excepting Polish indoor food and beverage and leisure tenants, Polish and Bulgarian non-essential retailers remained closed until 1 February 2021. During March 2021, Polish and Bulgarian authorities imposed additional nation-wide lockdowns affecting non-essential retailers until mid-April 2021, in the case of Bulgaria, and including up to the beginning of May 2021, in the case of Poland. In the UK, 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. Also, on 20 November 2020, German authorities introduced capacity restrictions for non-essential retailers, with more stringent measures depending on regional infections incidence rates including up to the date of this Offering Circular.

Temporary closures had an immediate initial impact on collections from tenants who are non-essential retailers and from other tenants which had interrupted operations. In turn, this gave rise to some technical breaches of income-related covenants in certain of the Groups financing agreements for which corresponding waivers were requested and obtained. In Romania and Bulgaria, the Group offered tenants conditional rent deferrals for the duration of the initial lockdown periods (and, in some cases, additional partial deferrals for an initial period thereafter) in exchange for measures negotiated on a tenant-by-tenant basis, 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 for the Group's continuing operations of EUR 3million in the six-month period ended 31 December 2020, and of EUR 4.8million in the year ended 30 June 2020. With respect to the Group's Western European assets, a significant portion of rental income generated by properties held for sale was attributable to tenants who are essential retailers and other tenants with operations that were not fundamentally affected by the pandemic at the time. As at the date of this Offering Circular, the Group has recovered most rental income and service charges due in respect of the Western European assets for the period preceding the date of their disposal (where applicable).

For amounts deemed not to be recoverable (which relate primarily to hospitality operations) an impairment of EUR 1.2 million was recognised as at 31 December 2020 (30 June 2020: EUR 0.8 million). Nevertheless, collections from tenants and the proceeds of the Group's Western European asset sales programme allowed the Group sufficient liquidity to repay its EUR 60 million revolving facility in December 2020, which remains available for future utilisation. In addition, the Group held EUR 86.5million in cash and cash equivalents at 31 December 2020 and a further net amount of EUR 10 million in financial investments.

The continued spread of the Covid-19 pandemic and the reoccurrence or escalation of one or more of the above developments may have a material adverse effect on the Group's business, financial condition, prospects and results of operations. In addition, the impact of the Covid-19 pandemic, including measures taken by governments and authorities in jurisdictions where the Group operates to contain the spread of the virus, might heighten the other corresponding

risks described under this section "Risk Factors" including by increasing both the probability of negative impacts as well as the severity of such impacts.

The global economic recession and any possible related financial crisis that might occur due to the ongoing global coronavirus pandemic may affect the financial position and performance of the Group

The Covid-19 pandemic and the measures taken by governments and authorities with the aim to mitigate its further spread are expected to also have a significant impact on the Group's operations and financial position and performance. While the Group cannot quantify yet the full impact of the Covid-19 pandemic on the Group's financial position and financial performance, it could have a number of significant negative effects, including the following:

- investment property held at fair value may experience a decrease in carrying amounts subsequent to 31 December 2020;
- goodwill may be impaired due to revised assumptions used in the calculations that support its carrying amount;
- trade receivables may experience higher levels of impairment, as the Group may negotiate on a case-by-case basis partial or conditional write-offs of certain rent receivables or grant certain discounts as a measure to support tenants in case of further lockdowns triggered by the Covid-19 pandemic, or as tenants experience financial difficulties;
- financial investments at fair value, consisting of listed securities in real estate companies, may experience loss in value due to lower market prices;
- gross rental income and net operating income may experience a decrease, as a result of regulatory moratoriums which allow tenants to unilaterally suspend rental and related payments during the lockdown period and as a result of reduced turnover of tenants with lease payments linked to their turnover; and
- interest expenditure may increase, if the Group is required to utilise more of its available financing facilities.

The Group's capital expenditure and other construction and maintenance costs may be higher than expected

The Group's investment and development programme entails significant planned expenditures. The Group is subject to a number of operating and other risks relating to the completion of its investments and to the development of real estate in the DJV that are beyond its control. These include shortages of, increases in, and/or price inflation in respect of (as applicable) materials, equipment and labour; contractors' insolvency or bankruptcy; adverse weather conditions; accidents; unexpected delays; and other unforeseen circumstances, any of which could result in costs that are materially higher than initially estimated by the Group. These risks are exacerbated by the Covid-19 pandemic. Furthermore, the inability to complete the construction and leasing of a property on schedule may result in increased construction or renovation costs and may result in termination of leases and further result in claims by third parties for damages.

For large refurbishment projects, costs related to obtaining planning, demolition and/or construction or other required consents, dealing with counterparties and obtaining approvals and consents (both from third parties and regulators) can be significant and time consuming. There is also a risk that planning or permitted use consents are not obtained, are delayed, are subject to uneconomic or unfavourable conditions or, once received, may be challenged. The Group may delay or abandon refurbishment that it has started to pursue and consequently fail to recover costs already incurred. In some cases, the refurbishment or development of properties may be subject to revaluation losses due to, for example, the Group's or the DJV's determination that a given refurbishment or development property is not likely to yield a desired level of net rental income or occupancy. Other write-offs relating to abandoned refurbishment or development opportunities, or revaluation losses resulting from changes in the value of a refurbishment or development properties, may occur in the future. Moreover, construction defects on completed or ongoing developments may lead to property and personal damages which affect the Group and the developments themselves.

Laws in relevant jurisdictions impacting the Group or the DJV may be introduced that may be applied retrospectively and affect existing building consents which would restrict development in the Group's or the DJV's target geographies. This could negatively affect the Group's or the DJV's ability to complete a development and refurbishment programme on schedule or within the estimated budget. Even if the Group or the DJV is successful in implementing a project, the Group may not see a return on its investments due to unforeseen costs.

Any failure by the Group to complete an investment or to otherwise undertake appropriate construction or refurbishment work could adversely affect the rental revenue earned from the affected real estate, impacting the Group's business, financial condition, prospects and results of operations. Similarly, the occurrence of any of these situations with respect

to the DJV's developments after funding has been provided by the Group may affect the expected return on investment (although the Group remains downside-protected as a result of its exposure to the DJV being limited to the value of amounts previously invested plus the balance of undrawn funding commitments), which could in turn affect the financial condition of the Group.

The Group is exposed to certain risks relating to real estate investments

Investing in real estate is generally subject to various risks, including the following:

- adverse changes in national or international economic conditions;
- adverse local market conditions;
- the financial conditions of the retail and residential sector (including tenants, buyers and sellers of real estate);
- the availability of debt and equity financing;
- changes in interest rates, real estate tax rates and other operating expenses;
- environmental and operational laws and regulations, planning laws and other governmental rules and fiscal policies;
- environmental claims arising in respect of properties acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established;
- energy and utilities prices;
- ownership restitution risks, property ownership uncertainty and related litigation;
- changes in the relative popularity of real estate types and locations leading to an oversupply of space or a reduction in demand for a particular type of real estate in a given market; and
- risks and operating problems arising out of the possible lack of availability of certain construction materials.

These factors could cause fluctuations in rental income or operating expenses, which in turn would have a negative effect on the operating returns derived from, and the value of, properties. The value of properties may also be significantly diminished in the event of a downturn in real estate prices or the occurrence of any of the other factors mentioned above. Such a decrease in value or decrease in rental income or increase in operating expenses would have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

There can be no assurance that the Group will be successful in implementing its business strategy

The Group's business strategy is to redeploy capital currently invested in Western European assets into income generating property in CEE, and to continue to fund and participate in the development pipeline in CEE through the DJV. No assurances can be given that the implementation of the Group's strategy, and achieving its investment objectives, will be successful under current or future market conditions. The Group's approach may be modified from time to time. It is therefore possible that the approach adopted to implement its strategy and to achieve its investment objectives and financial targets in the future may be different from that presently expected to be used and disclosed in this Offering Circular.

The ability to identify and secure new acquisitions and to dispose of the Group's remaining Western European assets is essential to ensuring the growth of the Group's business. The acquisition of real estate requires, among other things, an analysis of the factors that create value, and such analysis is subject to a wide variety of factors and subjective assessments and is based on various assumptions. It is possible that the Group may overestimate the potential of target properties when making acquisition decisions and cost savings and synergies may not develop or that it may base its decision on inaccurate information or assumptions that turn out to be incorrect. The Group may also overestimate the likelihood of obtaining the required permits and approvals for development properties. Such errors may only become apparent at a later stage and force the Group to recognise fair value losses in its statement of income. Furthermore, the Group cannot guarantee that its due diligence when purchasing a property will identify all of the potential liabilities and risks related to the property or that it will have recourse to the seller of the property for the non-disclosure of such

risks. Such risks could impact the fair value of the properties, cause a loss of the Group's rights to a property or incur significant additional costs.

In addition, the availability of potential investments that meet the Group's investment criteria will depend on the state of the economy and financial markets in the CEE region. The supply of real estate assets might be limited for example due to fewer sales of real estate assets by sellers. Constriction of supply could further increase competition for acquisitions of properties that would be suitable for the Group. All this may result in an increase in the price of properties. Competition from larger real estate companies, which may have access to cheaper funding in the markets in which the Group intends to expand its business, combined with the potential entry of new international investors in the markets where the Group is already present, may make it more challenging for the Group to acquire new properties and expand its portfolio and could weaken its market share and growth possibilities. In addition, the potential longer-term recessionary consequences of the Covid-19 pandemic, which potentially includes a significant and prolonged reduction in consumption, could affect the Group's development plans.

Any inability or failure to identify and acquire attractive properties at commercially acceptable terms or to identify potential liabilities associated with the properties, or complete the property acquisitions at all, or any inability to sell the Group's Western European assets on commercially acceptable terms (considering also broker fees, external counsels' fees as well as break fees under loan agreements related to the respective assets) or at all, will negatively impact the Group's business strategy to focus on targeting properties with value-add potential which may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The planned re-domiciliation of the Guarantor from the British Virgin Islands to Malta may not be completed within the expected timeframes and may not yield the expected benefits. Investors should consult their own advisers as to potential consequences for them

As part of the Group's strategy to focus on investment in real estate properties in CEE, the Guarantor's shareholders approved the re-domiciliation of the Guarantor from the British Virgin Islands to Malta and the change of the Guarantor's tax residency from the Isle of Man to Malta. Following the re-domiciliation, the Guarantor intends to hire staff and set up an office in Malta as certain functions performed by the Guarantor for the Group (such as holding company accounting functions, group secretarial functions, equity capital management, investor relations, compliance with listings requirement and others) are intended to be housed in Malta. In addition, once the Group's real estate assets in Western Europe are sold, the Group intends to further decrease operations in its Isle of Man office and to wind up other Group companies in the Netherlands and Luxembourg.

Despite the fact that the Guarantor undertook an analysis of the regulatory steps required for and consulted professional advisers with respect to, the implementation of the re-domiciliation to Malta, the process is subject to certain authorisations such as those from the Registrar of Companies in Malta and the Registrar of Corporate Affairs in the British Virgin Islands and there can be no guarantee that the process will be completed within the expected timeframes or at all. The Group may not be able to successfully attract qualified personnel in Malta, which in turn may delay or otherwise impact day-to-day management and decision-making processes, leading to missed opportunities and inefficient operations. In addition, the Group may not realise the expected benefits (or some of them) from the re-domiciliation or may realise them to a lesser extent than anticipated.

If and when the re-domiciliation is completed, the Guarantor will be subject to Maltese tax rules. While the Group has taken external professional advice on all aspects of the re-domiciliation and has assessed, among various other things, the fiscal impact thereof, the possibility that the Group's interpretation of applicable laws and regulations is incorrect, or that the relevant laws and regulations or interpretation by applicable authorities may change, possibly with retroactive effect, cannot be excluded. Future changes in applicable laws and regulations, such as any significant increase in the Group's future effective tax rates, could adversely affect the Group's business, financial condition, prospects and results of operations (see "*Changes in effective tax rates or tax legislation in the countries where the Group operates or changes in the interpretation of such legislation may have an adverse effect on the Group's results*")

Furthermore, any potential investor should consult their professional advisers as to the regulatory and tax consequences (including the imposition of any capital gain tax) in their respective jurisdictions of their acquiring, holding and disposing of Notes in light of the Guarantor's planned re-domiciliation from the British Virgin Islands to Malta and change of tax residency from the Isle of Man to Malta.

The Group may not successfully integrate recent or future acquisitions or realise synergies from such acquisitions and may not be able to manage growth successfully

As part of its strategy, the Group may continue to pursue acquisitions, investments, divestitures or strategic alliances, which may not be completed or, if completed, may not ultimately benefit the Group.

A number of risks arise from such acquisitions, including:

- failure to complete a transaction that has been announced;
- failure to manage existing business while integrating acquired operations due to significant demands on its management and other resources;
- failure to achieve anticipated cost savings and synergies as a result of acquisitions; and
- management of acquisitions will require continued development of financial controls and information systems, which may prove to be expensive, time-consuming and difficult to maintain. Moreover the acquired assets may not perform as anticipated in the acquisition process.

Whilst generally consistent with investment, capital and ownership structures of other multinational real estate investment groups in general terms, the Group structure includes a substantial number of affiliates in various different jurisdictions, a variety of properties and various financing instruments to maintain and expand the Group's operations, all of which potentially can give rise to risk of management and controlling errors which in turn could have a material adverse effect on the business, financial condition, prospects and results of operations of the Group. This is a function of the multinational investment focus of the Group with the additional requirement for the ringfencing of property risk on a per-asset basis and away from other operational exposures such as employment and related risks. As a consequence, there can be no assurance that the Group will not experience issues such as delays relating to regulatory and contractual compliance obligations, operational difficulties at new or existing locations, difficulties in integrating new acquisitions into the Group's existing business and operations and managing the training of an increasing number of personnel to manage and operate the expanded business. Challenges the Group may face in future growth include continuing to improve its managerial, technical and operational knowledge, improving the efficiency of its information management system, continuing to recruit and train managerial and other professional staff to satisfy its business requirements, obtaining sufficient financial resources to fund its on-going operations and its future growth, managing relationships with a greater number of tenants, suppliers, contractors, lenders and other third parties, and strengthening its internal control and compliance functions to ensure that the Group is able to comply with its regulatory and contractual obligations. If the Group is unable to successfully manage the impact of its growth on its operational and managerial resources and control systems, it may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is exposed to risks related to the safety of consumers and tenants in shopping centres and other properties, including acts of terrorism and violence

The Group promotes the security and safety of consumers and tenants in its properties. However, due to high visibility and the presence of large numbers of people, the Group's properties may be targets for terrorism and other forms of violence. Any terror or violent attack on a property of the Group or a similar property owned by someone else may harm the operations and general condition of its tenants and, in addition to causing financial and operational losses, may directly or indirectly affect the value of its properties and its development land. Terrorist activities and threats can stop business operations temporarily or permanently, can cause declining visitor numbers to the affected properties and may substantially impede a tenant's business.

The occurrence of any such event, could lower consumer confidence and spending in the Group's retail centres or increase volatility and uncertainty in the worldwide financial markets and economy, particularly in the event that there are further terrorist attacks across the globe. Adverse economic conditions resulting from these types of events could reduce demand for space in the Group's properties and thereby reduce the value of its properties and rental income and as a result could have a material adverse effect on its business, financial condition, prospects and results of operations.

The Group is exposed to risks related to the modernisation and maintenance of its properties

In order to sustain demand for its properties and to generate adequate revenue in the long term, the Group must maintain and/or improve the condition of its properties to a standard that meets market and regulatory demand. The Group has the primary responsibility for ensuring the maintenance of its properties. It bears the responsibility of meeting the contractual deadlines agreed upon with its suppliers and is liable for the payment of services, regardless of whether it is able to recover these charges from its tenants.

Although the Group constantly reviews the condition of its properties and has established a reporting system to monitor and budget for necessary maintenance and modernisation measures, numerous factors may generate substantial unbudgeted costs for maintenance and modernisation. For example, the outbreak of the Covid-19 pandemic triggered additional requirements, imposed through various legislative acts, in terms of health maintenance measures for the Group. In addition, the Group could underestimate the amounts required to be invested for the targeted modernisation and maintenance of its properties. Modernisation costs may increase due to various factors, such as increased costs of materials, labour costs, energy, bad weather conditions, unexpected safety requirements or unforeseen complexities emerging on building sites.

The Group could also be exposed to risks due to delays in the implementation of maintenance or modernisation works in connection with its properties, including: delays in obtaining necessary permits and consents for planned modernisation works, lack of qualified employees, bad weather conditions or delays in the works performed by a contractor or subcontractor or the contractor becoming insolvent during the maintenance or modernisation project.

Higher expenditures than planned or unforeseen additional expenses for modernisation and maintenance that cannot be passed on to tenants and/or delays in any of the matters mentioned above could negatively affect the Group's business, financial condition, prospects and results of operations.

The Group's focus on shopping centres increases its exposure to trends in consumer behaviour

Although the Group's strategy encompasses a diversified portfolio in several property sectors including office space and residential projects developed within the DJV, a significant part of its focus remains on commercial retail centres that meet the everyday needs of consumers and a downturn in consumer preference for shopping centres would have a more pronounced negative effect on the Group's revenues and profitability. This strategy makes the Group vulnerable to changes in trends in the behaviour of consumers.

Lower consumer confidence due to economic downturns, and a shift in consumer preference towards alternative shopping channels, such as mail order companies, discount stores and internet-based retailers may have some effect on consumer spending levels at shopping centres which could, among other things, result in lower consumer footfall which in turn results in lower tenant turnovers and occupancy rates, with a direct negative impact on the Group's business, financial condition, prospects and results of operations.

Furthermore, increasing use of online retail providers may have an adverse effect on shopping centre sales and decrease demand for commercial retail premises. The retail industry is undergoing a transformation as e-commerce grows and consumers become increasingly comfortable with internet and mobile shopping, especially in the context of the Covid-19 pandemic. Shopping centres will need to adapt their services and tenant offerings to meet changing consumer behaviour and demand to continue to attract customers in the future. Whilst in the case of online retail, for various structural reasons, the potential impact in a number of CEE countries is fundamentally different and may well be substantially less severe than, for example, in Western Europe, a significant increase in internet shopping (including as a result of the prolonged closures of stores due to the Covid-19 pandemic, social distancing measures and other restrictions) could decrease shopping centre sales to some extent and accelerate the trend towards online shopping, with some effect on demand for commercial retail premises and the value of properties. All these could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Retail developments are susceptible to the risk of competition and fluctuations in the economy

Retail developments are susceptible to competition from newer developments, which may offer lower rents, better facilities or layouts, and lower initial maintenance costs. Such competition could reduce rents in, or reduce the attractiveness of, the existing retail centres managed by the Group.

The demand for retail space in the CEE region is in part driven by governments' interest in foreign direct investment, including the availability of favourable government policies and/or subsidies. Changes in government policies or subsidies may therefore lead to a reduction in foreign direct investment and/or retail demand. The demand for retail space is also driven by economic conditions both locally and globally (as a result of a large mix of international tenants),

and therefore any unfavourable developments in the macroeconomic climate (for example, as a result of the Covid-19 pandemic), or any other causes that may lead to a reduction in economic activity, including the withdrawal of international companies from any of the CEE countries where the Group operates, could have a material adverse impact on the Group's operations.

Any deterioration in demand may result in increased pressure to offer new and renewing tenants financial and other incentives, which in turn may lead to an overall negative impact on net rental incomes. The occurrence of any one or a combination of the factors noted above may have a material adverse effect on the value of the Group's properties, the potential to increase rent following rent reviews and the ability of the Group to sell its properties on favourable terms or at all. Any deterioration in net rental income, the value of the Group's properties or the Group's ability to sell its properties could adversely affect the ability of the Issuer and the Guarantor to make payments of interest and/or principal on the Notes.

The success of the Group's retail properties is dependent on its ability to attract and retain anchor tenants, and its financial performance relies on its ability to generally attract and retain tenants

The Group relies on the presence of anchor tenants in its retail centres. Anchor tenants play an important part in generating consumer traffic and making a retail centre a desirable location for other tenants. The failure to renew the lease of an anchor tenant, the termination of an anchor tenant's lease, or the insolvency or economic decline of an anchor tenant can have a material adverse effect on the economic performance of a retail centre. There can be no assurance that, if the anchor tenants were to close or fail to renew their leases, the Group would be able to replace such anchor tenants in a timely manner or that it could do so without incurring material additional costs which would have adverse economic effects. The expiration of an anchor tenant's lease without it being replaced in a timely manner may make the refinancing of such a retail centre, if required, difficult. Furthermore, any deterioration of the Group's relationships with any of its anchor tenants may negatively impact on the Group's ability to secure anchor tenants for its future projects. Any of the above risks, if realised, could have an adverse effect on the Group's business, financial condition, prospects and results of operations.

In addition, the Group faces competition from other owners, operators and developers of real estate. The Group competes with local real estate developers, private investors, property funds and other retail property owners for tenants. Other than the requirement for capital, there are few other barriers to entry to the property market. Some of the Group's competitors may have properties that are newer, better located, or in superior condition compared to its properties.

The competition for tenants may also negatively affect the Group's ability to optimise the tenant mix, attract new tenants and retain existing tenants and may negatively influence the terms of the Group's lease agreements, including the amount of rent that the Group charges and the incentives that the Group provides to tenants, thereby adversely affecting the Group's business, financial condition, prospects and results of operations.

Any decline in occupancy levels may have a direct impact on the Group's cash flows

The Group invests in real estate and derives a significant proportion of its cash flows from rental payments received from the tenants occupying its properties. Any significant decline in occupancy levels in respect of the properties could have a material adverse effect on the ability of the Issuer and the Guarantor to make payments of interest on the Notes. Factors affecting occupancy may include, but are not limited to:

- the age, quality and design of a property relative to comparable properties in the local market;
- the property's location relative to public transportation;
- the standard of maintenance and upkeep of a property, including any work done by third-party service providers;
- changes in customers' shopping behaviours such as an increase in online shopping; and
- perceptions regarding the safety, convenience and attractiveness of the property.

There can be no assurance that tenants will renew their leases on terms favourable to the Group at the end of their current tenancies or, if they do not, that new tenants of equivalent standing (or any new tenants) will be found to take-up replacement leases.

Any failure of the Group to sustain an adequate occupancy level could have a material adverse effect on the Group's business, financial condition, prospects and results of operations. Further, the Group would continue to face fixed costs

(subject to certain exceptions) to cover service charge contributions in respect of any vacant units, which would reduce amounts available to make payments of interest on the Notes.

The Group is subject to the counterparty risk of its tenants

The Group is subject to the counterparty risk of its tenants as the net revenue generated from the Group's properties depends on the financial stability of its tenants and the commercial relationships with them, especially in relation to single tenant assets in the Western European portfolio such as Adagio Hotel, New Uberior House and Gotha. The creditworthiness of a tenant can decline over the short or medium term (for example, as a result of the Covid-19 pandemic), leading to a risk that the tenant will become insolvent or be otherwise unable to meet its obligations under the lease. Although the Group receives and holds advance deposits or bank guarantees, certain of these deposits or guarantees have been applied to meet rental payments following the Covid-19 pandemic, and those which are still held may be insufficient and the amounts payable to the Group under its lease agreements with tenants that are not secured (by deposits, bank guarantees or corporate guarantees) could mean that such tenants may be unable to pay such amounts when due. While the Group has a diversified tenant base, it may suffer from a decline in revenues and profitability in the event that a number of its strategically important tenants are unable to pay rent owed when due or seek bankruptcy protection. The Group is not insured against this credit risk. If a tenant seeks insolvency protection, the Group may be subject to delays in receipt of rental and other contractual payments, if it is able to collect such payments at all. The Group may not be able to secure vacant possession of the property without the consent of the relevant insolvency officials and/or body, thus preventing the Group from re-letting the affected property to a new tenant. The Group may not be able to limit its potential loss of revenues from tenants who are unable to make their lease payments. The tenants may have the right to terminate their lease agreements in certain circumstances which are not covered by the Group's business interruption insurance. In some cases, large tenants also have the right to terminate the lease agreements in case the occupancy rate of the relevant shopping centre decreases under certain agreed ratios or in case the tenant mix in the relevant shopping centre changes and these circumstances continue or remain unremedied for a certain period of time or even, in very limited cases, if their sales decrease under a certain level. If a lease is terminated, the Group may be unable to re-let the property at the same commercial rate, or at all. If any of these risks are realised, this could affect the Group's business, financial condition, prospects and results of operations.

The ability of the Group to increase rents in line with market fluctuations may be restricted by terms of the Group's lease agreements

The Group may be restricted in its ability to raise rents in line with market fluctuations owing to certain terms in its lease agreements. Rental levels and market value for properties are generally affected by overall conditions in the economy. Both rental income and property values may also be affected by factors specific to the real estate market, including: (i) rent reviews with anchor tenants may not be agreed at the estimated rental values; (ii) rents are tied, at least in part, to a tenant's turnover - thus, as the turnover of such tenant fluctuates, the rent is also subject to fluctuations; and (iii) most lease agreements to which the Group is a party include clauses which provide for partial or full indexation of rent, which, in most cases, is indexed in line with a consumer price index. Consequently, the increase in the rental proceeds from such leases is dependent not only on general economic developments or market conditions, but also on future rates of inflation, and any of these may be materially negatively impacted by the Covid-19 pandemic. Each of these factors may restrict the Group's ability to increase rents in line with market fluctuations and could therefore have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group may be unable to be reimbursed by tenants for increases in operating and administrative expenses

The Group's operating and administrative expenses, as well as increasing repair and maintenance costs related to the gradual ageing of the Group's properties, could increase without a corresponding increase in turnover or tenant reimbursements, mainly owing to reimbursement caps which may be included in various lease agreements or as a result of other legal restrictions. Further, there may be expenses which are not recoverable from tenants. Factors which could increase operating and administrative expenses include, amongst other things, increases relating to the rate of inflation, payroll expenses, legal expenses, property taxes and other statutory charges, energy and utility costs and the costs of services provided by third party providers, movements in foreign exchange rates, increases in insurance premiums, increase in maintenance costs and increases in capital expenditure which arise as a result of defects relating to the properties needing to be rectified. Such increases, if not recovered from tenants, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

There is a risk of delays in evicting tenants that are in default

Evicting a tenant that defaults on a lease can be costly and time consuming. Under certain legal regimes in the CEE region, the time it takes to evict a defaulting tenant is not prescribed by law and varies on a case by case basis. Additionally, obtaining a date for a court hearing can take approximately four to eight months, or longer. The loss of

rental revenues from any of the tenants that are in default and the inability to replace such tenants may have a material adverse effect on the Group's business, financial condition and results of operations.

Failure to comply with anti-corruption, bribery and similar laws could have an adverse effect on the Group's reputation and business

Although the Group has an anti-corruption policy in place, which is subject to oversight by the social and ethics committee of the Guarantor's board of directors, conducts training for employees and is committed to doing business in accordance with all applicable anti-corruption laws in the jurisdictions in which it conducts business or has a presence, it faces the risk that its members or their respective officers, directors, employees, agents or business partners may take actions or have interactions with persons that violate such anti-corruption laws, and may face allegations that they have violated such laws. If any violations of anti-corruption, bribery or similar regulations take place, the Group may be liable for civil penalties, including fines, injunctions, the termination of existing contracts, revocations or restrictions of licences, criminal fines or imprisonment. In addition, such violations could negatively impact the Group's reputation and, consequently, the Group's ability to attract lessees or invest in new properties. On the other hand, any such violation by the Group's competitors, if undetected, could give them an unfair advantage when tendering for lessees or bidding for properties. The consequences that the Group may suffer due to the foregoing could have a material adverse effect on its business, prospects, results of current and future operations as well as financial condition.

The real estate sector is susceptible to fraud

Certain activities in the real estate sector have, from time to time, been subject to allegations of embezzlement of cash in connection with arranging large scale real estate transactions. Although the Group is currently not aware of any such fraud taking place within its business and has taken precautionary measures to reduce the risk as much as possible, it may become the target of fraud or other illicit behaviour in any of the markets in which it operates.

This may have a material adverse effect on the Group's reputation and may affect the Group's business, financial condition, prospects and results of operations.

The Group is exposed to risks arising out of media coverage

The Group is keen to ensure proper media exposure and while it benefits from things such as an increase of visibility within markets and an increase of visitors within shopping centres, such exposure can also lead to the quick perpetuation of any negative perceptions by the public.

Although the Group is prepared to make proper use of all instruments granted by relevant legislation to challenge and address false, inaccurate or in any way misleading information published in the media, the brand of the Group may be adversely impacted by dissemination of any misleading information. Moreover, such information disseminated by media may lead, in certain cases, to investigations conducted by the regulatory authorities, control bodies or other officials and consequently trigger a negative effect on the Group's share and bond prices, results of operations or financial condition, or the availability of capital to the Group.

The Group is dependent on its IT systems and runs cyber security risks including leakage of customer data or other personal data security breach

The Group is dependent on the proper functioning of its information technology systems and processes. The Group's systems and the services of external system providers on which it relies are vulnerable to damage or interruption from various factors, including, but not limited to, power loss, telecommunication failures, data corruption, network failure, computer viruses, security breaches, natural disasters, theft, vandalism or other acts or events. A disruption in the infrastructure that supports the Group's businesses could have a material adverse effect on its ability to continue to operate the Group's business which in turn could lead to loss of business and the incurrence of significant costs related to information retrieval and verification and the restoration of normal service.

The Group also stores and uses in its operations data for marketing purposes, in particular, and such data may be protected by data protection laws and in particular Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data. Although the Group takes precautions to protect customer data in accordance with the applicable laws, the Group cannot discount the possibility of future data leakages. The Group works with third-party service providers, such as certain software companies, which may not fully comply with the relevant contractual terms and all data protection obligations imposed on them.

Unanticipated information technology problems, system failures, computer viruses, intentional/unintentional misuses, hacker attacks or unauthorized access to the Group's network or other failures, also in the context of the working-from-home trend that has been implemented to contain the spread of the Covid-19 pandemic, could result in a failure to maintain and protect customer data in accordance with applicable regulations and requirements and could affect the quality of the Group's services, compromise the confidentiality of its customer data or cause service interruptions, and may result in the imposition of fines, claims for damages, prosecution of relevant employees and managers, reputational damage and customer churn and may have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

The Group is also reliant on the general and timely functioning of banking systems and associated technology in order to receive and make payments. Any cessation of the ordinary functioning of the banking system or any interruption of payment systems may impact the ability to collect rents from tenants and could prejudice the ability of the Issuer and Guarantor to make payments in respect of the Notes.

Earthquakes, other seismic events or other events of catastrophic nature, including outbreaks of health epidemics, may adversely affect the Group's business

Romania, a key focus area of the Group and the DJV in terms of investment and development activity, is situated in an area of seismic activity and has in the past experienced devastating and deadly earthquakes. Romania has specific regulations covering seismic risks in respect of the design and execution of construction works, however the consequences of an earthquake will vary greatly depending upon the circumstances surrounding the quake. While no one can predict with any certainty what the impact might be, a seismic or other catastrophic event may adversely affect the Group's assets, disrupt its operations and adversely affect its business, results of operations and financial position (please see also "*The Group's insurance coverage may be inadequate*" below).

In addition, the spread of health epidemics such as the one related to the Covid-19 coronavirus in the markets where the Group operates may have a material adverse effect on the Group's business. Such epidemics could affect the Group's contractors resulting in delays or cessation of any development or refurbishing works. Moreover, such incidents could result in quarantines or other restrictions recommended or imposed by the World Health Organization or the governments of the countries in which the Group has operations. The occurrence of any such event could result in increased costs as a result of any necessary disinfections of the Group's properties, short-term absences of staff working for the Group or its tenants and decrease the footfall and consumer spending in the Group's retail centres, which could in turn affect rental collection and reduce rental income. As a result, this could have a material adverse effect on the Group's business, financial condition, prospects and results of operations. See also "*The global economic recession and financial crisis due to the ongoing global coronavirus pandemic may affect the Group's business and results of operations*" and "*The global coronavirus pandemic could continue to impact the Group's contractors and affect the Group's business and results of operations*" above.

The valuation of investment property for which market quotations may not be readily available requires the Group and/or independent appraisers to make assumptions which may prove to be inaccurate

The extent of the impact of the Covid-19 pandemic on the valuation of the Group's properties is highly uncertain at this time and depends on a number of factors, such as the duration of the pandemic and the suitability and effectiveness of measures adopted by authorities in response to the pandemic. For example, the third party valuers engaged by the Group raised material valuation uncertainty in relation to the valuation of all investment properties included in the Group's consolidated statement of financial position as at 30 June 2020, while the financial results for the six months ended 31 December 2020 show improved property valuations.

The valuation of investment property is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property and, in the case of development land, the expectations as to the cost and timing of that development and its ability to attract tenants. As a result, the valuations of investment property, which account for the large majority of the Group's assets, are subject to a degree of uncertainty and are made on the basis of assumptions, which may not prove to be accurate, particularly in periods of volatility or low transaction volume in the real estate property market. The Group and/or an independent appraiser are required to make good faith determinations as to the fair value of this investment property on a semi-annual basis in connection with the preparation of its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**") and net asset value determinations.

There is no single valuation standard for determining fair value in good faith and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived. Fair values may be established using various approaches, such as discounted cash flow, a market comparable approach that is based on a specific financial measure (such as rental income, net operating income, value per square metre or other metrics) or, in some cases, a cost

basis or liquidation analysis. Valuations, and in particular valuations of real estate opportunistic investments for which market quotations are not readily available, are inherently uncertain. Valuations may therefore fluctuate over short periods of time and may be based on estimates and determinations of fair value which may differ materially from the values that would have resulted if a liquid market had existed. Even if market quotations are available for the Group's investments, such quotations may not reflect the value that the Group would actually be able to realise because of various factors, including the illiquidity of the underlying assets, the speculative nature of investment property, future market price volatility or the potential for a future loss in market value based on poor real estate market conditions. There can also be no assurance that these valuations will be entirely reflected in the actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable.

The Group's consolidated statement of financial position and statement of comprehensive income may be significantly affected by fluctuations in the fair value of the Group's investment property

In accordance with IFRS, the Group's investment property is measured at fair value. Valuations are performed by external independent appraisers and any increase or decrease in the fair value of a particular property is recorded as a fair value adjustment in the consolidated statement of comprehensive income for the period during which the revaluation occurs. As a result, the Group may have significant non-cash gains or losses from period to period depending on the change in fair value of the Group's investment property, whether or not such property is sold. For example, if market conditions and the rent for comparable commercial investment property in the same condition and place are unfavourable, fair value decreases from the revaluation of the investment property may occur and continue in the future. Such fair value decreases could lead to non-compliance with covenants under the debt obligations of the Group. In addition, the extent of the impact of the Covid-19 pandemic on the valuation of the Group's properties is highly uncertain at this time and depends on a number of factors, such as the duration of the pandemic and the suitability and effectiveness of measures adopted by authorities in response to the pandemic.

A substantial decrease in the fair value of the investment property could have a material adverse effect on the Group's business, financial condition and results of operations, affecting also its loan-to-value ratio.

Moreover, the Group's use of borrowings or other leverage may increase the volatility of such financial performance and amplify the effect of any change in the valuation of the real estate assets on the Group's financial position and results of operations.

The Group is exposed to risks arising from the illiquidity of its portfolio

The market for the types of properties the Group owns or may acquire in the future is generally illiquid. Were the Group required to liquidate parts of its portfolio on short notice for any reason, including raising funds to support its operations or repay outstanding indebtedness (for example as a result of the Covid-19 pandemic), the Group may not be able to sell any portion of its portfolio on favourable terms or at all. In the case of an accelerated sale, there may be a significant shortfall between the fair value of the property and the price at which the Group could sell such property. In planned disposals in the ordinary course of business such as when a real estate assets no longer generates the expected sustainable growth in line with the Group's strategy, an illiquid market may result in a sales price that is lower than anticipated or in a delay of the sale. Any such shortfall could have a material adverse effect on the Group's business, financial condition or results of operations. In addition, the Group may be subject to restrictions on its ability to sell certain properties pursuant to covenants and pledges limiting asset disposals in the Group's loan agreements.

The DJV can only be terminated before the end of its term in 2030 with the consent of both the Guarantor and Prime Kapital. At the end of such term and depending on the joint venture partners' decision with respect to the DJV or any exit options, the joint venture partners may be left in the position to offer for sale any properties and land held by the DJV so that the proceeds of such sale are distributed to the Guarantor and Prime Kapital in accordance with the terms of the DJV. In such scenario, there can be no assurance that there will be buyers for the relevant assets at the time, either on terms attractive to the Guarantor or at all.

The Group is exposed to foreign exchange risk

The rents payable to the Group under the various lease agreements it has with tenants in the CEE are denominated in euro. Similarly, sale prices of residential units in the CEE are denominated in euro. However, tenants and prospective buyers of residential assets, respectively, mostly have their income denominated in the local currency of the relevant country in which they are based. The occupancy cost ratio, which reflects the tenants' rental cost as a proportion of their turnover, can be severely affected by fluctuations of the euro, the currency in which the rent is based or payable, against the relevant local currency in which the tenant generates turnover. Accordingly, a weakening of the local currency against the euro could result in the Group's properties becoming less attractive. Such fluctuations could also result in

such rent becoming unsustainable with respect to the concerned tenant leading to a demand for discounts or even default by the tenant. Similarly, such fluctuations could result in a decrease of demand for residential assets and pressure on the prices at which such assets can be sold. If realised, these risks could adversely affect the Group's business, financial condition, prospects and results of operations.

The Group is exposed to risks regarding extension, refurbishment and development projects

The Group is exposed to extension, refurbishment and development risks both directly, in relation to the extensions and refurbishments of its assets and indirectly, through its 40% participation in the DJV (see *The Group is exposed to the counter-party risk of its partners, generally and to its joint venture partner in the DJV in particular*). In addition, the Group is exposed to commercial risk (such as letting risks), financial risk (such as foreign exchange rate fluctuations), technical risk (such as design, construction and environmental risks), process risk (such as project management) and legal risk (such as permitting) related to its extension, refurbishment and development activities.

The Group's extension and refurbishment projects and the DJV's property development projects are subject to the risks usually attributable to construction projects, such as delays in construction work, in obtaining the necessary permits or other unforeseen delays, changes to planning laws, increases in the cost of construction and construction materials, cost overruns, disputes with third parties (including third party contractors and local authorities), fluctuating prices and shortages in the supply of raw materials as well as shortages of qualified employees. While the standard operating procedure of the DJV is that land acquisition is subject to obtaining all relevant building permits, exceptions are discussed by management on a case-by-case basis. In the latter situation, given that in the CEE region the process of obtaining permits can be a lengthy process, there can be significant delays between the time when the land is acquired and the time when all necessary permits and authorisations for developing a project are obtained which can have a material adverse effect on the Group's cash flow.

The realisation of any of these risks could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is exposed to the counter-party risk of its joint venture partner in the DJV. The DJV is exposed to similar risks as the Group

The Guarantor owns 40 per cent (representing an investment of EUR 30.1 million by the Guarantor) of the ordinary share capital of the DJV. Under the terms of the DJV, Prime Kapital, the Group's joint venture partner (i) is not permitted to undertake CEE real estate developments outside PKM Development during an exclusivity period ending on 23 March 2025; (ii) contributes its secured development pipeline to PKM Development at cost; (iii) takes responsibility for sourcing further developments; and (iv) provides PKM Development with all the necessary construction and development services via its integrated in-house platform. In turn, the Guarantor is not permitted to engage in developments or redevelopments of commercial or residential real estate in the CEE outside of the DJV throughout the same exclusivity period. In addition, the Guarantor undertook an irrevocable funding commitment and granted management control in respect of the DJV and an investment mandate to its joint venture partner in the DJV. The funding is provided via preference shares funding on notice of drawdown given by the DJV. There is no limit on the number of drawdowns that may be made until the end of the drawdown period (i.e. 2025), save that if funding is requested, but not immediately available, the Guarantor's funding obligations are limited to EUR 120 million on a rolling six-month basis. As at 31 December 2020, the Group had invested EUR 186.7 million in preference shares, with an outstanding obligation of EUR 233.3million, which adds to the liquidity risk of the Group (see *"The Group is exposed to risks arising from the illiquidity of its portfolio"*).

Although the DJV framework and shareholder arrangements provides minority protections customary for this type of arrangement (such as restrictions on the ability of controlling shareholders to change the nature or scope of business, amend investment limitations or the qualitative investment criteria framework or to make investment, development, re-development or management decisions which do not comply with investment limitations; restrictions on gearing, the payment of dividends, changes to the authorised or issued share capital, issuances / allotments / options or other interests in share capital or the variation of rights in relation to shares, amendments to constitutional documents, agreements or transactions with related parties, changes of country of incorporation and related aspects, action for winding-up / administration / compositions or arrangements with creditors as well as share incentive scheme arrangements), the DJV is controlled by Prime Kapital through its majority holding of ordinary voting shares of 60 per cent in the capital of the DJV, and its ability to appoint a majority of the directors in the DJV. As such, specific risks associated with minority shareholder positions generally are inherently present in the arrangements related to the DJV, including (i) that the DJV may take action contrary to the Group's instructions or requests, policies or objectives, or frustrate its actions; (ii) that disputes or disagreements with the DJV or with Prime Kapital as majority shareholder, may result in delays and increased costs associated with the operation of the DJV; (iii) that Prime Kapital, as controlling shareholder of the DJV,

continues to have performance obligations to the DJV which means that in turn the Group has an exposure on Prime Kapital performance risk.

Whilst the Group has performed extensive due diligence in relation to the DJV and has implemented detailed contractual safeguards on the advice of professional external counsel in this regard, there are no assurances that controlling shareholder decision-making would not conflict with the interests, policies or objectives of the Group. As such the Group is exposed to the performance risk of its joint venture partner and the performance risk of the DJV, whose operations are exposed to a similar extent to the risk factors in this Risk Factors section of this Offering Circular. The occurrence of one or more of these risk factors could have a material adverse effect on the value of the Group's investment which, in turn, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group's insurance coverage may be inadequate

The Group's insurance policies may not cover all losses and, as a result, the Group's insurance may not fully compensate it for losses associated with damage to its real estate assets and third party liability or loss of revenue. In addition, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism, acts of war or pandemics, that may be uninsurable or that are not economically insurable. For example, the Group is not insured against losses arising as a result of the Covid-19 pandemic. Other factors might also result in insurance proceeds being insufficient to repair or replace a property if it is damaged or destroyed, such as inflation, taxation, changes in building codes and ordinances and environmental considerations. The Group may incur significant losses or damage to its assets or business or liability for losses or damage towards third parties for which it may not be compensated fully or at all. In addition, its insurance policies may not cover the current aggregate market value of its portfolio, particularly where the market value of its portfolio increases. As a result, it may not have sufficient coverage against all losses that it may experience. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, it could be liable to repair damage caused by uninsured risks. The Group may also remain liable for any debt or other financial obligation related to that damaged property.

Additionally, no assurance can be given that material losses in excess of insurance coverage limits will not occur in the future. Any uninsured losses or losses in excess of insured limits could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group's growth and ability to implement its strategies relies on certain qualified personnel the loss of whom could have an adverse impact on its business. In addition, the appointment of Martin Slabbert and Victor Semionov as chief executive officer and executive director, respectively, of the Guarantor may create a perception of a conflict of interest.

The Group's success and ability to execute its strategy and achieve the expected results depend, to a significant extent, on the efforts, skill and judgement of its senior management team. The diminution or loss of the senior management's services for any reason, as well as any negative market or industry perception arising from that diminution or loss, could have a material adverse effect on the Group's business. The business environment in Romania, Bulgaria and Poland (in particular, and in the CEE region more generally) is characterised to a significant extent by the use of contacts and business relationships. This is particularly important regarding the senior management, whose contacts and business relationships are integral to the Group's business. The members of the management team, together possess property investment, management, development, marketing, finance and administrative skills and experience that are important to the operation of the Group's business. In particular, Martin Slabbert and Victor Semionov, who were appointed in November 2019 as chief executive officer and chief financial officer, respectively of the Guarantor to manage the Group's transition to CEE, are due to step down from their position as executive directors by November 2022, returning full time to the Guarantor's DJV partner, Prime Kapital. Although the Guarantor has initiated a comprehensive succession programme to ensure availability of executive director candidates with no affiliation to, or interest in, Prime Kapital, the loss of the services of any of such members of management without adequate replacement may have a material adverse effect on the Group's business, prospects, results of current and future operations as well as financial condition. Equally, although corporate governance measures have been put in place to avoid any conflicts of interest in the decision making process in the Guarantor and the DJV, respectively, the appointment of Martin Slabbert and Victor Semionov as chief executive officer and executive director, respectively, of the Guarantor may create a perception of a conflict of interest given that they are also founding partners of Prime Kapital, the Group's partner in the DJV.

In addition, the Group competes with other real estate companies specifically, and other employers generally, for qualified personnel. The success of the Group's property development and operating activities depends, in addition to the expertise of the Board and the Group's executive management, on other qualified personnel in identifying appropriate opportunities and managing such activities, as well as on the local level management teams of the Group

companies. There can be no assurance that the Group will be able to retain all of its existing senior personnel or to replace in case of loss or to attract additional qualified personnel when needed which, in turn, could adversely affect the Group's business, financial condition, prospects and results of operations.

Operational risk

Despite the Group's internal control (including risk management control) systems, the Group faces the risk of reputational damage due to human error, fraud or inadequate processes across its operations, including treasury operations. Depending on the nature and scale of such error, fraud or inadequate processes, the losses to the Group may be significant.

Legal and regulatory risks related to the Group's business

The risk of litigation is inherent in the Group's operations

Legal actions, claims against the Group and arbitrations involving the Group may arise in the ordinary course of business. The Group may be subject to litigation from contractors, suppliers, tenants or other third parties, including visitors to properties owned by the Group.

In addition, in some jurisdictions, a construction contractor benefits from a statutory lien over the construction works delivered by it, as security for payment of the outstanding amounts owed by the beneficiary under the construction contract. Similarly, under some other countries' legal framework the contractor has a right of retention on goods if such goods are in the contractor's possession. To the extent the Group fails to pay contractors on time, such contractors may enforce the statutory lien or rights of retention, as applicable, which may result in delays and costs for the Group.

The potential publicity associated with, and the outcome of, such claims, arbitrations and legal proceedings could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may become involved in disputes in relation to its property rights and permits may have been obtained in breach of applicable laws

Certain acquisitions or sales of property may be rendered void under applicable local law provisions as a result of insolvency, fraud, lack of consideration, gross undervaluation, avoidance of creditors, defrauding of creditors or as a result of other legal requirements in the conveyance of property (for example, flaws in the transacting parties' contractual intentions, lack of proper authentication by a notary public, lack of corporate capacity or corporate authority or improper representation of the parties for the transfer). Further, there may be a risk of legal disputes with neighbouring land owners, architects, project managers and suppliers, with respect to the Group's refurbishment and/or construction projects.

In addition, there can be no assurance that all permits necessary to legally own, develop or operate the Group's properties have been obtained in compliance with all applicable laws. While the Group conducts detailed due diligence to identify any issues related to such permits and takes all steps necessary to remedy any defects, there can be no assurance that this can be achieved, either at all or on time. If the Group's ownership interests over its property or permits are successfully challenged, this could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group may be exposed to potential claims relating to its leasing, selling, refurbishment, development, acquisition or sale of real estate

The Group may be subject to claims arising from defects relating to the leasing, selling, refurbishment or development of its properties. This liability may apply to defects that arise from the actions or omissions of third parties, and that are unknown to the Group but that could have, or should have, been discovered. Although the Group may have rights against the relevant third party contractor in connection with such defects and/or recourse to insurance in place for the project in question, there can be no assurance that the Group will be able to enforce its rights and fully recover the costs arising from any claim against the Group. In addition, the Group may be exposed to undisclosed or unascertained liabilities embedded in real estate assets that were incurred or which arose prior to the completion of the acquisition of such real estate assets. Such claims may also have a reputational impact on the Group.

These liabilities could include, but are not limited to:

- where the Group has acquired an entity which owns the real estate assets, liabilities (including tax liabilities and other liabilities) owed to state entities, to existing tenants, to creditors or to other persons involved with the real estate assets prior to the acquisition;
- indemnity claims by parties claiming to be entitled to be indemnified by the former owners of the real estate assets; and
- an obligation to pay deferred consideration for the real estate assets if certain events occur (for example, the grant of planning permission or completion of the construction works).

Although the Group may have obtained contractual protection against such claims and liabilities from the seller or insurers, there can be no assurance that such contractual protection will always be successfully realised or that it would be enforceable or effective.

Such potential liabilities, if realised, could have a material adverse effect on the returns realised on the relevant real estate assets.

Furthermore, any claims for recourse which the Group may have against parties from which the Group has purchased such real estate assets may fail due to the expiry of warranty periods, statutes of limitation, lack of proof that the previous seller knew or should have known of the defect, the insolvency of the previous seller, or for other reasons. The Group may also be subject to claims by purchasers of its real estate assets as a result of representations and warranties about those real estate assets provided by the Group at the time of disposal. The Group's representations and warranties could pertain to, among other things, title to the real estate assets, environmental liabilities, and liabilities for the payment of tax. The Group may become party to claims, disputes or litigation concerning such representations and warranties and may be required to make payments to third parties as a result. In addition, following the disposal of any real estate assets, the Group is obliged by law, and may be obliged by contract, to retain certain liabilities or potential liabilities that exist in respect of such assets. The costs of any such claims, disputes or litigation (to the extent that they materialise) would reduce the Group's available cash flow and could have an adverse effect on the Group's returns on investments.

With respect to refurbishment or development of real estate assets by the Group, claims may be brought against the Group by (among others) tenants or buyers as a result of delays, construction defects or other factors. The Group may not perform the refurbishment or development itself but rather may use the services of design and construction companies. Any claim for recourse against such design and construction companies could fail due to the expiry of the applicable statute of limitation, the claim being uncollectible, or for other reasons, which could have a material adverse effect on the Group's financial condition.

The Group may incur significant costs complying with property laws and regulations

The Group is required to comply with a variety of laws and regulations of local, regional, national and European Union and United Kingdom authorities, including planning, zoning, environmental, fire protection, health and safety, tax and other laws and regulations. If the Group fails to comply with these laws and regulations, the Group may have to pay penalties or private damages awards should such damages be requested by third parties affected by such failure to comply. In addition, changes in existing laws or regulations, or their interpretation or enforcement, could require the Group to incur additional costs in complying with those laws or regulations, altering the investing strategy, operations or accounting and reporting systems, leading to additional costs or loss of revenue.

The Group's and the DJV's properties must have the requisite planning consent and permits for commercial activities of the type intended for their development. In instances where the existing planning is not suitable or in which the planning is yet to be determined, the Group will need to apply for the required classifications. This procedure may be protracted, particularly where the bureaucracy is cumbersome and inefficient. The Group cannot be certain that the process of obtaining proper planning permission will be completed within timelines or at cost levels that would enable the property to be developed ahead of competing businesses without delays, or at all. Opposition by local residents or non-governmental organisations to building planning applications and permits may also cause delays. In addition, arbitrary changes to applicable planning permissions may jeopardise projects which have already commenced. Therefore, if the Group does not receive planning approvals or if the procedures for the grant of planning permissions are delayed, the Group's costs will increase which may have an adverse effect on its business, financial condition and results of operations.

The Group may incur environmental liabilities or costs

The environmental laws of the countries in which the Group has its operations and assets impose actual and potential obligations to conduct remedial action on sites contaminated with hazardous or toxic substances. In such circumstances, the owner's liability is generally not limited under such laws and the costs of any required removal, investigation or remediation can be substantial. The presence of hazardous or toxic substances on, or in, any of the Group's properties, or the liability for failure to remedy property contamination from such substances, could adversely affect the Group's ability to let or sell such property or to borrow funds using such property as collateral, which could have an effect on its generation of rental income or return on investment. Furthermore, the Group may be required to comply with stricter environmental, health and safety laws or enforcement policies or become involved in claims and lawsuits relating to environmental matters. Meeting stricter compliance standards or defending potential actions may have a significant negative impact on its results of operations. If the relevant authorities in a country where the Group has its operations or assets discover violations of applicable environmental laws, the Group may be subject to fines and other penalties. Any of these matters could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Changes in laws could adversely affect the Group's properties

Various laws and regulations, including fire and safety requirements, environmental regulations, land disposal, rental laws, urban planning, construction codes, use restrictions and taxes affect the Group and its properties. The implementation of laws or regulations in the countries in which the Group currently operates, or may operate in the future, and in particular any laws or regulations promulgated by the European Union, or the interpretation or enforcement of, or change in, existing laws or regulations, may require the Group to incur additional costs or otherwise adversely affect the management of its real estate portfolio, which could have a material adverse effect on the Group's business, financial condition and results of operations. Even if the Group's business is conducted in accordance with its interpretation of the current laws and regulations, there can be no assurance that the Group's interpretation of such laws and regulations is correct, or that such interpretation will not change in the future.

Moreover, changes in legislation and regulations are often proposed and/or enacted as a result of events taking place in various jurisdictions. For example, significant changes in Romanian legislation and official practice have been implemented in relation to fire and safety requirements after certain fire-related events. Some changes have already been implemented by the government through governmental decisions and emergency ordinances in the aftermath of certain incidents, requiring stringent property operation requirements and broader powers for the Emergency Situations Inspectorate (the "ESI") to impose sanctions where breaches of fire and safety rules are identified, including suspension of operations and, in severe cases, closing down of premises. The Group is at various stages of the process to obtain and/or to confirm all relevant fire authorisation certificates for newly or existing completed properties. Fire authorisation certificates require renewal and/or updates from time to time in the ordinary course of business, including when tenants are replaced. However, there is uncertainty as to how the ESI will apply and interpret the newly enacted regulations. Similarly, new health and safety requirements have been implemented, and further requirements may be implemented in the future, by the authorities in the jurisdictions where the Group operates as a result of epidemic or pandemic outbreaks such as the Covid-19 pandemic.

The Group's future activities may not be in full compliance with all applicable rules and regulations at all times, with new rules and regulations that may be enacted or with existing rules that may be amended or more stringently applied, and any of these risks could limit or curtail the Group's future development and/or lead to the imposition of fines and other penalties on it. In particular, the Group may be subject to EU standards regarding property specifications in its portfolio that would potentially require it to upgrade certain of the buildings in its real estate portfolio, and the Group may not be able to meet these standards.

If the Group or its properties do not comply with any of these requirements, the Group may incur governmental fines, private damage awards towards third parties or may even face suspension or the closing of certain properties, which in turn could lead to loss of revenue. New or amended laws, rules, regulations or ordinances could require significant unanticipated expenditures or impose restrictions on the development, construction or sale of properties. Such laws, rules, regulations or ordinances may also adversely affect the Group's ability to operate or resell properties.

The Group may face claims for defective construction, which could have an adverse effect on its generation of rental income

The construction, extension or refurbishment of properties is subject to the risk of claims for defective construction or other related works and associated adverse publicity. Any claim brought against the Group, and the surrounding negative publicity concerning the quality of its properties or projects, irrespective of whether the claim is successful, or an inability to complete the construction of a project on schedule or on budget, could also have a material adverse effect on how its business, properties and projects are perceived by target tenants and on the Group's business, financial condition, prospects and results of operations.

Where a construction company or subcontractor used on a development becomes insolvent it may prove impossible to recover compensation for defective work or materials. In addition, the Group may incur losses as a result of repairing defective work or paying damages to persons who have suffered losses as a result of such defective work. Potential damage related to construction and consequent liabilities may affect the profitability of the Group's business and lower the fair value of affected properties owned by the Group. Furthermore, these losses and costs may not be recovered by the Group's professional liability insurance or from the construction company or the subcontractor.

This could negatively affect the Group's ability to market and lease its properties in the future, which could have a material adverse effect on its generation of rental income and, thereby its business, financial condition, prospects and results of operations.

Changes in effective tax rates or tax legislation in the countries where the Group operates or changes in the interpretation of such legislation may have an adverse effect on the Group's results

The Group's future effective tax rates may be adversely affected by a number of factors, including changes in the valuation of the Group's deferred tax assets and liabilities, increases in expenses not deductible for tax purposes, changes in share based compensation expenses, the outcome of any potential discussions with relevant tax authorities, changes in relation to taxation laws or tax rates or the interpretation of such taxation laws and changes in generally accepted accounting principles.

The Group's operations are affected by the tax rules in force from time to time in the jurisdictions where the Group conducts operations or owns and controls assets. These rules include corporate tax, real estate tax, value added tax, rules regarding tax-free disposals of shares, transfer pricing rules, other governmental or municipal taxes and interest deductions and subsidies. The Group's tax position is also affected by transactions conducted intra-Group that are considered to be priced on market terms. Although the Group's business is conducted in accordance with its interpretation of applicable tax laws and regulations, and in accordance with advice the Group has received from its tax advisors, the possibility that the Group's interpretation is incorrect, or that such laws and regulations change, possibly with retroactive effect, cannot be excluded. Furthermore, future changes in applicable laws and regulations, such as any significant increase in the Group's future effective tax rates, including following the ongoing initiatives in relation to changes in the fiscal legislation at international level, such as the Action Plan on Base Erosion and Profit Shifting of the Organisation for Economic Co-operation and Development, could adversely impact the net results for such future periods and, as a result, could adversely affect the Group's business, financial condition, prospects and results of operations.

The taxation systems in some of the jurisdictions where the Group conducts operations or owns and controls assets are not as well-established as those in more developed economies and are continually changing and there is a lack of established jurisprudence and case law, which may result in unclear or non-existent regulations, decrees and explanations of the taxation laws and/or views on interpretations thereof. As a result, taxation laws (including case law) are more likely to be subject to changes, which can result in unusual complexities and more significant tax risks for the relevant Group companies and the business of the Group generally and these could adversely affect the Group's business, financial condition, prospects and results of operations.

The Group may be exposed to risks relating to changes in applicable tax laws including those relating to the tax residency of the Issuer, the Guarantor and other Group companies

There can be no assurance that the Issuer, the Guarantor or the Group has been or will continue to be successful in conducting their businesses or managing their affairs in the most tax efficient manner, or that the structure or management of the affairs of the Issuer, the Guarantor or any other Group company will not result in other adverse tax consequences for the Issuer, the Guarantor or any other Group company (see *The planned re-domiciliation of the Guarantor from the British Virgin Islands to Malta may not be completed within the expected timeframes and may not yield the expected benefits. Investors should consult their own advisers as to potential consequences for them*).

The Issuer is incorporated in the Netherlands and aims to manage its affairs in such a manner that it does not become resident for tax purposes or create other adverse tax consequences for itself in any jurisdiction other than the Netherlands. There is a risk that the Issuer may become resident for tax purposes in one or more other jurisdictions. The same risk applies to the tax residency of any other Group company, including the Guarantor. Any such residency of the Issuer or a Group company, if unintended, may have an adverse effect on the Group's business, financial condition, prospects and results of operations.

Risks related to the financial condition of the Group

The Group may fail to meet the obligations and requirements under its loan agreements, the financing commitments towards the DJV or may not be able to finance its future investments

All the Group's major credit facilities contain restrictive covenants that require compliance with certain financial ratios and covenants such as income-based covenants (twelve-month rolling debt service coverage ratios that are backward looking based on reported numbers, and forward looking, based on management forecast or as agreed contractually) and loan to value ("LTV") covenants. As a result of the Covid-19 pandemic, the Group has been required to obtain appropriate waivers in respect of certain of its income-based covenants and may be required to seek further waivers from its lenders in the future. There can be no assurance that such waivers will be forthcoming and, if they are not, this could trigger cross-defaults in other Group indebtedness, including the Notes. In addition, while the Guarantor believes that the financial ratios and other covenants contained in the Group's credit facilities allow sufficient flexibility for the Group to continue to conduct its business in the normal course and to meet its debt servicing obligations as they fall due, the need of the Group to observe these financial ratios and covenants including in the context of the uncertainty of the continued impact of Covid-19 pandemic could hinder the Group's ability to incur additional debt and grow its business.

Any deterioration in the Group's operating performance, including due to the Covid-19 pandemic or any worsening of prevailing economic conditions, or any financial, business or other factors, many of which are beyond its control, may materially adversely affect its cash flow. This could negatively affect the Group's ability to service its indebtedness and result in covenant breaches under certain credit facilities or cause the Group to default on its future funding obligations following drawdown requests by the DJV. While the Group is currently in compliance with all its credit facilities (or in certain cases waivers were obtained), if, in the future, the Group does not generate sufficient cash flow from operations (for example, due to the Covid-19 pandemic) in order to meet its debt service obligations or if it breaches covenants which are not waived by its financial creditors, the Group may have to refinance or restructure its debt, reduce or delay its planned development activities or sell some of its properties in order to avoid default and acceleration of its debt by financial creditors. Waivers by the Group's creditors may trigger higher interest rates or waiver fees. Some of the ratios and financial covenants in the Group's credit facilities are calculated on the basis of the fair value of its properties. Therefore, fluctuations in the fair value of the Group's properties could have an adverse impact on its compliance with relevant financial ratios and covenants. No assurance can be given that the Group companies will remain capable in the future of meeting their debt service obligations at all times, obtaining waivers of covenant breaches where required or refinancing their debt on commercially acceptable terms. Failure to do so could lead to the financial creditors of the Group initiating enforcement proceedings against the Group and its assets, which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group may be unable to raise the financing that it requires or to refinance existing debt at maturity

The Group primarily uses, and has used in the past loan financing, equity issuances, cash flows from operations and sale of listed securities, to finance its acquisition of property.

Any delay in obtaining, or a failure to obtain, suitable or adequate debt financing from time to time (including suitable terms on which the banks or other lenders may agree to lend) may impair the Group's ability to invest in suitable property investments (including developments). Any delay in refinancing, or the inability to refinance on commercially acceptable terms, the debt of the Group when it falls due for repayment on its scheduled maturity date, may result in the financial creditors initiating enforcement proceedings against the Group and its assets. Factors that generally affect the availability of financing and financing costs, including the maintenance of the Guarantor's credit ratings, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is exposed to interest rate risks, the risk of loss and counterparty risk during hedging transactions

Changes in interest rates can affect the Group's profitability by affecting the spread between, among other things, the income on its assets and the expense of its interest-bearing liabilities, the value of any interest-earning assets, its ability to make acquisitions and its ability to realise gains from the sale of its assets. In the event of a rising interest rate environment and/or economic downturn, loan defaults may increase and result in credit losses that may be expected to affect the Group's liquidity and operating results adversely. Interest rates are highly sensitive to many factors, including the expected inflation rate, governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Group's control.

The Group may finance its investments with both fixed and floating rate debt. The performance of an investment may be affected adversely if the Group fails to limit the effects of changes in interest rates on its operations. While the Group enters into hedging transactions as a regular feature of the ordinary course of business, in particular to hedge against changes in interest rates and the related fluctuations in its financial costs, such hedging transactions may prove to be inefficient or unsuitable and may result in losses recognised in the Group's profit and loss statement. This may have material adverse effects on the Group's business, financial condition, prospects and results of operations.

The Group will also be exposed to the credit risk of the relevant counterparty with respect to relevant payments in connection with such arrangements.

A substantial increase in interest rates may increase the Group's interest expense and ability to refinance at the same rates. In addition, an increase in interest rates may also affect private consumption or the ability of the Group's tenants to pay rents or may lead to a decrease in occupancy rates and/or tenants' turnovers.

Tightening regulation of the banking and insurance sector may contribute to higher costs of financing for the banks, which may again result in an increase in the price of the Group's new debt financing and the Group's average cost of finance. Any increase in interest rates, the Group's interest expense or credit margins could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Risks related to the markets in which the Group operates

The Group is dependent on economic, demographic and market developments in Romania, Bulgaria, Poland and the CEE region more generally, including the ongoing impact of Covid-19

The Group owns and operates retail assets in Romania, Bulgaria, and Poland, which accounted for 55 per cent. of the Group's net rental income for the six months ended 31 December 2020. In addition, the Group holds 40% of the ordinary share capital in the DJV, whose mandate is to develop retail and residential assets in the CEE, including direct investment in real estate in the CEE and real estate listed securities and other instruments. The DJV could potentially expand its business in other countries in the CEE. The Group also owns retail and logistic assets in Germany and hospitality, retail and office assets and land bank in the UK, which are held for sale, as part of the Group's business strategy to divest of its assets in Western Europe and redeploy capital directly into income generating property in CEE and indirectly into retail and residential developments via the DJV (please see "*The Group is exposed to the counterparty risk of its partners, generally and to its joint venture partner in the DJV, particularly*").

The performance of the real estate portfolio of the Group may be disproportionately impacted by events or market developments occurring in specific regions of the portfolio or by developments that affect certain types of real estate assets. The Group's high level of concentration in retail properties and its dependency on the Romanian, Bulgarian and Polish markets may have a material adverse effect on the Group's business, financial condition, prospects and results of operations. Negative trends in economic activity, in particular those with impact on the real estate market in Romania, as well as in Bulgaria and Poland, may affect occupier demand, rental rates and investment valuations in respect of the Group's properties. In addition, the Group is exposed to changes in the political and regulatory framework in the countries in which it operates. There can be no assurances that the Group will be able to adjust within the required time frame to any new developments in the economic, political or regulatory environment.

The ongoing coronavirus ("**Covid-19**") pandemic has materially affected the prospects for economic output and labour markets and, without ongoing support from governments in the jurisdictions where the Group operates to sustain employment, businesses and economies generally, unemployment rates may rise to higher levels, businesses may face payment defaults and insolvencies and economies could face prolonged slow-downs and declines. In addition, issues concerning the European Union, including immigration generally as well as the UK's exit from the European Union, where many CEE citizens are currently employed, may trigger an increase in unemployment rates in the CEE region. The deterioration of economic conditions in the countries where the Group operates or globally, resulting in an increase

in unemployment or a decline in real income, could adversely affect the financial condition of the Group's tenants and other counterparties and their ability to meet their contractual obligations towards the Group. Furthermore, a global economic downturn could lead to loss of confidence by international investors and hence adversely affect those real estate markets on which the Group's investment strategy is focused. These developments in turn could have a material adverse impact on the Group's business, results of operations, financial condition and prospects.

The markets in the CEE region are subject to greater risks than more developed markets, including legal, economic, fiscal and political risks that could have a material adverse effect on the Group's business

Investors in emerging and developing markets such as the countries in which the Group has a large part of its operations and assets should be aware that these markets are subject to greater legal, economic, fiscal and political risks than mature markets and are subject to rapid and sometimes unpredictable change. In general, investing in the securities of issuers with substantial operations in emerging or developing markets such as the CEE region, involves a higher degree of risk than investing in the securities of issuers with substantial operations in the countries of Western Europe or other similar jurisdictions. Changes in economic and political situations in one emerging or developing market country may have a negative or unrelated consequential impact on the economic and political situation in other emerging or developing market countries.

The Group's operations in the CEE region are exposed to risks which are common to all regions that have recently undergone, or are undergoing political, economic and social change, including currency fluctuations, an evolving regulatory environment, inflation, economic downturns, local market disruptions, labour unrest, changes in disposable income or gross national product, variations in interest rates and taxation policies and other similar factors. Political or economic instability resulting from the occurrence of any of these risks may adversely affect the real estate market in the CEE region. Such events could reduce the Group's rental income and/or the market value of its properties, which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

A decreased demand for, or an increased supply of, or a contraction of the market for, properties in the CEE region could adversely affect the business and financial condition of the Group

Changes in supply and demand for real estate assets, or a contraction of the property market in any of the countries in which the Group has its operations or assets, for example as a result of the Covid-19 pandemic, may negatively influence the occupancy rates of the Group's properties, rental rates, the level of demand and ultimately the value of such properties. Similarly, the demand for rental space at the Group's existing properties may decrease as a result of poor economic conditions, an increase in available space and heightened competition for stronger and better performing tenants. This could result in lower occupancy rates, higher capital expenditure required to contract or retain tenants, lower rental income owing to lower rental rates and shorter lease periods. All of these risks, if realised, could have a negative impact on the business, financial condition, prospects and results of operations of the Group.

The Group may not be able to realise its expected rates of return on its projects if the real estate market in the CEE region becomes saturated

Prior to the onset of the 2008 global financial crisis, the real estate market in the CEE region was characterised by a continued increase in investment activity from both domestic and international investors and in the number of projects that were planned. The real estate market in the CEE region has largely recovered from the economic downturn following the global financial crisis and the level of investment activity has increased and in the future it may reach saturation if the supply of commercial properties exceeds demand. Also, due to the Covid-19 pandemic retail space demand and occupancy levels may further decrease. Saturation or perceived over-supply of lettable commercial space in the real estate market would result in a decrease in occupancy rates and/or a decrease in market rental rates and sale prices. If occupancy rates fall and/or market rental rates decrease, the Group may not be able to realise its expected rates of return on its properties and any development, extension or refurbishment projects or may be unable to let its properties at all, which could have a material adverse effect on its business, financial condition, prospects and results of operations.

Financial volatility, rating downgrades or default risk can lead to severe negative consequences in the markets in which the Group operates as well as to the Group's business, financial condition, prospects and results of operations

Large sovereign debt and/or fiscal deficits of a number of Eurozone countries as well as high levels of unemployment in many Eurozone countries have raised concerns regarding the financial condition of financial institutions, insurers and other corporates that are located in these countries and that have direct or indirect exposure to these countries (i) as a result of having operations in such countries and/or (ii) whose banks, counterparties, custodians, customers, service providers, sources of funding and/or suppliers have direct or indirect exposure to such countries. Such factors are expected to be exacerbated by the Covid-19 pandemic. The default, or a significant decline in the credit rating of one

or more countries where the Group operates or financial institutions, or large scale defaults by corporates, could cause severe stress in the financial system generally and could adversely affect the markets in which the Group operates and the businesses and economic condition and prospects of the Group and its respective counterparties, customers, suppliers or creditors, directly or indirectly, in ways which are difficult to predict.

Further, economically challenging times can lead to deterioration in the creditworthiness of tenants, increased rent arrears or service charge shortfall, rising vacancy rates and loss of rent. Such unfavourable developments could have a material adverse effect on the Group's business, results of operations and financial condition.

The United Kingdom's ("UK") exit from the EU could have a material adverse effect on the operations of the Group

The UK's withdrawal from the EU pursuant to Article 50 of the Treaty on European Union, which occurred on January 31, 2020 following the national referendum in June 2016 ("**Brexit**"), has created significant uncertainty about the future relationship among the UK, the EU and its remaining member states and may constitute an additional risk for the financial markets and the European economy. Possible negative outcomes resulting from Brexit include significantly disrupted trade between the UK and the EU, political and economic instability in other countries of the EU, as well as instability in global financial and foreign exchange markets. In addition, Brexit may affect the Group's ability to dispose of its remaining UK assets, as part of its strategy to dispose of its Western European assets to focus on income generating property in CEE, within the intended timeframe and at the expected value should such assets become less attractive to prospective investors as a result of Brexit.

The impact of any such development could be detrimental to the Group and could adversely affect its businesses, operations and profitability, solvency and the solvency of its counterparties, customers and service providers, credit rating, share price and the value and liquidity of its assets, the value and liquidity of the Notes and/or the ability of the Issuer to meet its obligations under the Notes and the Guarantor to meet its obligations under the guarantee and their respective debt obligations more generally.

The Group faces business risks stemming from central banks' monetary policy decisions. Any rise in interest rates could have material adverse effects on real estate markets and on the Group

In recent years, central banks around the world have engaged in an unprecedented set of monetary policy measures generally referred to as quantitative easing. Such measures generally consist of central bank purchases of government and other securities held by commercial banks and other private sector entities to stimulate the economy by increasing the amount of liquidity available to banks for onward lending to businesses. By engaging in quantitative easing and pegging interest rates at historically low levels, central banks have created an environment that has affected real estate companies in a variety of ways. Among other things, this has made it easier and cheaper for the Group to raise new financing and to refinance its existing liabilities. Moreover, by contributing to a rise in asset prices, including real estate, this has supported the valuation of the Group's property portfolio.

Some central banks have already reversed course and begun to gradually tighten monetary policy and others are expected to follow. Any such action is likely to eventually raise interest rates to levels that are more in line with historical averages and, as a consequence, the Group's business is likely to be affected in a number of ways. The cost at which the Group is able to raise new financing and refinance its existing liabilities may increase. Moreover, asset values may decline from their current levels, which could lead to a reduction in the value of the Group's property portfolio. Moreover, because of the dampening effect that a tighter monetary policy typically has on the general economy, private households on average are likely to have less disposable income, which may impact the performance of the Group's tenants. Therefore, if central banks begin to tighten monetary policy, the Group's business activities, results of operations, net assets, financial condition or cash flow could be materially adversely affected in a variety of ways.

Hostilities with neighbouring countries and civil unrest in the CEE region may adversely affect the economies of countries in the CEE region, disrupt the Group's operations and cause its business to suffer

CEE region countries have from time to time experienced instances of hostilities with neighbouring countries (such as the increased unrest in Ukraine in recent years). Military activity or terrorist attacks in the future could influence the economies of CEE countries by disrupting communications, making travel more difficult and deterring inwards investment. Such political tensions could create a greater perception that investments in companies in the CEE region involve a higher degree of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Europe, could influence the economies of CEE region countries and could have a material adverse effect on the Group's business and results of operation.

The Group's assets and employees may become adversely affected by crime and corruption

Organised crime, including extortion and fraud, may pose a higher risk to businesses in the CEE countries compared to certain businesses in Western Europe. The Group's property and employees may become targets of theft, violence and/or extortion. Threats or incidents of crime may force the Group to cease or alter certain activities or to liquidate certain investments, which may cause losses or have other negative impacts. Corruption and money laundering may be problems that could be more acute in the CEE countries compared to certain countries in Western Europe. Each of these instances may have a material adverse effect on the Group's business, prospects, results of current and future operations as well as financial condition.

There is a general risk of restitution in CEE, with an emphasis on Romania, and the Group may become involved in other disputes in relation to its property rights

Under Romanian law, former owners of land and/or buildings that were dispossessed by the Romanian state during the communist regime may recover their ownership rights under certain conditions. If claims of former owners are successful, such claims may result in the loss of property from the Group's portfolio. Although certain legal mitigants apply such as the expiry of certain deadlines for submitting restitution claims, the practice in Romania is still to investigate the historical chain of ownership and title, going back, where possible, to the initial owner or even prior to any coercive takeover by the Romanian State. A complete set of ownership documentation dating back to such an initial owner may not always be available due to inadequate administrative systems. Therefore, the majority of real estate transactions in Romania face issues relating to missing documentation. As a result, the legal analysis of title and ownership is typically focused on issues surrounding missing documentation and historic ownership of a particular property which can be protracted and expensive to defend against. Similar risks exist in other jurisdictions where the Group is present. Any successful restitution claims may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's assets may be subject to expropriation

Subject to certain specific requirements under local law (such as the necessity for properties in certain circumstances to be used in the domestic national interest), certain governments may enforce policies of expropriating part or all of a property owned by the Group. There can be no certainty that fair compensation will be paid or that, if it is, that it shall equal the relevant property's full market value.

Expropriation of the companies in which the Group invests, their assets or portions thereof, potentially with inadequate compensation, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations depending on the relevant property involved.

Legal regimes in the CEE region differ from those in Western Europe and legal systems and legislation in the CEE region continue to develop, which may create an uncertain environment for investments and for business activity in general

The legal systems of most of the countries in the CEE region have undergone dramatic changes in recent years as a result of EU membership and generally in alignment with countries with more developed legal jurisdictions.

In many cases, the interpretation and procedural safeguards of the new legal and regulatory systems are still being developed, which may result in the promulgation of new laws, changes in existing laws, inconsistent application of existing laws and regulations and uncertainty as to the application and effect of new laws and regulations.

Generally, in civil law jurisdictions such as Romania, Poland, Bulgaria and other developing countries where the Group may acquire operations, judicial decisions have no precedential effect and therefore courts may not be bound by earlier court decisions taken in the same or similar circumstances, which can result in the inconsistent application of such countries' legislation to resolve the same or similar disputes.

Additionally, in some circumstances, it may not be possible to obtain the legal remedies provided for under relevant laws and regulations in a reasonably timely manner or at all. A lack of legal certainty or the inability to obtain effective legal remedies in a reasonably timely manner may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The insolvency laws of The Netherlands may not be as favourable to Noteholders as insolvency laws of jurisdictions with which Noteholders may be familiar and may preclude Noteholders from recovering payments due on the Notes

The Issuer is incorporated and has its centre of main interest, for the purposes of EU insolvency regulations, in The Netherlands. Accordingly, insolvency proceedings with respect to the Issuer would proceed under, and be governed by, Dutch insolvency laws, subject to certain exceptions provided for in Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings. The insolvency laws of The Netherlands may not be as favourable to investors' interests as those of other jurisdictions with which investors may be familiar and may limit the ability of Noteholders to enforce the terms of the Notes.

The insolvency laws of Malta may not be as favourable to Noteholders as the insolvency laws of jurisdictions with which Noteholders may be familiar and may preclude Noteholders from recovering payments due on the Notes

If and when the re-domiciliation has been finalised, the Guarantor will be registered, and therefore have its centre of main interests for the purposes of the applicable EU insolvency regulations, in Malta. Accordingly, insolvency proceedings with respect to the Guarantor would proceed under, and be governed by, Maltese insolvency laws, subject to certain exceptions provided for in Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (recast). The insolvency laws of Malta may not be as favourable to investors' interests as those of other jurisdictions with which investors may be familiar, and may limit the ability of Noteholders to enforce the terms of the Notes and the Guarantee against the Guarantor.

RISKS RELATED TO THE NOTES

Set out below is a brief description of certain risks relating to the Notes.

The Issuer is a financing company and the Guarantor is the ultimate holding company of the Group. Their ability to pay interest and/or principal depends upon the ability of the Guarantor's subsidiaries to pay intra-group financing costs, make distributions or advance funds

The Issuer is a financing company and the Guarantor is the ultimate holding company of the Group and their ability to pay interest and/or principal depends upon the ability of the Guarantor's subsidiaries to pay dividends, interest, fees or commissions under intra-group transactions to be entered into in the Group's ordinary course of business, return capital advances to the Issuer and/or Guarantor, or to advance funds to them.

All real estate assets are owned, and the revenues of the Group are substantially generated, by Group companies other than the Issuer. Because the business of the Group is conducted through the Group's subsidiaries, the Issuer's and the Guarantor's ability to pay interest and/or principal under the Notes, and on any other of its borrowings, depend on the earnings and cash flow of the Group's subsidiaries and their ability to pay the Issuer and the Guarantor dividends, interest, fees or commissions under intra-group transactions to be entered into in the Group's ordinary course of business, a return of capital advances to the Issuer and/or Guarantor, or to advance funds to them. Each of the Group companies is a separate legal entity, distinct from the Issuer and the Guarantor and has no obligation to make payments to the Issuer or the Guarantor of any surpluses generated from their business. Other contractual and legal restrictions applicable to the Group's subsidiaries could also limit the Issuer's and the Guarantor's ability to obtain cash from them. Furthermore, the Guarantor's right to participate in any distribution of its subsidiaries' assets upon their liquidation, reorganisation or insolvency would generally be subject to the priority claims of external creditors, including lenders and trade creditors, to contractual and statutory subordinations to funding provided by members of the Group in favour of external creditors and to obligations that may be preferred by provisions of law that are mandatory and of general application.

Thus, the Notes are structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of the Guarantor's subsidiaries (other than the Issuer) and structurally or effectively subordinated to the extent of the value of collateral to all secured creditors of the Guarantor and its subsidiaries. A number of the Group's real estate assets are secured in favour of financial creditors. In the event of a bankruptcy, liquidation or dissolution of the Issuer or the Guarantor, the assets that serve as collateral for any secured indebtedness of the Group would be available to discharge the secured indebtedness before any residual proceeds become available to make payments on the Notes.

In addition, defaults by, or the insolvency of, certain subsidiaries could result in the obligation of the Guarantor to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

The Notes will be effectively subordinated to any of the Issuer's or the Guarantor's existing secured and future secured indebtedness

The Notes and the Guarantee are (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and the Guarantor, respectively. The Notes are effectively subordinated to the Issuer's and the Guarantor's secured indebtedness. Accordingly, holders of the Issuer's or the Guarantor's secured indebtedness will have claims that are superior to the claims of Noteholders to the extent of the value of the assets securing such other indebtedness. Currently, all of the Group's indebtedness is secured, other than its (undrawn) EUR 60 million revolving credit facility. In the event of a bankruptcy, liquidation or dissolution of the Issuer or the Guarantor, the assets that serve as collateral for any secured indebtedness of the Issuer or the Guarantor would be available to satisfy the obligations under the secured indebtedness before any payments are made on the Notes. Other than as set out in Condition 4 (*Negative Pledge*) and Condition 5 (*Financial Covenants*), the Conditions do not prohibit the Issuer or the Guarantor from incurring and securing future indebtedness.

The Notes will constitute unsecured obligations of the Issuer

The Issuer's obligations under the Notes and the Guarantor's obligations under the Guarantee will be unsecured. Accordingly, any claims against the Issuer under the Notes or against the Guarantor under the Guarantee would be unsecured claims. The Issuer's and the Guarantor's ability to pay such claims will depend upon, among other factors, their liquidity, overall financial strength and ability to generate cash flows, which could be affected by (inter alia) the circumstances described in these risk factors. Any such factors could affect the Issuer's and the Guarantor's ability to make payment of interest and principal under the Notes.

Upon re-domiciliation of the Guarantor from the British Virgin Islands to Malta, the Guarantee may be subject to general Maltese law limitations on guarantees which may have an effect on the Guarantor's ability to make payment of the principal and interest under the Notes

Under Maltese law, a person who guarantees a commercial obligation is, saving any stipulation to the contrary, presumed to be jointly and severally liable with the principal debtor. As a result, the principal debtor and the guarantor are jointly and severally liable to make payments under the agreements creating the corresponding payment obligations. When debtors are jointly and severally liable they are all bound for the same obligation in such a way that each of them may be compelled to discharge the whole debt, and the payment made by one of them triggers the release of the others against the relevant creditor. In terms of the Maltese Civil Code (Chapter 16 of the Laws of Malta), this kind of guarantee is regulated by the institute of "suretyship" and a guarantor is known as a "surety", therefore a number of Maltese provisions would apply to the effect that: (i) a suretyship can only exist in respect of a valid obligation; (ii) a suretyship which exceeds the debt or is contracted under more onerous conditions shall only be valid to the extent of the principal obligation; (iii) a surety who has paid the principal debt in full succeeds ipso jure to all the rights which the creditor had against the debtor; (iv) a surety may set up against the creditor all the pleas which appertain to the principal debtor and which are inherent in the debt; and (v) a surety, even if jointly and severally bound, is released if the subrogation to the rights of the creditor cannot take place in his favour owing to the creditor's fault.

As a consequence, under the laws of Malta, guarantees are accessory to the principal obligation they secure and, consequently, should the principal obligation being guaranteed be null, the guarantees would also be null. This rule that a surety cannot be liable for more than the principal debtor is likely to be treated as a rule of public policy, and would therefore be applied, by the Maltese courts, irrespective of the governing law of the relevant agreements.

Payments to persons with certain ties to Malta may be subject to withholding and such Noteholders may be subject to additional income tax as a result of gross-up

As more fully set out in the Taxation section, it is unclear whether interest, discounts or premiums payable in respect of the Notes would represent "investment income" in terms of the Income Tax Act, Chapter 123 of the laws of Malta. In the event that any such interest, discounts or premiums would represent "investment income", the payment thereof to a "recipient" may be subject to 15% withholding tax (for further information see the *Taxation Section – Malta Taxation*).

In the event that payments are subject to withholding tax in Malta, the Issuer and the Guarantor have (subject to certain exceptions) undertaken to pay additional amounts such that Noteholders receive the amount of interest they would have received had there been no such withholding tax on such interest. In this case, depending on applicable income tax rules, the income received by the Noteholder for tax purposes may be the gross amount paid rather than the net amount that is due to be received by the Noteholder (following the application of any applicable withholding tax). Despite the gross-up of withholding tax, under certain conditions Noteholders may be required to pay additional income tax and there will be no obligation to pay additional amounts to Noteholders in respect of any such tax payable by them.

The Issuer may redeem the Notes prior to maturity

The Conditions provide that the Issuer may redeem the Notes prior to maturity. Such optional redemption feature is likely to limit the market value of Notes. The market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Modification, waivers and substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain Written Resolutions (as defined in the Trust Deed) on matters relating to the Notes from Noteholders without calling a meeting. A Written Resolution signed by or on behalf of the holders of not less than three-quarters of the nominal amount of the Notes who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed and whose Notes are outstanding shall, for all purposes, take effect as an Extraordinary Resolution. Where the Notes are held in global form in the clearing systems, the Issuer, the Guarantor and the Trustee (as the case may be) will be entitled to rely upon:

- where the terms of the proposed resolution have been notified through the relevant clearing system(s), approval of a resolution proposed by the Issuer, the Guarantor or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing systems in accordance with their operating rules and procedures by or on behalf of the holders of not less than three-quarters of the nominal amount of the Notes for the time being outstanding; and
- where electronic consent is not being sought, consent or instructions given in writing directly to the Issuer, the Guarantor and/or the Trustee (as the case may be) by accountholders in the clearing systems with entitlements to the Notes or, where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held (directly or via one or more intermediaries).

A Written Resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Noteholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Noteholders satisfying the special quorum in accordance with the provisions of the Trust Deed, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held.

The Trust Deed permits defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

The Trust Deed also contains provisions which allow, without the consent of the Noteholders, a legal entity to assume the obligations of the Issuer as principal debtor under the Trust Deed and the Notes, in the circumstances described in Condition 10 (*Reorganisation and Substitution*) of the Notes. No Noteholder shall, in connection with any such substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder except to the extent provided for in Condition 9 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

Enforcement of English court judgements in Malta

The Guarantor is expected to redomicile in Malta (for further information on the redomiciliation see *The planned redomiciliation of the Guarantor from the British Virgin Islands to Malta may not be completed within the expected timeframes and may not yield the expected benefits. Investors should consult their own advisers as to potential consequences for them.*). One consequence of such redomiciliation, were it to be completed, would be that actions brought against the Guarantor before the English courts and resulting in a judgment being delivered by an English court against the Guarantor would, for the enforcement thereof in Malta against the Guarantor, be subject to the procedural and other rules applicable in terms of Maltese law.

Recognition and enforcement of English court judgments in Malta will be subject to the rules under the British Judgments (Reciprocal Enforcement) Act – Cap 52 of the laws of Malta ("**Cap 52**") or the Code of Organization and Civil Procedure - Cap 12 of the laws of Malta ("**Cap 12**"). Cap 52 would apply to the recognition and enforcement of an English judgment that demands the payment of any sum of money and is obtained in the superior courts of the United Kingdom, provided that an application has been made before the Maltese Court of Appeal within twelve months after the date of said English judgment requesting the latter's registration in Malta. The following are the grounds on the basis of which, in terms of Cap 52, the Maltese courts may decide not to proceed to enforce such a judgment a) the original court acted without jurisdiction; b) the judgment debtor, being a person who was neither carrying on business nor ordinarily resident within the jurisdiction of the original court, did not voluntarily appear before or otherwise submit, or agree to submit to the jurisdiction of, that court; c) the judgment debtor, being the defendant in the proceedings, was not duly served with the process of the original court, and did not appear, notwithstanding that he was ordinarily resident or was carrying on business within the jurisdiction of that court or agreed to submit to the jurisdiction of that court; d) the judgment was obtained by fraud; e) the judgment debtor satisfies the registering court either that an appeal is pending, or that he is entitled, and intends, to appeal against the judgment; or f) the judgment was in respect of a cause of action which for reasons of public policy or for some other similar reason, could not have been entertained by the registering court.

If the English judgement to be enforced in Malta is either not delivered by a superior court in the United Kingdom or does not relate to the payment of a sum of money, the provisions of Cap 12 would apply. The recognition and enforcement of an English judgement under Cap 12 may, however, be objected to on a number of grounds, including inter alia: a) the judgment was obtained by fraud on the part of any of the parties to the prejudice of the other party; b) the sworn application was not served on the party cast, provided that, notwithstanding such omission, such party shall not have entered an appearance at the trial; c) the judgment was delivered by a court having no jurisdiction in terms of Article 741(a) of Cap 12 provided no plea thereanent had been raised and determined (for the purposes of this ground of objection, the plea may be raised even though that court may have adjudged upon a plea to its jurisdiction, in the case of any action brought against any person not subject to the jurisdiction of that court by reason of domicile or residence, unless such person had voluntarily submitted to the jurisdiction thereof); d) the judgment contains a wrong application of the law; e) the judgment was given on any matter not included in the demand; f) the judgment contains any disposition contrary to public policy or to the internal public law of Malta; g) the judgment was given in excess of the demand; or h) the judgment conflicts with a previous judgment given in a suit on the same subject-matter and between the same parties, and constituting a *res judicata* (provided no plea of *res judicata* had been raised and determined); or i) the judgment was given on the basis of an error resulting from the proceedings or documents of the cause.

In respect of the exception relative to breach of public policy, relevant to the application of both Cap. 52 and Cap. 12, there is no codified definition of what constitutes a breach of public policy in Malta. For instance, it is not certain whether "asymmetrical" jurisdiction clauses (under which one party submits to the exclusive jurisdiction of certain courts (here, England) and other parties may sue anywhere) such as that found in the Trust Deed, or jurisdiction clauses that are not fully exclusive (which is the case in the terms and conditions of the Notes which are not exclusive), would be deemed, by Maltese courts, to be accordance with or in breach of public policy in Malta. Considerations relative to breach of public policy would be determined by Maltese courts on a case-by-case basis, with limited predictability on outcome.

As a consequence of the limitations set out above, any final judgment against the Guarantor in respect of legal proceedings brought before English courts in relation to the Notes or the Guarantee may not be recognised or enforced in Malta.

Change of law

The Conditions of the Notes are based on the laws of England in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of the Notes.

Investors who purchase Notes in denominations that are not an integral multiple of EUR 100,000 may be adversely affected if individual Note Certificates are subsequently required to be issued

The denomination of the Notes is EUR 100,000 and integral multiples of EUR 1,000 in excess thereof. Therefore, it is possible that the Notes may be traded in amounts in excess of EUR 100,000 that are not integral multiples of EUR 100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than EUR 100,000 will not receive an individual Note Certificate in respect of such holding (should individual Note Certificates be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations.

If individual Note Certificates are issued, holders should be aware that individual Note Certificates, which have a denomination that is not an integral multiple of EUR 100,000 or its equivalent, may be illiquid and difficult to trade.

Eligibility of the Notes for Eurosystem Monetary Policy

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are upon issue deposited with one of the international central securities depositories as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem Eligible Collateral**") either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and other obligations (including the provision of further information) as specified by the European Central Bank from time to time. The Issuer and Guarantor do not give any representation, warranty, confirmation or guarantee to any investor in the Notes that the Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any potential investor in the Notes should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute Eurosystem Eligible Collateral.

The Notes may not be a suitable investment for all investors seeking exposure to green assets, and there is currently no market consensus on what constitutes a "green" note

The Issuer intends to allocate an amount equal to the net proceeds received from the issue of the Notes to finance or refinance Eligible Projects under the Green Financing Framework. "**Eligible Projects**" are projects that promote climate-friendly, energy-efficient and other environmental purposes. A prospective investor should have regard to the information set out in this Offering Circular and determine for itself the relevance of such information for the purpose of an investment in the Notes together with any other investigation it deems necessary.

No assurance is given by the Issuer or the Joint Lead Managers that such allocation of an amount equal to the net proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental impact of any project or uses, the subject of or related to, the relevant Eligible Project. There can also be no assurance by the Issuer that such allocation of an amount equal to the net proceeds will satisfy any future legislative or regulatory requirements with which any investor or its investments are required to comply under its own governing rules or investment portfolio mandates. Each prospective investor should have regard to the factors described in this Offering Circular and seek advice from their independent financial adviser or other professional adviser before deciding to invest.

No assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment).

No representation or assurance is given as to the suitability or reliability of any opinion or certification of any third party made available in connection with the issue of the Notes. For the avoidance of doubt, any such opinion or certification is not incorporated in this Offering Circular. Any such opinion or certification is not a recommendation by the Issuer, the Joint Lead Managers or any other person to buy, sell or hold any Notes and is current only as of the date it was issued. As at the date of this Offering Circular, the providers of such opinions and certifications are not subject

to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein.

While it is the intention of the Issuer to allocate an amount equal to the net proceeds received from the issue of the Notes to finance or refinance Eligible Projects under the Green Financing Framework and to report on the use of such monies or Eligible Projects as described in this Offering Circular and the Group's Green Financing Framework, there is no contractual obligation to do so. There can be no assurance that any such Eligible Projects will be available or capable of being implemented in the manner anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Projects as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental or otherwise) originally expected or anticipated. None of a failure by the Issuer to allocate an amount equal to the net proceeds of the Notes to Eligible Projects or to report on the use of such monies as anticipated or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with the issue of the Notes or the failure of the Notes to meet investors' expectations requirements regarding any "green" or similar labels will constitute an event of default or breach of contract with respect to the Notes.

A failure of the Notes to meet investor expectations or requirements as to their "ESG", "green", "sustainable" or equivalent characteristics, including the failure to apply proceeds for Eligible Projects, the failure to provide, or the withdrawal of, a third party opinion or certification, or the failure by the Issuer to report on the use of an amount equal to the net proceeds received from the issue of the Notes or Eligible Projects as anticipated, may have a material adverse effect on the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor's investment criteria or mandate).

RISKS RELATED TO THE MARKET GENERALLY

The secondary market generally

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the Group's results of operations. Although application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its Global Exchange Market, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes. Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a material adverse effect on the market value of the Notes.

The trading market for debt securities may be volatile and may be adversely impacted by many events

The market for debt securities is influenced by economic and market conditions. There can be no assurance that events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

Inflation risk

The value of future payments of interest and principal may be reduced as a result of inflation as the real rate of interest on an investment in the Notes will be reduced by inflation rates and may be negative if the inflation rate rises above the nominal rate of interest on the Notes.

Interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. Fluctuations in interest rates can affect the market values of, and corresponding levels of capital gains or losses on, fixed rate securities. During periods of rising interest rates, the prices of fixed rate securities, such as the Notes, tend to fall and gains are reduced or losses incurred upon their sale. Therefore, investment in the Notes involves the risk that changes in market interest rates may adversely affect the value of the Notes.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange

rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or the Guarantor to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal. Any of the foregoing events could adversely affect the value of the Notes.

Credit ratings may not reflect all risks

In addition to the ratings on the Notes to be provided by Moody's and Fitch, one or more other independent credit rating agencies may assign credit ratings to the Notes. The credit ratings assigned to the Notes may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above and other factors that may affect the value of the Notes. Credit ratings assigned to the Notes do not necessarily mean that they are a suitable investment. A credit rating is not a recommendation to buy, sell or hold Notes and may be revised, suspended or withdrawn by the rating agency at any time. Similar ratings on different types of notes do not necessarily mean the same thing. The ratings by Moody's and Fitch will not address the marketability of investments in the Notes or any market price. Any change in the credit ratings of the Notes or the Issuer or the Guarantor could adversely affect the price that a subsequent purchaser will be willing to pay for investments in the Notes. The significance of each rating should be analysed independently from any other rating.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Notes.

Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain figures included in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as total in certain tables may not be an arithmetic aggregation of the figures which precede them.

Financial Statements of the Group

This Offering Circular should be read and construed in conjunction with the following documents:

- the audited consolidated annual financial statements of the Guarantor as at and for the years ended 30 June 2020 and 30 June 2019 (the "**Guarantor Audited Consolidated Financial Statements**") incorporated by reference in this Offering Circular (see "*Documents Incorporated by Reference*"); and
- the reviewed condensed consolidated interim financial statements of the Guarantor for the six-month period ended 31 December 2020 (the "**Guarantor Condensed Consolidated Interim Financial Statements**") incorporated by reference in this Offering Circular (see "*Documents Incorporated by Reference*").

The Guarantor Audited Consolidated Financial Statements and the Guarantor Condensed Consolidated Interim Financial Statements are hereinafter collectively referred to as the "**Financial Statements**". The Financial Statements incorporated by reference in this Offering Circular have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**").

Alternative performance measures

This Offering Circular includes certain non-IFRS measures that are unaudited supplementary measures of the performance of the Group that are not required by, or presented in accordance with IFRS. The non-IFRS measures described below are alternative performance measures as defined in the European Securities and Market Authority Guidelines on Alternative Performance Measures dated 5 October 2015.

Proportional consolidation measures

In this Offering Circular, the Group presents selected balance sheet data on a proportionate consolidation basis to reflect the Guarantor's 40 per cent. share in PKM Development Limited (the "**DJV**"), a development joint venture with Prime Kapital Holdings Limited ("**Prime Kapital**") (the "**Proportionate Consolidation**"). In accordance with IFRS, the Group is required to account for the DJV under the equity method of accounting in the Financial Statements, as the Group does not have control over the DJV. Due to changes in the executive management team in November 2019, the Group's reportable segments have changed in order to assist the management in analysing the portfolio on a regional level, consistent with the Group's strategy to increase its geographical focus in the CEE markets. As such, since 31 December 2019, the Group prepares Proportionate Consolidation metrics.

The Group's management primarily relies on IFRS metrics and uses the Proportionate Consolidation metrics on a supplementary basis to assess certain aspects of the Group's operations, such as loan to value ratios. In addition, the Group's management believes that the Proportionate Consolidation metrics are often used by securities analysts, investors and other interested parties in the evaluation of companies with significant operations with unconsolidated associates and joint ventures accounted using the equity method. The Proportionate Consolidation data has limitations as analytical tools, and should not be considered in isolation of or as substitutes for, financial information as reported under IFRS in the Financial Statements incorporated by reference in this Offering Circular.

The tables below present the reconciliation between the IFRS Consolidated Statement of Financial Position and Proportionate Consolidation data used by the Guarantor's executive management team to analyse the business for the six-month period ended 31 December 2020 and for the year ended 30 June 2020 (for more details see Note 24 of the Guarantor Condensed Consolidated Interim Financial Statements and Note 29 of the Guarantor's Audited Consolidated Financial Statements for the year ended 30 June 2020, incorporated by reference in this Offering Circular).

Consolidated Statement of Financial Position	Proportionate accounts Line Item	As at 31 December 2020				Proportionate Accounts
		IFRS Accounts	Discontinued operations	Add 40% DJV	Other reclass	
		All amounts in €'000				
Non-current assets						
Investment property		444,584				
Income-generating property	Income property	443,145	-	72,496	400,172	915,813

		As at 31 December 2020				
Consolidated Statement of Financial Position	Proportionate accounts Line Item	IFRS Accounts	Discontinued operations	Add 40% DJV	Other reclass	Proportionate Accounts
<i>All amounts in €'000</i>						
Dev. property and land bank	Developments - income property	1,439	-	25,953	(202)	27,190
	Developments - residential property	-	-	19,520	-	19,520
Financial assets	Preference shares	198,714	-	-	(79,486)	119,228
<i>Current assets</i>						
Investment property held for sale		-	400,172	-	(400,172)	-
Financial investments	Listed securities	10,011	-	10,777	24,905	45,693
Cash and cash equivalents	Cash and cash equivalents	86,454	-	7,023	-	93,477
<i>Non-current liabilities</i>						
Interest bearing borrowings	Debt financing	132,232	-	91,822	158,642	382,696
<i>Current liabilities</i>						
Interest bearing borrowings		212,700	-	544	(213,244)	-

		As at 30 June 2020				
Consolidated Statement of Financial Position	Proportionate accounts Line Item	IFRS Accounts	Discontinued operations	Add 40% DJV	Other reclass	Proportionate accounts
<i>All amounts in €'000</i>						
<i>Non-current assets</i>						
Investment property		533,649				
Income-generating property	Income property	532,742	-	45,116	429,593	1,007,451
Dev. property and land bank	Developments - income property	907	-	40,775	-	41,682
	Developments - residential property	-	-	15,322	-	15,322
Financial assets	Preference shares	186,050	-	-	(74,420)	111,630
<i>Current assets</i>						
Investment property held for sale		-	429,592	-	(429,592)	-
Financial investments	Listed securities	28,406	-	7,973	7,090	43,469
Cash and cash equivalents	Cash and cash equivalents	51,404	-	3,381	-	54,785
<i>Non-current liabilities</i>						
Interest bearing borrowings	Debt financing	233,666	-	78,660	144,158	456,484
<i>Current liabilities</i>						
Interest bearing borrowings		211,081	-	406	(211,487)	-

Unless stated to be on a Proportionate Consolidation basis, all amounts in this Offering Circular are shown on an IFRS basis.

Estimated Annualised Net Rental Income

This Offering Circular also includes estimated operational information, such as annualised net rental income ("**Estimated Annualised Net Rental Income**") or annualised rental income ("**Estimated Annualised Rental Income**"), which the Group uses to estimate annualised operational revenues generated by properties in which it has a direct or indirect investment. In addition, in respect of the Group's investment in the DJV, Estimated Annualised Net Rental Income generated by the DJV's income-generating properties is used to estimate the potential cover of the DJV's annualised preference shares dividend payable to the Group. This measure reflects the theoretical net rental income estimated for a twelve-month period based on signed lease agreements at the date of measurement, less estimated non-recoverable property related expenses. Persons into whose possession this Offering Circular comes are strongly

cautioned not to place undue reliance on Estimated Annualised Net Rental Income or Estimated Annualised Rental Income disclosed in this Offering Circular, as these amounts represent operational contractual amounts which may be materially different from, and should not be used as being indicative of, future rental income or any results to be reported in the Guarantor's future financial statements.

Investors in the Notes are strongly cautioned not to place undue reliance on the Proportionate Consolidation metrics or the other alternative performance measures, as they are materially different from IFRS information and represent unaudited management financial information prepared on an accounting basis not in accordance with IFRS.

Gross lettable area ("GLA") data

GLA data presented in this Offering Circular includes the GLA of properties owned by the DJV and operated by the Guarantor's Property Management Platform at 100 per cent.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with the following:

1. the Guarantor Condensed Consolidated Interim Financial Statements, (which are available at <https://masrei.com/wp-content/uploads/2021/02/MAS-Interim-Financial-Statements-for-period-ending-31-Dec-2020.pdf>) which include the reviewed condensed consolidated interim financial statements of the Guarantor for the six-month period ended 31 December 2020, contained on the following pages:

Independent Auditor's Review Report on Interim Financial statements	a
Condensed Consolidated Statement of Profit or Loss.....	1
Condensed Consolidated Statement of Other Comprehensive Income.....	2
Condensed Consolidated Statement of Financial Position.....	3
Condensed Consolidated Statement of Changes in Equity.....	4-5
Condensed Consolidated Statement of Cash Flows.....	6
Notes to the Condensed Consolidated Interim Financial Statements.....	7-59

2. the Guarantor Audited Consolidated Financial Statements for the year ended 30 June 2020 contained on the following pages of the Group's annual report for the year ended 30 June 2020 (which is available at https://www.masrei.com/wp-content/uploads/2020/12/MAS_Annual-Report_2020.pdf):

Independent Auditor's Report to the Guarantor's Shareholders	60-63
Consolidated Statement of Profit or Loss.....	64
Consolidated Statement of Other Comprehensive Income.....	65
Consolidated Statement of Financial Position.....	66
Consolidated Statement of Changes in Equity.....	67
Consolidated Statement of Cash Flows.....	68
Notes to the Consolidated Annual Financial Statements.....	69-127

3. the Guarantor Audited Consolidated Annual Financial Statements for the financial year ended 30 June 2019 contained on the following pages of the Group's annual report for the year ended 30 June 2019 (which is available at <https://masrei.com/wp-content/uploads/2021/02/Integrated-Annual-Report-2019.pdf>):

Independent Auditor's Report to the Guarantor's Shareholders	87-90
Consolidated Statement of Profit or Loss.....	92
Consolidated Statement of Other Comprehensive Income.....	93
Consolidated Statement of Financial Position.....	94
Consolidated Statement of Changes in Equity.....	95
Consolidated Statement of Cash Flows.....	96
Notes to the Consolidated Annual Financial Statements.....	97-193

(together, the "**Documents Incorporated by Reference**").

The Documents Incorporated by Reference have been previously published or are published simultaneously with this Offering Circular. The Documents Incorporated by Reference shall be incorporated in, and form part of, this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular. Those parts of the documents incorporated by reference in this Offering Circular which are not specifically incorporated by reference in this Offering Circular are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Offering Circular. Any documents themselves incorporated by reference in the Documents Incorporated by Reference shall not form part of this Offering Circular.

Copies of the documents incorporated by reference in this Offering Circular may be obtained (without charge) from the Guarantor's website at <https://www.masrei.com>.

SELECTED FINANCIAL INFORMATION

The following tables contain selected historical consolidated financial information for the Guarantor as of the dates and for the periods indicated.

The selected consolidated statement of financial position as of 30 June 2020 and 30 June 2019, and the selected consolidated statement of profit or loss, the selected consolidated statement of other comprehensive income and the selected consolidated statement of cash flows for the years then ended have been derived from or calculated based on the information extracted from the Guarantor's Audited Consolidated Financial Statements, which have been prepared in accordance with IFRS. The Guarantor's Audited Consolidated Financial Statements are incorporated by reference in, and form part of, this Offering Circular (see "*Documents Incorporated by Reference*").

The selected consolidated statement of financial position as of 31 December 2020, and the selected consolidated statement of profit or loss, selected consolidated statement of other comprehensive income and the selected consolidated statement of cash flows for the six months ended 31 December 2020 and 31 December 2019 have been derived from the Guarantor Condensed Consolidated Interim Financial Statements, which are incorporated by reference in, and form part of, this Offering Circular (see "*Documents Incorporated by Reference*"). Prospective investors should not rely on interim results as being indicative of results that the Guarantor may expect for the full year.

Prospective investors should read the following selected consolidated financial information in conjunction with the rest of the information contained herein including, but not limited to, the information contained in the section titled "*Risk Factors*" as well as the Guarantor Audited Consolidated Financial Statements (including the auditor's reports) and the Guarantor Condensed Consolidated Interim Financial Statements, which are incorporated by reference herein.

The Issuer, being a newly incorporated entity, does not have any financial statements in place.

GUARANTOR'S CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December	As at 30 June	
	2020	2020	2019
	(unaudited)	(audited)	(audited)
<i>All amounts in €'000 (unless otherwise stated)</i>			
<i>Non-current assets</i>			
Investment property	444,584	533,649	872,062
Financial assets	198,714	186,050	174,903
Investment in equity-accounted investee	30,148	26,736	21,888
Intangible assets	1,696	1,696	30,647
Deferred tax assets	3,746	3,394	4,280
Other non-current assets	10,436	11,453	317
Total non-current assets	689,324	762,978	1,104,097
<i>Current assets</i>			
Investment property held for sale	400,172	429,592	92,610
Inventory property	-	-	5,270
Financial investments	10,011	28,406	87,814
Financial assets	-	-	11,594
Trade and other receivables	22,433	20,689	17,306
Cash and cash equivalents	86,454	51,404	71,155
Total current assets	519,070	530,091	285,749
Total assets	1,208,394	1,293,069	1,389,846

	As at 31 December	As at 30 June	
	2020	2020	2019
	(unaudited)	(audited)	(audited)
<i>All amounts in €'000 (unless otherwise stated)</i>			
<i>Equity</i>			
Share capital and share premium.....	900,931	899,858	824,686
Treasury shares – geared share purchase plan shares.....	(5,318)	(6,309)	(8,299)
Retained (deficit)/earnings.....	(64,056)	(85,321)	53,864
Share-based payment reserve.....	(1,028)	925	975
Foreign currency translation reserve.....	(14,431)	(13,130)	(13,107)
Equity attributable to owners of the Group.....	816,098	796,023	858,119
Non-controlling interest.....	-	-	7,439
Total equity.....	816,098	796,023	865,558
<i>Non-current liabilities</i>			
Interest bearing borrowings.....	132,232	233,666	312,755
Financial liabilities.....	1,765	2,148	2,735
Deferred tax liabilities.....	24,808	27,425	26,270
Other non-current liabilities.....	1,900	2,776	-
Total non-current liabilities.....	160,705	266,015	341,760
<i>Current liabilities</i>			
Interest bearing borrowings.....	212,700	211,081	143,707
Financial liabilities.....	1,276	2,323	17,309
Trade and other payables.....	17,615	17,627	21,512
Total current liabilities.....	231,591	231,031	182,528
Total liabilities.....	392,296	497,046	524,288
Total shareholder equity and liabilities.....	1,208,394	1,293,069	1,389,846
Actual number of ordinary shares in issue.....	704,493,798	704,493,798	637,493,798
IFRS Net Asset Value per share (eurocents).....	115.8	113.0	134.6

GUARANTOR'S CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Six months ended 31 December		Year ended 30 June	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(audited)	(audited)
<i>All amounts in €'000 (unless otherwise stated)</i>				
<i>Continuing operations</i>				
Rental income	17,952	17,918	35,659	57,620
Service charge income and other recoveries.....	5,081	5,458	11,191	12,455
Gross revenue	23,033	23,376	46,850	70,075
Impairment of receivables.....	(3,003)	-	(4,763)	-
Service charge and other property operating expenses	(6,282)	(6,229)	(11,604)	(18,479)
Net rental income	13,748	17,147	30,483	51,596
Corporate expenses.....	(2,418)	(3,159)	(5,763)	(5,627)
Profit on sales of inventory property.....	-	-	-	8,151
Other income.....	1,728	4,653	6,308	7,259
Investment expenses.....	(799)	(1,914)	(3,927)	(3,210)
Fair value adjustments.....	8,539	39,947	(34,349)	(7,632)
Foreign currency exchange differences	759	4,600	(1,203)	(365)
Share of profit from equity accounted investee, net of tax	3,412	8,378	4,848	11,009
Gain on bargain purchase.....	-	-	-	12,263
Goodwill impairment	-	(22,627)	(29,452)	-
Profit/(loss) before finance (costs)/income	24,969	47,025	(33,055)	73,444
Finance income.....	7,197	6,673	13,231	12,058
Finance costs.....	(3,781)	(3,688)	(7,502)	(10,251)
Profit/(loss) before tax	28,385	50,010	(27,326)	75,251
Current tax	(92)	(367)	(530)	(3,948)
Deferred tax	(3,150)	(4,320)	223	(9,425)
Tax expense	(3,242)	(4,687)	(307)	(13,373)
Profit/(loss) for the period/year from continuing operations	25,143	45,323	(27,633)	61,878
<i>Discontinued operations</i>				
(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)	61,878
<i>Attributable to:</i>				
Owners of the Group	21,265	52,567	(21,615)	55,035
Non-controlling interest	-	1,428	1,428	6,843
Profit/(loss) for the period/year	21,265	53,995	(20,187)	61,878
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the Group:				
Basic earnings/(loss) per share (eurocents)	3.02	8.09	(3.19)	8.63
Diluted earnings/(loss) per share (eurocents)	3.02	8.09	(3.19)	8.63

GUARANTOR'S CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Six months ended 31 December		Year ended 30 June	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(audited)	(audited)
	All amounts in €'000			
Profit/(loss) for the period/year	21,265	53,995	(20,187)	61,878
Other comprehensive (expense)/income				
<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)	(1,339)
Total comprehensive income/(expense) for the period/year	19,964	58,328	(20,210)	60,539
<i>Attributable to:</i>				
Owners of the Group	19,964	56,900	(21,638)	53,696
Non-controlling interest	-	1,428	1,428	6,843
Total comprehensive income/(expense) for the period/year	19,964	58,328	(20,210)	60,539

GUARANTOR'S CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended 31 December		Year ended 30 June	
	2020	2019 (Restated*)	2020	2019 (Restated**)
	(unaudited)	(unaudited)	(audited)	(audited)
<i>All amounts in €'000</i>				
<i>Operating activities</i>				
Cash generated from operating activities	43,339	34,162	52,495	55,708
Capitalised expenditure on inventory property	-	(996)	(339)	(37,990)
Proceeds from the sales of inventory property	-	6,729	6,689	46,609
Interest received on PKM Development preference shares.....	2,530	4,749	9,911	9,181
Investment expense paid	-	(802)	-	-
Tax paid on operating activities.....	(5,860)	(3,806)	(2,935)	(1,923)
Distributions paid to salaried plan participants of geared share purchase plan	-	(148)	(238)	(132)
Net cash inflow from operating activities	40,009	39,888	65,583	71,453
<i>Investing activities</i>				
Acquisitions of investment property	-	-	-	(87,550)
Capitalised expenditure on investment property	(3,039)	(6,641)	(8,423)	(18,791)
Settlement of investment property acquisition retentions....	-	-	-	(473)
Capitalised expenditure on investment property held for sale.....	(2,404)	(1,297)	(4,449)	(1,717)
Proceeds from the sale of investment property held for sale	127,967	900	-	49,257
Proceeds from/(payments for) acquisition of subsidiaries, net of cash acquired.....	-	86	86	(117,561)
Payment of PKM Developments preference shares.....	(8,000)	-	(8,700)	(70,000)
Acquisition of direct financial investments	1,877	-	-	(16,729)
Proceeds from the disposal of direct financial investments.....	-	13,485	37,056	20,794
Proceeds from the disposal of direct financial investments - transferred to CFDs	-	-	6,456	116,089
Deposit of CFD collateral on CFD purchases	-	(4,252)	(4,066)	(52,407)
Receipt of CFD collateral on CFD disposals.....	3,834	11,872	24,245	6,202
Settlement of fair value adjustments on CFDs	(13,365)	9,547	(28,727)	(8,558)
Settlement of financial liability	-	(5,234)	(5,070)	(7,542)
Investment expenses paid.....	(2,791)	(1,261)	(4,221)	(2,575)
Acquisitions of non-current assets.....	-	(342)	-	(298)
Disposals of non-current assets	-	-	-	171
Interest on bank deposits, net.....	(90)	(2)	30	11
Tax paid on investing activities	(61)	(661)	(872)	(2,543)
Net cash inflow/(outflow) from investing activities	103,928	16,200	3,345	(194,220)
<i>Financing activities</i>				
Transaction costs from the issue of share capital	-	(154)	-	-
Proceeds from interest bearing borrowings	-	52,423	99,700	218,590

	Six months ended 31 December		Year ended 30 June	
	2020	2019 (Restated*)	2020	2019 (Restated**)
	(unaudited)	(unaudited)	(audited)	(audited)
<i>All amounts in €'000</i>				
Transaction costs relating to interest bearing borrowings ...	(539)	(1,611)	(1,734)	(2,535)
Repayment of capital on interest bearing borrowings.....	(102,565)	(75,019)	(110,061)	(109,537)
Interest paid on interest-bearing borrowings	(4,467)	(6,466)	(11,395)	(8,227)
Distributions paid to the owners of the group	-	(31,683)	(61,556)	(49,788)
Distributions paid to non-controlling interest.....	-	-	(3,448)	(1,931)
Net cash (outflow)/inflow from financing activities	(107,571)	(62,510)	(88,494)	46,572
Net increase/(decrease) in cash and cash equivalents	36,366	(6,422)	(19,566)	(76,195)
	-	-		
Cash and cash equivalents at the beginning of the period/year	51,404	71,155	71,155	147,826
Effect of movements in foreign exchange rate fluctuations on cash held	(1,316)	358	(185)	(476)
Cash and cash equivalents at the end of the period/year	86,454	65,091	51,404	71,155

* See Note 22 of the Guarantor Condensed Consolidated Interim Financial Statements for details regarding the restatement as a result of an error.

** See Note 26 of the Guarantor Audited Consolidated Annual Financial Statements of the Guarantor as at and for the year ended 30 June 2020 for details regarding the restatement as a result of an error.

The cash flows for the six-month period ended 31 December 2020 and 31 December 2019 and the year ended 30 June 2020, relate to continuing and discontinued operations. For cash flow summary on discontinued operations for the periods then ended, please see note 4 of the Guarantor Condensed Consolidated Interim Financial Statements.

USE OF PROCEEDS

The net proceeds of the Notes will be used to finance or refinance Eligible Projects under the Green Financing Framework.

None of the Joint Lead Managers will verify or monitor the proposed use of proceeds of the Notes.

INTRODUCTION TO THE GROUP

This section includes certain non-IFRS measures that are unaudited supplementary measures of the performance of the Group that are not required by, or presented in accordance with, IFRS. These measures include data presented on a Proportionate Consolidation basis, Estimated Annualised Net Rental Income and Estimated Annualised Rental Income. These non-IFRS measures have limitations as analytical tools, and should not be considered in isolation of, or as a substitute for, financial information as reported under IFRS in the Financial Statements incorporated by reference in this Offering Circular.

Investors in the Notes are strongly cautioned not to place undue reliance on these non-IFRS measures, as they are materially different from IFRS information and represent unaudited management financial information prepared on an accounting basis, not in accordance with IFRS..

See "Presentation of Financial and Other Information".

General

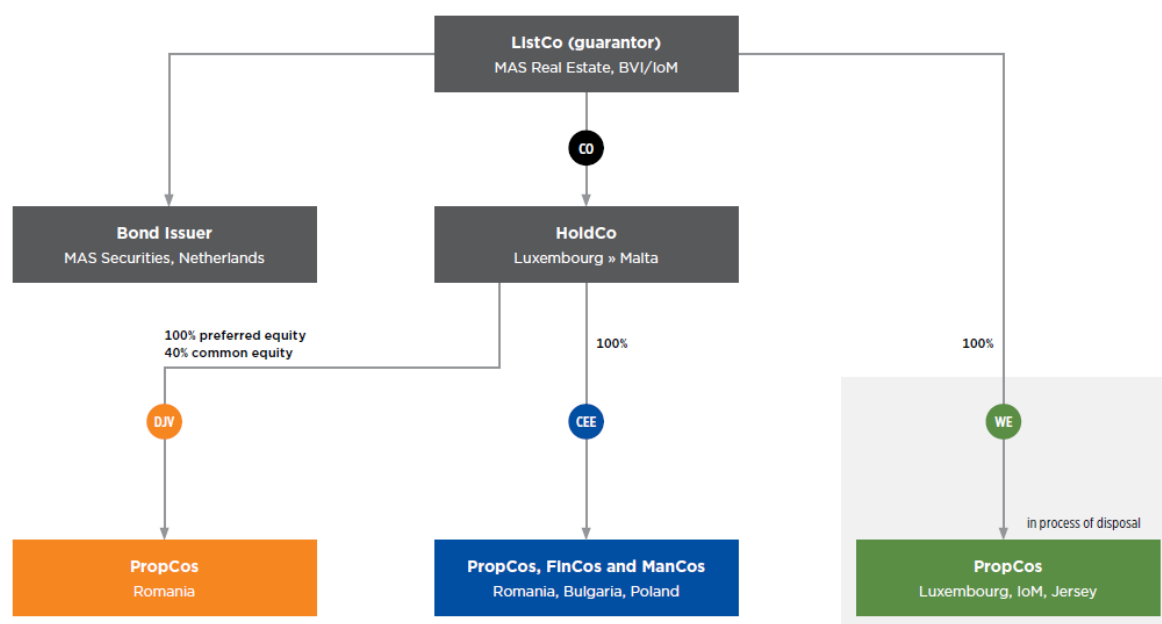
The Group is an internally managed property investor and operator focused on retail properties in CEE.

The Group was established in 2008 and has assembled, through acquisition and development, a high-quality portfolio of retail assets in Romania, Bulgaria and Poland, retail and logistic assets in Germany, and hospitality, retail and office assets and land bank in the UK. The Group also has retail and residential development exposure in Romania via the DJV with Prime Kapital (see "*Description of the Group's Operations – Recent Developments - Development joint ventures*").

Management believes that the Group is one of the significant owners of real estate in the CEE, with a diversified property portfolio worth EUR 844.8 million (EUR 962.5 million on a Proportionate Consolidation basis) as at 31 December 2020, and Investment property of EUR 444.6 million (EUR 562.4 million on a Proportionate Consolidation basis) excluding Investment property held for sale.

Management has started re-positioning the business by disposing of direct and indirect investments in Western Europe ("WE") for redeployment of sale proceeds in CEE in order to enable the Group to benefit from expected long-term consumption growth in CEE, with the aim to generate like-for-like net rental income growth from retail holdings in CEE. The Group has an interest in 11 operational open-air and enclosed malls in CEE (out of which four are partially owned via the DJV) and seven strip malls, comprising 350,200 sqm gross lettable area (GLA) (257,400 sqm in Romania, 60,400 sqm in Bulgaria and 32,400 sqm in Poland).

The Group's summarised holding structure as of 31 December 2020 is presented below:



The Guarantor

The Guarantor was incorporated in the Isle of Man on 3 July 2008 as a limited liability company (originally named Mergon Property Holdings Limited, and subsequently renamed MAS plc on 4 March 2009). On 18 December 2012 the Guarantor continued into the British Virgin Islands and changed its name to MAS Real Estate Inc., while remaining tax domiciled in the Isle of Man and continuing to have a substantial operational presence in that jurisdiction.

On 14 January 2021, the Guarantor's shareholders approved a proposed continuation of the Guarantor from the British Virgin Islands to Malta. The proposed re-domiciliation, once implemented, will reflect the Group's current focus on investment in CEE, as the primary head office operations of the Group will be located in a jurisdiction which is in closer proximity to the CEE and, at the same time, is both a member state of the European Union and a continuing member of the British Commonwealth. (See "*Recent developments – Re-domiciliation of the Guarantor and restructuring of the Group*").

To mitigate any perceived operational or geographical risk, in 2016 the Guarantor entered into two joint ventures (the DJV and a co-investment joint venture focussed on income generating assets (the "IJV")) with Prime Kapital, which effectively gave the Group access to a management team with extensive development, investment, operating and financing experience in the CEE market (See "*Recent developments - Development joint ventures*").

The Guarantor's current registered office is at Craigmuir Chambers, P.O. Box 71, Road Town, Tortola VG1110, British Virgin Islands. The memorandum and articles of association of the Guarantor were adopted on its continuation into the British Virgin Islands on 18 December 2012 and were amended on 28 November 2014, 19 May 2015, 20 February 2017, 3 March 2017 and 29 January 2021.

The Guarantor's shares were listed on both the Johannesburg and the Luxembourg stock exchanges. In June 2020 the Guarantor delisted its shares from the Euro-MTF market of the Luxembourg Stock Exchange, while its shares remain listed on the Main Board of the Johannesburg Stock Exchange.

The Guarantor is the ultimate holding company of the Group and its main functions include the determination of the Group strategy, the review and adoption of business plans within the context of the Group strategy, the overall coordination of the activities of the Group companies, the allocation of resources amongst Group companies and accounting for and monitoring of the Group's activities. Each member of the Group may make dividend payments at any time, provided of course that no event of default or potential event of default is continuing at such time, or would be caused by such dividend payment.

The Issuer

The Issuer was incorporated on 21 January 2021 as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands and registered with the Trade Register of the Dutch Chamber of Commerce under number 81679610. The Issuer's registered office is Prinses Margrietplantsoen 88, 2595BR 's-Gravenhage, The Netherlands, with telephone number +31 850 700 300. The articles of association (*statuten*) of the Issuer were adopted on 21 January 2021.

The Issuer is a financing company, directly wholly owned by the Guarantor as set out in the Group's summarised holding structure presented in "Introduction to the Group" above.

Board of Directors

The Issuer's Board of Directors (the "**Board**") consists of three directors (the "**Directors**");

Name	Function	Position held since
Irina Grigore	Director	21 January 2021
Maria Johanna Antoinette Constance Daamen	Director	12 February 2021
Dennis Jacobus Marlies Kramer	Director	12 February 2021

The business address of the Directors is the Issuer's office at Prinses Margrietplantsoen 88, 2595BR 's-Gravenhage, The Netherlands.

Potential Conflicts of Interests

There are no potential conflicts of interest between the duties of the Directors towards the Issuer and their private interests or other duties.

Strategy

The Group's investment approach is that of a long-term investor. The Group aims to maximise total long-term returns from investments on a per share basis by focussing on capital allocation, operational excellence, sensible leveraging and cost efficiency.

From an operational perspective, since November 2019, the Group has operated as a CEE property investor and operator with a highly qualified in-house asset and property management multidisciplinary team of 200 that combine investment, acquisition, lease, asset and property management, marketing and finance skills.

The Group's exposure to property development is limited to participation, on a down-side protected basis, in the DJV with Prime Kapital, which is a co-investor and fully integrated property developer and builder with an exceptional track record. This involves the partial financing of developments using preference share funding, earning a fixed, first-priority return and limiting the Group's downside exposure, combined with an investment in the DJV's ordinary equity making it eligible for profit participation.

DESCRIPTION OF THE GROUP'S OPERATIONS

This section includes certain non-IFRS measures that are unaudited supplementary measures of the performance of the Group that are not required by, or presented in accordance with, IFRS. These measures include data presented on a Proportionate Consolidation basis, Estimated Annualised Net Rental Income and Estimated Annualised Rental Income. Data presented on a Proportionate Consolidation basis reflects the Guarantor's 40 per cent. share in the DJV as well as the Group's directly owned properties and other assets. The Proportionate Consolidation data, Estimated Annualised Net Rental Income and Estimated Annualised Rental Income have limitations as analytical tools, and should not be considered in isolation of, or as a substitute for, financial information as reported under IFRS in the Financial Statements incorporated by reference in this Offering Circular.

Investors in the Notes are strongly cautioned not to place undue reliance on these non-IFRS measures or the other alternative performance measures, as they are materially different from IFRS information and represent unaudited management financial information prepared on an accounting basis not in accordance with IFRS.

See "Presentation of Financial and Other Information".

The Group is an internally managed long-term investor in, and operator of, income-generating real estate, with a focus on CEE, predominantly in Romania, Bulgaria and Poland. The Group has a diversified property portfolio worth EUR 844.8 million (EUR 962.5 million on a Proportionate Consolidation basis) as at 31 December 2020, as assessed by external, independent professional valuers.

The management analyses the performance and position of the Group by aggregating the Group into four reportable segments which have different risk profiles and generate income from different sources, thus allowing the executive management team to make more informed strategic decisions for the Group. The Group's key segments are the following:

- (1) CEE direct portfolio (CEE) - representing the financial position of and results generated by the income properties located in CEE (Romania, Bulgaria and Poland) which are fully owned and managed by the Group;
- (2) CEE development joint venture (DJV) - representing the financial position of and results generated by assets indirectly owned through the Group's investment in the DJV, as well as other balances and transactions in relation to the DJV;
- (3) WE direct portfolio (WE) - representing the financial position of and results generated by the directly owned income-generating property operations in Western Europe (Germany and UK); and
- (4) Corporate (Co) - representing the financial position of and results generated by the activities related to the Group's management, including investments in listed securities, Group level financing, as well as corporate level administration.

Overview of the Property Portfolio

The Group's investment property is comprised of income-generating property, development property and land bank and investment property held for sale. As at 31 December 2020, the Group directly owned and operated 14 income-generating properties in CEE with approximately 0.24 million sqm GLA valued at EUR 443.1 million, which generated net rental income of EUR 13.7 million for the six months ended 31 December 2020. At the same date, the Group also directly owned 37 properties held for sale in WE with a GLA of approximately 0.3 million sqm, valued at EUR 400.2 million which, together with the WE properties sold in the period, generated net rental income of EUR 11.2 million for the six months ended 31 December 2020. Additionally, through the Group's investment in the DJV, the Group indirectly owned and operated four income-generating retail properties with a GLA of approximately 0.1 million sqm.

As at 31 December 2020, the Group also had exposure through its investment in the DJV to three developments under construction (one commercial development and two residential developments), five developments under permitting, zoning and pre-leasing commitments (four commercial developments and one residential development of which one was the extension of an existing property), five developments kept on hold, and land held for future extensions and developments. On 18 March 2021, one of the DJV's commercial developments under construction (Sepsi Value Centre) opened for trade.

The fair value of the Group's investment property is determined semi-annually by external, independent appraisers, who are members of the Royal Institute of Chartered Surveyors or, with respect to valuers of properties in Romania, of the National Association of Authorised Valuers in Romania. The valuation of the property portfolio as at 31 December 2020 was performed as follows:

- *Romania, Bulgaria and Poland:*
 - Cushman & Wakefield Echinox, Banu Antonache Street, No 40-44, 3rd Floor Sector 1, Bucharest, Romania; and
 - Cushman & Wakefield Polska Sp. z o.o., Metropolitan, Plac Pilsudskiego 1, Warsaw, 00-078, Poland.
- *Germany:*
 - Cushman & Wakefield (UK) LLP - German Branch, Rathenauplatz 1, D-60313 Frankfurt am Main, Germany; and
 - Jones Lang LaSalle SE, Blockenhaimer Landstrasse 55, 60325 Frankfurt, Germany.
- *United Kingdom:*
 - Gerald Eve LLP, 72 Welbeck Street, London, W1G 0AY, England;
 - CBRE Limited, 7 Castle Street, Edinburgh, EH2 3AH, Scotland;
 - Avison Young (GVA Grimley Limited), Sutherland House 149, St. Vincent Street, Glasgow, G2 5NW, Scotland, and
 - Jones Lang LaSalle Limited, 7 Exchange Crescent Conference Square, Edinburgh, EH3 8LL, Scotland.

As at 31 December 2020, the Group's directly owned properties were geographically spread by book value as follows

Country	Percentage of Group's book value	Book value EUR million
Directly owned		
Romania	32%	269.6
Germany (held for sale)	30%	253.3
UK (held for sale)	17%	146.9
Bulgaria	11%	92.3
Poland	10%	82.7
Total		844.8

As at 31 December 2020, the Group's directly and indirectly owned properties were geographically spread by book value on a Proportionate Consolidation basis as follows:

Country	Percentage of Group's book value	Book value EUR million
Directly and indirectly owned		
Romania	40%	387.3
Germany (held for sale)	26%	253.3
UK (held for sale)	15%	146.9
Bulgaria	10%	92.3
Poland	9%	82.7
Total		962.5

The Group's business strategy is to divest of its assets in Western Europe (UK and Germany) and redeploy capital directly into income generating property in CEE and indirectly into retail and residential developments via the DJV.

As at 31 December 2020, the Group's directly-owned properties in CEE represented retail properties, while the WE assets held for sale included office, hotel, industrial and land bank properties.

The following table provides information on the Group's income-generating investment properties in CEE, its exposure to income-generating investment properties via the Group's investment in the DJV, and properties held for sale in WE, on a Proportionate Consolidation basis as at 31 December 2020:

	<u>Location</u>	<u>Type</u>	<u>Ownership</u>	<u>GLA</u>	<u>Occupancy</u>	<u>Estimated Annualised Net Rental Income*</u>	<u>Asset value</u>
				<i>sqm</i>	<i>per cent.</i>	<i>EUR million</i>	<i>EUR million</i>
INCOME ASSETS				350,200	93.3	39.4	515.7
CEE Income property				243,100	92.9	33.9	443.1
OM-Militari Shopping	RO, Bucharest	Regional	100%	54,000	96.8	8.3	108.9
EM-Nova Park	PL, Gorzów	Regional	100%	32,400	91.6	6.0	82.0
EM-Galleria Burgas	BG, Burgas	Regional	100%	36,300	90.2	5.3	71.5
EM-Atrium Mall	RO, Arad	Regional	100%	28,400	80.6	4.7	57.2
OM-Roman Value Centre	RO, Roman	Community	100%	18,800	98.2	2.5	33.2
OM-Baia Mare Value Centre	RO, Baia Mare	Community	100%	21,300	94.9	2.5	32.8
EM-Galleria Stara Zagora	BG, Stara Zagora	Regional	100%	24,100	90.6	1.6	20.3
SM-Focsani	RO, Focsani	Convenience	100%	6,100	100	0.8	10.3
SM-Slobozia	RO, Slobozia	Convenience	100%	6,700	100	0.7	8.4
	RO, Ramnicu						
SM-Ramnicu Sarat	Sarat	Convenience	100%	4,000	100	0.4	5.0
SM-Sebes	RO, Sebes	Convenience	100%	3,200	100	0.3	4.1
	RO, Targu						
SM-Targu Secuiesc	Secuiesc	Convenience	100%	3,200	100	0.3	4.0
SM-Fagaras	RO, Fagaras	Convenience	100%	3,200	100	0.3	3.6
SM-Gheorgheni	RO, Gheorgheni	Convenience	100%	1,400	100	0.2	2.0
DJV Income-assets**				107,100	94.3	5.5	72.6
EM-Dambovită Mall	RO, Targoviste	Regional	40%	31,200	92.3	1.8	24.8
OM-DN1 Value Centre	RO, Balotesti	Community	40%	27,000	96.0	1.6	21.5
OM-Mall Moldova - phase I	RO, Iasi	Regional	40%	29,600	93.8	1.1	13.3
OM-Zalau Value Centre	RO, Zalau	Community	40%	19,300	96.2	1.0	13.0
PROPERTY HELD FOR SALE				304,200	96.8	19.6	400.2
Not contracted to be sold as of April 2021			100%	79,000	91.5	9.0	206.6
New Ueberior House	UK, Edinburgh	Office	100%	14,700	100	5.1	80.6
Flensburg Galerie	DE, Flensburg	Community	100%	22,100	78.6	2.6	66.1
Adagio, retail and arches	UK, Edinburgh	Mixed	100%	9,000	99.7	2.0	33.3
		Neighbourhood					
Gotha	DE, Gotha	d	100%	9,400	100	0.9	10.6
Langley Park	UK, Chippenham	Land	100%	23,800			16.0
Other property management costs			100%			(1.6)	
Contracted to be sold as of April 2021			100%	7,200	100	0.5	7.1
DIY portfolio	DE, Nordhausen	DIY	100%	7,200	100	0.5	7.1
Sold from January to April 2021			100%	218,000	99.0	10.1	186.5
Edeka portfolio	DE, Various	Convenience	100%	73,000	98.7	5.4	87.7
DIY portfolio	DE, Various	DIY	100%	16,700	100	1.2	17.2
		Neighbourhood					
Retail portfolio	DE, Various	d	100%	18,900	99.0	1.3	24.1
		Neighbourhood					
Bruchsal	DE, Bruchsal	d	100%	7,100	100	1.3	23.0
Munich	DE, Munich	Industrial	100%	13,100	100	0.9	17.5
Lewes NSQ	UK, Lewes	Land	100%	89,200	-	-	17.0

* Estimated Annualised Net Rental Income reflects the theoretical net rental income estimated for a twelve-month period based on signed lease agreements at the date of measurement, less estimated non-recoverable property related expenses. Investors are strongly cautioned not to place undue reliance on Estimated Annualised Net Rental Income disclosed in this Offering Circular, as these amounts represent operational contractual amounts which may be materially different from, and should not be used as being

indicative of, future rental income or any results to be reported in the Group's IFRS financial statements. See "Presentation of Financial and Other Information Alternative Performance Measures"

****Income-assets owned by the DJV and indirectly owned by the Group through its 40 per cent. participation in the DJV. The table above shows 40 per cent. of the total asset values and Estimated Annualised Net Rental Income generated by these properties. GLA is presented on total asset level.**

The following table provides information on the Group's properties under development in CEE and its exposure to development properties via the Group's investment in the DJV as at 31 December 2020 on a Proportionate Consolidation basis. Budget amounts included in the below table are estimates and may vary according to permitting, pre-leasing and actual physical configuration of the finished developments.

	Location	Type	Stake per cent.	GLA sqm	Units no.	Budget EUR million
DEVELOPMENTS				615,000	2,814	416.3
CEE commercial developments				43,100		114.1
OM-Militari Shopping - extension	RO, Bucharest	Regional	100	26,100		59.8
EM-Galleria Burgas - extension	BG, Burgas	Regional	100	13,900		43.0
EM-Nova Park - extension	PL, Gorzów	Regional	100	3,100		11.3
DJV commercial development*				321,000		196.1
EM-Mall Moldova - phase II	RO, Iasi	Super-regional	40	58,600		45.0
EM-Arges Mall	RO, Pitesti	Regional	40	52,100		33.6
EM-Alba Iulia Mall	RO, Alba Iulia	Regional	40	29,000		16.9
OM-Sepsi Value Centre	RO, Sf. Gheorghe	Community	40	17,000		9.0
OM-Prahova Value Centre	RO, Ploiesti	Community	40	20,800		11.2
OM-Barlad Value Centre	RO, Barlad	Community	40	16,300		7.6
OM-Baia Mare Value Centre - extension	RO, Baia Mare	Community	40	4,200		2.1
OM-Roman Value Centre - extension	RO, Roman	Community	40	3,800		1.8
OM-Slobozia Value Centre - extension	RO, Slobozia	Convenience	40	1,800		1.3
SM-Adjud Value Centre	RO, Adjud	Convenience	40	3,700		1.5
Office-Silk District	RO, Iasi	Office	40	113,700		66.1
DJV residential development*				250,900	2,814	106.1
RZ-Marmura Residence	RO, Bucharest	Residential	40	36,100	459	16.8
RZ-Avalon Estate	RO, Bucharest	Residential	40	96,700	746	43.4
RZ-Silk District	RO, Iasi	Residential	40	118,100	1,609	45.9

*Development properties owned by the DJV and indirectly owned by the Group through its 40 per cent. participation in the DJV. The table above shows 40 per cent. of the total construction budget.

Property value

As at 31 December 2020, the book value of the top ten income-generating properties directly owned and operated by the Group, excluding properties held for sale from the WE portfolio, represented 96.9 per cent. of the total portfolio directly owned by the Group in CEE, as follows:

	Location	Value as at 31 December 2020		GLA sqm
		EUR (millions)	per cent.	
Militari Shopping	RO, Bucharest	108.9	24.6	54,000
Nova Park	PL, Gorzów	82.0	18.5	32,400
Galleria Burgas	BG, Burgas	71.5	16.1	36,300
Atrium Mall	RO, Arad	57.2	12.9	28,400
Roman Value Centre	RO, Roman	33.2	7.5	18,800
Baia Mare Value Centre	RO, Baia Mare	32.8	7.4	21,300
Galleria Stara Zagora	BG, Stara Zagora	20.3	4.6	24,100
Focsani	RO, Focsani	10.3	2.3	6,100
Slobozia	RO, Slobozia	8.4	1.9	6,700
Ramnicu Sarat	RO, Ramnicu Sarat	5.0	1.1	4,000
Total top ten income-generating properties		429.6	96.9	232,100

Occupancy rates and lease expiry profile

The Group has high levels of occupancy in its properties overall.

The following table sets out information on the occupancy levels in the Group's properties as at the dates indicated, including income-generating properties owned by the DJV, in which the Group has an interest:

	As at 31 December	As at 30 June	
	2020	2020	2019
	<i>per cent. of occupancy</i>		
CEE properties.....	92.9	92.7	96.0
WE properties.....	96.8	97.5	97.5
DJV properties.....	94.3	94.4	96.8

The following table sets out the lease expiry profile based on rental income of the Group and the DJV's properties as at 31 December 2020, excluding the WE properties which are held for sale, with overall lease expiry representing the lease expiry profile on a Proportionate Consolidation basis:

	2021	2022	2023	2024	2025	2026+
	<i>Per cent</i>					
Overall lease expiry.....	1.3	8.2	15.6	16.6	15.4	42.9
CEE properties.....	1.5	9.5	17.8	18.2	15.0	38.0
DJV properties.....	0.2	1.0	2.5	7.1	18.3	70.9

The Group and the DJV engage on a disciplined leasing approach, based on the conclusion of EUR negotiated, triple-net rental agreements (all costs including maintenance, taxes, insurance, property management fees, marketing and common area costs recovered in full, on an open-book basis, from tenants), with all retail tenants obliged to report their turnover and, with limited exceptions, pay the higher of a base rent and a turnover-based rent. Lease agreements include guarantees to be provided by tenants, typically equivalent of three months' rent, service charge, marketing cost and value added tax by way of cash deposits, bank guarantees or parent company guarantees in cases where lease contracts are signed with local subsidiaries. Lease lengths are optimised to secure tenants while retaining the flexibility to replace them when rents increase.

The weighted average unexpired lease term by rental income in the Group's income properties was 4.8 years for the Group and 7.9 years for the DJV (5.7 years for the Group by including its exposure via the DJV on a Proportionate Consolidation basis), in each case as at 31 December 2020.

Tenant base

The Group has a diverse tenant base. As at 31 December 2020, the aggregate amount of estimated annualised rental income from the Group's top ten tenants amounted to 31.4 per cent. of the total estimated annualised rental income from properties directly owned by the Group and 32.4 per cent. of the total estimated annualised rental income received by the Group on a Proportionate Consolidation basis, both excluding tenants in properties held for sale in WE. The following tables set out certain information on the Group's top ten tenants by amount of estimated annualised rental income as at 31 December 2020, both from directly-owned properties and on a Proportionate Consolidation basis:

31 December 2020		
<i>Total estimated rent from the Group's tenants occupying directly-owned properties</i>	Estimated Annualised Rental Income*	
	<i>per cent.</i>	<i>EUR (millions)</i>
Auchan	5.2	1.7
Carrefour	4.1	1.4
Kingfisher	3.4	1.1
Pepco	3.2	1.1
Lpp	3.0	1.0
New Yorker	2.8	0.9
Inditex	2.6	0.9
H&M	2.4	0.8
CCC	2.3	0.8

C&A	2.3	0.8
Total	31.4	10.5

31 December 2020

Total estimated rent from the Group's tenants occupying directly and indirectly-owned properties

(on a Proportionate Consolidation basis)

		Estimated Annualised Rental Income*	
	per cent.	EUR (millions)	
Carrefour	5.3		2.1
Kingfisher	4.5		1.7
Auchan	4.1		1.6
Inditex	3.2		1.2
Pepco	3.1		1.2
Lpp	2.7		1.1
Altex	2.6		1.0
New Yorker	2.3		0.9
H&M	2.3		0.9
C&A	2.3		0.9
Total	32.4		12.6

* Estimated Annualised Rental income reflects the theoretical rental income estimated for a twelve-month period based on signed lease agreements at the date of measurement. Investors are strongly cautioned not to place undue reliance on Estimated Annualised Rental Income disclosed in this Offering Circular, as these amounts represent operational contractual amounts which may be materially different from, and should not be used as being indicative of, future rental income or any results to be reported in the Group's IFRS financial statements. See "Presentation of Financial and Other Information - Alternative Performance Measures".

Portfolio management

The Group employs a multidisciplinary team of 200 professionals that combine investment, acquisition, leasing, asset and property management, marketing and finance skills. When required, development and construction skills can be provided by the DJV partner, Prime Kapital.

The asset management function of the Group is undertaken internally by its executive management, who implement the Group's investment and growth strategy together with staff that are familiar with the Group's portfolio of properties. The asset management role of the executive management primarily consists of optimising performance of existing assets and, where necessary, working towards the disposal of assets which no longer contribute to the Group's investment and growth strategy.

Property management is an important function for the Group. Property management, leasing and marketing are coordinated internally by the Group's asset and property management team for all operational properties in the CEE, including those owned by the DJV. In Western Europe, the Group is currently collaborating with the following external property managers: HBB Centermanagement GmbH & Co KG, Modulus Real Estate GmbH and Redpath Bruce Property Management Ltd. Such external property managers are paid a market-related property management fee determined as a percentage of collected annual rent in respect of the relevant property and payable monthly in advance. Where performed internally, in the CEE, the property management function is undertaken by an in-country management team with a real estate track record in the relevant region and a strong understanding of the properties, benefitting from long-term relationships with tenants.

Acquisitions of properties are initiated by an investment and procurement team within the Group which identifies, reviews and analyses operating investment properties by leveraging on the Group's wide contact network in the retail industry. To meet the Group's investment criteria, a retail asset must be or have the potential to be dominant in its catchment area. In assessing this, the Group considers a number of factors and their interplay (size, offering, potential for extension, design, specifications, location, access and visibility). For example, adequate size is critical to dominance by enabling the most comprehensive offering and tenant mix in the catchment area, whereas the potential for future extension secures long-term dominance and reduces the threat of significant future competition. Design principles focus on tenants' visibility and exposure to shoppers by taking account of the positioning of anchor tenants and the avoidance of "dead ends", amongst others. Professional, active management of such properties can create significant and valuable opportunities. The optimal tenant mix comprises a large proportion of food and fashion anchors with a substantial leisure offering in the case of enclosed malls. The due diligence process commences if an opportunity meets the Group's investment criteria and board approval is obtained. To the extent the due diligence outcome is favourable, and the commercial terms are agreed, the board is informed, and approval is considered. Once board approval has been obtained, the acquisition is executed primarily by an assigned project team in collaboration with the asset management team which takes over the management of the asset further to the completion of the acquisition.

Through its investment in the DJV, the Group gains co-investment access to developments with an experienced developer that has "skin in the game" via common equity. The DJV invests in developments which it expects to significantly contribute to long-term growth in distributable earnings per share. Development, re-development and extension opportunities are identified in regions with commercial potential. Land is secured through option agreements registered with the relevant public register and acquired after a due diligence process, the completion of feasibility studies, and after the leasing risk is mitigated by the signing of leases with anchor tenants (or in certain instances confirmation of interest from anchor tenants is sufficient) and permitting risk has been mitigated through construction permitting having been obtained (while in certain low permitting risk jurisdictions zoning is sufficient). Construction costs are committed to on a gradual basis (after obtaining the required permits and meeting the agreed pre-leasing targets). The DJV enters into construction agreements with contractors with proven financial and professional capabilities in addition to a track record of completing projects of a similar scope on time and within budget. Materials and labour in relation to the bulk of the works are contracted at this stage (not less than 60 per cent. of the project's budget by value, with the balance consisting of items with low price variability).

Financial investments (listed securities)

The Group held EUR 86.5 million in cash and cash equivalents and a further EUR 10 million (net) in Financial investments (listed securities) as at 31 December 2020.

Investments in listed securities generated EUR 1.7 million Other income (dividends) received in the six-month period ended 31 December 2020. The Group held shares in Unibail-Rodamco-Westfield, NEPI Rockcastle and Klépierre with total notional gross exposure valued at EUR 34.9 million as at 31 December 2020, which were carried net of EUR 24.9 million of debt secured against such investments.

As at 31 December 2019, the Group held listed securities with a total notional gross exposure valued at EUR 131.4 million, which were carried net of EUR 61.9 million of debt secured against them, while at 30 June 2020 the listed securities portfolio had a total notional gross exposure valued at EUR 35.5 million, which were carried net of EUR 7.1 million debt secured against it. The Group commenced restructuring its listed securities portfolio, by selling holdings in illiquid companies prior to the Covid-19 pandemic and EUR 5.9 million of securities had been disposed of (compared to values as at 30 June 2020).

In January 2021, the Group disposed of its holdings of listed securities in Klepierre and Unibail-Rodamco Westfield in amount of EUR 36.8 million, at a realised profit of EUR 3.96 million compared to the values as at 31 December 2020. The Group had acquired EUR 26.2 million of additional listed securities in a real estate company further to 31 December 2020.

Recent developments

Covid-19 outbreak

In March 2020 (during the financial year ended 30 June 2020), the World Health Organisation declared the coronavirus outbreak a pandemic. Responding to the potentially serious threat the coronavirus presented to public health, authorities in all regions where the Group operates introduced strict pandemic-related restrictions, such as closing all non-essential retail property and hospitality operations, which directly and negatively impacted the performance of the Group's "non-essential" retail and hospitality tenants and certain smaller essential retailers. By July 2020, most restrictions were lifted in the markets in which the Group is active and tenants representing 95.2 per cent. of the Group's gross rental income on a Proportionate Consolidation basis could operate (indoor food and beverage and leisure tenants in Romania and hotel and retail tenants in Scotland could not). From July to the end of October 2020, all tenants gradually re-opened, excluding the mentioned indoor food and beverage tenants and certain leisure tenants in Romania (including playgrounds and cinemas). In Romania, a patchwork of lighter regional restrictions was introduced during November 2020, to the date of this Offering Circular, 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 2020, and 15 October to 31 December 2020, and subject to regional seating capacity restrictions from 1 September to 14 October 2020. Leisure tenants, except cinemas from 1 September to 24 October 2020, were not permitted to trade. Bulgarian authorities closed non-essential retail during the last week of November 2020. Polish authorities closed non-essential retail for three weeks in November 2020, permitted reopening on 28 November 2020 and closed them again on 28 December 2020. Excepting Polish indoor food and beverage and leisure tenants, Polish and Bulgarian non-essential retailers remained closed until 1 February 2021. During March 2021, Polish and Bulgarian authorities imposed additional nation-wide lockdowns affecting non-essential retailers until mid-April 2021, in the case of Bulgaria, and including up to the beginning of May 2021 in the case of Poland. 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 2020, German authorities introduced capacity restrictions for non-essential retailers, with more stringent measures depending on regional infection incidence rates including up to the date of this Offering Circular.

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 which were 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. In Western Europe, 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, and the Group has recovered most rental income and service charges due in respect of the Western European assets to date.

Following the initial hard lockdown, retail footfall during June-December 2020 gradually recovered, but remained significantly below levels for the same period during 2019. In CEE, total portfolio occupancy on 31 December 2020 improved to 93.3 per cent. (93.1 per cent. on 30 June 2020) on a Proportionate Consolidation basis and in Western Europe decreased to 96.8 per cent. (97.5 per cent. on 30 June 2020).

Despite lower footfall, total tenants' sales in CEE recovered strongly and progressively from July to October 2020, but weakened in November and December 2020, amplified by the closures in Bulgaria (December 2020) and Poland (November 2020), as well as Romania's lighter restrictions. According to the Group's internal records, even with relatively weak November and December 2020 sales, like-for-like sales per square meter at open-air malls for the six months ended 31 December 2020 were 2 per cent. higher than sales per square meter for the same period in 2019 (according to the Group's internal records, like-for-like sales per square meter for open-air malls from July to October 2020 were 4 per cent. higher than the same period in 2019).

During the six-month period ended 31 December 2020, DIY, pet store and groceries sales in the Group's CEE retail properties outperformed like-for-like sales for the same period 2019. Although other categories experienced lower like-for-like sales, overall occupancy cost ratios (representing tenants' total occupancy cost as a percentage of their turnover in a specific period) 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.

In CEE, the pro-forma collection rate (representing collections compared to the total income that would have been invoiced if support measures, temporary enforced tenant closures and Covid-19 restrictions had been disregarded) was 85 per cent. for the six months ended 31 December 2020 and includes a rate of 70 per cent. in respect of Bulgaria (79 per cent. up until November 2020 when restrictions were re-introduced for non-essential retail) and 72 per cent. for Poland (81 per cent. if November 2020, when non-essential trading was restricted, is excluded). Cash collections from tenants in Romania during the six-months period ended 31 December 2020 were 93 per cent. of pre-pandemic entitlements, with 4 per cent. waived, deferred or suspended.

All ongoing construction works in relation to developments, extensions and redevelopments were initially put on hold at the onset of the Covid-19 pandemic, except for the DJV's Marmura Residence and Dambovită Mall (originally planned to open in May 2020 but postponed and opened in August 2020). The DJV's retail development pipeline planning has been subsequently 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 to begin returning to normal. The DJV decided to proceed with construction at Sepsî Value Centre in September 2020, with the opening scheduled and achieved in March 2021, while works for Barlad Value Centre have started during April 2021, and those for Prahova Value Centre are scheduled to start, subject to planning consent.

Construction on Marmura Residence, the DJV's first residential development in Bucharest, continues and phase one on Avalon Estate 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 are scheduled to commence during July 2021. The Silk District office development remains on hold.

Joint Ventures

Investment joint venture (the "IJV")

In November 2016 the Guarantor entered into the IJV with Prime Kapital through PKM CEE Investments Limited. Under the terms of the IJV, Prime Kapital provided property investment and management services to the IJV 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**").

In September 2019, the Guarantor entered into a framework agreement with Prime Kapital for the purchase Prime Kapital's effective economic interest in the IJV, comprising an effective 20 per cent. direct participation in the IJV less the interest cost on the participation funding that was provided by the Group, together with the Property Management Platform.

The transaction closed on 27 November 2019, when, based on shareholder approval, the Guarantor acquired the Property Management Platform and Prime Kapital's effective economic interest in the IJV against a purchase price of EUR 77.3 million, such consideration being satisfied by the issue of 67 million shares of the Guarantor (the "**Consideration Shares**"), of which 5 per cent. represented incentive shares that were placed in reserve to be allocated to existing and future employees and service providers who, directly or indirectly, provide services to or for the benefit of the Group through the Property Management Platform or as otherwise required by the Group from time to time. The Consideration Shares are locked-up for three years commencing on 27 November 2019, during which Prime Kapital has agreed not to transfer any interest in the Consideration Shares to another person (other than the incentive shares issued to key individuals that are part of the Property Management Platform).

Development joint venture (the "DJV")

Since 23 March 2016, the Guarantor has held 40 per cent. of the ordinary share capital in the DJV - PKM Development Limited - with Prime Kapital. The DJV's mandate is to develop retail and residential assets in the CEE, including direct investment in real estate in the CEE and real estate listed securities and other instruments.

Under the DJV terms, the Group:

- is not permitted to undertake real estate development in CEE outside of the DJV until the end of an exclusivity period (the "**Exclusivity Period**") being the earlier of (i) the DJV's capital commitments being fully drawn and invested or (ii) the end of the drawdown period (i.e. 23 March 2025);
- provides asset and property management in respect of completed developments via its integrated in-house Property Management Platform; and
- granted management control over the DJV and an investment mandate to Prime Kapital (as detailed below).

In its turn, Prime Kapital:

- is not permitted to undertake CEE real estate developments outside of the DJV during the Exclusivity Period;
- contributes its secured development pipeline to the DJV at cost;
- takes responsibility for sourcing further developments; and
- provides the DJV with all the necessary construction and development services via its Asset Management Platform.

The Guarantor's investment in the DJV is conditional on the Guarantor irrevocably undertaking to provide funding (via preference share capital on notice of drawdown) to the DJV up to a total amount of EUR 420 million. There is no limit on the number of drawdowns that may be made until the end of the drawdown period (i.e. 2025), save that if funding is requested, but not immediately available, the Guarantor's funding obligations are limited to EUR 120 million on a rolling six-month basis. The Group remains downside-protected in relation to its exposure to the DJV, which is limited to the value of amounts previously invested plus the balance of undrawn funding commitments.

During the six-month period ended 31 December 2020, the DJV issued preference shares amounting to EUR 8.0 million.

As at 31 December 2020, the Group had an outstanding commitment to the DJV of EUR 233.3 million of the total of EUR 420 million (following its investment of EUR 186.7 million in preference shares).

The DJV is controlled by Prime Kapital through its majority holding of ordinary voting shares of 60% in the capital of PKM Development, and its ability to appoint a majority of the directors of that company. However, the DJV framework and shareholder arrangements include absolute investment limitations and a qualitative investment criteria framework and also provide for substantive minority protections of a nature associated with this type of arrangement. Minority protections or "restricted matters" include the usual areas regulated in shareholder agreements, for example, restrictions on the ability of controlling shareholders to change the nature or scope of business, amend absolute investment limitations or the qualitative investment criteria framework or to make investment, development, re-development or management decisions which do not comply with absolute investment limitations. Additional minority protections or so-called reserved matters again include the usual shareholder arrangements relating to restrictions on gearing, the payment of dividends, changes to the authorised or issued share capital, issuances / allotments / options or other interests in share capital or the variation of rights in relation to shares, amendments to constitutional documents, agreements or transactions with related parties, the provision of guarantees or indemnities for obligations other than in the ordinary and usual course of business, third-party finance with share conversion optionality, changes to accounting reference dates or accounting standards applied by the DJV, changes of name / registered office / country of incorporation and related aspects, action for winding-up / administration / compositions or arrangements with creditors as well as share incentive scheme arrangements.

The Guarantor's board representation, approval for decisions on reserved matters and management of completed income properties and the approval required from the Guarantor's shareholders for transactions between the Group and DJV are designed to provide appropriate oversight.

Delisting from the Luxembourg Stock Exchange

In June 2020 the Guarantor delisted its shares from the Euro-MTF market of the Luxembourg Stock Exchange, while maintaining the listing of its shares on the Main Board of the Johannesburg Stock Exchange.

Divesting Western European assets

Divesting of Western European property remains a strategic priority for the Group's management.

From July to December 2020, the Group concluded agreements for the disposal of property to the value of EUR 316 million, compared to book values of EUR 293.7 million on 30 June 2020. 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 (in cash) of EUR 7.2 million (compared to a book value of EUR 7.1 million on 30 June 2020).

The contracts concluded by the Group in relation to the Western European properties contain customary representations and warranties and indemnities.

Further negotiations in relation to New Uberior House and Lewes land holding in the UK are ongoing. The Group intends to dispose of 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, opportunistically, while the Group will continue to implement management changes aimed at improving operations and reducing operating costs.

Employee share scheme

In accordance with the terms of the November 2019 transaction between Prime Kapital and the Group, Prime Kapital had placed in reserve 5 per cent. 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 the Group through the Property Management Platform or as otherwise required by the Group from time to time. A significant portion of the Group's and Prime Kapital's employees have elected to have their deferred cash bonuses converted into shares in the Guarantor.

Green Financing Framework

The Group intends to increase its long-term commitment to sustainability and has prepared a green financing framework to enhance the transparency of its business operations. The green financing framework prepared by the Group (the "**Green Financing Framework**"), and any future amendments thereto, is available at <https://masrei.com/wp-content/uploads/2021/05/MAS-Real-Estate.-Green-Financing-Framework.pdf>. The Green Financing Framework has a Second-Party Opinion ("**SPO**") provided by Sustainalytics, which is available at <https://masrei.com/wp-content/uploads/2021/05/MAS-Real-Estate-Green-Financing-Framework-Second-Party-Opinion.pdf>. The Green Financing Framework and the SPO are not incorporated in, nor do they form part of, this Offering Circular and, for the avoidance of doubt, compliance with the Green Financing Framework does not and will not form part of the Conditions of the Notes. Please also see "*Risk factors – The Notes may not be a suitable investment for all investors seeking exposure to green assets, and there is currently no market consensus on what constitutes a "green" note*".

Re-domiciliation of the Guarantor and restructuring of the Group

On 14 January 2021, the Guarantor's shareholders approved the continuation of the Guarantor from the British Virgin Islands, and its tax residence from the Isle of Man, to Malta. The planned re-domiciliation reflects the Group's current focus on investment in the CEE and is aimed at benefiting from the fact that Malta is member of both the European Union ("EU") and the British Commonwealth. The envisaged continuation of the Guarantor to Malta is mainly motivated by the fact that the current corporate structure is considered to be costly, inefficient and inappropriate for a business focused on investment in CEE. Malta is a member of the EU and the British Commonwealth. Geographically, Malta is in close proximity to the CEE markets and as an EU member state it benefits from single market access and a robust EU compliant regulatory framework. As a member of the Commonwealth, the legal system has strong British overtones which are familiar to investors and suitable for a JSE listed company such as the Guarantor.

The Guarantor has already appointed its first staff members in Malta and has made progress in setting up an office there. The Guarantor's asset and property management platform will be held in a subsidiary incorporated and located in Romania, most of the management functions in the Isle of Man will be wound down over time and functions associated with the Guarantor's investment into the Group (such as holding company accounting functions, group secretarial functions, equity capital management, investor relations, compliance with listings requirements and others) will be based in Malta. It is intended that at least one of the Group executive directors will be based in Malta.

It is expected that the re-domiciliation of the Guarantor will be completed in the second half of 2021. The Group does not expect a material change in the Group's overall income tax burden as a consequence of the Guarantor's re-domiciliation to Malta. Please also see "*Risk factors – The planned re-domiciliation of the Guarantor from the British Virgin Islands to Malta may not be completed within the expected timeframes and may not yield the expected benefits. Investors should consult their own advisers as to potential consequences for them*".

The re-domiciliation of the Guarantor is one of a series of steps that the Group proposes to implement in the medium term in order to simplify and clean up the holding structure of the Group. Following the WE asset disposal process, those Group entities that previously owned investment properties in Germany, Switzerland and the UK, together with related intermediary holding companies in Luxembourg, the Isle of Man and the Netherlands, can be wound-up and deregistered. For those properties in Western Europe that remain within the Group for the time being, the same process will be implemented following the completion of their intended disposal in due course. While implementation timelines are affected by statutory processes and external agencies in a number of jurisdictions and, as such, trigger time-relevant variables outside of the Group's control, the Group's intention is to complete this process as soon as reasonably possible (in principle, within a 18 to 36 months timeline).

Debt Overview

The Group's sources of funding comprise secured loans from its relationship banks and unsecured revolving credit facilities.

As at 31 December 2020, the Group had EUR 344.9 million of secured and unsecured interest bearing borrowings (EUR 382.7 million on a Proportionate Consolidation basis). As at 30 June 2020, the Group had drawn down all available bank debt facilities in full at the inception of the Covid-19 crisis in Europe, and had EUR 444.8 million secured and unsecured interest bearing borrowings (EUR 456.5 million on a Proportionate Consolidation basis).

The Group's loan to value ("**LTV**") ratio (calculated as the nominal value of debt net of cash to investment property, listed securities and preference shares, on a Proportionate Consolidation basis) was 26 per cent. as at 31 December

2020 (33 per cent. as at 30 June 2020). The Group's long-term overall net debt limit is the higher of a maximum LTV ratio of 40 per cent. or, on a forward-looking basis, seven times net rental income, all of which the Group computes on a Proportionate Consolidation basis. The weighted average cost of debt on an IFRS basis was 3.04 per cent. per annum as at 31 December 2020 (3.28 per cent. per annum as at 30 June 2020).

The Group's secured bank debt facilities require compliance with both income-based covenants (twelve-month rolling debt service coverage ratios that are backward looking based on reported numbers, and forward looking based on management forecasts) and LTV covenants. At 31 December 2020 and 30 June 2020, the Group obtained appropriate waivers in order to deal with income covenant breaches triggered by lockdown. Apart from two bank loans (in relation to which the waivers were obtained), the Group has complied with its loan covenants during the six-month period ended 31 December 2020 and the financial year ended 30 June 2020. Further waivers may be required in the future.

In addition to secured bank debt, the Group has an unsecured revolving facility of EUR 60 million at the Guarantor level, which was paid down in December 2020 and as at the date of this Offering Circular remains available for the full amount of the facility commitment. Financial covenants governing this facility include a Group wide minimum consolidated net asset value of EUR 600 million, a minimum 2.5 ratio of consolidated EBITDA to accrued interest on Group senior debt and a Group LTV ratio of maximum 50 per cent.

The following tables illustrate the Group's secured bank debt by country of the underlying secured asset as at 31 December 2020 and secured bank debt by country on a Proportionate Consolidation basis as at 31 December 2020 (all amounts in EUR thousands):

IFRS consolidation basis	Interest bearing borrowings
	Outstanding amount As at 31 December 2020
CEE	140,042
Romania	59,692
Bulgaria	34,908
Poland	45,442
WE	204,890
Germany	144,858
UK	60,032
Total	344,932

Proportionate Consolidation basis	Interest bearing borrowings
	Outstanding amount As at 31 December 2020
CEE	152,900
Romania	72,550
Bulgaria	34,908
Poland	45,442
WE	204,890
Germany	144,858
UK	60,032
Co	
Debt secured against listed securities*	24,906
Total	382,696

*Debt secured against listed securities represents funding leg on Financial Investments (Contracts For Differences).

The following tables illustrate the Group's secured bank debt repayment profile as at 31 December 2020 and secured debt repayment profile on a Proportionate Consolidation basis as at 31 December 2020 (all amounts in EUR thousands):

IFRS consolidation basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	Outstanding amount As at 31 December 2020
CEE properties	7,656	48,915	5,593	67,243	954	986	1,019	7,676	-	140,042
WE properties	4,818	49,697	108,718	1,667	16,871	13,891	6,386	720	2,122	204,890
Total	12,474	98,612	114,311	68,910	17,825	14,877	7,405	8,396	2,122	344,932

Proportionate Consolidation basis	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Outstanding amount As at 31 December 2020
CEE properties	7,656	48,915	5,593	67,243	954	986	1,019	7,676	-	-	140,042
WE properties	4,818	49,697	108,718	1,667	16,871	13,891	6,386	720	2,122	-	204,890
DJV properties	930	941	957	993	6,822	501	520	539	560	95	12,858
Co – debt secured against listed securities	24,906	-	-	-	-	-	-	-	-	-	24,906
Total	38,310	99,553	115,268	69,903	24,647	15,378	7,925	8,935	2,682	95	382,696

Risk Management

Management considers that the main risks of the Group relate to liquidity, interest rate, foreign currency, credit and portfolio risk, and that the Group's overall approach to risk can be described as conservative. There are inherent risks determined by the nature of the business, such as fluctuations in the value of property, vacancies, volatility in market rents or risks associated with development activities. Key risks are assessed by the Audit and Risk Committee. Analysis of sensitivity to these key risks is conducted at Group level. Other risks, notably those relating to interest rate and exchange rate, are closely managed and actively hedged. Re-financing risks are considered to be limited. Risks of potential breaches of loan covenants are managed through a conservative financing policy and a close review of compliance indicators.

Key elements of the internal control systems are: risk identification, risk assessment, risk response, risk monitoring and risk reporting.

The Group makes use of electronic data processing within automated information systems. Offsite data back-up and recovery measures are in place.

Insurance

The Group insures all income-producing properties with all-risk property insurance at reconstruction cost, business interruption (revenues for a period between 12 and 24 months, representing the estimated reconstruction period) and third party liability insurance. Properties under development have construction all-risk insurance.

Insurance is contracted from reputable international third-party providers.

Ongoing litigation proceedings

The Group is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are ongoing, pending or threatened of which the Issuer or the Guarantor are aware) during the 12 months preceding the date of this Offering Circular which may have or have had in the recent past significant effects on the Issuer's, the Guarantor's and/or the Group's financial position or profitability.

Subsidiaries and joint ventures comprising the Group

A list of subsidiaries comprising the Group as at the date of this Offering Circular, including the Guarantor's percentage ownership in each such subsidiary is shown below:

No.	Subsidiary	Incorporation/date became subsidiary	Country of incorporation	Principal activity	Effective interest
1.....	MAS (BVI) Holdings Limited	19-Dec-08	BVI	Holding	100%
2.....	MAS Mezzi Limited (name changed to Rhea Mezzi on 19 January 2021)	14-Sep-10	IOM	Financing	100%
3.....	MAS Securities BV	21-Jan-21	Netherlands	Financing	100%
4.....	MAS Property Advisors Limited	01-Jun-09	IOM	Property management	100%
5.....	MAS (IOM) Holdings Limited	07-Sep-09	IOM	Holding	100%
6.....	MAS CEE Developments Limited	25-Feb-16	IOM	Holding	100%
7.....	MAS CEE Investments Limited	20-Mar-18	BVI	Holding	100%
8.....	MAS One PCC Limited	03-Sep-17	IOM	Share scheme	100%
9.....	MAS Two PCC Limited	03-Sep-17	IOM	Share scheme	100%
10....	MAS Three Limited	03-Sep-17	IOM	Share scheme	100%
11....	Braehead Properties Limited	14-Mar-12	IOM	Property-owning	100%
12....	Chippenhams Properties Limited	19-Nov-14	IOM	Property-owning	100%
13....	Langley Properties Limited	20-Nov-14	IOM	Property-owning	100%
14....	North Street Quarter Limited	25-Oct-14	IOM	Property-owning	100%
15....	New Waverley 10 Limited	06-Sep-11	IOM	Property-owning	100%
16....	New Waverley 12 Limited	30-Nov-11	IOM	Shell	100%
17....	New Waverley 14 Limited	12-Oct-18	IOM	Property-owning	100%
18....	New Waverley 20 Limited	28-Nov-16	UK/Scotland	Shell	100%
19....	MAS (European) Holdings Limited	26-Apr-18	IOM	Holding	100%
20....	Braunschweig Limited	27-Apr-18	IOM	Property-owning	100%
21....	Flensburg Limited	09-Jul-18	IOM	Property-owning	100%
22....	New Ueberio House Limited	18-Dec-13	Jersey	Property-owning	100%
23....	Brandenburg Retail Capital sarl	14-Mar-16	Luxembourg	Property-owning	100%
24....	European Property Holdings sarl	23-Dec-08	Luxembourg	Holding	100%
25....	Impromptu Capital sarl	30-Apr-14	Luxembourg	Property-owning	100%
26....	Incantada Capital sarl	23-Nov-15	Luxembourg	Property-owning	100%
27....	Innova Capital sarl	21-Sep-15	Luxembourg	Property-owning	100%
28....	Interlude Capital sarl	30-Apr-14	Luxembourg	Property-owning	100%
29....	Intermezzo Capital sarl	18-Aug-14	Luxembourg	Property-owning	100%
30....	Istempo Capital sarl	24-Nov-14	Luxembourg	Property-owning	100%
31....	Instrumento Capital sarl	23-Nov-15	Luxembourg	Property-owning	100%
32....	Intonata Capital sarl	24-Nov-14	Luxembourg	Property-owning	100%
33....	Leipzig Retail Capital sarl	14-Mar-16	Luxembourg	Property-owning	100%
34....	Magdeburg Retail Capital sarl	14-Mar-16	Luxembourg	Property-owning	100%
35....	Petrusse Capital sarl	06-Nov-08	Luxembourg	Property-owning	100%
36....	PKM CEE Investments Ltd	19-Sep-16	IOM	Holding	100%
37....	PKM Investments Finance Ltd	14-Nov-16	IOM	Holding	100%
38....	PKM Investment sarl	02-Mar-11	Luxembourg	Holding	100%
39....	PKM Neptune SRL	30-Sep-17	Romania	Holding	100%
40....	Land Development Project SRL	05-Jul-18	Romania	Property-owning	100%
41....	PKM Gemini SRL	05-Sep-18	Romania	Shell	100%
42....	PKM Jupiter SRL	20-Jan-20	Romania	Shell	100%
43....	PKM Saturn SRL	20-Jan-20	Romania	Shell	100%
44....	Mastweight SRL	25-Jul-18	Romania	Property-owning	100%
45....	PK Black SRL	24-Nov-16	Romania	Property-owning	100%
46....	PK Red SRL	03-Mar-16	Romania	Property-owning	100%
47....	PK Indigo SRL	08-Mar-17	Romania	Property-owning	100%
48....	Galleria Burgas ead	19-Jun-07	Bulgaria	Property-owning	100%
49....	Galleria Stara Zagora ead	04-Jun-07	Bulgaria	Property-owning	100%
50....	PKM Investments (Netherlands) BV	19-Oct-16	Netherlands	Holding	100%
51....	Nova Park sp zoo	08-Feb-16	Poland	Property-owning	100%
52....	PK Mezz BV	26-Jan-17	Netherlands	Financing	100%
53....	Prime Kapital CEE Property Investment Management Ltd	02-Mar-18	BVI	Property management	100%
54....	PK Property Management (Poland) sp zoo	10-May-16	Poland	Property management	100%
55....	PK Property Management (Bulgaria) eood	01-Jun-17	Bulgaria	Property management	100%

The Group has a 40 per cent. investment in the DJV as at 31 December 2020. The following table presents the list of legal entities part of the DJV group and the Group's effective participation in them:

No.	Joint venture entity	Incorporation/date became joint venture entity	Country of incorporation	Principal activity	Effective participation of the Group
1.....	P K M Development Limited	23-Feb-16	IOM	Holding	40%
2.....	PKM Finance Ltd	11-Mar-16	IOM	Financing	40%
3.....	PK Investments Limited	17-Feb-17	IOM	Holding	40%
4.....	PKM Holdings Sarl	15-Jun-16	Luxembourg	Holding	40%
5.....	PKM Mezz BV	1-Sep-15	Netherlands	Holding	40%
6.....	PK Orange SRL	17-May-16	Romania	Property-owning	40%
7.....	PK Development One SRL	27-Sep-17	Romania	Property-owning	40%
8.....	PK Sepia SRL	17-Jul-17	Romania	Property-owning	40%
9.....	PK Energy Control SRL	7-Dec-17	Romania	Property-owning	40%
10....	PK Violet SRL	20-Jul-17	Romania	Property-owning	40%
11....	PK Green SRL	25-Jul-17	Romania	Property-owning	40%
12....	PK Brown SRL	27-Sep-17	Romania	Property-owning	40%
13....	PK Emerald SRL	20-Jul-17	Romania	Property-owning	40%
14....	PK Bronze SRL	20-Jul-17	Romania	Property-owning	40%
15....	PK Grizzly SRL	20-Jul-17	Romania	Property-owning	40%
16....	PK White SRL	20-Jul-17	Romania	Property-owning	40%
17....	PK Iceberg SA	19-Jul-17	Romania	Property-owning	40%
18....	Ermes Holding SRL	20-Oct-17	Romania	Property-owning	40%
19....	Santorra Studio Class SRL	7-Sep-18	Romania	Property-owning	40%
20....	PK Burgundy SRL	14-Nov-17	Romania	Property-owning	40%
21....	PK Denim SRL	14-Nov-17	Romania	Property-owning	40%
22....	PK Ebony SRL	15-Nov-17	Romania	Property-owning	40%
23....	PK Lemon SRL	15-Nov-17	Romania	Property-owning	40%
24....	PK Almond SRL	14-Nov-17	Romania	Property-owning	40%
25....	PK Arsenic SRL	14-Nov-17	Romania	Property-owning	40%
26....	PK Carmin SRL	31-May-18	Romania	Property-owning	40%
27....	PK Vanilla SRL	31-May-18	Romania	Property-owning	40%
28....	PK Marsala SRL	31-May-18	Romania	Property-owning	40%
29....	PK Magenta SRL	31-May-18	Romania	Property-owning	40%
30....	PK Topaz SRL	31-May-18	Romania	Property-owning	40%
31....	PK Chocolate SRL	11-Jun-18	Romania	Property-owning	40%
32....	PK Apple SRL	10-Apr-19	Romania	Property-owning	40%
33....	PK Fire SRL	10-Apr-19	Romania	Property-owning	40%
34....	PK Rubin SRL	10-Apr-19	Romania	Property-owning	40%
35....	PK Pink SRL	10-Apr-19	Romania	Property-owning	40%
36....	PK Iron SRL	10-Apr-19	Romania	Property-owning	40%

DIRECTORS OF THE GUARANTOR AND GROUP EXECUTIVE MANAGEMENT

Corporate governance

The Group applies, in all material respects, the King IV Report on Corporate Governance in South Africa as required for companies listed on the main board of the Johannesburg Stock Exchange ("JSE"). Effective risk management, coupled with a continuous improvement ethos, are areas of ongoing focus for the Group and are considered an integral part of the Group's strategic and operational planning.

The Guarantor's Board of Directors (the "**Board of Directors**") comprises eight non-executive directors, the majority of whom are independent (including the Interim Chairman) and five executive directors (two of which are alternate directors) (the "**Directors**"). Board committees comprise an audit and risk committee, remuneration and nomination committee, and a social and ethics committee to address its ongoing duties towards all stakeholders.

The Guarantor has in place a Directors' code of ethics and conduct and has regular communication with shareholders.

The Group maintains a track record of compliance with the requirements of the JSE, on which the Guarantor's shares are listed.

Board of Directors

The Board of Directors is responsible for setting the strategic objectives and investment policies of the Group. It acts as a focal point for and is the custodian of corporate governance by managing its relationship with management and the Group's shareholders and other stakeholders.

At the date of this Offering Circular, the Board of Directors consists of the following Directors:

Name	Function	Position held since
Martin Slabbert.....	Chief Executive Officer	20 November 2019
Victor Semionov.....	Executive Director	20 November 2019
Irina Grigore	Chief Financial Officer	24 February 2021
Werner Alberts	Independent Non-Executive Chairman	7 September 2018
Brett Nagle.....	Independent Non-Executive Director	10 December 2019
Claudia Pendred.....	Independent Non-Executive Director	31 December 2019
Dan Pascariu	Independent Non-Executive Director	13 January 2020
Malcolm Levy.....	Non-Executive Director	16 February 2009
Melt Hamman	Non-Executive Director	14 December 2018
Pierre Goosen	Independent Non-Executive Director	12 August 2014
Vasile Iuga	Independent Non-Executive Director	13 January 2020
Dan Petrisor	Alternate Director	28 February 2020
Jonathan Knight.....	Alternate Director	28 February 2020

The positions of Independent Non-Executive Chairman and that of Chief Executive Officer are clearly defined and segregated to ensure that no individual can hold single and unlimited power or control over significant decision-making processes.

The following are short profiles of the members of the Board of Directors:

Executive Directors

Martin Slabbert has over 25-years of real estate, turn-around and finance industry experience, including 15 years in CEE. He founded Prime Kapital in 2015, and prior to this he was CEO of New Europe Property Investments, which he established with Victor Semionov in 2007. He was a Partner at Deloitte Central Europe (Corporate Finance) after an investment banking and corporate turn-around career in South Africa, which included various senior management roles before 2005. He was appointed as the Group's CEO in November 2019.

Victor Semionov has over 21-years of real estate, turn-around and finance industry experience. He founded Prime Kapital in 2015, and prior to this he was CFO and COO of New Europe Property Investments, which he established with Martin Slabbert in 2007. He was previously an Associate Director at Deloitte Central Europe (Corporate Finance).

Victor was appointed as the Group's CFO in November 2019 and held this position until February 2021. Victor is currently an Executive Director of the Guarantor.

While Martin Slabbert and Victor Semionov were appointed in November 2019 to manage the Group's transition to CEE, they continue to be founding partners of Prime Kapital, the Guarantor's partner in the DJV. As such, Martin and Victor are due to step down as executive directors by November 2022, when the Guarantor's business transition to CEE should be complete, returning full-time to Prime Kapital. To ensure that the Group is fully prepared for these potential management changes, the Guarantor has initiated a succession programme to ensure availability of executive director candidates with no affiliation to, or interest in, Prime Kapital.

Irina Grigore has over 13 years of real estate and finance industry experience. Prior to joining Prime Kapital and later the Group as Deputy CFO in 2019, she worked as Group Reporting and Management Information Systems Manager at NEPI Rockcastle. She was previously a Senior Auditor at PricewaterhouseCoopers Romania. Irina was appointed as the Group's CFO in February 2021.

Dan Petrisor has over seven years of investment, risk management and portfolio management experience and is currently alternate director to the CEO and Capital Management Director within the Group. Prior to joining Prime Kapital in 2019, he worked as a portfolio manager in listed real estate at Kempen Capital Management.

Jonathan Knight has extensive experience in the real estate industry. Prior to joining the Group in 2014, he was a director at ING Bank in London and Amsterdam, working on various European and global real estate projects.

Non-Executive Directors

Werner Alberts was appointed as Interim Chairman of the Board of Directors of the Guarantor in November 2019. He is currently the COO of Capital International Group, and is a qualified chartered accountant with over 25 years' experience in the finance industry. Prior to this, he worked for Old Mutual Finance RF Proprietary Limited as an Executive Director and Chief Executive Officer.

Brett Nagle is a Director of Safe Mode Investment Proprietary trading as Panacea Capital, which focuses on investment management. Prior to this he was Head of Investments for Royal Bafokeng Holdings Proprietary, served as a Non-Executive Director of Impala Platinum Holdings and as Independent Non-Executive Director of Attacq, and worked for Rand Merchant Bank, a division of FirstRand Bank.

Claudia Pendred was a Director with the European Bank for Reconstruction and Development ("EBRD"), where she managed the Bucharest office and later the EBRD's Property and Tourism team in London. Prior to that she worked for the World Bank, NM Rothschild & Sons and J Henry Schroder Wagg. Claudia has over 25-years of experience in the CEE markets.

Dan Pascariu is a Non-Executive Director for Transfond, Azomures, Techtex and ANA Teleferic. Prior to this, he held a broad range of senior executive and non-executive positions, including Chairman of Unicredit Bank of Romania until 2020 and Chairman of NEPI Rockcastle for 9 years until his departure in 2018. He has over 40 years of experience in the CEE banking sector, having co-founded the Romanian Banking Institute and being instrumental in the 1990's banking reform in Romania.

Malcolm Levy co-founded the Group and served as CFO for over 9 years following the Group's inception, becoming a Non-Executive Director in June 2019. Prior to joining, he was an equities fund manager and investment analyst in London.

Melt Hamman was the CEO of Attacq and has extensive experience in real estate, banking and business. Prior to this, he worked for FirstRand Bank Ltd in various divisions.

Pierre Goosen is Managing Director of Argosy Capital, a European-based private equity and venture capital investment business. Prior to Argosy Capital, he worked at two international law firms as a commercial, private equity and funds lawyer.

Vasile Iuga retired from PwC Romania, following 26 years with the firm. He acted as the Managing Partner for South East Europe and has extensive experience in international accounting standards, financial audit, corporate governance and consultancy. He oversaw the implementation of IFRS in Romania, and is currently a member of the Audit Committee of the European Investment Bank and Non-Executive Director of two listed entities, Alro SA and Patria Bank, chairing their audit committees. He is a member of a number of professional bodies including ACCA.

The business addresses of each of the Directors is 2nd Floor, Clarendon House, Victoria Street, Douglas, Isle of Man IM1 2LN.

Potential Conflicts of Interests

There are no potential conflicts of interest between the duties owed by the Directors to the Guarantor and their private interests or other duties.

MAJOR SHAREHOLDERS

The Guarantor is authorised to issue an unlimited number of no par value shares of a single class. The shares are governed by the Guarantor's memorandum and articles of association, the laws of the British Virgin Islands, and, assuming the re-domiciliation is completed, will be governed by the laws of Malta after the re-domiciliation.

The following table sets forth the ownership of the Guarantor's shares as at 1 April 2021: a total number of 711,145,729 ordinary shares were in issue, of which 366,143,438 ordinary shares (51.49 per cent. of the issued ordinary shares) are held by the five largest shareholders, 335,827,674 ordinary shares (47.22 per cent. of the issued ordinary shares) are held by other shareholders, and 9,174,617 ordinary shares (1.29 per cent. of the issued ordinary shares) are held by the Directors and their associates and other share scheme participants. -

Major shareholders	Ordinary shares owned at 1 April 2021 (number of shares)	Share of total number of ordinary shares in issue (percentage)
Significant shareholders:		
- Prime Kapital Holdings Ltd and associates*	142,831,059	20.08
- Attacq Ltd	77,151,584	10.85
- South African Government Employees Pension Fund	53,882,069	7.58
- Argosy	50,612,059	7.12
- Mary Oppenheimer family interests	41,666,667	5.86
Other shareholders	335,827,674	47.22
Directors and their associates and other share scheme participants**	9,174,617	1.29
Total	711,145,729	100

*Associates represent shareholdings of the DJV, Martin Slabbert, Victor Semionov, and other Prime Kapital Holdings Ltd. shareholders and their associates.

**Directors and their associates do not include Martin Slabbert and Victor Semionov, whose shareholding is presented above as part of "Prime Kapital Holdings Ltd and their associates".

Attacq Ltd is a JSE listed REIT focussed on dominant retail with total assets of more than R25 billion (EUR 1.4 billion) as at 31 December 2020.

Government Employees Pension Fund represents the South African public employees' pension fund managed by the Public Investment Corporation with EUR 108 billion of assets under management as at 31 March 2020, being the date of its last published financial results.

Argosy is a private equity and venture capital investment business.

All the Guarantor's shareholders hold equal voting rights for each share held. The Guarantor is not directly or indirectly owned or controlled by another corporation. The Guarantor is not aware of any arrangement that may result in a change of control.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes (the "Conditions") which (subject to completion and amendment) will be endorsed on each Note in definitive form:

The EUR 300,000,000 4.25 per cent. Guaranteed Green Notes due 2026 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 16 (Further Issues) and forming a single series therewith) of MAS Securities B.V. (the "**Issuer**") are subject to, and have the benefit of, a trust deed dated 19 May 2021 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer, MAS Real Estate Inc. (a company limited by shares registered under the laws of the British Virgin Islands, bearing company registration number 1750199 and having its registered address at Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, VG1110, British Virgin Islands, which may re-domicile from the British Virgin Islands into Malta as a public limited liability company registered as continuing under the laws of Malta under the proposed name "MAS plc", and as such company may further change its name, address, registration or domicile, provided that it remains the same legal entity) (the "**Guarantor**") and Deutsche Trustee Company Limited as trustee (the "**Trustee**", which expression includes all persons from time to time being trustee or trustees appointed under the Trust Deed) and are the subject of an agency agreement dated 19 May 2021 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Guarantor, Deutsche Bank AG, London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes) and as Transfer Agent (the "**Transfer Agent**") and Deutsche Bank Luxembourg S.A. as Registrar (the "**Registrar**") and the Trustee. Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the registered office for the time being of the Trustee, being at the date hereof Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and at the Specified Offices (as defined in the Agency Agreement) of the Principal Paying Agent, the initial Specified Office of which is set out below or electronically on request by emailing the Trustee or a Paying Agent at tss-gds.eur@db.com.

1 Form, Denomination and Title

The Notes are issued in registered form in the specified denomination of EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000.

The Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Notes by the same holder.

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" and "**holder**" means the person in whose name a Note is registered.

2 Transfers of Notes

- (a) **Transfer:** A holding of Notes may, subject to Condition 2(e), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Notes to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the

Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

- (b) **Exercise of Options or Partial Redemption in Respect of Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of part of a holding of Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent.
- (c) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(a) or 2(b) shall be available for delivery within three business days of receipt of a duly completed form of transfer or Change of Control Put Exercise Notice (as defined in Condition 7(d)) (to the extent applicable) and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Change of Control Put Exercise Notice (to the extent applicable) and Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or Change of Control Put Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (d) **Transfer or Exercise Free of Charge:** Certificates, on transfer, exercise of an option or partial redemption, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (e) **Closed Periods:** No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 7(f), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined below).

3 Status and Guarantee

- (a) *Status of the Notes:* The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations which may be preferred by provisions of law that are both mandatory and of general application (and subject to Condition 4 (*Negative Pledge*)).
- (b) *Guarantee of the Notes:* The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer under the Trust Deed and the Notes. The guarantee (the "**Guarantee of the Notes**") constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application (and subject to Condition 4 (*Negative Pledge*)).

4 Negative Pledge

So long as any Note remains outstanding (as defined in the Trust Deed), none of the Issuer or the Guarantor shall, and each of the Issuer and the Guarantor shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure (a) any Relevant Indebtedness of the Issuer or the Guarantor

or a Subsidiary of the Issuer or the Guarantor or (b) any guarantee (as defined below) given by the Issuer or the Guarantor or a Subsidiary of the Issuer or the Guarantor in respect of Relevant Indebtedness without (i) at the same time or prior thereto securing the Notes and all amounts payable by it under the Guarantee of the Notes equally and rateably therewith to the satisfaction of the Trustee or (ii) providing such other security for the Notes as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Noteholders.

In these Conditions:

"Group" means MAS Real Estate Inc. as Guarantor and its Subsidiaries (including the Issuer) taken as a whole;

"guarantee" means, in relation to any Relevant Indebtedness of any Person, any obligation of another Person to pay such Relevant Indebtedness including (without limitation):

- (a) any obligation to purchase such Relevant Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services for the express purpose of providing funds for the payment of such Relevant Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Relevant Indebtedness; and
- (d) any other agreement to be responsible for such Relevant Indebtedness;

"IAS 34" means the International Accounting Standard 34, Interim Financial Reporting issued by the International Accounting Standards Board, as amended, supplemented, or re-issued from time to time;

"IFRS" means International Financial Reporting Standards, including International Accounting Standards and Interpretations, issued by the International Accounting Standards Board (as amended, supplemented or re-issued from time to time);

"Indebtedness" means, with respect to any Person at any date of determination (without duplication) any debt of such Person, including:

- (a) all indebtedness of such Person for borrowed money in whatever form;
- (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) all obligations of such Person in respect of letters of credit or other similar instruments (including reimbursement obligations with respect thereto, except to the extent any such reimbursement obligations relate to trade payables);
- (d) all obligations of such Person to pay the deferred and unpaid purchase price of property, assets or services which purchase price is due more than 90 days after the earlier of the date of placing such property in service or taking delivery and title thereof or the completion of such services excluding:
 - (i) any trade payables or other liability to trade creditors; and
 - (ii) any post-closing payment adjustments in connection with the purchase by the Issuer or the Guarantor or any Subsidiary of the Issuer or the Guarantor of any business to which the seller may become entitled, to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing and provided that (x) the amount of any such payment is not determinable at the time of closing and, (y) to the extent such payment thereafter becomes fixed and determined, the amount is paid within 90 days thereafter;
- (e) all capitalised lease obligations of such Person, to the extent treated as indebtedness in the financial statements of such Person under IFRS;

- (f) all obligations of the type referred to in paragraphs (a) to (e) of other Persons guaranteed by such Person to the extent such obligation is guaranteed by such Person; and
- (g) any obligations of the type referred to in paragraphs (a) to (f), where a Security Interest has been granted over any asset of such Person (including where the underlying obligation has been assumed by a third party).

For the purpose of determining the euro-equivalent of Indebtedness denominated in a foreign currency, the euro-equivalent principal amount of such Indebtedness pursuant thereto shall be calculated based on the relevant official central bank currency exchange rate in effect on the date of determination thereof.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above provided that (i) with respect to contingent obligations as described above, the amount of Indebtedness will be the value of the contingency, if any, giving rise to the obligation as reported in that Person's financial statements and (ii) in the case of Indebtedness sold at a discount, the amount of such Indebtedness at any time will be the accreted value thereof at such time;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Relevant Indebtedness" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, for the time being, or is ordinarily capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, wholly consolidated within those of the first Person.

5 Financial Covenants

(A) So long as any Note remains outstanding (as defined in the Trust Deed):

- (a) the Guarantor undertakes that in relation to the Group, the Solvency Ratio, on both an IFRS Basis and a Proportionate Basis, shall not exceed 0.6;
- (b) the Guarantor undertakes that in relation to the Group, the Consolidated Coverage Ratio, on both an IFRS Basis and a Proportionate Basis, will be at least 2.5:1; and
- (c) the Guarantor undertakes that the Group will own, on both an IFRS Basis and a Proportionate Basis, Unencumbered Consolidated Total Assets equal to 180 per cent. or more of the aggregate outstanding principal amount of Unsecured Consolidated Total Indebtedness,

in each case as at each Measurement Date.

The Guarantor shall engage external independent international valuation companies and real estate consultants, having an appropriately recognised professional qualification and recent experience in the respective locations and categories of real estate assets being valued, to value at least 90 per cent. (by market valuation) of the Group's standing investments and land at least once per calendar year.

The Guarantor will promptly notify the Trustee in accordance with the Trust Deed in the event that any of the ratios or levels in this Condition 5(A)(a) to (c) are breached on any Measurement Date.

For so long as any Note remains outstanding, the Guarantor will deliver a certificate to the Trustee on each Reporting Date signed by two duly authorised signatories of the Guarantor, certifying that the Guarantor is and has been in compliance with the covenants set out in this Condition 5 at all times during the relevant period. Such certificate may be relied on without liability by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

In these Conditions:

"Adjusted EBITDA" means the consolidated profit/(loss) of the Group before taxes, depreciation, amortisation and impairments, non-controlling interest and share of profit/(loss) of joint ventures, excluding any fair value differences, the net result on sale of financial investments, financial expenses, share-based payment expenses, investment (acquisition or disposal) fees, net result on acquisitions and disposals of investment property and any other exceptional or non-recurring item, as determined by reference to the most recent consolidated statement of comprehensive income of the audited annual or unaudited semi-annual condensed (as the case may be) financial statements of the Group, prepared on an IFRS Basis or on a Proportionate Basis (for avoidance of doubt, Adjusted EBITDA includes income resulted from financial assets and financial investments other than fair value differences and net result on sale);

"Consolidated Coverage Ratio" means, in respect of any Measurement Date, (i) the aggregate amount of Adjusted EBITDA for the period of the most recent two consecutive semi-annual periods ending on such Measurement Date divided by (ii) the Consolidated Interest Expense for such two semi-annual periods;

"Consolidated Interest Expense" means, for any period, all charges, interest, commission, fees, discounts, premiums and other finance costs (net of capitalised finance costs on developments) excluding fees related to punitive fixed-interest arrangements and early bank debt repayment penalties in respect of Indebtedness incurred by the Group as shown in the most recent consolidated statement of comprehensive income of the audited annual or unaudited semi-annual condensed (as the case may be) financial statements of the Group, prepared on an IFRS Basis or on a Proportionate Basis;

"Consolidated Total Assets" means the total assets (excluding intangible assets) of the Group as shown in the most recent consolidated statement of financial position of the audited annual or unaudited semi-annual condensed (as the case may be) financial statements of the Group, prepared on an IFRS Basis or on a Proportionate Basis;

"Consolidated Total Indebtedness" means the total Indebtedness of the Group (excluding deferred tax liabilities) as determined by reference to the most recent consolidated statement of financial position of the audited annual or unaudited semi-annual condensed (as the case may be) financial statements of the Group, prepared on an IFRS Basis or a Proportionate Basis;

"IFRS Basis" means as determined in accordance with IFRS and law applicable to the Guarantor or IAS 34, as applicable;

"Measurement Date" means each day which is (i) the last day of the Group's financial year in any year (the **"Annual Measurement Date"**) or (ii) the last day of the first half of the Group's financial year in any year (the **"Semi-Annual Measurement Date"**);

"Proportionate Basis" means that the calculations shall be determined on a proportionate consolidation basis where references to the 'Group' shall be calculated by reference to the proportionate accounts contained in the notes to the Group's audited annual or unaudited semi-annual condensed (as the case may be) financial statements;

"Reporting Date" means a date falling no later than 30 days after (i) the publication of the Group's audited annual consolidated financial statements, prepared in accordance with IFRS, with respect to an Annual Measurement Date, or (ii) the publication of the Group's unaudited condensed semi-annual consolidated financial statements, prepared in accordance with IAS 34, with respect to a Semi-Annual Measurement Date;

"Solvency Ratio" means, in relation to the Group and in respect of any Measurement Date, the Consolidated Total Indebtedness divided by Consolidated Total Assets;

"Unencumbered Consolidated Total Assets" means such amount of the Consolidated Total Assets not pledged as a Security Interest for Indebtedness; and

"Unsecured Consolidated Total Indebtedness" means such amount of Consolidated Total Indebtedness in respect of which the Group or a Subsidiary of the Group has not granted a Security Interest over its property or assets.

(B) **Consolidated financial statements**

So long as any Note remains outstanding (as defined in the Trust Deed), the Guarantor shall deliver to the Trustee:

- (a) not later than six months after the end of the Guarantor's financial year, copies or the electronic versions of the audited consolidated financial statements of the Group for such financial year, prepared in accordance with IFRS and the law applicable to the Guarantor, consistently applied, and accompanied by the report of the independent auditors thereon;
- (b) not later than 120 days after the end of the semi-annual period, copies or the electronic versions of the unaudited condensed consolidated financial statements of the Group for such semi-annual period, prepared in accordance with IAS 34 consistently applied; and
- (c) in the case of every other item referred to below, not later than 20 days after their initial distribution to any of the persons referred to below, three copies in English of every statement of financial position, statement of income and, to the extent permitted by applicable law, every report or other notice, statement or circular issued, or which legally should be issued, to the members or holders of securities (generally) of the Guarantor or any holding company thereof generally in their capacity as such.

6 Interest

The Notes bear interest from 19 May 2021 (the **"Issue Date"**), at the rate of 4.25 per cent. per annum (the **"Rate of Interest"**) payable in arrear on 19 May in each year (each, an **"Interest Payment Date"**). The first payment of interest shall be made on 19 May 2022 in respect of the period from (and including) the Issue Date to (but excluding) such Interest Payment Date, all subject as provided in Condition 8 (*Payments*).

Each Note will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Note, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable in respect of a Note on any Interest Payment Date shall be EUR 42.50 per Calculation Amount. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount, where:

"Calculation Amount" means EUR1,000;

"Day Count Fraction" means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls (Actual/Actual (ICMA));

"Regular Date" means 19 May in any year; and

"Regular Period" means each period from (and including) any Regular Date to (but excluding) the next Regular Date.

7 Redemption and Purchase

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 19 May 2026, subject as provided in Condition 8 (*Payments*).
- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 17 (*Notices*), at their principal amount, together with interest accrued to the date fixed for redemption if, immediately before giving such notice, the Issuer satisfies the Trustee that:
 - (i) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 19 May 2021 either (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) or (ii) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts; and
 - (ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it;

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee:

- (A) a certificate signed by two authorised signatories of the Issuer or, as the case may be, the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion in form and substance satisfactory to the Trustee of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept (without further enquiry) and without liability rely on such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (i) and (ii) above, in which event they shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 7(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 7(b).

- (c) **Make-whole call:** The Notes will be redeemable, as a whole or in part, at the option of the Issuer, at any time, on at least 30 days', but not more than 60 days', prior notice to Noteholders given in accordance with Condition 17 (*Notices*), at a redemption price equal to the greater of:
 - (i) 100 per cent. of the principal amount of the Notes to be redeemed; and
 - (ii) the Optional Redemption Price,

plus, in each case, accrued and unpaid interest on the Notes to, but excluding, the redemption date. Notwithstanding the foregoing, amounts of interest on the Notes that are due and payable on Interest Payment Dates falling on or prior to a redemption date will be payable on such Interest Payment Date(s) to the Noteholders.

"Determination Agent" means an investment bank or financial institution of international standing selected by the Issuer.

"Optional Redemption Price" means the price, expressed as a percentage (rounded to three decimal places, 0.0005 being rounded upwards), at which the yield (as calculated by the Determination Agent) on the Notes to be redeemed, if they were to be purchased at such price on the third dealing day prior to the date fixed for redemption, would be equal to the yield on such dealing day of the Reference Bond, plus 50 basis points, on the basis of the average (as determined by the Determination Agent) of four quotations of the average midmarket annual yield to maturity of the Reference Bond prevailing at 11:00 a.m. (Central European time) on such dealing day as obtained by the Determination Agent.

"Reference Bond" means, in relation to any Optional Redemption Price calculation, OBL 0 04/26 #183, or if such bond is no longer in issue, such other European government bond as the Determination Agent may, with the advice of three brokers of, and/or market makers in, European government bonds selected by the Determination Agent, determine to be appropriate for determining the Optional Redemption Price.

In the case of a partial redemption of Notes, Notes to be redeemed will be selected, in such place as the Issuer (in consultation with the Principal Paying Agent) may approve and in such manner as the Issuer (in consultation with the Principal Paying Agent) may deem appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements, not more than 30 days before the date fixed for redemption. Notice of any such selection will be given not less than 15 days before the date fixed for redemption. Each notice will specify the date fixed for redemption and the aggregate principal amount of the Notes to be redeemed and the holder(s) of such Notes and the aggregate principal amount of the Notes which will be outstanding after the partial redemption.

- (d) ***Redemption at the Option of Noteholders upon a Change of Control:*** If a Change of Control Put Event occurs, Noteholders will have the option (a **"Change of Control Put Option"**) (unless prior to the giving of the relevant Change of Control Put Notice the Issuer has given notice of redemption under Condition 7(b) (*Redemption for tax reasons*) or 7(c) (*Make-whole call*)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Change of Control Put Date at 101 per cent. of its principal amount together with interest accrued to (but excluding) the Change of Control Put Date.

A **"Change of Control Put Event"** will be deemed to occur if in the case of the Guarantor, any person or any persons acting in concert shall acquire a controlling interest in (A) more than 50 per cent. of the issued ordinary shares of the Guarantor or (B) shares of the Guarantor carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Guarantor or, in the case of the Issuer, the Guarantor ceases to hold directly or indirectly a 100 per cent. interest in the Issuer (each such event being, a **"Change of Control"**).

Promptly upon but in any case no later than five Business Days after the Issuer or, as the case may be, the Guarantor becoming aware that a Change of Control Put Event has occurred the Issuer or, as the case may be, the Guarantor shall give notice (a **"Change of Control Put Notice"**) to the Noteholders in accordance with Condition 17 (*Notices*) specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Note must deposit the Certificate evidencing such Note with the Registrar or any Transfer Agent at its specified office at any time falling within the period (the **"Change of Control Put Period"**) of 30 days after a Change of Control Put Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current and which may, if this Note is held through Euroclear Bank SA/NV (**"Euroclear"**) or Clearstream Banking S.A. (**"Clearstream, Luxembourg"**), be in any form acceptable to Euroclear and Clearstream, Luxembourg delivered in a manner acceptable to Euroclear and Clearstream, Luxembourg) obtainable from the Registrar or any Transfer Agent within the Change of Control Put Period (a **"Change of Control Put Exercise Notice"**). No Certificate so deposited and option so exercised may be withdrawn without the prior consent of the Issuer. Payment in respect of any Certificate so deposited will be made, if the holder duly specified a bank account in the Change of Control Put Exercise Notice to which payment is to be made, on the date which is seven days after the expiration of the Change of Control Put Period (the **"Change of Control Put Date"**) by transfer to that bank account and, in every other case, by cheque drawn on a bank in a city in which banks have access to the TARGET System (a **"Bank"**), and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. A Change of Control Put Notice, once given, shall be irrevocable.

The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind which the Noteholder may incur as a result of or in connection with such Noteholder's exercise or purported exercise of, or otherwise in connection with, any Change of Control Put Option (whether as a result of any purchase or redemption arising therefrom or otherwise).

The Trustee shall be entitled to assume that no Change of Control Put Event has occurred until it has received from the Issuer or Guarantor written notice of the same, and shall incur no liability to any person for so doing.

- (e) **Clean-Up Call Option:** If 80 per cent. or more in principal amount of the Notes originally issued (which shall for this purpose include any further Notes issued pursuant to Condition 16) have been redeemed or purchased and cancelled by the Issuer (other than as a result of the exercise by the Issuer of its redemption right under Condition 7(c) (*Make-whole Call*)), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 17, redeem or, at the Issuer's option, purchase (or procure the purchase of) at any time all but not some only of the Notes then outstanding at their principal amount together with interest accrued (if any) to (but excluding) the date fixed for redemption. The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption.
- (f) **Redemption at the option of the Issuer:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on each date falling on (and including) 19 February 2026 to (but excluding) the Maturity Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 17, at their principal amount, together with interest accrued to the date fixed for redemption. The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption.
- (g) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled Redemption*) to (f) (*Redemption at the Option of the Issuer*) above.
- (h) **Purchase:** The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price.
- (i) **Cancellation:** All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries may be surrendered for cancellation by surrendering the Certificate representing such Notes to the Registrar and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

8 Payments

- (a) **Principal:** Payments of principal shall be made against presentation and surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar in the manner provided in paragraph (b) below.
- (b) **Interest:** Interest shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Note shall be made in euro by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in euro maintained by the payee with a Bank.
- (c) **Partial Payments:** If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

- (d) **Interpretation:** In these Conditions:

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Business Day**" means any day on which TARGET2 is open for the settlement of payments in euro; and

"**TARGET System**" means the TARGET2 system.

- (e) **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (f) **Payments on Business Days:** If the due date for payment of any amount in respect of any Note is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any further interest or other sum in respect of such postponed payment. In these Conditions, "**Business Day**" means any day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and which is a TARGET Business Day.
- (g) **Delay in Payment:** Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a Business Day, if the Noteholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a cheque mailed in accordance with Condition 8(b) arrives after the due date for payment.
- (h) **Appointment of Agents:** The Principal Paying Agent, the Registrar and the Transfer Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Principal Paying Agent, the Registrar and the Transfer Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar or any Transfer Agent and to appoint additional or other Principal Paying Agents, Registrar or Transfer Agent, **provided that** the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent and (iv) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case as approved by the Trustee.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

9 Taxation

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by law. In that event the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of having some connection with the Tax Jurisdiction, by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note;
- (b) if the withholding or deduction is a result of the application of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*); or

- (c) more than 30 days after the Relevant Date except to the extent that the holder of such Note would have been entitled to such additional amounts on presenting such Note for payment on the last day of such period of 30 days assuming that day to have been a Business Day.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify any Noteholder for any FATCA withholding deducted or withheld by the Issuer, the Principal Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

In these Conditions:

"**Relevant Date**" in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

"**Tax Jurisdiction**" means the Isle of Man (in the case of payments by the Guarantor) and/or the Netherlands (in the case of payments by the Issuer) (or, in either case, any political subdivision or any authority thereof or therein having power to tax) or any other jurisdiction (or any political subdivision or any authority thereof or therein having power to tax) in which the Issuer or the Guarantor is tax resident from time to time and any other jurisdiction (or any political subdivision or any authority thereof or therein having power to tax) to which payments made by the Issuer or, as the case may be, the Guarantor of principal and interest on the Notes become generally subject.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 9 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 9 (*Taxation*) pursuant to the Trust Deed.

10 Reorganisation and Substitution

The Trust Deed contains provisions under which a legal entity (any such legal entity, a "**Substituted Issuer**") may, without the consent of the Noteholders, assume the obligations of the Issuer as principal debtor under the Trust Deed and the Notes provided that:

- (i) (except where the Substituted Issuer is the Guarantor) the Guarantor unconditionally and irrevocably guarantees all amounts payable under these Conditions to the satisfaction of the Trustee; and
- (ii) certain conditions specified in the Trust Deed are fulfilled.

No Noteholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof except to the extent provided for in Condition 9 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

11 Events of Default

If any of the following events occurs and is continuing then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject, in each case of the happening of any of the events mentioned in paragraph (b) (*Breach of other obligations*) below and, in relation only to a Material Subsidiary, paragraphs (c) (*Cross-default/Cross-acceleration of Issuer, Guarantor or Material Subsidiary*), (d) (*Enforcement Proceedings*), (e) (*Security Enforced*), (f) (*Insolvency*), (g) (*Winding-up*) or (l) (*Analogous Events*) to the Trustee having certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Noteholders and, in all cases, to the Trustee having been indemnified and/or provided with security and/or prefunded to its satisfaction) give written notice to the Issuer declaring the

Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) **Non-payment:** the Issuer or, as the case may be, the Guarantor, fails to pay any amount of principal in respect of the Notes within seven days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof; or
- (b) **Breach of other obligations:** the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Trust Deed and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) is, in the opinion of the Trustee, capable of remedy and remains unremedied for 30 days after the Trustee has given written notice thereof to the Issuer and the Guarantor; or
- (c) **Cross-default/Cross-acceleration of Issuer, Guarantor or Material Subsidiary:** a default under any Indebtedness of the Issuer, the Guarantor or any Material Subsidiary, if that default (i) is caused by a failure to make any payment in respect of such Indebtedness and any originally applicable grace period has expired or (ii) results in the acceleration of such Indebtedness prior to its stated maturity; provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above individually or in the aggregate exceeds EUR 40,000,000 (or its equivalent in any other currency or currencies); or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process, the award or decision in respect of which, in each case, is final and not subject to further appeal, is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer, the Guarantor or any Material Subsidiaries in an amount which exceeds 10 per cent. of the Consolidated Total Assets and is not discharged or stayed within 90 days; or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer, the Guarantor or any of their respective Material Subsidiaries in respect of an amount which exceeds 15 per cent. of the Consolidated Total Assets becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person); or
- (f) **Insolvency:** (A) the Issuer, the Guarantor or any Material Subsidiary is insolvent or (B) any of the Issuer, the Guarantor or any Material Subsidiary is unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, the Guarantor or any Material Subsidiary, in each case above, except for the purposes of and pursuant to a reconstruction, amalgamation, reorganisation, merger or consolidation (i) pursuant to Condition 10 (*Reorganisation and Substitution*), (ii) on terms approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or (iii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor or another Material Subsidiary (or a Subsidiary of the Issuer or a Subsidiary of the Guarantor or a member of the PKM Group which, upon such transfer or vesting, will become a Material Subsidiary); or
- (g) **Winding-up:** (A) an administrator, liquidator, receiver or any other similar officer is appointed through an irrevocable resolution for the opening of insolvency proceedings in relation to the Issuer, Guarantor or any Material Subsidiary; (B) an irrevocable resolution is passed for the winding-up or dissolution or administration of the Issuer, the Guarantor or any Material Subsidiary; or (C) the Issuer, the Guarantor or, any Material Subsidiary shall apply or petition for a winding-up or administration order in respect of itself, in each of the cases (A), (B) or (C) above except for the purposes of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) pursuant to Condition 10 (*Reorganisation and Substitution*), (ii) on terms approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders; (iii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor or another Material Subsidiary (or a Subsidiary of the Issuer or a Subsidiary of the Guarantor or a member of the PKM Group which, upon such transfer or vesting, will become a Material Subsidiary); or

- (h) **Guarantee not in force:** the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect; or
- (i) **Nationalisation:** the assets of the Group in an amount which exceeds 15 per cent., of the Consolidated Total Assets are expropriated, seized or nationalised by any person; or
- (j) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order to make the Notes, the Trust Deed and the Agency Agreement admissible in evidence in the courts of the jurisdictions of incorporation of the Issuer or (as the case may be) of the Guarantor is not taken, fulfilled or done; or
- (k) **Illegality:** it is unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Notes, the Trust Deed or the Agency Agreement; or
- (l) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

For the purposes of this Condition 11:

"**Gross Revenues**" is calculated as the sum of: contractual rental income, expense recoveries, other income, and finance income from preference shares; and

"**Material Subsidiary**" means: any member of the Group or of the PKM Group whose total assets (excluding intangible assets) or Gross Revenues ((i) each as determined by reference to the relevant Subsidiary's most recent audited annual, or unaudited semi-annual (as the case may be), financial statements prepared in accordance with IFRS or IAS 34, as applicable and (ii) excluding any intra-group Indebtedness and related receivables eliminated in the relevant consolidated financial statements) exceed 7.5 per cent. of the Consolidated Total Assets or Gross Revenues of the Group: (a) in the case of a member of the Group, on an IFRS Basis or (b) in the case of a member of the PKM Group, on a Proportionate Basis (in each case as determined by reference to the most recent audited annual, or unaudited semi-annual consolidated financial statements).

The Guarantor will deliver on each Reporting Date a certificate addressed to the Trustee and signed by two authorised signatories confirming, in their opinion, which entities are Material Subsidiaries as at each Measurement Date and such certificate may be relied on without liability by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

"**PKM**" means PKM Development Limited (registered in the Isle of Man with registration number 013285V) or any successor legal entity thereto which replaces it as the ultimate holding company of the PKM Group as such entity may be reregistered, renamed or redomiciled from time to time;

"**PKM Group**" means the consolidated group of companies for the development joint venture between Prime Kapital Holdings Limited and the Guarantor;

12 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

13 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 Meetings of Noteholders; Modification and Waiver

(a) *Meetings of Noteholders:*

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matters affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Trustee (subject to its being indemnified and/or prefunded and/or secured to its satisfaction) upon request by Noteholders holding not less than one-tenth of the principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing more than half of the principal amount of the Notes for the time being outstanding, or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented; unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest on the Notes, (ii) to reduce or cancel the principal amount of the Notes, (iii) to reduce the rate of interest in respect of the Notes, (iv) to vary any method of, or basis for, calculating the Optional Redemption Price, (v) to vary the currency or currencies of payment or denomination of the Notes, (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify or cancel the Guarantee of the Notes, in which case the necessary quorum shall be one or more persons holding or representing not less than three-quarters, or at any adjourned meeting not less than one-quarter, of the principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed). The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than three-quarters of the principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) *Modification and waiver:*

The Trustee may, without the consent of the Noteholders, agree to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Trustee so requires, shall be notified to the Noteholders as soon as practicable.

(c) *Entitlement of the Trustee:*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

15 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, take such actions, steps and/or proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed and the Notes, but it need not take any such actions, steps and/or proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter of the principal amount of the Notes outstanding and (b) it shall have been indemnified and/or provided with security and/or prefunded to its satisfaction. No Noteholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction applicable to it. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

16 Further Issues

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes (a) having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes or (b) upon such terms as to ranking, interest, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes which are to form a single series with the Notes shall be constituted by a deed supplemental to the Trust Deed. Any further notes or bonds under subparagraph (b) shall be constituted by a separate trust deed.

17 Notices

Notices required to be given to the Noteholders pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. So long as the Notes are listed and/or admitted to trading, notices required to be given to the Noteholders pursuant to the Conditions shall also be published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are listed and/or admitted to trading. If in the opinion of the Trustee any such publication is not practicable, notice required to be given pursuant to the Conditions shall be validly given if published in a leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

18 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or opinion or any advice of any accountants, financial advisers, financial institution or other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, opinion, confirmation or certificate or advice without liability to any person and such report, opinion, confirmation, or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

19 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

20 Governing Law and Jurisdiction

- (a) **Governing law:** The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes or the Trust Deed and accordingly any legal action or proceedings arising out of or in connection with any Notes or the Trust Deed ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) **Service of Process:** Each of the Issuer and the Guarantor has in the Trust Deed irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Notes will be issued in the New Safekeeping Structure ("NSS") form. On 22 October 2018, the European Central Bank (the "ECB") announced that international debt securities in global registered form issued after 30 September 2010 would only be eligible as collateral for Eurosystem credit operations when the NSS form is used.

The Notes are intended to be held in manner which would allow Eurosystem eligibility, that is in a manner which would allow the Notes to be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

1 Initial Issue of Certificates

The Global Certificate will be registered in the name of a nominee (the "**Registered Holder**") for a common safekeeper for Euroclear and Clearstream, Luxembourg (the "**Common Safekeeper**") and may be delivered on or prior to the original issue date of the Notes. Depositing the Global Certificate with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life.

Upon the registration of the Global Certificate in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Safekeeper, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system ("**Alternative Clearing System**") as the holder of a Note represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for its share of each payment made by the Issuer or the Guarantor to the holder of the Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer or the Guarantor in respect of payments due on the Notes or under the Guarantee, as applicable, for so long as the Notes are represented by the Global Certificate and such obligations of the Issuer or the Guarantor will be discharged by payment to the holder of the Global Certificate in respect of each amount so paid.

3 Exchange

The following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by the Global Certificate pursuant to Condition 2(a) (*Transfers of Notes*) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

4 Amendment to Conditions

The Global Certificate contains provisions that apply to the Notes that it represents, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

4.2 Meetings

For the purposes of any meeting of Noteholders, the holder of the Notes represented by the Global Certificate shall be treated as being entitled to one vote in respect of each €1.

4.3 Trustee's Powers

In considering the interests of Noteholders while the Global Certificate is held on behalf of, or registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and may consider such interests, and treat such accountholders, as if such accountholders were the holders of the Notes represented by the Global Certificate.

4.4 Option of the Issuer

The option of the Issuer provided for in Conditions 7(b), (c), (e) and (f) may be exercised by the Issuer giving notice to the Principal Paying Agent and the Noteholders, in accordance with Conditions and the rules and procedures of Euroclear and Clearstream, Luxembourg. Following the exercise of such option, the Issuer shall procure that the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this Global Certificate shall be reduced by the aggregate nominal amount stated in the relevant notice.

4.5 Redemption at the option of Noteholders

The option of the Noteholders provided for in Condition 7(d) may be exercised by the holder of the Global Certificate giving notice to the Principal Paying Agent within the time limits relating to the deposit of Notes with the Registrar or any Transfer Agent set out in that Condition, in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg. Following the exercise of any such option, the Issuer shall procure that the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by the Global Certificate shall be reduced by the aggregate nominal amount stated in the relevant Change of Control Put Notice.

4.6 Notices

So long as this Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg and/or any Alternative Clearing System, notices required to be given to Noteholders may be given by their being delivered to Euroclear and/or Clearstream, Luxembourg and/or, as the case may be, the Alternative Clearing System, rather than by publication as required by the Conditions, except that, so long as the Notes are listed on Euronext Dublin and the rules of that Exchange so require, notices shall also be published on the website of the Euronext Dublin (www.ise.ie).

5 Electronic Consent and Written Resolution

While the Global Certificate is registered in the name of any nominee for a clearing system, then:

- (a) approval of a resolution proposed by the Issuer, the Guarantor or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of

the holders of not less than three-quarters of the nominal amount of the Notes outstanding (an "Electronic Consent" as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum (as specified in the Trust Deed) was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders whether or not they participated in such Electronic Consent; and

- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer, the Guarantor and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantor and/or the Trustee, as the case may be, (a) by accountholders in the clearing system with entitlements to such Global Certificate and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer, the Guarantor and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any Alternative Clearing System (the "relevant clearing system") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. None of the Issuer, the Guarantor or the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

TAXATION

The following is a general description of the Issuer's and the Guarantor's understanding of certain Dutch, Isle of Man and Maltese tax considerations relating to the Notes and the Guarantee. It is restricted to the matters of Dutch, Isle of Man and Maltese taxation stated herein and is intended neither as tax advice nor as a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This overview is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date, even with retroactive effect.

DUTCH TAXATION

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Offering Circular and is subject to any changes in law and the interpretation and application thereof, which changes could have retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of the paragraph "Taxes on Income and Capital Gains" below it is assumed that a holder of Notes, being an individual or a non-resident entity, does not have a substantial interest (*aanmerkelijk belang*), or – in the case of such holder being an entity – a deemed substantial interest, in the Issuer and that no connected person (*verbonden persoon*) to the holder has or will have a substantial interest in the Issuer.

Generally speaking, an individual has a substantial interest in a company if (a) such individual, either alone or together with his partner, directly or indirectly has, or is deemed to have or (b) certain relatives of such individual or his partner directly or indirectly have or are deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of such company. Generally, an individual has a deemed substantial interest in a company if (i) such individual or such individual's predecessor has disposed of or is deemed to have disposed of all or part of a substantial interest or (ii) such individual has transferred an enterprise in exchange for shares in such company, in each case, on a non-recognition basis.

Generally speaking, a non-resident entity has a substantial interest in a company if such entity, directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (*winstbewijzen*) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of such company. Generally, an entity has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes or would be taxable as a corporation for Dutch corporate tax purposes in case such corporation or other person would be or would be deemed to be tax resident in the Netherlands for Dutch corporate tax purposes.

Where this summary refers to a holder of Notes, an individual holding Notes or an entity holding Notes, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Notes or otherwise being regarded as owning Notes for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to "the Netherlands" or "Dutch" it refers only to the European part of the Kingdom of the Netherlands.

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of Notes.

Withholding Tax

All payments of principal and interest by the Issuer under the Notes can be made without withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, save that Dutch withholding tax may apply on certain (deemed) payments of interest made to an affiliated (*gelieerde*) entity of the Issuer if such entity (i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the annually updated Dutch Regulation on low taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en nietcoöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation for another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower tier) entity as the recipient of the interest (a hybrid mismatch), or (v) is not treated as resident anywhere (also a hybrid mismatch), all within the meaning of the Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

Taxes on Income and Capital Gains

Resident Entities

An entity holding Notes which is or is deemed to be resident in the Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to Dutch corporate tax in respect of income or a capital gain derived from the Notes at the prevailing statutory rates (up to 25 per cent. in 2021).

Resident Individuals

An individual holding Notes who is or is deemed to be resident in the Netherlands for Dutch income tax purposes will be subject to Dutch income tax in respect of income or a capital gain derived from the Notes at the prevailing statutory rates (up to 49.50 per cent. in 2021) if:

- (i). the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii). the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, such individual will generally be subject to Dutch income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from the Notes. For 2021 the deemed return ranges from 1.90 per cent. to 5.69 per cent. of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Notes). The applicable percentages will be updated annually on the basis of historic market yields. Subject to application of certain allowances, the deemed return will be taxed at the prevailing statutory rate (31 per cent. in 2021).

Non-residents

A holder of Notes which is not and is not deemed to be resident in the Netherlands for Dutch tax purposes will not be subject to Dutch taxation on income or a capital gain derived from the Notes unless:

- (i). the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in the Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) taxable in the Netherlands and the holder derives profits from such enterprise (other than by way of the holding of securities); or
- (ii). the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in the Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

Gift and Inheritance Taxes

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of Notes by way of gift by, or on the death of, a holder of Notes, unless:

- (i). such holder is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions; or
- (ii). the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions.

Value Added Tax

There is no Dutch value added tax payable by a holder of Notes in respect of payments in consideration for the acquisition of the Notes, payments of principal or interest under the Notes, or payments in consideration for a disposal of the Notes.

Other Taxes and Duties

There is no Dutch registration tax, stamp duty or any other similar Dutch tax or duty payable in the Netherlands by a holder of Notes in respect of, or in connection with, the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of the Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes.

Residence

A holder of Notes will not be and will not be deemed to be resident in the Netherlands for Dutch tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of the acquiring, holding or disposing of Notes, or the execution, performance, delivery and/or enforcement of Notes.

ISLE OF MAN TAXATION

Tax Residence in the Isle of Man

The Guarantor is resident for taxation purposes in the Isle of Man and is not resident in the UK or elsewhere for taxation purposes.

Zero Rate of Corporate Income Tax in the Isle of Man

The standard rate of corporate income tax in the Isle of Man is zero per cent.

However, with effect from 6 April 2006 a ten per cent. rate of tax applies to income received by a company from banking business and to income received by a company from land and property in the Isle of Man.

With effect from 6 April 2015 the rate of tax applying to income from land and property in the Isle of Man was increased to twenty per cent.

A ten per cent. rate of tax also applies to companies which carry on retail business in the Isle of Man and have taxable income of more than GBP 500,000 from such business.

As it does not receive income from these sources, the Guarantor is liable to income tax at a rate of zero per cent. on its profits.

Withholding Tax in the Isle of Man

As the Guarantor is liable to income tax at a rate of zero per cent. in the Isle of Man, it is not required to withhold tax from the payment of any amount due from the Guarantor under the terms of the Guarantee of the Notes.

Capital, Stamp and Inheritance Taxes in the Isle of Man

The Isle of Man has a regime for the taxation of income, but there are no capital gains taxes, stamp taxes or inheritance taxes in the Isle of Man.

There are no Isle of Man registration taxes, stamp duty or similar taxes or duty (other than court fees) payable in the Isle of Man in respect of the payment of any amounts due from the Guarantor under the Guarantee of the Notes.

MALTA TAXATION

This commentary, which is included in this Offering Circular as a result of the planned re-domiciliation of the Guarantor from the British Virgin Islands to Malta and the change of the Guarantor's tax residency from the Isle of Man to Malta, is of a general nature based on current Maltese tax law and is an overview of the understanding of current law and practice in Malta relating only to certain aspects of Maltese taxation without purporting to be an exhaustive and comprehensive description of all Maltese tax considerations relating to the Notes and the Guarantee. It does not take into account any developments or amendments enacted after the date of this Offering Circular, whether or not such developments or amendments have retroactive effect.

Tax Residence in Malta

In the case of persons being both domiciled and ordinarily resident in Malta, income tax is charged on their worldwide income, including specified capital gains. Persons who are resident or ordinarily resident in Malta but not domiciled in Malta are not generally taxable in Malta on a worldwide basis but are taxable only on Maltese source income and certain Maltese source capital gains and on foreign source income received in or remitted to Malta (but not on foreign source capital gains, even if such gains are received in Malta). These rules are subject to any double taxation treaty provisions which may apply in the particular circumstances.

The Guarantor, if and when it becomes a company incorporated in Malta following the re-domiciliation, will be deemed to be ordinarily resident and domiciled in Malta.

Interest, discounts or premiums paid by the Issuer (and/or the Guarantor prior to its registration as a company continued/incorporated in Malta) should be deemed to represent income arising outside Malta – to the extent that the Issuer (and the Guarantor prior to such registration) shall not be resident in Malta for domestic income tax purposes. On the other hand, a payment by the Guarantor in settlement of any such interest, discounts or premiums should be characterised as such for Malta income tax purposes and may potentially (once the Guarantor is registered as a company continued/incorporated in Malta and depending, in particular, on the terms of the Guarantee) represent income arising in Malta.

Income Tax Rates in Malta

In general, the income tax rate for income and capital gains currently stands at 35 per cent for companies (as defined in the Maltese Income Tax Act (Chapter 123 of the laws of Malta)) (the "ITA") whilst rates between 0 per cent and 35 per cent generally apply progressively in respect of other persons. However, income and gains falling within the definition of 'investment income' pursuant to the ITA may be charged with a final withholding tax (typically) of 15 per cent subject to the satisfaction of certain statutory conditions (see below).

However, in terms of the ITA, income or capital gains derived by a company from a qualifying "participating holding" in a subsidiary may be wholly or effectively exempt from tax, in Malta.

Investment Income

The Maltese income tax treatment of any interest, discount or premium derived from the Notes or Guarantee may also depend on whether such income falls within the definition of 'investment income' under the ITA. The ITA exhaustively lists the categories of investment income which qualify as investment income for Maltese tax purposes.

"Investment income" as defined under the ITA includes, "interest, discounts or premiums payable in respect of a public issue by a company, entity or other legal person howsoever constituted and whether resident in Malta or otherwise".

It is, however, unclear whether interest, discounts or premiums payable in respect of the Notes would, in fact, be payable in respect of a 'public issue' by a company – particularly insofar as this document and the issue of the Notes would not represent an 'offer of securities to the public' in terms of the Companies Act (Chapter 386 of the laws of

Malta) in view of prescribed minimum subscription amount requirements and to the extent that the relevant reference to a 'public issue' in the ITA would be construed in light of the definition of an 'offer of securities to the public' in the Malta Companies Act. Should the term 'public issue' be construed alternatively by reference, for instance, to its ordinary meaning (and not by reference to the said Companies Act), the Notes may nevertheless be deemed not to have been issued in respect of a 'public issue' in view of the selling restrictions prescribed in this document which may effectively preclude any acquisition of Notes by members of the public.

Still, should any interest, discounts or premiums payable in respect of the Notes represent "investment income" in terms of the ITA, such investment income paid to a "recipient" (as defined) would be subject to a 15 per cent final withholding tax, unless the recipient elects to be paid the investment income without deduction of the final withholding tax.

In order for the said 15 per cent final withholding tax to be applicable, the investment income must be received by a "recipient", as defined under the ITA and must be paid by a "payor", as defined under the ITA.

A "recipient" is:

- (i) a person who is resident in Malta during the year in which investment income is payable to him (the definition specifically excludes domestic banks and any insurance companies as well as other companies which may be owned and controlled, directly or indirectly, by such banks and insurance companies);
- (ii) a receiver, guardian, tutor, curator, judicial sequestrator or committee acting on behalf of any such person resident in Malta;
- (iii) a trustee or foundation pursuant to or by virtue of which any money or other property whatsoever shall for the time being be paid or applied to or for the benefit of such any person resident in Malta; or
- (iv) a non-resident individual (and his/her spouse) being an EU/EEA national if s/he (or the couple) earns at least 90% of his/her (or their) worldwide income in/from Malta and who procure/s confirmation from the Malta Commissioner for Revenue of an entitlement to pay tax in Malta at rates applicable to residents.

A 'payor' is defined as the person who is liable to or, if different, who makes a payment of investment income. To the extent that interest, discounts or premiums payable in respect of the Notes would represent 'investment income' in terms of the ITA, the Issuer and the Guarantor (as the case may be) should accordingly represent 'payors' of such investment income. The obligation to withhold and effect payment of the 15 per cent final withholding tax is incumbent upon the payor of investment income and, in certain circumstances, upon a registered authorised financial intermediary licensed in Malta.

Where the withholding tax has been applied (i.e. the recipient has not opted to be paid gross) the tax is a final tax and a recipient, being an individual, need not declare the investment income in his/her income tax return whilst any recipient (whether an individual or otherwise) will not be subject to further tax on such income. The tax withheld will not be available as a credit against a recipient's tax liability or for a refund, as the case may be.

As noted above, a recipient of any interest, discounts or premiums payable in respect of the Notes and representing 'investment income' may elect to receive such income without deduction of withholding tax. In this case, such person will, to the extent that such income is taxable on receipt thereby, be obliged to declare the income on his/her/its income tax return and will be subject to tax on such income at his/her/its applicable rate of tax.

An election is to be made in writing by a recipient to the payor. Any such election may be revoked by the recipient by giving written notice to the payor, which will be effective as from 14 days following the receipt by the payor or its agent of such written notice.

A payor is obliged to provide the Malta Commissioner for Revenue with an account of all payments of investment income including details of recipients.

Investment income paid to a collective investment scheme (which is licensed in terms of the Investment Services Act (Chapter 370 of the laws of Malta) or notified in terms of the domestic Investment Services Act (List of Notified AIFs) Regulations (S.L. 370.34) or being an undertaking for collective investment in transferable securities (UCITS) authorised in accordance with EU Directive 85/611/EEC) would only be subject to final withholding tax to the extent that the scheme is classified as a 'prescribed fund' in terms of Maltese law – and provided that such investment income is not paid by another collective investment scheme. Any such recipient being a prescribed fund may not elect to

receive investment income without deduction of the withholding tax. In such cases, the investment income will be paid to the recipient net of a deduction of 10 per cent final withholding tax.

Where a recipient benefits from the 15 per cent rate and the recipient suffers foreign tax (whether directly or by way of withholding) no relief for double taxation would be available and, furthermore, the 15 per cent final withholding tax will be determined on the gross income (i.e. prior to deducting the foreign tax).

Withholding Tax in Malta

The Issuer (and the Guarantor prior to its registration as a company continued/incorporated in Malta) should not be required to withhold any Malta tax upon a payment of interest, discounts or premiums in respect of the Notes unless such interest, discounts or premiums represent 'investment income' and are paid to a 'recipient' – and to the extent that such income would be chargeable to tax in the hands of the recipient.

Subsequent to its registration as a company continued/incorporated in Malta, a payment of interest, discounts or premiums by the Guarantor in respect of the Notes (and to the extent that any such payment would be deemed to represent income arising in Malta) should not be subject to tax in Malta (whether by way of withholding or otherwise) provided that any such payment is made in favour of a person who:

- i. is not resident in Malta; and
- ii. is not carrying on any trade or business in Malta through a permanent establishment situated in Malta to which the payment is effectively connected; and
- iii. as beneficial owner of the interest is not owned and controlled by, directly or indirectly, nor acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta.

Interest, discounts or premiums paid in respect of the Notes by the Guarantor (once it is resident in Malta and to the extent that any such payment would be deemed to represent income arising in Malta) to or on behalf of a non-resident person and which is not exempt from Malta tax as aforesaid should, however, be subject to Malta tax withheld at the rate of 35% (in respect of a non-resident company) and at the rate of 25% (in respect of any other non-resident person) although the Guarantor should be entitled to seek authorisation from the Malta Commissioner for Revenue to make any such payments without any deduction of tax – and subject further to the provisions of any applicable double tax treaty.

Interest, discounts or premiums paid in respect of the Notes by the Guarantor (once it is resident in Malta) and representing 'investment income' and paid to a 'recipient' would be subject to final withholding tax as described above unless the recipient elects to receive such income gross – and to the extent that such income would be chargeable to tax in the hands of the recipient.

Capital Gains, Stamp and Inheritance Taxes in Malta

In terms of the Duty on Documents and Transfers Act (Chapter 364 of the laws of Malta), Malta charges stamp duty on certain documents and transfers such as transfers of immovable property, marketable securities and insurance contracts.

"Marketable securities" are defined as a holding of share capital in any company and any document representing the same such that a transfer or redemption of Notes should fall outside the scope of the Duty on Documents and Transfers Act.

Likewise, a transfer or redemption of the Notes should not be subject to Malta tax on capital gains in terms of the ITA given that the Notes shall carry a fixed rate of return and do not participate in the profits of the Issuer.

There is no inheritance tax in Malta.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands, the British Virgin Islands and Malta) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to

implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, neither the Issuer nor the Guarantor will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Deutsche Bank Aktiengesellschaft and Raiffeisen Bank International AG (the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 17 May 2021, jointly and severally agreed with the Issuer and the Guarantor, subject to the satisfaction of certain conditions, to subscribe to the Notes at 98.903 per cent. of their principal amount, less a combined management and underwriting commission. In addition, the Issuer, failing which the Guarantor, has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Notes. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

General

Neither the Issuer nor the Guarantor nor any Joint Lead Manager has made any representation that any action will be taken in any jurisdiction by the Joint Lead Managers or the Issuer or the Guarantor that would permit a public offering of the Notes, or possession or distribution of this Offering Circular (whether or not in final form) or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Each Joint Lead Manager has agreed that it will comply, to the best of its knowledge and belief in all material respects, with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular (whether or not in final form) or any such other material, in all cases at its own expense.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes and the Guarantee (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date (the "**distribution compliance period**"), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes and the Guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantee within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes and the Guarantee, an offer or sale of Notes or Guarantee within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

- the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision:

- the expression "**retail investor**" means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

Malta

This Offering Circular is not for distribution in or from Malta and does not constitute an offer, invitation or solicitation for the sale or purchase of the Notes in or from within Malta. In addition, it is not intended to form the basis of, or act as an inducement to enter into any contract or investment service by the Issuer, the Joint Lead Managers, or their affiliates or any other person, and falls outside the parameters of the term “investment advertisement” as the same is defined in the Investment Services Act of Malta (Cap. 370 of the Laws of Malta) (the “ISA”). This Offering Circular should not be construed as a recommendation by the Issuer, the Joint Lead Managers, or their affiliates or any other person and does not amount to an offer of securities to the public in Malta.

Accordingly, each Joint Lead Manager has represented and agreed that: (a) it will not make available this Offering Circular in Malta; (b) it will not offer the Notes for purchase or sale in or from within Malta; and (c) it has not, directly or indirectly, issued or caused to be issued and it will not issue or cause to be issued any investment advertisement, as defined in the ISA in relation to the Notes or the offer of Notes, in or from within Malta.

British Virgin Islands

No Notes or other securities are being offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Issuer. The Notes may be offered to companies incorporated or re-registered under the BVI Business Companies Act, 2004 (as amended) and limited partnerships formed or registered under the Partnerships Act, 1994 (as amended) and/or the Limited Partnership Act, 2017 (as amended) but only where the offer will be made to, and received by, the relevant British Virgin Islands entity entirely outside of the British Virgin Islands or is otherwise permitted under the laws of the British Virgin Islands.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Joint Lead Managers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa (“CONSOB”) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to any Notes be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Joint Lead Manager has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this or any other document relating to the Notes in Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "Financial Services Act") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "Issuers Regulation"), all as amended from time to time; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "**Banking Act**") and CONSOB Regulation No. 20307 of 15 February 2018, all as amended from time to time;
- (ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and
- (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

Investors should note that, in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under paragraphs (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and the Issuers Regulation. Furthermore, where no exemption from the rules on public offerings applies, the Notes which are initially offered and placed in Italy or abroad to professional investors only but in the following year are "systematically" distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Financial Services Act and the Issuers Regulation. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the purchasers of Notes who are acting outside of the course of their business or profession.

GENERAL INFORMATION

1. It is expected that listing of the Notes on the Official List and admission of the Notes to trading on the Global Exchange Market will be granted on or around 19 May 2021. Transactions will normally be effected for delivery on the third working day after the day of the transaction. The expenses in connection with the admission to trading of the Notes are expected to amount to €6,000.
2. Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in the Netherlands and the British Virgin Islands in connection with the issue and performance of the Notes and of the Guarantee. The issue of the Notes was authorised by resolutions of the board of directors of the Issuer passed on 3 May 2021 and the giving of the Guarantee by the Guarantor was authorised by resolutions of the board of directors of the Guarantor passed on 30 April 2021.
3. There has been no material adverse change in the prospects of (i) the Issuer since 21 January 2021, being its date of incorporation or (ii) the Guarantor since 31 December 2020, being the date of the last published condensed consolidated financial statements of the Guarantor.
4. Except as disclosed in the "*Description of the Group's Operations - Recent Developments*" section and (in the case of (ii)) in note 21 to the Guarantor's Condensed Consolidated Interim Financial Statements ("*Events after reporting date*"), there has been no significant change in the financial or trading position of (i) the Issuer since 21 January 2021, being its date of incorporation or (ii) the Group since 31 December 2020, being the end of the last financial period for which financial information has been published with respect to the Group, except as disclosed.
5. Neither the Issuer, the Guarantor nor the Group is, nor has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor are aware) during the 12 months preceding the date of this Offering Circular which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor or the Group.
6. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The International Securities Identification Number ("**ISIN**") for the Notes is XS2339025277 and the Common Code is 233902527. For FISN and CFI Code, see the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.
7. The Legal Entity Identifier code of the Issuer is 724500YWF5KUNMZZ9J87.
8. The Legal Entity Identifier code of the Guarantor is 213800T1TZPGQ7HS4Q13.
9. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the Global Exchange Market.
10. The yield of the Notes is 4.500 per cent. on an annual basis. The yield is calculated as at 19 May 2021 on the basis of the issue price, the interest rate of the Notes, the redemption amount of the Notes and the tenor of the Notes. It is not an indication of future yield.
11. There are no material contracts entered into other than in the ordinary course of the Issuer's or the Guarantor's business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued or the Guarantor's ability to meet its obligations to Noteholders under the Guarantee.
12. For as long as the securities are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market, copies of the following documents will be available for inspection at the website of the Guarantor (<https://www.masrei.com/investor-relations/>):
 - (a) the Trust Deed and the Agency Agreement;
 - (b) the memorandum of association and articles of association of the Issuer and the Guarantor;
 - (c) a copy of this Offering Circular; and

- (d) the materials incorporated by reference into this Offering Circular, as set out in "*Documents Incorporated by Reference*".

This Offering Circular (together with any supplement to this Offering Circular or further Offering Circular) will be published on the website of Euronext Dublin at www.ise.ie.

13. The audited consolidated annual financial statements of the Guarantor for the years ended 30 June 2020 and 30 June 2019 incorporated by reference in this Offering Circular, have been audited by PricewaterhouseCoopers LLC, independent auditor, as stated in their reports appearing herein. With respect to the unaudited condensed consolidated interim financial statements as of and for the six-month period ended 31 December 2020, incorporated by reference in this Offering Circular, PricewaterhouseCoopers LLC reported that they applied limited procedures in accordance with professional standards for a review of such information (the "Review Report"). As stated in the Review Report, appearing therein, PricewaterhouseCoopers LLC have not audited and do not express an opinion on the unaudited condensed consolidated interim financial statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLC, IM1 1SA, Isle of Man, is a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW).

The Issuer has not appointed auditors yet.

14. There is no natural or legal person involved in the issue of the Notes and having an interest that is material to the issue of the Notes, other than certain of the Joint Lead Managers and their affiliates who have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and/or the Guarantor and their affiliates in the ordinary course of business. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets, in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and/or the Guarantor and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and/or the Guarantor and their affiliates. Certain of the Joint Lead Managers and their affiliates that have a lending relationship with the Issuer and/or the Guarantor routinely hedge their credit exposure to the Issuer and/or the Guarantor consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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