

Condensed consolidated interim financial statements for the six-month period to 31 December 2021

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Directors' commentary

Introduction and background

MAS (hereafter referred to as the Group or Company) performed exceptionally during the six months to 31 December 2021, and has achieved adjusted total earnings of €91.4million. The Group's financial results and strategic progress are discussed below.

In addition to the reported International Financial Reporting Standards (IFRS) results, this commentary also includes segmental reporting prepared on a proportionate consolidated basis to assist the interpretation of the former, rather than replacing it. Detailed financial results and Company Profile, updated on 31 December 2021, including highlights and supplemental operational information, are available on the Company's website. Unless otherwise stated, all amounts are presented on an adjusted proportionate consolidated basis.

MAS' primary business is the investment in, and operation of, green, high-quality retail assets in Central and Eastern Europe (CEE). The Group is internally managed, benefits from a multidisciplinary team of approximately 200 real estate professionals and is well positioned to leverage the region's continual high growth in consumption by generating significant like-for-like (LFL) net rental income (NRI) growth from retail properties through increasing tenants' sales and implementing asset management initiatives. MAS additionally benefits from exposure to retail and residential developments, on a downside protected basis, via the Development Joint Venture (DJV)¹ with developer Prime Kapital. The Group published and is focused on achieving, ambitious, quantified strategic growth targets aimed at maximising total long-term shareholders' returns.

Financial results

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

Adjusted total earnings of €91.4million for the six months to 31 December 2021 (compared to adjusted total earnings of €47.4million for the previous six months) consist of adjusted distributable earnings of €20.0million and adjusted non-distributable earnings of €71.4million. Tangible net asset value (Tangible NAV) on 31 December 2021 was €1.31 per share, 5.6% higher than €1.24 per share on 30 June 2021. Adjusted distributable earnings for this period were 2.96eurocents per share, 5.3% above the 2.81eurocents per share for the preceding six months.

This exceptional financial performance is the result of a number of factors, including:

- (i) excellent operational performance of, and increase in NRI from, standing Central and Eastern European retail assets, which, combined with income increases from the Group's preferred share investments and listed securities, more than offset the negative impact to NRI resulting from asset sales in WE and higher financing costs incurred due to the bond issue in May 2021;
- (ii) significant improvements in Central and Eastern European asset valuations due to their excellent operational performance and the DJV completing commercial developments in Barlad and Ploiesti (both in Romania);
- (iii) a reduction in management's estimate for disposal realisation costs and losses for Western European assets remaining to be sold in light of ongoing implementation of asset management initiatives at Flensburg Galerie (Germany) and purchase offers received for Langley Park land holding (UK), and
- (iv) further Western European asset sales at considerable premiums to book value on 30 June 2021.

Operations

Covid-19 continued to impact MAS' operations for the six months to 31 December 2021. Information regarding Central and Eastern European gross leasable area (GLA) affected by restrictions, LFL footfall (compared to 2019), LFL tenants' sales (compared to 2019), income entitlements (including invoicing, waivers and deferrals), collection rates (collections compared to invoicing) and pro forma collection rates (collections compared to the total expected income disregarding the pandemic's impact) for the six months to 31 December 2021, is detailed in *Table 1 – Operational performance* (all figures reported 28 February 2022).

¹ DJV is an abbreviation for a separate corporate entity named P K M Development Limited (PKM Development), an associate of MAS since 2016 with independent governance. MAS owns 40% of PKM Development's ordinary share capital, an investment conditional on it irrevocably undertaking to provide preference share capital to PKM Development on notice of drawdown. MAS' undertakings to PKM Development arose prior to Prime Kapital's founders joining MAS' Board in November 2019 and are unaffected. On 31 December 2021, MAS had invested €283million in preference shares and had an obligation of €137million outstanding (figures not proportionally consolidated). The balance of the ordinary share capital in PKM Development was taken up by Prime Kapital in 2016 for €30million in cash, and, in terms of applicable contractual undertakings and restrictions:

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

Table 1 – Operational performance

		Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Total
Open GLA²	%	97	97	96	71	9	8	62
Restricted GLA³	%	3	3	4	29	91	92	38
Closed GLA⁴	%	-	-	-	-	-	-	-
Footfall (2021 compared to 2019)	%	96	94	93	86	60	71	83
Open-air malls	%	108	102	101	92	64	73	89
Enclosed malls	%	84	86	84	78	55	67	76
Tenants' sales per m² (2021 compared to 2019)	%	107	107	105	102	74	89	97
Open-air malls	%	118	113	115	111	78	92	103
Enclosed malls	%	96	99	93	90	69	84	88
Total pre-pandemic income expectation	€m	4.1	4.1	4.1	4.1	4.1	4.5	25.0
Income waived, deferred, or suspended	€m	-	-	-	-	0.1	0.2	0.3
Due income (invoiced)	€m	4.1	4.1	4.1	4.1	4.0	4.3	24.7
Collection rate	%	99	99	99	99	99	99	99
Pro forma collection rate	%	98	98	98	98	97	97	98

Trading in the Group's Central and Eastern European markets was predominantly unaffected by social distancing until October 2021. Due to Romanian and Bulgarian vaccination rates being amongst the lowest in the European Union, following an increase in infections during September, both countries introduced significant restrictions on 25 October necessitating customers to present a valid Covid-19 certificate (proving either vaccination or recovery) prior to entering a shopping centre. During November, Romanian infection rates decreased and restrictions were eased on 9 December 2021, allowing customers presenting a negative Covid-19 test to visit shopping centres.

Total Central and Eastern European occupancy on 31 December 2021, improved to 95.3% (93.2% on 30 June 2021) due to ongoing asset management initiatives and developments opening with high occupancies.

Until September 2021, footfall in CEE was satisfactory, with open-air malls consistently performing better than the same period in 2019. The additional access restrictions, introduced in October 2021, significantly affected footfall in the Group's retail centres during November and December 2021. Open-air malls were substantially less affected (11% decrease) than enclosed malls (24% decrease) compared to pre-pandemic levels (the same period in 2019).

Tenants' sales were almost on par with pre-pandemic (2019) levels for the six months to 31 December 2021. The distinction between open-air and enclosed malls' performance observed in previous periods, remained relevant during the first half of the 2022 financial year, as sales in the former increased by 3% and those in the latter decreased by 12% compared to pre-pandemic levels (the same period in 2019). DIY, pet store, toys and grocery tenants' sales continued to outperform. Leisure, specialist, home appliances, furnishing and fashion (clothing and shoes) tenants' sales continued to be negatively affected by restrictions.

Overall, pro forma collection rates for the six months to December 2021 were an excellent 98%, driven by tenants' solid operational performance, as well as MAS' high proportion of anchor tenants (82% of GLA). Limited tenant support was granted by the Group during the first half of the financial year. Properties the DJV opened during the pandemic have achieved collection rates similar to standing assets.

Property valuations

The fair value uplift of €35.6million to income property, based on independent external valuations, is due to positive fair value adjustments of €40.2million in CEE (an improvement of 7.2% compared to valuations on 30 June 2021) and reductions of €4.6million for unsold Western European assets (a decrease of 4.2% compared to valuations on 30 June 2021).

MAS' properties are valued biannually by external, independent professional valuers with appropriate and recognised qualifications and recent experience in the location and category of property. Valuations are primarily based on discounted forecasted cash flows and are therefore forward-looking. Central and Eastern European properties' significant uplift in fair value was primarily driven by excellent operational performance (passing LFL NRI on 31 December 2021 is 8.7% higher than on 30 June 2021), as well as by a slight decrease in weighted average unlevered discount rate from 10.17% to 10.01% compared to valuations for the six months to 30 June 2021.

Western European asset sales

By 31 December 2021, sales of assets in WE with an aggregate value of €145.3million have been contracted, compared to book values of €128.9million on 30 June 2021. This includes the completed disposals of Adagio Hotel (UK) and Malling Brooks land holding (UK), and contracting the Gotha retail asset (Germany), where closing was only subject to the ordinary waiver of German statutory pre-emption rights (completed 23 February 2022), and the New Ueberior House office (UK), that was contracted prior to 30 June 2021 (completed 26 August 2021).

MAS' remaining Western European assets held for sale are Flensburg Galerie, Arches street retail units (UK) and the Langley Park. These assets, which will be disposed of opportunistically, had a combined book value of €81.2million with €34.4million secured bank debt outstanding on 31 December 2021. Valuations of these income properties for sale in WE, held by the Group on 30 June 2021, have decreased to levels closer to management's estimated disposal values.

² GLA open for trade without restrictions.

³ GLA open for trade subject to restrictions (pro-rated to reflect days with restrictions).

⁴ GLA closed for trade (pro-rated to reflect closures).

This, combined with the successful results of sales completed in the first six months of the financial year, as well as progress with asset management initiatives implemented at Flensburg Galerie, aimed at protecting shareholder value and preparing the asset for disposal, and offers received to date in respect of Langley Park, prompted management to re-assess its estimation for costs and losses regarding remaining assets to be sold from €27.1million on 30 June 2021, to €3.9million on 31 December 2021. This estimation assumes that Western European assets will be disposed of at fair value and takes into account punitive fixed-interest arrangements on secured debt, early bank debt repayment penalties, agency fees and other related costs to be incurred in completing the sales processes.

Developments, extensions, and refurbishments in the DJV

Two commercial developments were completed and opened during the six months to 31 December 2021, and substantial new development projects, at an estimated total cost of €752.1million, have been secured in Bucharest, Cluj and Brasov. As a result, the DJV's secured estimated commercial and residential development pipelines increased to €717million and €932.4million, respectively, at cost (figures not proportionally consolidated). Progress with developments and secured pipeline additions are detailed within.

Commercial developments

The DJV completed two projects in Romania during the six months to 31 December 2021, its third (Barlad Value Centre) and fourth (Prahova Value Centre) commercial developments since the pandemic started. The high proportion of anchor tenants (90% of GLA), high occupancy levels on opening and impressive NRI yields on cost achieved (9.8% and 9.9%, respectively) illustrate the developments' success.

Barlad Value Centre opened on 30 November 2021 with an exceptional occupancy of 99%. The 16,400m² GLA open-air mall is located in Barlad, Vaslui county's second largest city, with a population of 68,300. The centre is part of a 40,600m² GLA retail destination which is set to become the dominant commercial node in the wider region, totaling approximately 158,000 inhabitants. The centre includes the region's first Carrefour hypermarket, as well as a service area, fashion tenants, cafes with outdoor terraces and small food court. A significant leisure and food court extension of 1,300m² GLA is planned.

The first phase of Prahova Value Centre opened on 3 December 2021, with 96% of the 21,700m² GLA occupied. The centre is located in one of Ploiesti's densely populated residential areas, and has exceptional visibility from, and access to, the city's main transport nodes. The city has 220,000 inhabitants, while the catchment area consists of 759,000 inhabitants. The centre is anchored by a Carrefour hypermarket, hosts a mix of international and national tenants and includes a modern food court. The project's planned second phase encompasses a large-scale entertainment and leisure amenity which will position Prahova Value Centre as the city's major entertainment and leisure hub. Further details on the project's second phase will be provided in due course. The development will be integrated into the city's best (and greenest) residential development, Pleiades Residence (details below).

Construction of Alba Iulia Mall commenced, and the enclosed mall is expected to open by December 2022. The city's first and only modern retail centre, it will be integrated with an adjacent riverside park, with access to an impressive entertainment and leisure facility with generous outdoor terraces. Leasing is progressing well, with 63% of the project's 28,900m² currently leased to national and international tenants, including Altex, Carrefour, Colin's, Cropp, Deichmann, dm, House, KFC, LC Waikiki, Mesopotamia, New Yorker, Noriel, Sinsay, Spartan, and Sportissimo.

Leasing for the Silk District office development has recommenced and demolition is underway.

Construction of Mall Moldova, extending and redeveloping Era Shopping Centre (29,600m² GLA) into a super-regional enclosed mall and retail node incorporating approximately 106,200m² of destination GLA, is scheduled to begin in November 2022, subject to permitting renewals. This development is located in a densely populated residential and industrial area of Iasi, Romania's second largest city, with an approximate population of 391,000 inhabitants. Mall Moldova is well connected and will serve eastern Romania and neighbouring Republic of Moldova, an estimated catchment area with approximately 644,000 inhabitants within a 60-minute drive. The centre will include the region's largest hypermarket, over 200 stores including a selection of fashion anchors, a large entertainment and leisure facility, and a dedicated home furnishing hub. The project's leasing is ongoing with outstanding interest from national and international tenants.

As previously reported, the contractual breach by one of the two sellers of Arges Mall development was settled in the DJV's favour. The planned, regionally-dominant enclosed mall is centrally located in a densely populated residential area of Pitesti, Arges county's capital and largest city, with an approximate population of 170,000. The mall will cater to an estimated catchment area with approximately 621,000 inhabitants within a 60-minute drive. Leasing continues, and currently national and international tenants have shown significant interest.

Permitting and leasing is progressing well at Roman Value Centre and Slobozia Value Centre extensions, while construction for the extension of Baia Mare Value Centre is scheduled to start in due course.

Residential developments

Construction at Marmura Residence, Bucharest, the DJV's first residential development, is progressing well. The first four buildings were substantially complete end of December 2021. Internal works on green spaces, infrastructure, common areas and finishings as well as works on the fifth building are ongoing. Handover inspection procedures with clients commenced in February 2022 for the 329 units sold to date in the completed buildings (88% of the units in the first four buildings) and it is expected that most of these sales will be completed by 30 June 2022.

At Avalon Estate, construction and sales continue for 47% of the development comprising 746 dwellings on the 8ha, low-height, low-density residential project. Similarly, work is ongoing on the perimeter walls, main gatehouse, clubhouse, approximately 50% of the extensive landscaped parks and green areas, as well as internal and external infrastructure. To date, 67% of the 352 residential units currently released for sale have been sold. Construction works on the first buildings are expected to be completed April 2022. Works on the main access road and gatehouse have been completed and the sales office moved on site.

Site set-up works are completed, and demolition works for Silk District residential Phase One (315 units) are advanced. The on-site sales office has operated since February 2021. Permitting for Phase Two (346 units) and Phase Three (312 units) is ongoing. The first two phases of the residential project have achieved strong sales, with 71% and 63% units sold, respectively. Phase Three was released for sale first half of December 2021 and (pre-permitting) reservations are progressing very well (26% of units).

Permitting for the first phase of Pleiades Residence, Ploiesti, which will be integrated with the large-scale entertainment and leisure hub planned at Prahova Value Centre, is ongoing. This work is taking place in parallel with the rezoning of the remaining land, so that permitting for the planned retail extension, as well as the balance of Pleiades Residence, can occur. This will be the residential development with the largest proportion of car-free green areas in Ploiesti and will be connected to an efficient structured parking solution for residents via a grid of covered walkways through the car-free green areas. Of the total 498 units, the sales process has commenced for 70 units (starting at the same time the value centre opened), and, in line with expectations, 34% of units are reserved.

Zoning for Elba Residential (Timisoara, Romania) is currently delayed due to recent changes in the local administration adversely impacting the process' length and complexity.

New Pipeline

Cesarom, a large 17.1ha industrial site, with ongoing industrial activity (to be relocated), has been secured for a large-scale mixed-use development near the city centre, in northern Cluj-Napoca (Cluj). Cluj is Romania's third largest city with over 328,000 inhabitants, the country's second-largest economic centre and a major IT hub in CEE. The planned development consists of a super-regional mall with approximately 73,300m² GLA, a residential complex of approximately 1,460 apartments and approximately 49,200m² GLA of offices, with flexibility to re-allocate built areas between the project's components, based on demand. The project's surroundings are characterised by adequate current and planned infrastructure with large streets and sidewalks, low traffic, public transport interchange hub, and multiple access points, including convenient and direct connections to the city's other main attractions. In addition to the strong purchasing power offered by its unique location, the retail component will benefit from a catchment area of 651,000 inhabitants within a 60-minute drive. The residential component will benefit from access to the office and retail developments through an integrated masterplan providing significant car-free, green and leisure areas.

In Bucharest, the 17.8ha former IMGB industrial site was secured for an approximately 28,000m² GLA open-air mall and a residential project of approximately 3,150 apartments. Bucharest (population approximately 2.2million) is Romania's capital and largest city, the country's economic centre and seat of its major universities. The city enjoys Romania's highest wealth concentration, purchasing power, mobility, labour force dynamics, and gross domestic product (GDP). The project will benefit from southern Bucharest's growing demand for modern retail and quality residential projects. This large-scale, mixed-use development optimises the substantial land plot, integrating green and leisure facilities with new and existing infrastructure. In addition, the residential component will have extensive green areas, a spacious, exclusive community centre for residents, and will include approximately 3,800 affordable high-quality parking places in free-standing structures connected via walkways. The residences will also have pedestrian and vehicular access to the open-air mall. There is also a large, and modern new kindergarten, within walking distance of Berceni metro station (approximately five minutes from the development). The planned open-air mall benefits from a large catchment area of 383,000 inhabitants within a 45-minute drive.

A 9ha site was secured in south-eastern Brasov, Romania, in a former industrial zone, for a new residential development, consisting of approximately 2,140 apartments and support functions. Brasov is southern Transylvania's major city, with approximately 287,000 inhabitants. The municipality hosts many large multinational companies (Accenture, IBM, Schaeffler, Siemens, Vodafone) and benefits from private, direct investments supporting its development into a major Romanian economic hub. As a result, Brasov's wider metropolitan area outperforms other Romanian regions in terms of employment and GDP, which, consequently, creates increasing purchasing power. This economic advantage, coupled with favourable demographics, produces a strong demand for residential properties. The site is in close proximity to Brasov's historic city centre, with its numerous entertainment and recreational facilities, as well as a well-preserved natural forest to the east.

In addition to the residential development, the DJV has secured a 6.6ha site north-west of Brasov, a 15-minute drive from the city centre, where it plans to develop a 19,800m² GLA open-air mall. The catchment area is estimated to include approximately 504,000 residents within a 60-minute drive, and the project will benefit from the strong regional economy and the regular influx of a large number of tourists (approximately 725,000 people visit the city and its environs annually). The open-air mall will have exceptional visibility from, and access to, modern infrastructure, and is located adjacent to an existing DIY retailer serving the city and towns to the north and in close proximity to a densely populated residential area.

Extensions and refurbishments to directly-owned assets

Atrium Mall's refurbishment and reconfiguration is complete, including a food court reconfiguration, refurbished bathrooms and improved tenant mix. Work on the centre's upgraded facades is ongoing and will be finalised in due course. Twenty-five new retail concepts have opened either new brands (not previously present in the city) or updated configurations and offerings from existing tenants. Occupancy increased to 93.6% on 31 December 2021 (83.7% on 30 June 2021 due to ongoing refurbishment works).

The planned extension to Galleria Burgas was reconsidered, and instead will undergo a major refurbishment and reconfiguration. These plans, as well as internal analysis regarding previously planned extensions at Militari Shopping and Nova Park, are not finalised. Updates will be provided in due course.

Debt, cost of debt and liquidity

On 31 December 2021, MAS had a combined €324.3million in cash, listed securities and undrawn credit facilities (figure not proportionally consolidated). This is the result of the Group holding €193.7million in cash, €110.6million in listed securities and a €20million, currently undrawn, committed facility. The Group's existing credit facility can be increased up to €60million. On 31 December 2021, the Group had an ongoing undrawn preferred share investment commitment of €137million to the DJV (figure not proportionally consolidated).

The Group's bond and unsecured facility ratios on 31 December 2021, shown in *Table 2 – Debt tolerances and ratios*, continued to demonstrate significant headroom compared to covenant tolerances, on both IFRS and proportionate consolidated bases.

Table 2 – Debt tolerances and ratios

	Tolerance	Actual IFRS	Actual proportionate consolidated basis
Solvency ratio	Shall not exceed 0.6	0.27	0.27
Consolidated coverage ratio	At least 2.5:1	3.63	4.12
Unencumbered consolidated total assets/unsecured consolidated total debt	Minimum 180%	397%	331%

The self-imposed, long-term Group overall debt limit, which is considerably more restrictive than covenant tolerances, is a maximum loan-to-value (LTV) ratio of 40%, or, on a forward-looking basis, seven times NRI. On 31 December 2021, the Group had €363.1million of outstanding debt (bonds and bank loans) and an LTV ratio of 14.9%. The weighted average cost of debt was 4.34% per annum for the six-month period to 31 December 2021. MAS' increase in weighted average cost of debt is partially the result of the issue, in May 2021, of a €300million unsecured, five-year Eurobond, carrying a 4.25% fixed coupon and partially used proceeds to repay, by 30 June 2021, bank loans secured against directly-owned Central and Eastern European investment properties. The Eurobond issue was one of the strategic initiatives achieved in the previous six months, which positioned the Group to optimise future total returns. Additionally, the Group's access to debt capital markets allows flexibility in attracting additional capital resources and the ability to issue unsecured group-level funding.

Strategy update and long-term earnings targets

MAS remains committed to maximising total long-term returns from property investments on a per share basis. The Group aims to achieve this by concentrating on capital allocation, operational excellence, sensible leveraging, and cost efficiency, thereby sustainably growing distributable earnings per share. Benefiting from the continual high growth in Central and Eastern European consumption, the Group operates directly-owned income property and employs capital in commercial and residential developments owned indirectly via the DJV with co-investor and developer Prime Kapital.

In the absence of unforeseen circumstances, MAS intends to maintain a full pay-out of distributable earnings and provided that the Company's long-term objectives, including self-imposed gearing limitations and achieving an investment-grade credit rating by the end of the 2026 financial year at the latest, are not considered at any point during this period to be at undue risk. However, if this is the case, or if attractive investment opportunities that are expected to substantially enhance total returns per share that cannot be otherwise more efficiently funded (for instance by selling assets, taking on additional gearing or issuing new share capital) become available, then dividends relative to distributable earnings will be reduced.

MAS has published, with the release of the Group's 30 June 2021 financial statements, four quantified strategic objectives set to be achieved over five years (by the end of the 2026 financial year), using the current capital base and maintaining a full payout of distributable earnings to shareholders without breaching self-imposed gearing limitations, and is committed to periodic reporting. Achieving these targets is expected to lead to substantial improvements in total returns per share, and implies an increase in scale that will position the Company well for an investment-grade credit rating, which will enable further flexible access to debt finance at optimal cost. Current progress is detailed below.

Asset management

MAS aims to maximise property values through sustainable asset management initiatives. The Group plans to achieve this through specific asset management initiatives to improve occupancy rates for current Central and Eastern European retail assets to 99% by 30 June 2026 and achieving LFL NRI growth of at least 4% per annum (from a normalised post Covid-19 base).

Current progress is excellent. On 31 December 2021, occupancy for Central and Eastern European assets increased to 95.3% (93.2% on 30 June 2021) and annualised LFL passing NRI in CEE is 8.7% higher than six months earlier on 30 June 2021.

Commercial developments

The Group expects to enlarge its investment in newly developed, high quality, income properties rolled-out by joint venture partner Prime Kapital, and the DJV aims to complete commercial developments to the cost of approximately €600million at a weighted initial yield of more than 9% over the relevant five years (figure not proportionally consolidated).

The completion of recently opened projects in Barlad and Ploiesti, worth €50.8million at cost with initial yields of 9.8% and 9.9%, respectively, as well as new and existing pipeline projects, of which commercial projects to the value of €578.9million are expected to be completed by 30 June 2026 at a weighted average initial yield of 9.1% (detailed in *Developments, extensions, and refurbishments in the DJV* and in the Company Profile on 31 December 2021, the latter presentation available on the Company's corporate website), demonstrate the DJV's ability to achieve these targets.

Residential developments

MAS aims to benefit from a sustainable and growing distributable income stream, through residential sales and deliveries by the DJV of approximately €200million per annum by the 2026 financial year (figure not proportionally consolidated) at net after tax margins of approximately 20%.

An adequate residential pipeline has been secured for the DJV and is expected to achieve close to €200million in annual sales by 2026 (detailed in *Developments, extensions, and refurbishments in the DJV* and in the Company Profile on 31 December 2021, the latter presentation available on the Company's corporate website).

Direct acquisitions

MAS aims to complete direct acquisitions of high-quality, Central and Eastern European commercial assets to the value of at least €150million during the 2022 financial year and a further €50million by the end of the 2023 financial year.

MAS has identified and is analysing several direct acquisition opportunities in CEE. Even though the Group did not complete any Central and Eastern European acquisitions during the current financial year, it did invest in NEPI Rockcastle plc (NRP) during this period. The cost of MAS' investment in NRP, of €105.2million, can be equated to direct property acquisitions worth €137.7million (grossed up for NRP's gearing) at an implied property income yield of 7.7%. The Group has therefore substantially met the earnings target accompanying its strategic acquisition target for the 2022 financial year, while the listed securities provide appropriate cash warehousing until direct property acquisitions are available.

MAS extensively researched NRP, including a detailed assessment of over 95% of retail GLA of the company's income assets and competing assets, the three retail developments, prospects and associated risks. A summarised research report is available on MAS' corporate website. NRP shares are liquid, and provide an attractive investment alternative compared to short or medium-term options to lower cash drag to acceptable levels of risk. MAS expects that the investment in 18,849,607 NRP shares, at the average price of €5.58 per share, should generate total annual returns ranging between 11.5% and 13.0%.

Long-term earnings targets

MAS expects delivery on its strategic objectives to result in significant per share distributable earnings (and dividend) growth, with targeted distributable earnings ranging between 14.5eurocents and 15eurocents per share for the 2026 financial year. Of this, approximately 3eurocents per share is expected to result from residential sales. To achieve these results, it is assumed that, amongst others,

- (i) the remaining Western European assets are sold at book value;
- (ii) stated asset management targets are achieved;
- (iii) secured commercial and residential development pipeline is permitted and rolled out as planned (see Company Profile on 31 December 2021, available on the Company's corporate website, for details);
- (iv) NRP performs as expected and that its shares trade at the projected Tangible NAV per share, (see '*NEPI Rockcastle plc – property analysis, return expectations and views on strategy*' report detailing MAS' expectations);
- (v) the remaining directly-owned assets acquisitions targeted for 2023 are achieved;
- (vi) no further MAS shares are issued, or bought back, during this period;
- (vii) the economic environment remains stable with no major disruptions occurring before 30 June 2026, and
- (viii) no current and new income assets in CEE are disposed of by MAS, or the DJV, during this period.

Shareholders should note that the Company's estimates and distributable earnings per share targets have not been audited and are subject to change. Inevitably, some assumptions will not materialise, plans will change, and unanticipated events and circumstances may affect the ultimate financial results. The recent Russian invasion of Ukraine and the sanctions imposed by the European Union, amongst others, may affect MAS' growth plans, especially in light of higher energy prices, that are expected to put downward pressure on disposable income in the Group's markets. It is difficult to foresee the likely trajectory and extent of this at present. Moreover, the Company will not hesitate to adopt changes in strategy, or to take action that will impact negatively on distributable income per share, if this is considered appropriate from a long-term, risk-adjusted, total return perspective.

Management succession

Excellent progress has been made with MAS' transition towards a fully focused Central and Eastern European property investor and operator since the transaction with Prime Kapital in November 2019, and the appointment of Prime Kapital founders Martin Slabbert and Victor Semionov as Executive Directors of MAS. The terms of the transaction included a mandate of up to three years for the appointed executives to oversee the re-positioning and transitioning of the business, prior to them returning to Prime Kapital full-time. Executive Director appointments of Raluca Buzuleac, Irina Grigore, and Dan Petrisor, have positioned the Group to ensure a seamless succession to a management team with no affiliation to, or interest in, Prime Kapital by the end of the mandate.

Dividend declaration

The Company achieved 2.96eurocents distributable earnings per share in respect of the first half of the financial year to 30 June 2022, and the Board consequently declared a cash dividend of 2.96eurocents per share in respect of the six-month period. Payment is expected by 4 April 2022 and further details will be announced separately.

Earnings guidance

Distributable earnings per share for the six months to 30 June 2022 are expected to be approximately 3.70eurocents per share (this includes approximately 0.58eurocents per share from residential sales). Distributable earnings per share for the 2023 financial year is expected to range from 8.60eurocents to 9.30eurocents per share (of which 0.65 to 1.10eurocents per share is expected to be from residential sales). This guidance is based, and provided, on the assumptions that additional trading restrictions caused by the Covid-19 pandemic and Russian invasion of Ukraine will not result in material macroeconomic disruption, a stable political environment prevails in the Groups' markets, developments continue as scheduled, and no major corporate failures occur.

This forecast has not been audited or reviewed by MAS' auditors and is the responsibility of the Board of Directors.

Martin Slabbert
CEO

Irina Grigore
CFO (Deputy CEO)

3 March 2022
Malta

Released on 7 March 2022

Statement of Directors' responsibilities

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

The Directors have prepared the condensed consolidated interim financial statements in accordance with the International Financial Reporting Standard ('IFRS'), (IAS) 34 'Interim Financial Reporting'.

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

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

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

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

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

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

CEO and CFO confirmation

The Directors, whose names are stated below, hereby confirm that:

- (a) the condensed consolidated interim financial statements set out on pages 1 to 56, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- (b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the condensed consolidated interim financial statements false or misleading;
- (c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the condensed consolidated interim financial statements of the issuer;
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the condensed consolidated interim financial statements, having fulfilled our role and function as executive management with primary responsibility; for implementation and execution of controls, and
- (e) where we are not satisfied, we have disclosed to the audit and risk committee and the auditor the deficiencies in design and operational effectiveness of the internal financial controls, and any fraud that involves directors, and the necessary suitable actions to remedy these deficiencies have been put in place.

The condensed consolidated interim financial statements on pages 1 to 56 were approved and authorised for issue by the Board of Directors on 3 March 2022 and signed on its behalf by:

Martin Slabbert
Chief Executive Officer

Irina Grigore
Chief Financial Officer (Deputy Chief Executive Officer)

3 March 2022
Ta' Xbiex
Malta

Independent auditor's review report on interim financial statements

To the shareholders of MAS P.L.C.

We have reviewed the condensed consolidated interim financial statements of MAS P.L.C., contained in the accompanying interim report, which comprise the condensed consolidated statement of financial position as at 31 December 2021 and the condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

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

Auditor's Responsibility

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of MAS P.L.C. for the six months ended 31 December 2021 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council.

PricewaterhouseCoopers LLC

Chartered Accountants
Sixty Circular Road
Douglas
Isle of Man
IM1 1SA

4 March 2022

Condensed consolidated statement of profit or loss

	Note	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
<i>Continuing operations</i>				
Rental income	5.1	17,947	17,952	34,864
Service charge income and other recoveries	5.2	5,608	5,081	10,499
Gross revenue		23,555	23,033	45,363
Impairment of receivables	5	(335)	(3,003)	(6,090)
Service charge and other property operating expenses	5.2	(6,429)	(6,282)	(12,355)
Net rental income	5	16,791	13,748	26,918
Corporate expenses		(3,273)	(2,418)	(5,700)
Other income	6	1,032	1,728	2,690
Investment expenses	7	(908)	(799)	(631)
Fair value adjustments	8	24,898	8,539	28,432
Foreign currency exchange differences		(262)	759	3,100
Share of profit from equity accounted investee, net of tax	12	14,616	3,412	10,629
Profit before finance income/(costs)		52,894	24,969	65,438
Finance income	9	10,774	7,197	15,397
Finance costs	9	(7,656)	(3,781)	(9,401)
Profit before tax		56,012	28,385	71,434
Current tax		(349)	(92)	(180)
Deferred tax		316	(3,150)	(5,443)
Taxation	10	(33)	(3,242)	(5,623)
Profit from continuing operations		55,979	25,143	65,811
<i>Discontinued operations</i>				
Profit/(loss) from discontinued operations, net of tax	4.1	10,932	(3,878)	5,931
Profit for the period/year		66,911	21,265	71,742
<i>Attributable to:</i>				
Owners of the Group		66,911	21,265	71,742
Profit for the period/year		66,911	21,265	71,742
Earnings per share for profit attributable to the ordinary equity holders of the Group - total	18.3			
Basic earnings per share (eurocents)		9.50	3.02	10.18
Diluted earnings per share (eurocents)		9.48	3.02	10.14
Earnings per share for profit attributable to the ordinary equity holders of the Group - continuing operations	18.3			
Basic earnings per share (eurocents)		7.95	3.57	9.34
Diluted earnings per share (eurocents)		7.93	3.57	9.30

The notes on pages 7 to 56 form part of these condensed consolidated interim financial statements.

All amounts in € thousand unless otherwise stated.

Condensed consolidated statement of other comprehensive income

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Profit for the period/year - continuing operations	55,979	25,143	65,811
Profit/(loss) for the period/year - discontinued operations	10,932	(3,878)	5,931
Profit for the period/year	66,911	21,265	71,742
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations - continuing operations	440	3,571	2,920
Exchange differences on translation of foreign operations - discontinued operations	(2,517)	(4,872)	(1,570)
<i>Items reclassified through profit or loss</i>			
Foreign exchange gain previously recognised in other comprehensive income recycled on disposal of subsidiary - discontinued operations	2,625	-	-
Total comprehensive income for the period/year	67,459	19,964	73,092
<i>Attributable to:</i>			
Owners of the Group	67,459	19,964	73,092
Total comprehensive income for the period/year	67,459	19,964	73,092

Condensed consolidated statement of financial position

	Note	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
<i>Non-current assets</i>				
Investment property	11.1	487,530	444,584	458,603
Financial assets	16.3	300,009	198,714	247,734
Investment in equity-accounted investee	12	51,981	30,148	37,365
Intangible assets	13	1,696	1,696	1,696
Deferred tax assets	10	2,376	3,746	3,470
Other non-current assets	14	9,869	10,436	9,385
Total non-current assets		853,461	689,324	758,253
<i>Current assets</i>				
Financial investments	16.1	110,619	10,011	33,580
Trade and other receivables		31,239	22,433	36,030
Cash and cash equivalents	16.2	193,712	86,454	287,077
Investment property held for sale	4.2	88,761	400,172	211,640
Total current assets		424,331	519,070	568,327
Total assets		1,277,792	1,208,394	1,326,580
<i>Equity</i>				
Share capital and share premium	18.1	651,417	898,867	649,529
Share capital		7,131	-	-
Share premium		644,286	898,867	649,529
Treasury shares – geared share purchase plan shares	18.1	(7,868)	(5,318)	(5,980)
Retained earnings/(deficit)		261,555	(64,056)	236,421
Share-based payment reserve	18.2	1,167	1,036	1,233
Foreign currency translation reserve		(11,232)	(14,431)	(11,780)
Equity attributable to owners of the Group		895,039	816,098	869,423
<i>Non-current liabilities</i>				
Bonds	17.1	295,192	-	294,587
Bank loans	17.1	-	132,232	-
Financial liabilities	17.2	-	1,765	-
Deferred tax liabilities	10	23,866	24,808	24,436
Other non-current liabilities	15	2,260	1,900	2,036
Total non-current liabilities		321,318	160,705	321,059
<i>Current liabilities</i>				
Bonds	17.1	6,556	-	151
Bank loans	17.1	37,416	212,700	112,171
Financial liabilities	17.2	-	1,276	848
Trade and other payables		17,463	17,615	22,928
Total current liabilities		61,435	231,591	136,098
Total liabilities		382,753	392,296	457,157
Total shareholder equity and liabilities		1,277,792	1,208,394	1,326,580
<i>Number of ordinary shares in issue</i>				
	18.1	704,493,798	704,493,798	704,493,798
<i>IFRS Net Asset Value per share (eurocents)</i>				
		127.0	115.8	123.4

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 3 March 2022 and signed on their behalf by:

Irina Grigore
Chief Financial Officer (Deputy Chief Executive Officer)

Condensed consolidated statement of changes in equity

	Note	Share capital	Share premium	Treasury shares – geared share purchase plan shares	Retained earnings/ (deficit)	Share-based payment reserve	Foreign currency translation reserve	Equity attributable to owners of the Group
Balance on 30 June 2020 (audited)		-	899,858	(6,309)	(85,321)	925	(13,130)	796,023
<i>Comprehensive income for the period</i>								
Profit for the period		-	-	-	21,265	-	-	21,265
Other comprehensive expense for the period		-	-	-	-	-	(1,301)	(1,301)
Total comprehensive income/(expense) for the period		-	-	-	21,265	-	(1,301)	19,964
<i>Equity transactions</i>								
Employee share schemes – value of employee services	18.2	-	-	-	-	111	-	111
Employee share schemes – net value of shares forfeited and brought back in the scheme	18.1	-	(2,064)	2,064	-	-	-	-
Total equity transactions		-	(2,064)	2,064	-	111	-	111
<i>Transactions with the owners of the Group</i>								
Issue of shares	18.1	-	1,073	(1,073)	-	-	-	-
Total transactions with the owners of the Group		-	1,073	(1,073)	-	-	-	-
Balance on 31 December 2020 (reviewed)		-	898,867	(5,318)	(64,056)	1,036	(14,431)	816,098
<i>Comprehensive income for the period</i>								
Profit for the period		-	-	-	50,477	-	-	50,477
Other comprehensive income for the period		-	-	-	-	-	2,651	2,651
Total comprehensive income for the period		-	-	-	50,477	-	2,651	53,128
<i>Equity transactions</i>								
Employee share schemes – value of employee services	18.2	-	-	-	-	197	-	197
Transfer of share premium to retained deficit	18.1	-	(250,000)	-	250,000	-	-	-
Total equity transactions		-	(250,000)	-	250,000	197	-	197
<i>Transactions with the owners of the Group</i>								
Issue of shares	18.1	-	662	(662)	-	-	-	-
Total transactions with the owners of the Group		-	662	(662)	-	-	-	-
Balance on 30 June 2021 (audited)		-	649,529	(5,980)	236,421	1,233	(11,780)	869,423

The notes on pages 7 to 56 form part of these condensed consolidated interim financial statements.

All amounts in € thousand unless otherwise stated.

Condensed consolidated statement of changes in equity (continued)

	Note	Share capital	Share premium	Treasury shares – geared share purchase plan shares	Retained earnings/ (deficit)	Share-based payment reserve	Foreign currency translation reserve	Equity attributable to owners of the Group
Balance on 30 June 2021 (audited)		-	649,529	(5,980)	236,421	1,233	(11,780)	869,423
<i>Comprehensive income for the period</i>								
Profit for the period		-	-	-	66,911	-	-	66,911
Other comprehensive income for the period		-	-	-	-	-	548	548
Total comprehensive income for the period		-	-	-	66,911	-	548	67,459
Nominal value of shares assignment on Company's continuation	18.1	7,131	(7,131)	-	-	-	-	-
<i>Equity transactions</i>								
Employee share schemes – value of employee services	18.2	-	-	-	-	(66)	-	(66)
Employee share schemes – net value of shares forfeited and brought back in the scheme	18.1	-	(171)	171	-	-	-	-
Total equity transactions		-	(171)	171	-	(66)	-	(66)
<i>Transactions with the owners of the Group</i>								
Issue of shares	18.1	-	2,059	(2,059)	-	-	-	-
Distributions	18.1	-	-	-	(41,777)	-	-	(41,777)
Total transactions with the owners of the Group		-	2,059	(2,059)	(41,777)	-	-	(41,777)
Balance on 31 December 2021 (reviewed)		7,131	644,286	(7,868)	261,555	1,167	(11,232)	895,039

The notes on pages 7 to 56 form part of these condensed consolidated interim financial statements.

All amounts in € thousand unless otherwise stated.

Condensed consolidated statement of cash flows

	Note	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
<i>Operating activities</i>				
Cash generated from operating activities	16.2	19,883	47,093	35,700
Income received on PKM Development preference shares		8,141	2,530	8,288
Income taxes paid		(1,827)	(5,860)	(4,068)
Distribution paid to geared share purchase plan participants	18.2	(291)	-	-
Net cash inflow from operating activities		25,906	43,763	39,920
<i>Investing activities</i>				
Paid capitalised expenditure on investment property	11.1	(3,521)	(3,039)	(6,467)
Paid capitalised expenditure on investment property held for sale	4.2	(1,570)	(2,404)	(8,786)
Proceeds from sale of investment property held for sale	4.2	46,208	127,967	343,852
Proceeds from sale of subsidiary, net of cash disposed of	4.2	43,207	-	-
Subscription for PKM Developments preference shares		(49,700)	(8,000)	(54,650)
Acquisition of direct financial investments	16.1	(77,027)	(1,877)	(28,204)
Receipt of CFD collateral on CFD disposals	16.1	-	3,834	28,406
Settlement of fair value adjustments on CFDs	16.1	-	(13,365)	7,234
Settlement of financial liability		-	-	(2,340)
Investment expenses paid		(1,831)	(2,791)	(10,339)
Interest on bank deposits, net	9	(481)	(90)	(293)
Tax paid on investing activities		(93)	(61)	(4,061)
Net cash (outflow)/inflow from investing activities		(44,808)	100,174	264,352
<i>Financing activities</i>				
Proceeds from issue of bonds	17.1	-	-	296,710
Paid transaction costs relating to bonds	17.1	(42)	-	(3,560)
Paid transaction costs relating to bank loans	17.1	(131)	(539)	-
Repayment of capital on bank loans	17.1	(30,531)	(102,565)	(341,808)
Debt break fees paid on repayment of bank loans	17.1	(695)	-	(10,151)
Interest paid on bank loans	17.1	(1,029)	(4,467)	(8,269)
Distributions paid	18.1	(41,777)	-	-
Net cash outflow from financing activities		(74,205)	(107,571)	(67,078)
Net (decrease)/increase in cash and cash equivalents		(93,107)	36,366	237,194
Cash and cash equivalents at the beginning of the period/year	16.2	287,077	51,404	51,404
Effect of movements in foreign exchange rate fluctuations on cash held		(258)	(1,316)	(1,521)
Cash and cash equivalents at the end of the period/year	16.2	193,712	86,454	287,077

The cash flows above relate to continuing and discontinued operations. See note 4.3 for cash flow summary on discontinued operations.

Notes to the condensed consolidated interim financial statements
Corporate information

MAS P.L.C. (formerly MAS Real Estate Inc.) (the 'Company' or 'MAS') is domiciled in Malta and subject to the Malta Companies Act 1995. The address of its registered office is Suite 11, Marina Business Centre, Abate Rigord Street, Ta' Xbiex, XBX1129, Malta. The Company has completed, effective 12 October 2021, the migration process from the British Virgin Islands to Malta, including the registration of necessary amendments to the Company's memorandum and articles of association and the change of its name to MAS P.L.C., as stated in the announcement issued by the Group on 10 November 2021, available on <https://www.masrei.com>. These condensed consolidated interim financial statements in respect of the six-month period to 31 December 2021 comprise the Company and its subsidiaries (together referred to as the 'Group').

Comparative figures are included for the six-month period to 31 December 2020 and for the financial year to 30 June 2021.

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

Group subsidiaries

The Group's subsidiaries on 31 December 2021, 30 June 2021 and 31 December 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Entity name	Ownership interest held by the Group
MAS (BVI) Holdings Limited	100%
Rhea Mezzi Limited (name changed from MAS Mezzi Limited on 19 January 2021)	100%
MAS Property Advisors Limited	100%
MAS (IOM) Holdings Limited	100%
MAS CEE Developments Limited	100%
MAS CEE Investments Limited	100%
MAS Securities BV (incorporated on 21 January 2021)	100%
MAS One PCC Limited	100%
MAS Two PCC Limited	100%
MAS Three Limited	100%
Braehead Properties Limited	100%
Chippenham Properties Limited	100%
Langley Properties Limited	100%
North Street Quarter Limited	100%
New Waverley 10 Limited	100%
New Waverley 12 Limited	100%
New Waverley 14 Limited	100%
New Waverley 20 Limited	100%
MAS (European) Holdings Limited	100%
Braunschweig Limited	100%
Flensburg Limited	100%
MAS Property Management GmbH (incorporated on 31 August 2021)	100%
Brandenburg Retail Capital Sarl	100%
MAS WE Holdings Ltd (name changed from European Property Holdings Sarl and redomiciled to Malta on 19 April 2021)	100%
Impromptu Capital Sarl	100%
Incantada Capital Sarl	100%
Innova Capital Sarl	100%
Interlude Capital Sarl	100%
Intermezzo Capital Sarl	100%
Istempo Capital Sarl	100%
Instrumento Capital Sarl	100%
Intonata Capital Sarl	100%
Leipzig Retail Capital Sarl	100%
Magdeburg Retail Capital Sarl	100%
Petrusse Capital Sarl	100%
PKM CEE Investments Ltd	100%
PKM Investments Finance Ltd	100%
MAS CEE Holdings Ltd (name changed from PKM Investment Sarl and redomiciled to Malta on 23 August 2021)	100%
MAS CEE Management Holding SRL (name changed from PKM Neptune SRL on 4 January 2021)	100%
Land Development Proiect SRL	100%
MAS Real Estate Finance SRL (name changed from PKM Gemini SRL on 8 April 2021)	100%
PKM Jupiter SRL	100%
PKM Saturn SRL	100%
Mastweight SRL	100%
PK Black SRL	100%
PK Red SRL	100%
PK Indigo SRL	100%
Galleria Burgas ead	100%
Galleria Stara Zagora ead	100%
PKM Investments (Netherlands) BV ¹	100%
Nova Park sp zoo	100%

MAS P.L.C.**Condensed consolidated interim financial statements for the six-month period to 31 December 2021**

Entity name	Ownership interest held by the Group
Prime Kapital CEE Property Investment Management Ltd	100%
PK Property Management (Poland) sp zoo	100%
PK Property Management (Bulgaria) eood	100%
New Uberior House Limited ²	100%

¹ Effective 1 July 2021, PK Mezz BV merged with its direct shareholder, PKM Investments (Netherlands) BV, the latter being the surviving entity.

² Effective 26 August 2021, New Uberior House Limited was disposed of by means of a share deal and deconsolidated from the Group's subsidiaries.

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1. Significant events in the reporting period

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

- MAS P.L.C. (formerly MAS Real Estate Inc.) has completed, effective 12 October 2021, the migration process from the British Virgin Islands to Malta, including the registration of amendments to the Company's memorandum and articles of association and the change of its name to MAS P.L.C.;
- Additional disposals of investment property, in accordance with the Group's disposal strategy; see further information in note 4.2;
- Acquisition of additional listed real estate equity securities; see further information in note 16.1.

2. Going concern

Management prepared these condensed consolidated interim financial statements on a going concern basis. Based on the publicly available information on the date on which these condensed consolidated interim financial statements were authorised for issue, the Group has considered and analysed further potential developments of the Covid-19 pandemic and its expected impact on the Group's revenues, profits, cash flows, operations and liquidity position and markets including measures already taken by the governments in which the Group operates. As potential Covid-19 disruptions are not expected to lead to negative operational cash flows in the short term and after analysing the potential impact on the Group's operations and long-term strategy and earnings targets, management concluded that there are no material uncertainties relating to Group's ability to continue as a going concern.

3. Segmental analysis – proportionate accounts

Segment results used by the senior management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group's reportable segments are designed so that management can optimally analyse assets and their performance on a regional level, consistent with the Group's strategy to focus on the CEE markets. The Group prepares proportionate accounts for the use of investors, analysts, rating agencies and any other interested parties for the purpose of providing a transparent view of how management considers the Group's operational performance and determines its financial position. A segment's performance is measured with two indicators, tangible net asset value per segment and adjusted distributable earnings per segment, with each segment described in the table below.

The Group has a significant investment in the DJV as a result of the arrangement with Prime Kapital. Presentation of financial information by using the proportionate consolidation method enhances clarity to interested parties in respect of the Group's operations.

Reportable segment	Description
CEE direct assets (CEE)	Income properties located in CEE fully owned and managed by the Group.
CEE development joint venture (DJV)	Income and development properties located in CEE operated by the Group and indirectly owned through the DJV with Prime Kapital. Information presented represents the Group's 40% share in the joint venture. In addition, the segment includes other balances and transactions in relation to the DJV, including 60% of the preference share exposure (40% of the redemption value and income related to preference shares is eliminated on proportionate consolidation).
WE direct assets (WE)	Income properties located in WE (Germany, UK) fully owned and managed by the Group.
Corporate (Co)	Other assets, liabilities and activities related to the Group's management, including investments in listed securities, Group level financing, as well as corporate level administration.

Management analyses the operational performance and financial position of the Group by aggregating the Group's operations into the four reportable segments described above. These reportable segments have different risk profiles and generate revenue/income from different sources. Accordingly, it allows the senior management to make better informed strategic decisions for the Group.

Segmental analysis basis for preparation – proportionate accounts

The Group's management accounts is not intended to be a replacement of the Group's IFRS financial statements but a complement to these. In considering the accounting policies for the management accounts, management analysed in-depth best practice recommendations by industry institutions (EPRA, SA REIT) and the main changes in presentation of financial information in accordance with IFRS versus Segmental analysis are disclosed below.

Presentation	IFRS	Segmental analysis – proportionate accounts
Joint ventures and non-controlling interests	Equity accounting	Proportionate accounting
Statement of profit or loss	Aggregation based on function (presented as continuing and discontinued operations in accordance with IFRS 5)	Aggregation based on nature ¹
Properties held for sale	Current assets	Investment property based on type
Statement of financial position – line descriptions	Aggregation with limited details (explanatory notes needed for clarity)	Comprehensive detail with limited aggregation

Presentation	IFRS	Segmental analysis – proportionate accounts
Statement of financial position – classification by current/non-current	Yes	No
Statement of financial position – equity	Classification by type	Total equity amount

¹ Proportionate accounts have been adjusted to reflect investment expenses of €337 thousand incurred by corporate entities servicing multiple WE subsidiaries, mainly relating to legal fees attributable to disposal of the WE assets and to reflect fair value of income property net off by gain/(loss) from disposal of assets and debt break fees incurred at the disposal of the respective assets.

Proportionate accounts have been prepared to reflect the Group's proportion of its 40% equity interest in the DJV.

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

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

- Investment property and investment property held for sale have been disaggregated to show Income property, Developments – income property and Developments – residential property.
- Financial assets and investments have been disaggregated to show Preference shares, Group's Listed securities gross exposure, DJV's Listed securities at cost and Other assets.
- Trade and other receivables have been split in VAT receivable, Share-based payment prepayments and Trade and other receivables.
- Debt financing has been grossed-up to include the funding leg related to listed securities investments held in the form of CFDs (see note 16.1).
- Financial liabilities have been split in Interest rate derivative financial liabilities and Other liabilities.

Segment adjusted proportionate accounts

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

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

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

MAS P.L.C.
Condensed consolidated interim financial statements for the six-month period to 31 December 2021

Six-month period to 31 December 2021	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
EARNINGS	66,911	39,518	25,331	10,519	(8,457)	24,509	443	378	23,230	458	91,420	39,961	25,709	33,749	(7,999)
DISTRIBUTABLE EARNINGS	21,019	15,075	12,020	953	(7,029)	(997)	-	(1,684)	-	687	20,022	15,075	10,336	953	(6,342)
Net rental income – income property	21,961	16,347	3,330	2,284	-	-	-	-	-	-	21,961	16,347	3,330	2,284	-
Net income – preference shares	6,430	-	6,430	-	-	-	-	-	-	-	6,430	-	6,430	-	-
Net dividends – listed securities ^{1,7}	2,716	-	1,684	-	1,032	(997)	-	(1,684)	-	687	1,719	-	-	-	1,719
Net corporate expenses	(2,691)	(962)	(454)	(181)	(1,094)	-	-	-	-	-	(2,691)	(962)	(454)	(181)	(1,094)
Interest on debt financing	(8,333)	-	(214)	(910)	(7,209)	-	-	-	-	-	(8,333)	-	(214)	(910)	(7,209)
Interest capitalised on developments	1,269	-	1,269	-	-	-	-	-	-	-	1,269	-	1,269	-	-
Other distributable net income/(cost)	161	(166)	(2)	(25)	354	-	-	-	-	-	161	(166)	(2)	(25)	354
Income tax	(494)	(144)	(23)	(215)	(112)	-	-	-	-	-	(494)	(144)	(23)	(215)	(112)
NON-DISTRIBUTABLE EARNINGS	45,892	24,443	13,311	9,566	(1,428)	25,506	443	2,062	23,230	(229)	71,398	24,886	15,373	32,796	(1,657)
Fair value adjustments – income property ⁵	49,757	24,886	15,295	9,576	-	(14,192)	-	-	(14,192)	-	35,565	24,886	15,295	(4,616)	-
Fair value adjustments – interest rate derivatives	88	-	-	88	-	-	-	-	-	-	88	-	-	88	-
Fair value adjustments – listed securities ¹	12	-	-	-	12	(687)	-	-	-	(687)	(675)	-	-	-	(675)
Foreign currency exchange differences	2,214	-	-	2,625	(411)	-	-	-	-	-	2,214	-	-	2,625	(411)
Investment expenses ⁵	(1,723)	-	-	(1,538)	(185)	1,489	-	-	1,489	-	(234)	-	-	(49)	(185)
Share-based payment expense ³	(1,217)	(759)	-	-	(458)	1,217	759	-	-	458	-	-	-	-	-
Other non-distributable income/(cost)	(308)	-	78	-	(386)	-	-	-	-	-	(308)	-	78	-	(386)
Tax on sale of property	(93)	-	-	(93)	-	-	-	-	-	-	(93)	-	-	(93)	-
Deferred tax ⁴	(2,838)	316	(2,062)	(1,092)	-	1,746	(316)	2,062	-	-	(1,092)	-	-	(1,092)	-
Estimation for WE disposal realisation costs and losses ⁵	-	-	-	-	-	35,933	-	-	35,933	-	35,933	-	-	35,933	-
<i>Adjusted distributable earnings per share (eurocents)</i>											2.96				
<i>Dividend per share (eurocents)</i>											2.96				

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Condensed consolidated interim financial statements for the six-month period to 31 December 2021

On 31 December 2021	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
NET ASSET VALUE	895,039	486,165	352,045	79,337	(22,508)	(6,979)	10,275	(13,352)	(3,902)	-	888,060	496,440	338,693	75,435	(22,508)
ASSETS	1,337,805	520,934	412,061	124,567	280,243	(33,161)	(13,591)	(19,570)	-	-	1,304,644	507,343	392,491	124,567	280,243
Income property	700,034	486,855	124,456	88,723	-	-	-	-	-	-	700,034	486,855	124,456	88,723	-
Developments – income property	27,522	713	26,809	-	-	-	-	-	-	-	27,522	713	26,809	-	-
Developments – residential property	48,306	-	48,306	-	-	-	-	-	-	-	48,306	-	48,306	-	-
Preference shares	180,005	-	180,005	-	-	-	-	-	-	-	180,005	-	180,005	-	-
Listed securities ⁶	130,189	-	19,570	-	110,619	(19,570)	-	(19,570)	-	-	110,619	-	-	-	110,619
Goodwill ²	1,696	1,696	-	-	-	(1,696)	(1,696)	-	-	-	-	-	-	-	-
Deferred tax asset	2,505	1,428	129	948	-	-	-	-	-	-	2,505	1,428	129	948	-
Other assets	1,009	154	717	132	6	-	-	-	-	-	1,009	154	717	132	6
VAT receivable	3,078	522	1,911	429	216	-	-	-	-	-	3,078	522	1,911	429	216
Share-based payment prepayments ³	11,895	11,895	-	-	-	(11,895)	(11,895)	-	-	-	-	-	-	-	-
Trade and other receivables	30,092	7,478	2,396	19,482	736	-	-	-	-	-	30,092	7,478	2,396	19,482	736
Cash and cash equivalents	201,474	10,193	7,762	14,853	168,666	-	-	-	-	-	201,474	10,193	7,762	14,853	168,666
LIABILITIES	442,766	34,769	60,016	45,230	302,751	(26,182)	(23,866)	(6,218)	3,902	-	416,584	10,903	53,798	49,132	302,751
Debt financing	363,056	-	23,893	37,395	301,768	-	-	-	-	-	363,056	-	23,893	37,395	301,768
Other liabilities	1,071	-	1,071	-	-	-	-	-	-	-	1,071	-	1,071	-	-
Deferred tax liability ⁴	30,084	23,866	6,218	-	-	(30,084)	(23,866)	(6,218)	-	-	-	-	-	-	-
Trade and other payables	48,555	10,903	28,834	7,835	983	-	-	-	-	-	48,555	10,903	28,834	7,835	983
Estimation for WE disposal realisation costs and losses ⁵	-	-	-	-	-	3,902	-	-	3,902	-	3,902	-	-	3,902	-
Closing number of shares in issue											676,094,408				
NAV per share (eurocents)	132	72	52	12	(3)						131	73	50	11	(3)
Tangible NAV per share (eurocents)															

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Condensed consolidated interim financial statements for the six-month period to 31 December 2021

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

Adjusted distributable earnings per share
(eurocents)

3.12

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Condensed consolidated interim financial statements for the six-month period to 31 December 2021

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

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Condensed consolidated interim financial statements for the six-month period to 31 December 2021

Year to 30 June 2021	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
EARNINGS	71,742	29,949	25,957	5,519	10,317	32,699	6,531	(9)	25,557	620	104,441	36,480	25,948	31,076	10,937
DISTRIBUTABLE EARNINGS	42,439	19,312	14,548	13,026	(4,447)	(1,825)	-	-	-	(1,825)	40,614	19,312	14,548	13,026	(6,272)
Net rental income – income property	50,388	26,051	4,833	19,504	-	-	-	-	-	-	50,388	26,051	4,833	19,504	-
Net income – preference shares	9,193	-	9,193	-	-	-	-	-	-	-	9,193	-	9,193	-	-
Net dividends – listed securities ¹	2,690	-	-	-	2,690	(1,825)	-	-	-	(1,825)	865	-	-	-	865
Net corporate expenses	(4,913)	(878)	(333)	(600)	(3,102)	-	-	-	-	-	(4,913)	(878)	(333)	(600)	(3,102)
Interest on debt financing	(14,516)	(5,406)	(342)	(4,988)	(3,780)	-	-	-	-	-	(14,516)	(5,406)	(342)	(4,988)	(3,780)
Interest capitalised on developments	1,304	-	1,304	-	-	-	-	-	-	-	1,304	-	1,304	-	-
Other distributable net cost	(650)	(415)	(82)	(38)	(115)	-	-	-	-	-	(650)	(415)	(82)	(38)	(115)
Income tax	(1,057)	(40)	(25)	(852)	(140)	-	-	-	-	-	(1,057)	(40)	(25)	(852)	(140)
NON-DISTRIBUTABLE EARNINGS	29,303	10,637	11,409	(7,507)	14,764	34,524	6,531	(9)	25,557	2,445	63,827	17,168	11,400	18,050	17,209
Fair value adjustments – income property ⁵	26,461	15,922	11,436	(897)	-	(9,295)	-	-	(9,295)	-	17,166	15,922	11,436	(10,192)	-
Fair value adjustments – interest rate derivatives	532	354	-	675	(497)	-	-	-	-	-	532	354	-	675	(497)
Fair value adjustments – listed securities ¹	12,610	-	-	-	12,610	1,825	-	-	-	1,825	14,435	-	-	-	14,435
Fair value adjustments – other financial liabilities	(319)	43	-	(362)	-	-	-	-	-	-	(319)	43	-	(362)	-
Foreign currency exchange differences	3,490	-	-	-	3,490	-	-	-	-	-	3,490	-	-	-	3,490
Investment expenses ⁵	(4,666)	(5)	(6)	(4,605)	(50)	4,118	-	-	4,118	-	(548)	(5)	(6)	(487)	(50)
Share-based payment expense ³	(1,708)	(1,088)	-	-	(620)	1,708	1,088	-	-	620	-	-	-	-	-
Other non-distributable income/(cost)	655	854	(30)	-	(169)	-	-	-	-	-	655	854	(30)	-	(169)
Tax on sale of property	(10,713)	-	-	(10,713)	-	-	-	-	-	-	(10,713)	-	-	(10,713)	-
Deferred tax ⁴	2,961	(5,443)	9	8,395	-	5,434	5,443	(9)	-	-	8,395	-	-	8,395	-
Estimation for WE disposal realisation costs and losses ⁵	-	-	-	-	-	30,734	-	-	30,734	-	30,734	-	-	30,734	-
<i>Adjusted distributable earnings per share (eurocents)</i>											5.93				
<i>Dividend per share (eurocents)</i>											5.93				

MAS P.L.C.
Condensed consolidated interim financial statements for the six-month period to 31 December 2021

On 30 June 2021	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
NET ASSET VALUE	869,423	464,427	285,155	146,049	(26,208)	(32,465)	10,086	(15,418)	(27,133)	-	836,958	474,513	269,737	118,916	(26,208)
ASSETS	1,360,189	497,745	318,765	269,771	273,908	(33,920)	(14,350)	(19,570)	-	-	1,326,269	483,395	299,195	269,771	273,908
Income property	755,723	455,733	88,388	211,602	-	-	-	-	-	-	755,723	455,733	88,388	211,602	-
Developments – income property	28,719	2,908	25,811	-	-	-	-	-	-	-	28,719	2,908	25,811	-	-
Developments – residential property	28,739	-	28,739	-	-	-	-	-	-	-	28,739	-	28,739	-	-
Preference shares	148,640	-	148,640	-	-	-	-	-	-	-	148,640	-	148,640	-	-
Listed securities ⁶	53,150	-	19,570	-	33,580	(19,570)	-	(19,570)	-	-	33,580	-	-	-	33,580
Goodwill ²	1,696	1,696	-	-	-	(1,696)	(1,696)	-	-	-	-	-	-	-	-
Deferred tax asset	3,600	1,682	130	1,788	-	-	-	-	-	-	3,600	1,682	130	1,788	-
Other assets	738	201	331	132	74	-	-	-	-	-	738	201	331	132	74
VAT receivable	2,498	152	1,253	727	366	-	-	-	-	-	2,498	152	1,253	727	366
Share-based payment prepayments ³	12,654	12,654	-	-	-	(12,654)	(12,654)	-	-	-	-	-	-	-	-
Trade and other receivables	32,923	6,419	1,871	24,493	140	-	-	-	-	-	32,923	6,419	1,871	24,493	140
Cash and cash equivalents	291,109	16,300	4,032	31,029	239,748	-	-	-	-	-	291,109	16,300	4,032	31,029	239,748
LIABILITIES	490,766	33,318	33,610	123,722	300,116	(1,455)	(24,436)	(4,152)	27,133	-	489,311	8,882	29,458	150,855	300,116
Debt financing	419,343	-	12,434	111,896	295,013	-	-	-	-	-	419,343	-	12,434	111,896	295,013
Interest rate derivative financial liabilities	848	-	-	848	-	-	-	-	-	-	848	-	-	848	-
Other liabilities	1,138	-	1,138	-	-	-	-	-	-	-	1,138	-	1,138	-	-
Deferred tax liability ⁴	28,588	24,436	4,152	-	-	(28,588)	(24,436)	(4,152)	-	-	-	-	-	-	-
Trade and other payables	40,849	8,882	15,886	10,978	5,103	-	-	-	-	-	40,849	8,882	15,886	10,978	5,103
Estimation for WE disposal realisation costs and losses ⁵	-	-	-	-	-	27,133	-	-	27,133	-	27,133	-	-	27,133	-
Closing number of shares in issue											676,094,408				
NAV per share (eurocents)	129	69	42	22	(4)						124	70	40	18	(4)
Tangible NAV per share (eurocents)															

Condensed consolidated interim financial statements for the six-month period to 31 December 2021

The reconciliations of distributable earnings for the six-month periods to 31 December 2021, 31 December 2020 and 30 June 2021, and the year to 30 June 2021 are provided below.

Segment	Adjusted distributable earnings for the six-month period to 31 Dec 2021	Adjusted distributable earnings for the six-month period to 31 Dec 2020	Adjusted distributable earnings for the six-month period to 30 Jun 2021	Adjusted distributable earnings for the financial year to 30 Jun 2021
CEE	15,075	9,746	9,566	19,312
DJV	10,336	7,053	7,495	14,548
WE	953	7,359	5,667	13,026
Co	(6,342)	(2,643)	(3,629)	(6,272)
Total	20,022	21,515	19,099	40,614

Weighted average number of shares in issue for the period

676,094,408

689,974,806

680,859,049

Adjusted distributable earnings per share (eurocents)

2.96

3.12

2.81

5.93

Dividend per share (eurocents)

2.96

-

-

5.93

The Weighted average and Closing number of shares in issue for the six-month period to 31 December 2021 are presented below.

Date	Transaction	Number of shares	Cumulative number of shares outstanding	% of period	Weighted average
01-Jul-21	Opening	676,094,408	676,094,408	100.0%	676,094,408
31-Dec-21	Closing	676,094,408	676,094,408	100.0%	676,094,408

The Weighted average and Closing number of shares in issue for the six-month period to 31 December 2020 are presented below.

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

The Weighted average and Closing number of shares in issue for the six-month period to 30 June 2021 are presented below.

Date	Transaction	Number of shares	Cumulative number of shares outstanding	% of period	Weighted average
01-Jan-21	Opening	687,294,408	687,294,408	42.5%	292,384,914
18-Mar-21	40% of shares purchased by DJV	(11,200,000)	676,094,408	57.5%	388,474,135
30-Jun-21	Closing	676,094,408	676,094,408	100.0%	680,859,049

4. Investment property held for sale and discontinued operations

In the six-month period to 31 December 2021, the Group completed the sale of three properties and signed a sale purchase agreement for Gotha, as detailed below. The Group has also completed the sale of New Uberior House by means of a share deal.

Properties classified as discontinued operations

Property name	Country	Status			Completion date
		On 31 December 2021	On 31 December 2020	On 30 June 2021	
New Waverley (PA4N)	UK	Sold	Sold	Sold	31 July 2020
Zurich	Switzerland	Sold	Sold	Sold	15 October 2020
Heppenheim Park	Germany	Sold	Sold	Sold	13 November 2020
Gummersbach	Germany	Sold	Sold	Sold	13 November 2020
Donnaueschingen	Germany	Sold	Sold	Sold	13 November 2020
Braehead	UK	Sold	Sold	Sold	13 November 2020
Chippenham	UK	Sold	Sold	Sold	18 December 2020
New Waverley (PA7)	UK	Sold	Sold	Sold	23 December 2020
Braunschweig Edeka – Welfenplatz	Germany	Sold	Held for sale	Sold	06 February 2021
Lehrte	Germany	Sold	Held for sale	Sold	19 February 2021
Braunschweig	Germany	Sold	Held for sale	Sold	26 February 2021
Bruchsal (3 blocks)	Germany	Sold	Held for sale	Sold	01 March 2021
Munich	Germany	Sold	Held for sale	Sold	01 March 2021
Edeka Miha (x9 locations)	Germany	Sold	Held for sale	Sold	31 March 2021
Frankenthal	Germany	Sold	Held for sale	Sold	31 March 2021
Edeka Thales (x3 locations)	Germany	Sold	Held for sale	Sold	31 March 2021
Edeka Miha (x4 locations)	Germany	Sold	Held for sale	Sold	31 March 2021
Edeka Miha (x7 locations)	Germany	Sold	Held for sale	Sold	31 March 2021
North Street Quarter	UK	Sold	Held for sale	Sold	16 April 2021
Nordhausen	Germany	Sold	Held for sale	Sold	30 June 2021
New Uberior House	UK	Sold ¹	Held for sale	Held for sale	26 August 2021
Malling Brooks	UK	Sold	Held for sale	Held for sale	24 October 2021
Adagio Hotel	UK	Sold	Held for sale	Held for sale	21 December 2021
Gotha	Germany	Sold ²	Held for sale	Held for sale	n/a
Flensburg Galerie	Germany	Held for sale	Held for sale	Held for sale	n/a
New Waverley, Arches	UK	Held for sale	Held for sale	Held for sale	n/a
Langley Park	UK	Held for sale	Held for sale	Held for sale	n/a

¹ Disposal of New Uberior House was conducted by means of a share deal. Accordingly, IFRS 10 principles have been applied for the deconsolidation of subsidiary New Uberior House Limited.

² Sale was completed on 23 February 2022.

4.1. Profit/(loss) from discontinued operations, net of tax

	Note	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Rental income	5.1	3,667	14,642	23,326
Service charge income and other recoveries	5.2	661	1,569	2,500
Gross revenue		4,328	16,211	25,826
Impairment of receivables	5	(2)	(1,152)	(259)
Service charge and other property operating expenses	5.2	(2,057)	(3,845)	(6,063)
Net rental income		2,269	11,214	19,504
Corporate expenses		(181)	(345)	(600)
Other income	6	636	-	-
Investment expenses	7	(1,201)	(2,483)	(4,199)
Fair value adjustments	8	1,347	(8,107)	(9,878)
Foreign currency exchange differences		-	(4)	(7)
Foreign exchange gain previously recognised in other comprehensive income recycled on disposal of subsidiary	4.2	2,625	-	-
Loss from disposal of subsidiary	4.2	(2,630)	-	-
Gain from disposal of investment property held for sale	4.2	11,289	3,133	19,610
Profit before finance income/(costs)		14,154	3,408	24,430
Finance income	9	-	-	3
Finance costs	9	(1,915)	(6,641)	(15,332)
Profit/(loss) before tax		12,239	(3,233)	9,101

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	Note	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Current tax		(215)	(6,718)	(11,565)
Deferred tax		(1,092)	6,073	8,395
Taxation	10	(1,307)	(645)	(3,170)
Profit/(loss) from discontinued operations, net of tax		10,932	(3,878)	5,931

The Group elected to disclose in these condensed consolidated interim financial statements, detailed elements of relevant line items of profit/(loss) from discontinued operations in comparison with continuing operations, as detailed in each relevant note.

4.2. Investment property held for sale

Reconciliation of the Group's investment property held for sale is detailed below.

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Opening balance	211,640	429,592	429,592
Transfer from investment property	-	97,679	97,736
Disposals ²	(137,903)	(127,967)	(343,852)
Capitalised expenditure ¹	1,749	3,282	9,275
Fair value adjustment	1,260	(7,951)	(10,193)
Gain from disposal of assets	11,289	3,133	19,610
Foreign currency translation reserve	726	2,404	9,472
Closing balance	88,761	400,172	211,640

¹ Of the €1,749 thousand (31 December 2020: €3,282 thousand; 30 June 2021: €9,275 thousand) capitalised expenditure incurred during the period, the Group paid €1,570 thousand (31 December 2020: €2,404 thousand; 30 June 2021: €8,786 thousand).

² Disposals of €137,903 thousand include New Uberior House investment property value of €91,695 thousand as disposed of by means of a share deal.

Bank loans of €37,395 thousand (31 December 2020: €204,890 thousand; 30 June 2021: €111,896 thousand) are secured against investment property held for sale with a carrying value of €69,124 thousand (31 December 2020: €365,691 thousand; 30 June 2021: €192,236 thousand). For further information on outstanding bank loans secured against investment property held for sale, refer to note 17.1.

Investment property held for sale has been adjusted to take into account lease incentive accruals of €86 thousand (31 December 2020: €1,595 thousand; 30 June 2021: €1,594 thousand).

Investment properties disposed during the period

Reconciliation of profit from disposal of investment properties held for sale is disclosed below.

Property name	Fair value at completion date	Transaction value	Foreign currency translation	Gain on disposal
Adagio Hotel	(33,743)	45,210	(267)	11,200
Malling Brooks	(902)	998	(7)	89
Total	(34,645)	46,208	(274)	11,289

Gain from disposal of investment properties held for sale includes (a) investment properties fair valued on the most recent date prior to disposal, and (b) lease incentive accruals. The transaction value is the sale price in accordance with SPAs entered into.

Subsidiary disposed during the period

The disposal of New Uberior House was conducted by means of a share deal. In accordance with IFRS 10, the subsidiary was deconsolidated from the Group's accounts, on the effective date of disposal. The subsidiary was disposed of for a consideration of €90,259 thousand. The transaction resulted in €2,630 thousand loss from disposal of subsidiary and €2,625 thousand foreign exchange gain previously presented in other comprehensive income which was recycled through profit or loss for the period.

Reconciliation of sale consideration received is presented below.

	Amount
Consideration received	90,259
Liabilities settled by the buyer¹	(45,293)
Bank loans	(44,575)
Interest rate swap	(718)
Cash and cash equivalents disposed of	(1,759)
Cash consideration received²	43,207

¹ Non-cash flow movement

² Cash flow movement

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Assets and liabilities, including cash and cash equivalents, over which control was relinquished, effective 26 August 2021 are summarised below.

	On disposal date
Assets	93,454
Investment property	91,695
Cash and cash equivalents	1,759
Liabilities	2,585
Trade and other payables	2,341
Deferred tax liabilities	244

Additional costs on disposal of assets relate to €737 thousand (31 December 2020: €3,832 thousand; 30 June 2021: €10,315 thousand) incurred by the Group as debt break fees from repayment of bank loans secured against investment property held for sale; refer to note 9, and €1,201 thousand (31 December 2020: €2,473 thousand; 30 June 2021: €4,199 thousand) of transaction fees incurred prior to the transactions relating to disposal of the properties, and recognised as investment expenses; refer to note 7.

4.3. Cash flows from discontinued operations

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Net cash outflow from operating activities	(65,071)	(50,061)	(64,261)
Net cash inflow from investing activities	80,676	124,299	320,666
Net cash outflow from financing activities	(31,930)	(40,970)	(232,565)
Net cash (outflow)/inflow from discontinued	(16,325)	33,268	23,840

5. Net rental income

	Note	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Continuing operations				
Rental income	5.1	17,947	17,952	34,864
Service charge income and other recoveries	5.2	5,608	5,081	10,499
Gross revenue - continuing operations		23,555	23,033	45,363
Impairment of receivables		(335)	(3,003)	(6,090)
Service charge and other property operating expenses	5.2	(6,429)	(6,282)	(12,355)
Net rental income - continuing operations		16,791	13,748	26,918
Discontinued operations				
Rental income	5.1	3,667	14,642	23,326
Service charge income and other recoveries	5.2	661	1,569	2,500
Gross revenue - discontinued operations		4,328	16,211	25,826
Impairment of receivables		(2)	(1,152)	(259)
Service charge and other property operating expenses	5.2	(2,057)	(3,845)	(6,063)
Net rental income - discontinued operations		2,269	11,214	19,504
Total				
Rental income	5.1	21,614	32,594	58,190
Service charge income and other recoveries	5.2	6,269	6,650	12,999
Gross revenue		27,883	39,244	71,189
Impairment of receivables		(337)	(4,155)	(6,349)
Service charge and other property operating expenses	5.2	(8,486)	(10,127)	(18,418)
Net rental income		19,060	24,962	46,422

Disaggregation of the Net rental income by segment is disclosed in note 3.

As disclosed in note 2, the Covid-19 pandemic has had a significant impact on the net rental income of the Group for the duration of the initial lockdown periods during the 2020 calendar year. Throughout the second half of the 2021 financial year, and subsequently during the six-month period to 31 December 2021 until October 2021, the Group's operations reflected a strong recovery of tenants' sales. Trading in all Central and Eastern European countries where the Group operates was mostly unaffected by restrictions. Impairments of receivables were recognised due to the lockdowns in prior periods and other economic consequences caused by the Covid-19 pandemic as the expected collectability from the Group's tenants was negatively impacted.

The Group applied the principles of IFRS 16 for revenue recognition, and the principles of IFRS 15 for gross service charge income in the context of the Covid-19 pandemic, as gross rental income and gross service charge income were recognised in full for the lockdown periods, while without qualifying as a lease modification, rent forgiveness was granted to tenants. The rent forgiveness has been recognised as a loss in the statement of profit or loss, as an impairment of receivables, with a corresponding reduction to the lease receivable in the period for which the reduction was agreed.

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The amounts reflected in the condensed consolidated statement of profit or loss as described above were treated as receivables impairment; refer to notes 5.1 and 5.2 below. The impairment amounts split by region and by type is presented below.

Reviewed Six-month period to 31 December 2021	Waived	Additional provision / (Provision release)	Total impairment of receivables
CEE - continuing operations	312	23	335
Romania	143	(190)	(47)
Bulgaria	117	171	288
Poland	52	42	94
WE - discontinued operations	-	2	2
Germany	-	(74)	(74)
UK	-	76	76
Total	312	25	337

Reviewed Six-month period to 31 December 2020	Waived	Additional provision / (Provision release)	Total impairment of receivables
CEE - continuing operations	2,241	762	3,003
Romania	583	660	1,243
Bulgaria	911	-	911
Poland	747	102	849
WE - discontinued operations	1,152	-	1,152
Germany	15	-	15
UK	1,137	-	1,137
Total	3,393	762	4,155

Audited Year to 30 June 2021	Waived	Additional provision / (Provision release)	Total impairment of receivables
CEE - continuing operations	4,990	1,100	6,090
Romania	1,078	630	1,708
Bulgaria	1,950	456	2,406
Poland	1,962	14	1,976
WE - discontinued operations	259	-	259
Germany	190	-	190
UK	69	-	69
Total	5,249	1,100	6,349

5.1. Rental income

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Continuing operations			
Gross rental income	16,291	15,970	31,566
Turnover rent	1,656	1,982	3,298
Rental income – continuing operations	17,947	17,952	34,864
Impairment of receivables	(311)	(2,777)	(5,522)
Rental income, net of impairment – continuing operations	17,636	15,175	29,342
Discontinued operations			
Gross rental income	3,667	14,642	23,326
Impairment of receivables	(2)	(1,137)	(259)
Rental income, net of impairment – discontinued operations	3,665	13,505	23,067
Total			
Gross rental income	19,958	30,612	54,892
Turnover rent	1,656	1,982	3,298
Rental income	21,614	32,594	58,190
Impairment of receivables	(313)	(3,914)	(5,781)
Rental income, net of impairment	21,301	28,680	52,409

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

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

5.2. Service charge

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Continuing operations			
Gross service charge income	5,608	5,081	10,499
Impairment of receivables	(24)	(226)	(568)
Service charge and other recoveries, net – continuing operations	5,584	4,855	9,931
Property expenses	(3,928)	(3,717)	(7,722)
Property management expenses	(1,703)	(1,100)	(2,585)
Marketing fees	(621)	(1,150)	(1,592)
Insurance expenses	(80)	(85)	(158)
Other service charge expenses	(97)	(230)	(298)
Service charge and other property operating expenses – continuing operations	(6,429)	(6,282)	(12,355)
Net service charge – continuing operations	(845)	(1,427)	(2,424)
Discontinued operations			
Gross service charge income	661	1,569	2,500
Impairment of receivables	-	(15)	-
Service charge and other recoveries, net – discontinued operations	661	1,554	2,500
Property expenses	(1,491)	(3,490)	(5,431)
Property management expenses	(74)	-	-
Marketing fees	(1)	-	-
Insurance expenses	(208)	(320)	(534)
Other service charge expenses	(283)	(35)	(98)
Service charge and other property operating expenses – discontinued operations	(2,057)	(3,845)	(6,063)
Net service charge – discontinued operations	(1,396)	(2,291)	(3,563)
Total			
Gross service charge income	6,269	6,650	12,999
Impairment of receivables	(24)	(241)	(568)
Service charge and other recoveries, net	6,245	6,409	12,431
Property expenses	(5,419)	(7,207)	(13,153)
Property management expenses	(1,777)	(1,100)	(2,585)
Marketing fees	(622)	(1,150)	(1,592)
Insurance expenses	(288)	(405)	(692)
Other service charge expenses	(380)	(265)	(396)
Service charge and other property operating expenses	(8,486)	(10,127)	(18,418)
Net service charge	(2,241)	(3,718)	(5,987)

6. Other income

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Continuing operations			
Dividend income earned on direct financial investments	1,032	-	962
Dividend income earned on CFDs	-	1,728	1,728
Other income – continuing operations	1,032	1,728	2,690

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Discontinued operations			
Other income not directly attributable to investment property held for sale	636	-	-
Other income - discontinued operations	636	-	-
Total			
Dividend income earned on direct financial investments	1,032	-	962
Dividend income earned on CFDs	-	1,728	1,728
Other income not directly attributable to investment property held for sale	636	-	-
Other income	1,668	1,728	2,690

No tax on dividends was incurred in respect of direct financial investments for the period (31 December 2020 and 30 June 2021: €nil).

The Group has disposed of all CFDs during the financial year to 30 June 2021. Dividend income earned on CFDs was recognised on the date on which the Group's right to receive payment was established, net of tax, as the Group's counterparty was liable for the related taxes.

7. Investment expenses

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Continuing operations			
Transaction fees on disposal of investment property	(337)	(768)	(414)
Other investment expenses	(571)	(31)	(217)
Investment expenses - continuing operations	(908)	(799)	(631)
Discontinued operations			
Transaction fees on disposal of investment property	(1,201)	(2,473)	(4,199)
Other investment expenses	-	(10)	-
Investment expenses - discontinued operations	(1,201)	(2,483)	(4,199)
Total			
Transaction fees on disposal of investment property	(1,538)	(3,241)	(4,613)
Other investment expenses	(571)	(41)	(217)
Investment expenses	(2,109)	(3,282)	(4,830)

Transaction fees on disposal of investment property

From the total amount of €1,538 thousand (31 December 2020: €3,241 thousand; 30 June 2021: €4,613 thousand) of investment expenses incurred in respect of properties, €1,201 thousand (31 December 2020: €2,473 thousand; 30 June 2021: €4,199 thousand) were transaction fees directly attributable to disposals of investment property held for sale, while an additional €337 thousand (31 December 2020: €768 thousand; 30 June 2021: €414 thousand) were incurred by corporate entities servicing multiple subsidiaries, mainly relating to legal fees attributable to multiple assets.

8. Fair value adjustments

The following items are measured to fair value on the reporting date. Changes in fair value are recognised within fair value adjustments in profit or loss in the period in which they occur.

	Note	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Continuing operations				
Gain on fair value of investment property	11.1	24,886	4,881	15,921
Gain on fair value of financial investments	16.1	12	3,449	12,114
Gain on fair value of financial assets		-	43	43
Gain on fair value of financial liabilities		-	166	354
Fair value adjustments - continuing operations		24,898	8,539	28,432
<i>Detailed as follows:</i>				
Change in fair value of investment property				
Income property	11.1	24,886	4,881	15,921
		24,886	4,881	15,921

Condensed consolidated interim financial statements for the six-month period to 31 December 2021

	Note	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Change in fair value of financial investments				
Direct financial investments	16.1	12	188	5,376
Contracts for difference	16.1	-	3,261	7,234
Other fair value movements from financial investments	16.1	-	-	(496)
		12	3,449	12,114
Change in fair value of financial assets				
Incentive Share Participants	18.2	-	43	43
		-	43	43
Change in fair value of financial liabilities				
Interest rate swaps	17.2	-	166	354
		-	166	354
Discontinued operations				
Gain/(loss) on fair value of investment property held for sale	4.2	1,260	(7,951)	(10,022)
Loss on fair value of investment property and land bank	4.2	-	-	(171)
Gain/(loss) on fair value of financial liabilities	17.2	87	(156)	315
Fair value adjustments - discontinued operations		1,347	(8,107)	(9,878)

9. Finance income and finance costs

	Note	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Continuing operations				
Finance income				
Income on PKM Development preference shares		10,716	7,194	15,322
Interest on bank deposits and other finance income		58	3	75
		10,774	7,197	15,397
Finance costs				
Interest on bank loans	17.1	(157)	(3,706)	(6,520)
Bonds borrowing costs	17.1	(7,052)	-	(1,588)
Debt break fees	17.1	-	-	(956)
Negative interest on bank deposits and other finance expense		(447)	(75)	(337)
		(7,656)	(3,781)	(9,401)
Discontinued operations				
Finance income				
Interest on bank deposits and other finance income		-	-	3
		-	-	3
Finance costs				
Interest on bank loans	17.1	(1,086)	(2,791)	(4,983)
Debt break fees	4.2	(737)	(3,832)	(10,315)
Negative interest on bank deposits and other finance expense		(92)	(18)	(34)
		(1,915)	(6,641)	(15,332)
Total				
Finance income		10,774	7,197	15,400
Finance costs		(9,571)	(10,422)	(24,733)

10. Taxation

The Group's tax includes the following.

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Continuing operations			
Current tax	349	92	180
Deferred tax	(316)	3,150	5,443
Taxation – continuing operations	33	3,242	5,623
Discontinued operations			
Current tax	215	6,718	11,565
Deferred tax	1,092	(6,073)	(8,395)
Taxation – discontinued operations	1,307	645	3,170
Total			
Current tax	564	6,810	11,745
Deferred tax	776	(2,923)	(2,952)
Taxation	1,340	3,887	8,793

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

	Reviewed Six-month period to 31 December 2021		Reviewed Six-month period to 31 December 2020		Audited Year to 30 June 2021	
	Applicable rate %	Amount	Applicable rate %	Amount	Applicable rate %	Amount
Continuing operations						
Income/corporation tax						
Malta	35.0	(80)	35.0	-	35.0	-
Isle of Man	-	-	-	-	-	-
Jersey	-	-	-	-	-	-
UK – corporation tax	19.0	(93)	19.0	-	19.0	-
Poland	19.0	(144)	19.0	(23)	19.0	(23)
Netherlands	20.0	(15)	20.0	(69)	20.0	(124)
Luxembourg	17.0	-	17.0	-	17.0	(10)
Bulgaria	10.0	-	10.0	-	10.0	-
Romania	16.0	(17)	16.0	-	16.0	(5)
		(349)		(92)		(162)
Withholding tax						
Romania	15.0	-	15.0	-	15.0	(18)
		-		-		(18)
Continuing operations - Current tax		(349)		(92)		(180)
Discontinued operations						
Income/corporation tax						
UK - income tax	20.0	-	20.0	-	20.0	-
UK – corporation tax	19.0	(200)	19.0	(690)	19.0	(1,451)
Germany	15.8	4	15.8	(1,297)	15.8	(5,369)
Switzerland	26.8	-	26.8	(4,715)	26.8	(4,707)
		(196)		(6,702)		(11,527)
Wealth tax						
Switzerland	0.2	-	0.2	-	0.2	-
Luxembourg	0.5	(19)	0.5	(16)	0.5	(38)
		(19)		(16)		(38)
Discontinued operations - Current tax		(215)		(6,718)		(11,565)

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Reconciliation of deferred tax is presented below.

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Net deferred tax liability brought forward	(20,966)	(24,031)	(24,031)
Current period/year deferred tax movement	(776)	2,923	2,952
Disposal of subsidiary	244	-	-
Foreign currency translation difference in other comprehensive income	8	46	113
Net deferred tax liability carried forward	(21,490)	(21,062)	(20,966)

The breakdown of net deferred tax liability is presented below.

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Deferred tax asset	2,376	3,746	3,470
Deferred tax liability	(23,866)	(24,808)	(24,436)
Net deferred tax liability	(21,490)	(21,062)	(20,966)

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

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Revaluation of investment property and investment property cumulative statutory tax allowance	352	2,072	1,302
Fiscal losses	2,024	1,376	1,852
Other deductible temporary differences	-	298	316
Deferred tax asset	2,376	3,746	3,470
Revaluation of investment property and investment property cumulative statutory tax allowance	(28,364)	(25,864)	(25,204)
Deductible interest expense	4,159	675	675
Other deductible temporary differences	339	381	93
Deferred tax liability	(23,866)	(24,808)	(24,436)
Net deferred tax liability	(21,490)	(21,062)	(20,966)

Of the total deferred tax assets, €1,428 thousand are fiscal losses carried forward by operating legal entities. The fiscal losses were partially due to the obligation to continue leases on the same terms as negotiated by the previous owners or to high corporate expenses incurred in the first years of operation. Under local tax law, losses may be carried forward up to seven years from the date on which they were incurred, and the Group expects the subsidiaries to generate taxable income in future fiscal years. The remaining €596 thousand relates to deferred tax assets arising from investment property held for sale. Management expects the fiscal losses to crystallise against the future profits realised by the entities.

Management has concluded that the deferred tax asset will be recoverable using the estimated future taxable profits.

Reconciliation of effective tax rate is presented below.

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Continuing operations			
Profit before tax	56,012	28,385	71,434
Applicable Group weighted average tax rate	8.6%	3.0%	3.5%
Net tax expense based on applicable Group weighted tax rate	4,817	852	2,500
Reconciling items			
Effect of borrowing costs carried forward	(4,159)	-	-
Fiscal losses used ¹	(1,849)	-	405
Non-deductible expenses	82	-	167
Non-taxable income	(1,822)	(5)	(1)
Effect of accounting losses for which no deferred tax asset was recognised	2,871	2,393	2,483
Effect of other taxes applicable in different jurisdictions within the Group	93	2	69
Net taxation	33	3,242	5,623
Effective tax rate	0.1%	11.4%	7.9%

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Discontinued operations			
Profit/(loss) before tax	12,239	(3,233)	9,101
Applicable Group weighted average tax rate	9.2%	(9.1)%	26.8%
Net tax expense based on applicable Group weighted tax rate	1,126	294	2,439
Reconciling items			
Fiscal losses used ¹	-	(684)	25
Non-deductible expenses	-	97	876
Non-taxable income	(1,560)	-	(1,191)
Effect of accounting losses for which no deferred tax asset was recognised	1,722	925	939
Effect of other taxes applicable in different jurisdictions within the Group	19	13	82
Net tax expense	1,307	645	3,170
Effective tax rate	10.7%	(20.0)%	34.8%
Weighted average effective tax rate – continuing and discontinued operations	2.0%	15.5%	10.9%

¹ Fiscal losses used refer to previously recognised tax losses that gave rise to deferred tax assets in prior periods and were derecognised in the current reporting period, either through utilisation or expiration.

The applicable Group weighted average tax rate has been determined using the applicable tax rate of each jurisdiction in which the Group operates. There has been no change to the applicable tax rates in the Group's jurisdictions, compared to previous financial year, except for the applicable tax rate in Malta.

The decrease in the effective tax rate from 15.5% for the six-month period to 31 December 2020 (10.9% for the year to 30 June 2021) to 2.0% for the six-month period to 31 December 2021 is a result of the following:

- changes in the jurisdictional sources of taxable profits;
- effect of accounting losses for which no deferred tax asset was recognised;
- effect of borrowing costs carried forward, generating a decrease in deferred tax liability; tax legislation applicable allows deduction of such borrowing costs in the determination of income tax payable, indefinitely;
- increase in non-taxable income, in respect of both continuing and discontinued operations, mainly generated by dividend income that is non-taxable revenue at subsidiary level;
- fiscal losses used during the period, generating a decrease in current income tax payable, and
- fiscal losses generated by Romanian entities for fiscal year to 31 December 2021 which can be used for a period of seven years, net off by fiscal losses used or expired, generating an increase in deferred tax asset.

11. Investment property

11.1. Investment property

The Group's investment property is categorised as detailed below.

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

The carrying value of the Group's investment property is presented below.

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Income-generating property	486,817	443,145	455,696
Development property and land bank	713	1,439	2,907
	487,530	444,584	458,603
Reviewed Six-month period to 31 December 2021	Note	Development property and Land bank	Total
Opening balance		2,907	458,603
Transfer from development property to income property		(4,889)	-
Capitalised expenditure ¹		2,695	4,041
Fair value adjustment	8	-	24,886
Closing balance		713	487,530

¹ The Group paid €3,521 thousand in relation to capitalised expenditure during the period.

Reviewed Six-month period to 31 December 2020	Note	Income property	Development property and Land bank	Total
Opening balance		532,742	907	533,649
Transfer to investment property held for sale	4.2	(97,679)	-	(97,679)
Capitalised expenditure ¹		3,179	532	3,711
Fair value adjustment	8	4,881	-	4,881
Foreign currency translation difference		22	-	22
Closing balance		443,145	1,439	444,584

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

Audited Year to 30 June 2021	Note	Income property	Development property and Land bank	Total
Opening balance		532,742	907	533,649
Transfer to investment property held for sale	4.2	(97,736)	-	(97,736)
Transfer from development property to income property		238	(238)	-
Capitalised expenditure ¹		4,509	2,238	6,747
Fair value adjustment	8	15,921	-	15,921
Foreign currency translation difference		22	-	22
Closing balance		455,696	2,907	458,603

¹ The Group paid €6,467 thousand in relation to capitalised expenditure during the year.

Bank loans

During the financial year to 30 June 2021, the Group settled bank loans secured against investment property in CEE, from the proceeds from bonds issued in May 2021. On 31 December 2020, bank borrowings of €140,043 thousand were secured against investment property with a carrying value of €319,469 thousand.

11.2. Valuation sensitivity analysis

Investment property – measurement of fair values

Valuation process for level 3 investment property

Fair value of investment property is determined semi-annually, on 30 June and 31 December, by external, independent professional valuers, with appropriate and recognised qualifications and recent experience in the location and type of property being valued. For details of the valuers used by the Group in its valuation process on 31 December 2021, refer to page 57. For all investment properties, their current values equate to the best use.

Fair value hierarchy

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

Valuation techniques and significant inputs

Discounted cash flows ('DCF') method

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

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

Capitalisation method

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

Residual method

The valuation model considers the gross development value of the property based on an independent view of market values for the completed development less any build costs. The valuation starts with an estimation of the value of the completed development, normally referred to as the Gross Development Value (GDV).

Thereafter, various costs to complete the development are deducted (including construction costs, professional fees, marketing fees/costs, finance costs, together with developer's profit); to arrive at a 'residual' site value, which is the price which a developer could afford to pay for the land (and still generate their target profit level). Significant unobservable inputs used in the residual method are the gross development value and the profit on GDV. The estimated fair value would increase/(decrease) if the GDV was higher/(lower) or if the target profit was lower/(higher).

Purchase price

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

Firm offers less costs to complete

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

Changes to valuation methods used

There were no changes to valuation methods used in the six-month period to 31 December 2021 compared to the previous period/year.

Significant inputs and Covid-19 impact

There has been no change in valuation methodology used for investment property since Covid-19 outbreak. Whilst the property valuations reflect the external valuers' assessment, the Group considered a range of +/-5% for Net Rental Income and a range of +/-0.5% for NRI/BV (key valuation assumptions) for the sensitivity analysis on the current market conditions, as detailed in the tables below.

Other inputs

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

Six-month period to 31 December 2021	Discount rates (unlevered)	Estimated rental value long-term growth rate	Capex reserve as % of Net Rental Income
Retail assets			
Romania	9.6-10.8%	2.5-3.25%	5.0-10.0%
Bulgaria	10.2-11.2%	3.0%	10.0%
Germany – held for sale	5.8-9.4%	0.75-1.0%	6.1-7.8%
Six-month period to 31 December 2020	Discount rates (unlevered)	Estimated rental value long-term growth rate	Capex reserve as % of Net Rental Income
Retail assets			
Romania	9.8-10.5%	2.5-3.25%	5.0-10.0%
Bulgaria	10.3-11.1%	3.0%	10.0%
Germany – held for sale	4.3-6.3%	0.75-2.0%	3.0-15.0%
Industrial & Logistics assets			
Germany – held for sale	6.2%	0.0-1.0%	1.0%
Year to 30 June 2021	Discount rates (unlevered)	Estimated rental value long-term growth rate	Capex reserve as % of Net Rental Income
Retail assets			
Romania	9.7-10.5%	2.5-3.25%	5.0-10.0%
Bulgaria	10.0-10.8%	3.0%	10.0%
Germany – held for sale	5.6-6.5%	0.75-1.0%	8.8-12.0%

31 December 2021	Location	Type	Valuation Method	Net rental income thousand €	Fair value thousand €	Lease incentive thousand €	Book Value thousand €	NRI/BV %	Sensitivity analysis (variance)			
									NRI +5%	NRI -5%	NRI/BV -0.5%	NRI/BV +0.5%
									thousand €	thousand €	thousand €	thousand €
Investment property, including Investment property held for sale				40,497	575,578	(86)	575,578	7.0%	27,892	(27,892)	43,205	(37,132)
CEE income property - continuing operations				36,795	486,817	-	486,817	7.6%	24,342	(24,342)	34,514	(30,226)
Militari Shopping	RO, Bucharest	Retail	DCF	9,329	123,640	-	123,640	7.5%	6,182	(6,182)	8,775	(7,684)
Galleria Burgas	BG, Burgas	Retail	DCF	5,735	76,650	-	76,650	7.5%	3,833	(3,833)	5,489	(4,801)
Nova Park	PL, Gorzów	Retail	Capitalisation	6,197	83,757	-	83,757	7.4%	4,188	(4,188)	6,070	(5,302)
Atrium Mall	RO, Arad	Retail	DCF	4,925	65,520	-	65,520	7.5%	3,276	(3,276)	4,669	(4,086)
Kaufland centres	RO, Various	Retail	DCF	3,262	40,320	-	40,320	8.1%	2,016	(2,016)	2,656	(2,347)
Baia Mare Value Centre	RO, Baia Mare	Retail	DCF	2,755	37,110	-	37,110	7.4%	1,856	(1,856)	2,680	(2,342)
Roman Value Centre	RO, Roman	Retail	DCF	2,947	39,540	-	39,540	7.5%	1,977	(1,977)	2,843	(2,486)
Galleria Stara Zagora	BG, Stara Zagora	Retail	DCF	1,645	20,280	-	20,280	8.1%	1,014	(1,014)	1,332	(1,178)
WE income property and land bank - discontinued operations				3,702	88,761	(86)	88,761	4.2%	3,550	(3,550)	8,691	(6,906)
Flensburg Galerie	DE, Flensburg	Retail	DCF	2,608	61,700	(86)	61,614	4.2%	3,085	(3,085)	8,278	(6,526)
Gotha	DE, Gotha	Retail	DCF	904	7,510	-	7,510	12.0%	376	(376)	325	(300)
Arches	UK, Edinburgh	Mixed	Capitalisation	190	1,785	-	1,785	10.6%	89	(89)	88	(80)
Langley Park	UK, Chippenham	Land	Residual	-	17,852	-	17,852		-	-	-	-
Lease incentive accruals					(86)							

Net Rental income (NRI): rental income less non-recoverable property related expenses for properties valued using the discounted cash flow method; estimated rental value for properties valued using the capitalisation method. Information presented in the table above reflects input as included in valuation reports.

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

Land is valued by residual method.

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

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

Net Rental income (NRI): rental income less non-recoverable property related expenses for properties valued using the discounted cash flow method; estimated rental value for properties valued using the capitalisation method. Information presented in the table above reflects input as included in valuation reports.

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

Land is valued by residual method.

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

									Sensitivity analysis (variance)			
30 June 2021	Location	Type	Valuation Method	Net Rental Income thousand €	Fair value thousand €	Lease incentive thousand €	Book Value thousand €	NRI/BV %	NRI +5% thousand €	NRI -5% thousand €	NRI/BV -0.5% thousand €	NRI/BV +0.5% thousand €
Investment property, including Investment property held for sale				43,771	667,336	(1,594)	667,336	6.6%	32,548	(32,548)	55,462	(46,891)
CEE income property - continuing operations				33,002	455,696	-	455,696	7.2%	22,786	(22,786)	34,029	(29,583)
Militari Shopping	RO, Bucharest	Retail	DCF	8,207	110,910	-	110,910	7.4%	5,546	(5,546)	8,037	(7,020)
Galleria Burgas	BG, Burgas	Retail	DCF	4,926	75,060	-	75,060	6.6%	3,753	(3,753)	6,190	(5,314)
Nova Park	PL, Gorzów	Retail	Capitalisation	5,996	82,266	-	82,266	7.3%	4,113	(4,113)	6,059	(5,281)
Atrium Mall	RO, Arad	Retail	DCF	4,413	58,170	-	58,170	7.6%	2,909	(2,909)	4,104	(3,597)
Kaufland centres	RO, Various	Retail	DCF	3,099	38,200	-	38,200	8.1%	1,910	(1,910)	2,509	(2,218)
Baia Mare Value Centre	RO, Baia Mare	Retail	DCF	2,630	35,280	-	35,280	7.5%	1,764	(1,764)	2,536	(2,218)
Roman Value Centre	RO, Roman	Retail	DCF	2,656	36,590	-	36,590	7.3%	1,830	(1,830)	2,707	(2,358)
Galleria Stara Zagora	BG, Stara Zagora	Retail	DCF	1,075	19,220	-	19,220	5.6%	961	(961)	1,887	(1,577)
WE income property and land bank - discontinued operations				10,769	211,640	(1,594)	211,640	5.1%	9,762	(9,762)	21,433	(17,308)
New Uberior House	UK, Edinburgh	Office	Capitalisation	5,398	85,774	(1,265)	84,509	6.3%	4,289	(4,289)	7,403	(6,313)
Flensburg Galerie	DE, Flensburg	Retail	DCF	2,337	64,400	(94)	64,306	3.6%	3,220	(3,220)	10,291	(7,799)
		Hotel and										
Adagio, retail and arches	UK, Edinburgh	Retail	Capitalisation	2,129	35,195	(235)	34,960	6.0%	1,760	(1,760)	3,171	(2,687)
Gotha	DE, Gotha	Retail	DCF	905	9,860	-	9,860	9.2%	493	(493)	568	(509)
Malling Brooks NSQ	UK, Lewes	Land	Residual	-	932	-	932	-	-	-	-	-
Langley Park	UK, Chippenham	Land	Residual	-	17,073	-	17,073	-	-	-	-	-
Lease incentive accruals						(1,594)						

Net Rental income (NRI): rental income less non-recoverable property related expenses for properties valued using the discounted cash flow method; estimated rental value for properties valued using the capitalisation method. Information presented in the table above reflects input as included in valuation reports.

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

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

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

12. Investment in equity-accounted investee

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Opening balance	37,365	26,736	26,736
Share of profit from equity accounted investee, net of tax	14,616	3,412	10,629
Closing balance	51,981	30,148	37,365

The Group has an investment in P K M Development Limited (incorporated in the Isle of Man), a holding entity of a group which develops investment property predominantly in Romania, as well as other CEE countries. P K M Development Limited ('PKM Development' or 'DJV') is an associate of the Group.

The Group owns 40% of the DJV's ordinary shares and therefore has significant influence. The remaining 60% of the ordinary shares are owned by Prime Kapital. Prime Kapital provides development services and oversees the development process for the DJV.

In addition to the investment in the ordinary shares, the Group has invested in 7.5% preference shares issued by PKM Development; refer to note 16.3. €283million was invested at the end of the period (31 December 2020: €186.7million; 30 June 2021: €233.3million).

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

Statement of financial position PKM Development	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Non-current assets	459,935	275,110	359,849
Current assets	153,941	76,426	92,414
Total assets	613,876	351,536	452,263
Non-current liabilities	360,120	247,834	291,836
Current liabilities	89,937	24,726	39,934
Total liabilities	450,057	272,560	331,770
Net assets	163,819	78,976	120,493
Percentage of the Group's ownership interest	40%	40%	40%
Un-adjusted Group share of net assets	65,528	31,590	48,197
Elimination of cross-shareholding	(13,606)	(1,501)	(10,891)
Net assets attributable to the Group	51,922	30,089	37,306
Capitalised costs	59	59	59
Carrying amount	51,981	30,148	37,365

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

Statement of profit or loss and other comprehensive income PKM Development	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Rental income	8,512	6,298	13,484
Service charge income and other recoveries	3,083	2,149	4,754
Impairment of receivables	(34)	(627)	(1,105)
Service charge and other property operating expenses	(3,557)	(2,383)	(5,295)
Other income	4,728	124	245
Corporate expenses	(1,135)	(418)	(832)
Investment expenses	-	(49)	(111)
Fair value adjustments	42,763	11,046	50,674
Foreign currency exchange differences	(3)	2,245	(205)
Finance income	12	7	24
Finance costs	(5,831)	(3,398)	(8,069)
Tax expense	(5,212)	(2,989)	(41)
Total profit	43,326	12,005	53,523
Percentage of the Groups ownership interest	40%	40%	40%
Total profit and other comprehensive income attributable to the Group	17,330	4,802	21,409
Elimination of cross-shareholding	(2,714)	(1,390)	(10,780)
Group's share of profit	14,616	3,412	10,629

PKM Development has no other comprehensive income.

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

During the six-month period to 31 December 2021, PKM Development maintained its holding of 70,998,476 (31 December 2020: 42,998,476; 30 June 2021: 70,998,476) MAS shares, valued at €82,663 thousand on 31 December 2021 (31 December 2020: €30,420; 30 June 2021: €75,876); the weighted average value per security of purchased shares was €1.164 per share on 31 December 2021 (31 December 2020: €0.627; 30 June 2021: €0.689). On consolidation, MAS' proportion of 40% of the shares are adjusted to their original cost of €19,570 thousand (31 December 2020: €10,777 thousand; 30 June 2021: €19,570 thousand) so that no gains or losses are recognised on these assets in Share of profit from equity-accounted investee, net of tax. Martin Slabbert has indirect beneficial interests in the MAS ordinary shares held by PKM Development.

13. Intangible assets

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Goodwill	1,696	1,696	1,696
Intangible assets	1,696	1,696	1,696

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Goodwill			
Spark portfolio	1,628	1,628	1,628
Property Management Platform ("PMP")	68	68	68
	1,696	1,696	1,696

Property Management Platform ('PMP')

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

On 27 November 2019, with shareholder approval, the Group acquired the Property Management Platform and Prime Kapital's effective economic interest in the joint venture through the acquisition of the entire share capital of PK Mezz BV and Prime Kapital CEE Property Investment Management Limited (the 'Transaction').

The acquisition was motivated by the Group's strategy of continued investment into CEE to enhance the Group's distributions over the immediate, medium and long-term.

On the referenced date, the Group acquired the Romanian, Bulgarian and Polish property management platform. The acquisition resulted in recognition of goodwill. An impairment test was performed on 31 December 2021, in accordance with the Group's accounting policies. No impairment charge arose, as a result.

Spark portfolio

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

The Spark portfolio was considered a single Cash Generating Unit ('CGU'). An impairment test was performed on 31 December 2021, in accordance with the Group's accounting policies. No further impairment charge arose, as a result.

14. Other non-current assets

Other non-current assets include prepaid equity share-based payments, property retentions related to disposal of assets, property, plant and equipment and computer and other licenses.

	Note	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Equity settled share-based payment expense	18.2			
– Incentive Share Participants		1,075	1,455	1,409
– PK Prepaid Development Services		6,789	7,634	7,276
– Executive Directors		-	648	293
Property retentions related to disposal of assets		1,712	-	-
Property, plant and equipment		158	174	211
Other non-current assets		135	525	196
Total non-current assets		9,869	10,436	9,385

15. Other non-current liabilities

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Security deposits from tenants	1,803	1,574	1,721
Security deposits from construction suppliers	350	289	277
Other non-current liabilities	107	37	38
Total non-current liabilities	2,260	1,900	2,036

16. Financial assets

16.1. Financial investments

Financial investments are measured at fair value on the reporting date with changes in fair value recognised in profit or loss. The Group's financial investments are detailed in the table below.

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Direct financial investments	110,619	2,065	33,580
Contracts for difference collateral held	-	7,946	-
	110,619	10,011	33,580

The Group's financial investments in listed securities are used to manage liquidity, including if necessary, funding commitments to PKM Development.

The Group had investments in the form of Contracts for Difference ('CFDs') held with a large financial institution. During the financial year to 30 June 2020, the Group had commenced restructuring its listed securities portfolio, by selling holdings in illiquid companies and disposed of its remaining financial investments held as CFDs by the end of the 2021 financial year.

The full notional exposure for all positions is disclosed below.

On 31 December 2021 (reviewed)							
	Share price €	No of shares '000	Fair value direct investment	CFD collateral	Total financial investment		Gross exposure
Direct financial investments							
NEPI Rockcastle plc	5.87	18,850	110,619	-	110,619		110,619
Total financial investments			110,619	-	110,619		110,619

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

On 30 June 2021 (audited)							
	Share price €	No of shares '000	Fair value direct investment	CFD collateral	Total financial investment		Gross exposure
Direct financial investments							
NEPI Rockcastle plc	5.95	5,642	33,580	-	33,580		33,580
Total financial investments			33,580	-	33,580		33,580

Reconciliation of financial investments

	Note	Fair value direct financial investments	CFD collateral	CFD gross exposure
On 30 June 2020 (audited)		-	28,406	35,496
Purchases		1,877 ²	-	2,065 ¹
Disposals		-	-	(5,906) ¹
CFD collateral in relation to disposals		-	(3,834) ²	-
CFD collateral in relation to notional reset		-	(16,626) ²	-
Fair value adjustment	8	188 ¹	-	3,261 ¹
On 31 December 2020 (reviewed)		2,065	7,946	34,916
Purchases		26,327 ²	-	-
Disposals		-	-	(38,889) ¹
CFD collateral in relation to disposals		-	(7,946) ²	-
Fair value adjustment	8	5,188 ¹	-	3,973 ¹
On 30 June 2021 (audited)		33,580	-	-
Purchases		77,027 ²	-	-
Fair value adjustment	8	12 ¹	-	-
On 31 December 2021 (reviewed)		110,619	-	-

¹ Non-cash flow movements

² Cash flow movements

Direct financial investments

Fair value adjustments in relation to direct financial investments is the fair value movement of listed securities held by the Group, including fair value movements on purchases and disposals during the year.

During the period gross dividend income of €1,032 thousand (31 December 2020: €nil; 30 June 2021: €962 thousand) resulted from direct financial investments; refer to note 6. The total fair value gains related to financial investments is €12 thousand (31 December 2020: €3,449 thousand; 30 June 2021: €12,114 thousand); refer to note 8.

CFD Collateral

By 30 June 2021 the Group disposed of its entire portfolio of CFDs. No gross dividend income was received in the six-month period to 31 December 2021 (31 December 2020: €1,728 thousand; 30 June 2021: €1,728 thousand); refer to note 6.

16.2. Cash and cash equivalents

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Bank balances	193,712	86,454	287,077
	193,712	86,454	287,077

Cash flow information

Reconciliation of cash generated from operating activities is presented below.

	Note	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Profit for the period/year - continuing operations		55,979	25,143	65,811
Profit/(loss) for the period/year - discontinued		10,932	(3,878)	5,931
<i>Adjustments for non-cash movements:</i>				
Fair value adjustments	8	(26,245)	(432)	(18,554)
Finance income	9	(10,774)	(7,197)	(15,400)
Finance costs	9	9,571	10,422	24,733
Share of profit from equity accounted investees	12	(14,616)	(3,412)	(10,629)
Tax expense	10	1,340	3,887	8,793
Investment expenses	7	2,109	3,282	4,830
Share-based payment expense		536	534	1,086
Depreciation and amortisation	14	79	85	181
Loss on disposal of subsidiary	4.2	2,630	-	-
Gain on disposal of assets held for sale	4.2	(11,289)	(3,133)	(19,610)
Foreign exchange differences		(2,363)	(755)	(3,093)
(Increase)/decrease in trade receivables and other		(23,135)	28,225	(13,664)
Increase/(decrease) in trade payables and other		25,129	(5,678)	5,285
Cash generated from operating activities		19,883	47,093	35,700

16.3. Financial assets

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Non-current assets			
PKM Development preference shares	300,009	198,714	247,734
	300,009	198,714	247,734
Total financial assets	300,009	198,714	247,734

PKM Development preference shares

The preference shares are held at amortised cost. The Group has performed an impairment assessment on 31 December 2021 and concluded that there has not been a significant increase in credit risk in relation to PKM Development, and that the expected credit loss is not significant in the reporting periods. To determine whether there has been a significant increase in credit risk, management has considered quantitative factors such as forecasted profits and actual profits, and qualitative factors such as progress with the development pipeline.

17. Financial liabilities

17.1. Bonds and bank loans

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Non-current			
Bonds	295,192	-	294,587
Bank loans	-	132,232	-
	295,192	132,232	294,587
Current			
Bonds	6,556	-	151
Bank loans	37,416	212,700	112,171
	43,972	212,700	112,322
Total bonds and bank loans	339,164	344,932	406,909

The carrying amount of the Group's borrowings by region was as follows.

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Non-current			
Unsecured fixed coupon notes (Bonds)	295,192	-	294,587
CEE investment property	-	132,232	-
	295,192	132,232	294,587
Current			
Unsecured fixed coupon notes (Bonds)	6,556	-	151
German investment property	37,395	144,858	49,626
CEE investment property	-	7,810	-
UK investment property	-	60,032	62,270
Corporate	21	-	275
	43,972	212,700	112,322
	339,164	344,932	406,909

Unsecured fixed coupon notes (Bonds)

	Note	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Opening balance		294,738	-	-
<i>Changes from financing cash flows</i>				
Face value of bonds		-	-	300,000
Debt discount on issue		-	-	(3,290)
Transaction costs capitalised		(42)	-	(3,560)
<i>Non cash-flow movements</i>				
Finance costs		7,052	-	1,588
Accrued coupon on bonds	9	6,427	-	1,467
Amortisation of bonds discount	9	361	-	39
Amortisation of capitalised borrowing costs	9	264	-	82
Closing balance		301,748	-	294,738

Condensed consolidated interim financial statements for the six-month period to 31 December 2021

The Group issued in May 2021, fixed coupon notes (bonds) to the value of €300,000 thousand. The bonds are unsecured, 5-year Eurobonds maturing on 19 May 2026, listed on Euronext Dublin, carrying a 4.25% fixed coupon, and were issued at 98.903% of nominal value. Moody's and Fitch assigned Ba1 and BB (positive) ratings, respectively, to the bonds, in line with the corporate ratings.

As disclosed above, during financial year to 30 June 2021, the Group has used part of the proceeds from bonds issued to refinance Eligible Projects in accordance with the Group's Green Financing Framework, and repaid bank loans secured against investment properties in CEE. €42 thousand transaction costs (30 June 2021: €3,560 thousand) were incurred and capitalised against the initial debt, in accordance with IFRS 9.

On 31 December 2021, the bonds were trading on the market at 94.66% (30 June 2021: 100.32%). The Group's liability towards bonds holders does not vary in line with the market price of listed notes, given the contractual maturity of the bonds.

Bank loans

Reconciliation of the Group's carrying value of bank loans is detailed below.

	Note	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Opening balance		112,171	444,747	444,747
<i>Changes from financing cash flows</i>				
Transaction costs related to bank loans		(87)	(539)	1,343
Repayment of bank loans		(30,531)	(102,565)	(341,808)
Debt break fees paid		(695)	(3,832)	(10,151)
Interest paid		(1,029)	(4,467)	(8,269)
<i>Non cash-flow movements</i>				
Transfers of bank loans		(44,575)	-	-
Finance costs		1,980	10,763	22,774
Finance costs – expenses	9	1,243	6,931	11,503
Debt break fees expense	9	737	3,832	11,271
Foreign currency translation difference		182	825	3,535
Closing balance		37,416	344,932	112,171

The Group repaid secured bank loans of €31,928 thousand (secured against WE investment properties held for sale disposed during the period), incurring debt break fees of €695 thousand.

The Group additionally settled €44,575 thousand secured bank loans when transferring the subsidiary, New Ueberior House Limited.

Bank loans include current debt of €37,395 thousand (31 December 2020: €204,890 thousand; 30 June 2021: €111,896) secured against investment property held for sale with a carrying value of €69,124 thousand (31 December 2020: €365,691; 30 June 2021: €192,236 thousand); refer to note 4.2.

The fair values of financial instruments such as cash and cash equivalents, trade and other receivables, trade and other payables, bonds and bank loans are reasonably approximated by their carrying values.

Fixed and variable debt

The Group is subject to both fixed and variable interest rates on its borrowings, as detailed below.

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Fixed debt (including unsecured fixed coupon notes)	339,143	158,313	344,639
Variable/hedged debt	21	186,619	62,270
	339,164	344,932	406,909

Summary of borrowings terms and covenants

In accordance with the Offering Memorandum, covenants tolerances on issued bonds are disclosed on both IFRS and proportionate consolidation bases, as follows.

		31 December 2021 IFRS	31 December 2021 Proportionate consolidation basis	30 June 2021 IFRS	30 June 2021 Proportionate consolidation
Tolerances					
Solvency ratio	shall not exceed 0.6	0.27	0.27	0.31	0.31
Consolidated Coverage Ratio	at least 2.5:1	3.63	4.12	4.32	4.23
Unencumbered Consolidated Total Assets/Unsecured Consolidated Total Debt	minimum 180%	397%	331%	381%	380%

Condensed consolidated interim financial statements for the six-month period to 31 December 2021

Terms in respect of the Group's remaining secured debt are disclosed below.

Weighted average remaining term					Weighted average interest rate			Significant terms and conditions
		On 31 December 2021	On 31 December 2020	On 30 June 2021	On 31 December 2021	On 31 December 2020	On 30 June 2021	
Jurisdiction	Currency							
UK								All loans are secured against specific investment properties of which the UK loans have been repaid or settled during the period.
Floating/hedged debt	GBP	-	2.03 years	1.53 years	-	1.60% + 3M UK LIBOR ¹	1.60% + 3M UK LIBOR ¹	
					-			
Germany								
Fixed debt	EUR	2.18 years	3.96 years	2.88 years	2.21%	1.96%	2.22%	
CEE								All loans were secured against specific investment properties, repaid by 30 June 2021.
Fixed debt	EUR	-	8 years	-	-	3.35%	-	
		-			-	2.50%	-	
Floating/hedged debt	EUR	-	10.69 years	-	-	+ 1M EUR LIBOR ¹	-	
						2.50%		
Hedged debt	EUR	-	1.5 years	-	-	+ 12M EUR LIBOR ¹	-	

¹ The Group had entered into interest rate swaps to hedge some of the Group's exposure to the applicable LIBOR; refer to note 17.2 for further information. The Group has not applied hedge accounting.

On 31 December 2021, 31 December 2020 and 30 June 2021, the Group has obtained appropriate waivers as required to deal with income covenant breaches. Apart from one bank loan covenant (31 December 2020: two bank loans; 30 June 2021: one bank loan) in respect of which a waiver was obtained, the Group has complied with its debt covenants during the current period and the prior period/year.

17.2. Financial liabilities

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Non-current liabilities			
Interest rate swaps	-	1,765	-
	-	1,765	-
Current liabilities			
Interest rate swaps	-	1,276	848
	-	1,276	848
Total financial liabilities	-	3,041	848

Interest rate swaps

On 31 December 2020 and 30 June 2021, the Group has hedged some of the interest rate risk exposure on bank loans using interest rate swaps. These interest rate swaps were classified as financial liabilities at fair value through profit or loss. Accordingly, they were measured at fair value on the reporting date with changes in fair value being recognised in profit or loss. Hedge accounting under IFRS 9 has not been applied.

The Group fully repaid the bank loans subject to interest rate swaps during the six-month period to 31 December 2021, no interest rate swap liability was reflected on 31 December 2021.

18. Equity

18.1. Share capital, share premium and treasury shares

The reconciliation of share capital and share premium is detailed below.

			Share capital	Share premium	Treasury shared - geared share purchase plan shares			Total
	Note	No of shares			No of shares	No of shares		
Balance on 30 June 2020 (audited)		708,343,798	-	899,858	(3,850,000)	(6,309)	704,493,798	893,549
Issued during the period								
Geared share purchase plan shares issued	18.2	1,941,931	-	1,073	(1,941,931)	(1,073)	-	-
Geared share purchase plan shares forfeited	18.2	1,900,000	-	(3,113)	(1,900,000)	3,113	-	-
Geared share purchase plan shares brought back in the scheme	18.2	(1,900,000)	-	1,049	1,900,000	(1,049)	-	-
Balance on 31 December 2020 (reviewed)		710,285,729	-	898,867	(5,791,931)	(5,318)	704,493,798	893,549
Issued during the period								
Geared share purchase plan shares issued	18.2	860,000	-	662	(860,000)	(662)	-	-
Transfer from share premium reserve ¹		-	-	(250,000)	-	-	-	(250,000)
Balance on 30 June 2021 (audited)		711,145,729	-	649,529	(6,651,931)	(5,980)	704,493,798	643,549
Issued during the period								
Geared share purchase plan shares issued	18.2	2,000,000	-	2,059	(2,000,000)	(2,059)	-	-
Geared share purchase plan shares forfeited	18.2	300,000	-	(492)	(300,000)	492	-	-
Geared share purchase plan shares brought back in the scheme	18.2	(300,000)	-	321	300,000	(321)	-	-
Nominal value of shares assignment on Company's continuation		-	7,131	(7,131)	-	-	-	-
Balance on 31 December 2021 (reviewed)		713,145,729	7,131	644,286	(8,651,931)	(7,868)	704,493,798	643,549

¹ During the year to 30 June 2021, the Group's parent company (MAS P.L.C.) transferred €250,000 thousand from share premium to retained deficit, as allowed by the provisions of Companies Act 2006, BVI. As such, Group's share premium has been reduced by the same value, by reallocating the respective amount to the Company's and Group's retained deficit.

Share capital

Effective 12 October 2021, MAS P.L.C. has been redomiciled from British Virgin Islands to Malta. Following the registration of the Company's memorandum and Articles of association by the Maltese Business Registry, the issued and fully paid-up share capital of the Company is now €7,131,457 divided into 713,145,729 ordinary shares having a nominal value of €0.01 each (the actual number of shares in issue is unchanged pursuant to the migration of the Company's legal seat to Malta). Until redomiciliation the ordinary share capital of the Company had no par value. For the resultant change in presentation of share capital and share premium, refer to note 22.

Treasury shares - geared share purchase plan shares

During the six-month period to 31 December 2021, 2,000,000 shares were issued in the geared share purchase plan at a price of €2,059 thousand; refer to note 18.2. In addition, 300,000 allocated geared share purchase plan shares were forfeited following the departure of a share purchase plan participant and subsequently returned to the scheme. The shares were forfeited at the initial issue price of €1.6386 and returned to the scheme at the share price of €1.0684, the net value of €171 thousand being reflected through share premium.

During the financial year to 30 June 2021, 2,801,931 shares were issued in the geared share purchase plan at a price of €1,735 thousand, of which 579,241 shares were issued on 23 September 2020 at an issue price of €0.5525 per share, 1,362,690 shares issued on 1 October 2020 at an issue price of €0.5525 per share, 500,000 shares were issued on 4 March 2021 at an issue price of €0.7491 per share and 360,000 shares were issued on 30 March 2021 at an issue price of €0.8000 per share; refer to note 18.2. On 1 September 2020, 1,900,000 allocated geared share purchase plan shares were forfeited following the departure of several participants from the scheme and subsequently returned to the scheme and granted to different participants. The shares were forfeited at the initial issue price of €1.6386 per share and returned to the scheme and granted on 1 September 2020, at the share price €0.5525 per share, the net value of €2,064 being reflected through share premium.

Consideration shares issued

During the financial year to 30 June 2020, the Group issued 67,000,000 shares at an issue price of €1.15395 (ZAR 18.96) per share (the 'Consideration Shares') in consideration for the acquisition of the Property Management Platform and Prime Kapital's effective economic interest in the Joint venture (the 'Transaction').

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

Distributions

The holders of the Company's shares are entitled to distributions as declared and to vote at the Company's general meetings. Distributions can be paid by the Company from retained earnings or as a return of capital.

During the six-month period to 31 December 2021, the following distributions were paid by the Group.

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Distribution to shareholders of the Group	41,777	-	-
	41,777	-	-

18.2. Share-based payment arrangements

On 31 December 2021, the Group had the following share-based payment arrangements:

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

The Incentive Share Participants, PK Prepaid Development Services and the Executive Management share-based payment arrangements (the 'Transaction Share-Based Payments') are a result of the Transaction.

Incentive Share Participants

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

The terms of share-based payment had not been communicated to the Incentive Share Participants on 31 December 2020. Consequently, the incentive shares were initially recognised as a prepaid employee service expense of €3,866 thousand.

The equity-settled share-based payment expense has been calculated at Transaction date (described in note 13) based on 3,350,000 Consideration Shares at market price on 27 November 2019 and subsequently a fair value adjustment has been recognised to reflect a reasonable expected grant date fair value (refer to note 8).

The terms of the share-based payment had been communicated to the Incentive Share Participants by 30 June 2021 and were granted on 1 September 2020, with the price of €0.5525 per share. Consequently, the incentive shares were recognised as a prepaid employee service expense of €1,851 thousand to the grant date and the share-based payment are expensed over the vesting period (33.3% after first 3 years, 66.7% after 5 years). For the period to 31 December 2021, share-based payment expense recognised was €227 thousand (31 December 2020: €67 thousand; 30 June 2021: €374 thousand).

As such, on 31 December 2021 the Group recognised non-current prepaid employee service expense amounting to €1,075 thousand (31 December 2020: €1,455 thousand; 30 June 2021: €1,409 thousand), refer to note 14, and current prepaid employee service expense amounting to €175 thousand (31 December 2020: €329 thousand, 30 June 2021: €68 thousand).

Executive Management

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

Transaction, and Martin Slabbert and Victor Semionov will not receive cash or other actual remuneration for the duration of the Lock-In Period.

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

On 26 August 2021 Victor Semionov stepped down from the MAS Board, and as such the remaining €268 thousand share-based payment has been fully released.

The key terms of the Executive Management share-based payment are presented below.

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

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

Condensed consolidated interim financial statements for the six-month period to 31 December 2021

During the six-month period to 31 December 2021, €264 thousand (31 December 2020: €360 thousand; 30 June 2021: €714 thousand) has been recognised in the consolidated statement of profit or loss as an employment share-based payment expense and disclosed as a related party transaction (refer to note 23) in relation to services provided by Martin Slabbert and Victor Semionov.

PK Prepaid Development Services

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

On 31 December 2021, Prime Kapital has not provided the relevant development services to the Group and therefore a prepayment for the future development services of €10,170 thousand has been recognised. The fair value of the equity-settled share-based payment expense has been calculated based on 8,813,237 Consideration Shares at market price on 27 November 2019. It remains the Group's intention to utilise the development management services in the future, the Group is reconsidering the potential and appropriate extension of its directly own assets.

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

The key terms of the PK Prepaid Development Services share-based payment are presented below.

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

Measurement of fair value of the Transaction share-based payments

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

Gearred share purchase plan

Reconciliation of share-based payment reserve

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Opening balance	1,233	925	925
Share-based payment recognised during the period/year	225	111	308
Non-forfeitable distribution	(291)	-	-
Closing balance	1,167	1,036	1,233

Reconciliation of outstanding loans and shares

Gearred share purchase plan			
On 31 December 2021 (reviewed)			
	Number of shares	Weighted average share price	Weighted average loan per share
Opening outstanding balance	6,651,931	€1.0690	€0.9617
Granted	2,000,000	-	€1.0297
Forfeited	(300,000)	-	(€1.9114)
Brought back in the scheme	300,000	-	€0.8684
Interest	-	-	€0.0405
Interest repayment	-	-	(€0.0256)
Share price movement	-	€0.0953	-
Closing outstanding balance	8,651,931	€1.1643	€0.9633
Exercisable	1,650,000	€1.1643	€1.6775
Gearred share purchase plan			
On 31 December 2020 (reviewed)			
	Number of shares	Weighted average share price	Weighted average loan per share
Opening outstanding balance	3,850,000	€0.6734	€1.6442
Granted	1,941,931	-	€0.5525
Forfeited	(1,900,000)	-	(€1.8191)
Brought back in the scheme	1,900,000	-	€0.5406
Interest	-	-	€0.0196
Share price movement	-	(€0.0270)	-
Closing outstanding balance	5,791,931	€0.6464	€0.9378
Exercisable	1,350,000	€0.6464	€0.9378

On 30 June 2021 (audited)	Geared share purchase plan		
	Number of shares	Weighted average share price	Weighted average loan per share
Opening outstanding balance	3,850,000	€0.6734	€1.6442
Granted	4,701,931	-	€0.6417
Forfeited	(1,900,000)	-	(€1.3520)
Interest	-	-	€0.0278
Share price movement	-	€0.3956	-
Closing outstanding balance	6,651,931	€1.0690	€0.9617
Exercisable	1,650,000	€1.0690	€1,7018

The remaining term of the loans in relation to the geared purchase plan.

	On 31 December 2021 (reviewed)	On 31 December 2020 (reviewed)	On 30 June 2021 (audited)
Shares granted	5.19 – 9.92 years	6.19 – 9.67 years	5.69 – 9.74 years

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

During the period €225 thousand (31 December 2020: €111 thousand; 30 June 2021: €308 thousand) was recognised in the share-based payment reserve in relation to the options.

18.3. Earnings per share

Basic earnings per share

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

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Opening issued ordinary shares	704,493,798	704,493,798	704,493,798
Effect of shares issued	-	-	-
Weighted-average number of ordinary shares	704,493,798	704,493,798	704,493,798

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

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Profit from continuing operations attributable to owners of the Group (thousand euro)	55,979	25,143	65,811
Profit/(loss) from discontinued operations attributable to owners of the Group (thousand euro)	10,932	(3,878)	5,931
Weighted-average number of ordinary shares	704,493,798	704,493,798	704,493,798
Basic earnings per share (eurocents)	9.50	3.02	10.18
<i>Basic earnings per share (eurocents) - continuing operations</i>	<i>7.95</i>	<i>3.57</i>	<i>9.34</i>
<i>Basic earnings/(loss) per share (eurocents) - discontinued operations</i>	<i>1.55</i>	<i>(0.55)</i>	<i>0.84</i>

Diluted earnings per share

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

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Weighted-average number of ordinary shares (basic)	704,493,798	704,493,798	704,493,798
Effect of share options	1,425,828	-	2,856,440
Weighted-average number of ordinary shares (diluted)	705,919,626	704,493,798	707,350,238

	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021
Profit from continuing operations attributable to owners of the Group (thousand euro)	55,979	25,143	65,811
Profit/(loss) from discontinued operations attributable to owners of the Group (thousand euro)	10,932	(3,878)	5,931
Weighted-average number of ordinary shares	705,919,626	704,493,798	707,350,238
Diluted earnings per share (eurocents)	9.48	3.02	10.14
<i>Diluted earnings per share (eurocents) - continuing operations</i>	<i>7.93</i>	<i>3.57</i>	<i>9.30</i>
<i>Diluted earnings/(loss) per share (eurocents) - discontinued operations</i>	<i>1.55</i>	<i>(0.55)</i>	<i>0.84</i>

The dilutive weighted average number of ordinary shares include the effect of the 2,000,000 shares granted in the period.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of the share options is based on quoted market prices on the date the options were outstanding.

Headline earnings and diluted headline earnings per share

		Reviewed Six-month period to 31 December 2021		Reviewed Six-month period to 31 December 2020		Audited Year to 30 June 2021	
	Note	Gross	Net	Gross	Net	Gross	Net
Profit for the period attributable to ordinary shareholders - continuing operations		55,979	55,979	25,143	25,143	65,811	65,811
Profit/(loss) for the period attributable to ordinary shareholders - discontinued operations		10,932	10,932	(3,878)	(3,878)	5,931	5,931
Adjusted for:							
Fair value gain on investment property	8	(24,886)	(19,795)	(4,881)	(2,644)	(15,921)	(12,272)
Fair value gain on investment property in associate	8	(14,390)	(11,696)	(3,944)	(3,217)	(9,489)	(6,795)
Fair value (gain)/loss on investment property held for sale	8	(1,260)	(1,260)	7,951	2,006	10,022	7,136
Gain on disposal of investment property held for sale	4.2	(11,289)	(11,196)	(11,614)	(6,712)	(30,143)	(20,711)
Loss on disposal of investment property held for sale	4.2	-	-	8,481	7,361	10,533	9,314
Foreign exchange gain previously recognised in OCI recycled on disposal of subsidiary	4.2	(2,625)	(2,625)	-	-	-	-
Loss from disposal of subsidiary	4.2	2,630	2,630	-	-	-	-
Headline earnings		15,091	22,969	17,258	18,059	36,744	48,414
Headline earnings per share							
Weighted-average number of ordinary shares (basic)		704,493,798	704,493,798	704,493,798	704,493,798	704,493,798	704,493,798
Headline earnings per share (eurocents)		2.14	3.26	2.45	2.56	5.22	6.87
Diluted headline earnings/(loss) per share							
Weighted-average number of ordinary shares (diluted)		705,919,626	705,919,626	704,493,798	704,493,798	707,350,238	707,350,238
Diluted headline earnings per share (eurocents)		2.14	3.25	2.45	2.56	5.19	6.84

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

19. Contingent liabilities and contingent assets

There are no contingent liabilities or assets.

20. Commitments

The Group has committed to fund PKM Development through 7.5% cumulative preference shares issued by PKM Development, up to a total of €420million (31 December 2020: €420million; 30 June 2021: €420million). The outstanding commitment on the reporting date was €137million (31 December 2020: €233.3million; 30 June 2021: €186.7million) which is expected to be invested by 23 March 2025. The commitments are not considered to be onerous on the reporting date.

On 28 February 2019, the Group acquired 7 properties (collectively referred to as the 'Spark portfolio') from PKM Development through the acquisition of 100% of the share capital of their holding companies. In the years following the acquisition PKM Development may develop extensions for 3 of the completed properties on adjacent land plots. The Group has granted PKM Development an option ('the put option'), under the terms of which it can sell these completed extensions to the Group at an acquisition yield of 7.5% if developed over the five years following the acquisition, and thereafter at an acquisition yield equating to the latest valuation yield of the relevant property. The extensions are under permitting. The put option is outside the scope of IFRS 9 (2014) 'Financial Instruments' as it relates to the 'own use' exemption (i.e. the purpose of entering into the contract was to meet the Group's expected purchase, sale or usage requirements and cannot be net settled). Accordingly, it was not accounted for as a derivative financial instrument. Instead, IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' was considered and resulted that no onerous contract exists.

21. Events after the reporting date

Disposal of Gotha – investment property held for sale

On 23 February 2022, the Group completed the sale of Gotha via an asset deal, for a sale price of €7,360 thousand.

Fair value of financial investments

On 28 February 2022, gross exposure on financial investments had decreased to €107,938 thousand as compared to reported amounts on 31 December 2021. The gross exposure includes 228,635 additional shares acquired during the period up to date of this report.

22. Critical accounting estimates, judgements and errors

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

The **key judgements and accounting estimates** are presented below.

Determination of whether disposal of investment property represents discontinued operations

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

Determination of whether investment property is classified as held for sale

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

Determination of impairment of receivables

The Group applied judgements to determine revenue recognition in the context of the Covid-19 pandemic, as gross rental income and gross service charge income were recognised in full for the lockdown periods in accordance with the principles of IFRS 16 for revenue recognition, and the principles of IFRS 15 for gross service charge income. In accordance with the standards, impairments of receivables are recognised as an effect of the lockdowns and other economic consequences caused by the Covid-19 pandemic. Additional judgements are made in respect of determining if the forgiveness granted to tenants qualify as lease modifications. However, as disclosed in note 5, the Group recognised impairment of receivables as a forgiveness without qualifying as a lease modification, with a corresponding reduction in lease receivables in the period in which the reduction was agreed.

The **key areas of estimation uncertainty** are disclosed below.

Valuation of investment properties and investment properties held for sale

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

Valuation of financial instruments

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

Loan commitments

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

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Presentation of share capital and share premium

As described in note 18.1, effective 12 October 2021, MAS P.L.C., the Group's parent company has been redomiciled from British Virgin Islands to Malta and the issued and fully paid-up share capital of the Company amounts to €7,131,457 divided into 713,145,729 ordinary shares having a nominal value of €0.01 each. Until redomiciliation the ordinary share capital of the Company had no par value, as such the Group has reflected the issued and fully-paid up share capital of €7,131,457 separately from share premium on the condensed consolidated statement of financial position, as a movement between share capital and share premium in the condensed consolidated statement of changes in equity.

Reclassification between equity line items on comparative periods

The Group has reclassified €2,064 thousand, the effect of the shares forfeited and brought back in the scheme during the six-month period to 31 December 2020. The effect was previously treated as a reduction of the Share-based payment reserve and currently reclassified, for the comparative period ending 31 December 2020, as a reduction in Share premium. Following the change in presentation, the total Equity attributable to owners of the Group was not affected.

23. Related parties

Parent and ultimate controlling party

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

Key management

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

Transactions with key management

		Six-month period to 31 December 2021 (reviewed)							
	Role	During the period	Basic salary	Benefits	Short-term incentive	Long-term incentive	Sub Total	IFRS 2 option expense	Total
Martin Slabbert	CEO		-	-	-	-	-	264	264
		Appointed							
Irina Grigore	CFO (Deputy CEO)	Deputy CEO	96	25	-	-	121	-	121
Victor Semionov ¹	Executive Director	Resigned	-	-	-	-	-	268	268
Dan Petrisor	Executive Director	Appointed	56	-	-	-	56	-	56
	Executive Director								
Raluca Buzuleac ²	(Deputy CFO)	Appointed	11	-	-	-	11	-	11
Jonathan Knight ³	Alternative director	Resigned	30	-	-	-	30	-	30
Malcolm Levy	NED		18	-	-	-	18	-	18
Pierre Goosen	NED		18	-	-	-	18	-	18
Werner Alberts	NED		20	-	-	-	20	-	20
Melt Hamman	NED		18	-	-	-	18	-	18
Claudia Pendred	NED		18	-	-	-	18	-	18
Brett Nagle	NED		20	-	-	-	20	-	20
Vasile Iuga	NED		20	-	-	-	20	-	20
Dan Pascariu	NED		18	-	-	-	18	-	18
			343	25	-	-	368	532	900

¹ Effective 26 August 2021 Victor Semionov stepped down as Executive Director of the Group, and as a result the related share-based payment has been expensed, as described in note 18.2.

² Effective 6 December 2021, Raluca Buzuleac was appointed Executive Director (Deputy CFO) of the Group. The table above presents basic salary information since her appointment.

³ Effective 26 August 2021, Jonathan Knight stepped down as Alternative Director of the Group. Jonathan had a contract of employment with Corona Real Estate Partners Limited, which was a service provider to MAS Property Advisors Limited up to his resignation. The total remuneration charged by Corona in relation to services provided to MAS was €58 thousand, out of which Jonathan Knight received a salary of €12 thousand. Jonathan Knight received a salary of €30 thousand through MAS payroll. All amounts are reflected for the period up to step down date.

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

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

		Year to 30 June 2021 (audited)							
Role	During the year	Basic salary	Benefits ²	Short-term incentive	Long-term incentive	Sub Total	IFRS 2 option expense	Total	
Martin Slabbert	CEO	-	-	-	-	-	357	357	
Victor Semionov	Executive Director	-	-	-	-	-	357	357	
Irina Grigore ¹	CFO	Appointed	46	-	-	46	-	46	
Jonathan Knight ²	Alternative director		103	-	12*	115	-	115	
Dan Petrisor	Alternative director		73	-	-	73	-	73	
Malcolm Levy	NED		35	-	-	35	-	35	
Pierre Goosen	NED		33	-	-	33	-	33	
Werner Alberts	NED		38	-	-	38	-	38	
Melt Hamman	NED		33	-	-	33	-	33	
Claudia Pendred	NED		41	-	-	41	-	41	
Brett Nagle	NED		38	-	-	38	-	38	
Vasile Iuga	NED		40	-	-	40	-	40	
Dan Pascariu	NED		35	-	-	35	-	35	
			515	-	12	527	714	1,241	

¹ Irina Grigore was appointed CFO of the Group on 24 February 2021. The table above presents basic salary information since her appointment.

² Jonathan Knight had a contract of employment with Corona Real Estate Partners Limited, a service provider to MAS Property Advisors Limited. The total remuneration charged by Corona in relation to services provided to MAS by Jonathan Knight was €163 thousand. Jonathan Knight received a salary of €77 thousand from Corona Real Estate Partners Limited.

* Short-term incentive for Jonathan Knight reflects amounts approved prior to November 2019, paid in 2020.

The Group may use certain corporate service providers in respect of some of its subsidiaries and has concluded these service providers are not considered key management for the Group.

Effective 6 December 2021, Nathalie Vella was appointed Company Secretary of the Group, replacing Timothy Callister.

Related party relationships

Corona Real Estate Partners Limited

Corona Real Estate Partners Limited is a real estate management company owned 100% by Jonathan Knight who was an Alternate Director of the Group until 26 August 2021.

Prime Kapital Development SRL

Prime Kapital Development SRL is a subsidiary of Prime Kapital Holdings Limited, providing property management, construction and development services to the Company and PKM Development.

PKM Development Limited

PKM Development is an associate and the Group owns 40% of its ordinary shares. PKM Development owns shares in MAS; refer to note 12.

PK Energy Control SRL

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

Harneys Fiduciary

Harneys Fiduciary provides BVI corporate services and is a director of MAS (BVI) Holdings Limited and MAS CEE Investments Limited, 100% owned subsidiaries of the Company. Services are provided by its subsidiary Epstone Ltd.

Prime Kapital Holdings Limited and PK Development Holdings Ltd

Prime Kapital Holdings Limited is an integrated real estate developer, investor and operator. Martin Slabbert, CEO is partner of Prime Kapital. Prime Kapital became a related party of the Group on 27 November 2019, the date on which Martin was appointed Executive Director on MAS' Board.

MAS P.L.C.
Condensed consolidated interim financial statements for the six-month period to 31 December 2021

	Note	Income/(expenses) for			Net (receipts)/payments for			Balances receivable/(payable) on		
		Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021	Reviewed Six-month period to 31 December 2021	Reviewed Six-month period to 31 December 2020	Audited Year to 30 June 2021	Reviewed 31 December 2021	Reviewed 31 December 2020	Audited 30 June 2021
<i>Corona Real Estate Partners Limited</i>										
· Legal and professional expenses		(190)	(366)	(825)	231	370	964	-	(4)	(226)
		(190)	(366)	(825)	231	370	964	-	(4)	(226)
<i>Prime Kapital Development SRL</i>										
· Other income		-	87	174	(123)	(78)	(159)	-	28	15
· Rental income		87	-	-	(163)	-	-	15	-	-
· Capitalised expenses		(1,220)	-	(461)	1,233	-	335	(350)	-	(126)
· Property management platform expenses		(13)	-	-	-	-	-	-	-	-
· Other expenses		1	-	-	22	-	-	-	-	-
· Service charge and other property operating expenses		(2,028)	(697)	(1,959)	2,781	847	1,747	(199)	(182)	(380)
		(3,173)	(610)	(2,246)	3,750	769	1,923	(534)	(154)	(491)
<i>PKM Development Limited</i>										
· Equity accounted investee	12	14,616	3,412	10,629	-	-	-	51,981	30,148	37,365
· Preference shares	9; 16.3	10,716	2,530	15,322	49,700	5,470	46,362	300,009	198,714	247,734
· Other income		-	-	-	(1)	-	-	-	-	-
		25,332	5,942	25,951	49,699	5,470	46,362	351,990	228,862	285,099
<i>PK Energy Control SRL</i>										
· Electrical energy transformation fee		(140)	(142)	(297)	157	163	274	(38)	(14)	(27)
· Rental income energy equipment		121	127	256	(136)	(152)	(232)	51	9	25
		(19)	(15)	(41)	21	11	42	13	(5)	(2)
<i>Harneys Fiduciary</i>										
· Directors' fees and legal and professional fees		(45)	(6)	(17)	35	9	11	(10)	3	3
		(45)	(6)	(17)	35	9	11	(10)	3	3
<i>Prime Kapital Holdings Limited</i>										
· Prepaid development services	14	-	-	-	-	-	-	10,170	10,170	10,170
· Recharged costs		-	(294)	-	-	-	-	-	(294)	-
· Dividend from non-controlling interest		-	-	-	-	-	-	(5)	-	-
		-	(294)	-	-	-	-	10,165	9,876	10,170
<i>PK Development Holdings Ltd</i>										
· Recharged costs		(651)	-	(990)	651	-	339	-	-	(651)
		(651)	-	(990)	651	-	339	-	-	(651)
		21,254	4,651	21,832	54,387	6,629	49,641	361,624	238,578	293,902

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

Reviewed Six-month period to 31 December 2021

Consolidated Statement of Profit or Loss	Proportionate accounts Line Item	IFRS amounts				
		Continuing operations	Discontinued operations	Add 40% DJV	Other reclass	Proportionate accounts
Rental income	Net rental income - income property	17,947	3,667	3,384	(3,037)	21,961
Service charge income and other recoveries		5,608	661	1,233	(7,502)	-
Gross revenue		23,555	4,328			
Impairment of receivables		(335)	(2)	(14)	351	-
Service charge and other property operating expenses		(6,429)	(2,057)	(1,401)	9,887	-
Net rental income		16,791	2,269			
Corporate expenses		(3,273)	(181)			
Corporate expenses	Net corporate expenses	(3,273)	(181)	(454)	1,217	(2,691)
	Share-based payment expense	-	-	-	(1,217)	(1,217)
Other income		1,032	636			
Dividend income (note 6)	Net dividends - listed securities	1,032	-	-	1,684	2,716
Other income (note 6)	Other distributable net income/(cost)	-	636	1,891	(2,366)	161
	Other non-distributable income/(cost)	-	-	-	(308)	(308)
Investment expenses	Investment expenses	(908)	(1,201)	-	386	(1,723)
Fair value adjustments		24,898	1,347			
Gain/(loss) on fair value of inv. prop, incl. inv. prop. held for sale	Fair value adj. - income property	24,886	1,259	14,390	9,222	49,757
Loss on FV of fin. investments (note 8)	Fair value adj.- listed securities	12	-	2,715	(2,715)	12
Change in FV of interest rate swaps (note 8)	Fair value adj.- interest rate derivatives	-	88	-	-	88
Gain/(loss) from disposal of assets		-	11,289	-	(11,289)	-
Gain/loss from disposal of subsidiary		-	(2,630)	-	2,630	-
Foreign currency exchange differences	Foreign currency exchange differences	(262)	-	6	2,470	2,214
Foreign exchange gain on disposal of subsidiary		-	2,625	-	(2,625)	-
Share of profit from eq. acc. investees		14,616	-	(14,616)	-	-
Profit before finance income/(costs)		52,894	14,154			
Finance income		10,774	-			
Interest on preference shares (note 9)	Net income - preference shares	10,774	-	-	(4,344)	6,430
Interest on bank deposits (note 9)		-	-	5	(5)	-
	Interest capitalised on developments	-	-	-	1,269	1,269
Finance costs		(7,656)	(1,915)			
Interest on bank loans (note 9)	Interest on debt financing	(157)	(1,086)	(4,828)	(2,262)	(8,333)
Bonds borrowing costs (note 9)		(7,052)	-	-	7,052	-
Debt break fees (note 9)		-	(737)	-	737	-
Negative interest on bank deposits (note 9)		(447)	(92)	(226)	765	-
Profit before tax		56,012	12,239			
Current tax		(349)	(215)			
Current tax (note 10)	Income tax	(349)	(215)	(23)	93	(494)
UK - corporation tax	Tax on sale of property	-	-	-	(93)	(93)
Deferred tax	Deferred tax	316	(1,092)	(2,062)	-	(2,838)
Taxation		(33)	(1,307)			
Profit for the period, attributable to:		55,979	10,932	-	-	66,911
Owners of the Group	Earnings	55,979	10,932	-	-	66,911

Condensed consolidated interim financial statements for the six-month period to 31 December 2021

		On 31 December 2021 (reviewed)				
Consolidated Statement of Financial Position	Proportionate accounts Line Item	IFRS amounts		Add 40% DJV	Other reclass	Proportionate accounts
		Continuing operations	Discontinued operations			
<i>Non-current assets</i>						
Investment property		487,530	-			
Income-generating property (note 11)	Income property	486,817	-	124,456	88,761	700,034
Dev. property and land bank (note 11)	Developments - income property	713	-	26,809	-	27,522
	Developments - residential property	-	-	48,306	-	48,306
Intangible assets		1,696	-			
Goodwill (note 13)	Goodwill	1,696	-	-	-	1,696
Inv. in equity-accounted investees		51,981	-	(51,981)	-	-
Financial assets		300,009	-			
PKM Dev preference shares (note 16.3)	Preference shares	300,009	-	-	(120,004)	180,005
Other receivables		9,869	-	690	(10,559)	-
Deferred tax asset	Deferred tax asset	2,376	-	129	-	2,505
Total non-current assets		853,461	-			
<i>Current assets</i>						
Financial assets	Other assets	-	-	-	1,009	1,009
Investment property held for sale		-	88,761	-	(88,761)	-
Financial investments	Listed securities	110,619	-	19,570	-	130,189
Trade and other receivables		31,239	-			
Trade and other receivables	Trade and other receivables	30,072	-	2,366	(2,346)	30,092
VAT receivable	VAT receivable	1,167	-	1,912	(1)	3,078
	Share-based payment prepayments	-	-	-	11,895	11,895
Cash and cash equivalents	Cash and cash equivalents	193,712	-	7,762	-	201,474
Total current assets		335,570	88,761			
Total assets	Assets	1,189,031	88,761	180,019	(120,006)	1,337,805
<i>Non-current liabilities</i>						
Bonds	Debt financing	295,192	-	-	(295,192)	-
Bank loans		-	-	135,052	228,004	363,056
Other non-current liabilities		2,260	-	2,817	(5,077)	-
Deferred tax liability	Deferred tax liability	23,866	-	6,218	-	30,084
Total non-current liabilities		321,318	-			
<i>Current liabilities</i>						
Bonds		6,556	-	-	(6,556)	-
Bank loans		37,416	-	8,844	(46,260)	-
Financial liabilities	Other liabilities	-	-	-	1,071	1,071
Trade and other payables	Trade and other payables	17,463	-	27,088	4,004	48,555
Total current liabilities		61,435	-			
Total liabilities	Liabilities	382,753	-	180,019	(120,006)	442,766
Total equity, attributable to:		895,039	-			
Owners of the Group	Net asset value	895,039	-	-	-	895,039

Condensed consolidated interim financial statements for the six-month period to 31 December 2021

Reviewed period to 31 December 2020

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

		On 31 December 2020 (reviewed)				
Consolidated Statement of Financial Position	Proportionate accounts Line Item	IFRS amounts		Add 40% DJV	Other reclass	Proportionate accounts
		Continuing operations	Discontinued operations			
<i>Non-current assets</i>						
Investment property		444,584	-			
Income-generating property (note 11)	Income property	443,145	-	72,496	400,172	915,813
Dev. property and land bank (note 11)	Developments - income property	1,439	-	25,953	(202)	27,190
	Developments - residential property	-	-	19,520	-	19,520
Intangible assets		1,696	-			
Goodwill (note 13)	Goodwill	1,696	-	-	-	1,696
Inv. in equity-accounted investees		30,148	-	(30,148)	-	-
Financial assets		198,714	-			
PKM Dev preference shares (note 16.3)	Preference shares	198,714	-	-	(79,486)	119,228
Other receivables		10,436	-	-	(10,436)	-
Deferred tax asset	Deferred tax asset	3,746	-	525	-	4,271
Total non-current assets		689,324	-			
<i>Current assets</i>						
Financial assets	Other assets	-	-	-	905	905
Investment property held for sale		-	400,172	-	(400,172)	-
Financial investments	Listed securities	10,011	-	10,777	24,905	45,693
Trade and other receivables		22,433	-			
Trade and other receivables	Trade and other receivables	20,996	-	1,669	(3,610)	19,055
VAT receivable	VAT receivable	1,437	-	1,231	-	2,668
	Share-based payment prepayments	-	-	-	13,316	13,316
Cash and cash equivalents	Cash and cash equivalents	86,454	-	7,023	-	93,477
Total current assets		118,898	400,172			
Total assets	Assets	808,222	400,172	109,046	(54,608)	1,262,832
<i>Non-current liabilities</i>						
Bank loans		132,232	-	91,822	158,642	382,696
Financial liabilities	Interest rate derivative fin. liabilities	1,765	-	-	1,276	3,041
Other non-current liabilities		1,900	-	1,058	(2,958)	-
Deferred tax liability	Deferred tax liability	24,808	-	5,768	3	30,579
Total non-current liabilities		160,705	-			
<i>Current liabilities</i>						
Bank loans		212,700	-	544	(213,244)	-
Financial liabilities	Other liabilities	1,276	-	-	(218)	1,058
Trade and other payables	Trade and other payables	17,615	-	9,854	1,891	29,360
Total current liabilities		231,591	-			
Total liabilities	Liabilities	392,296	-	109,046	(54,608)	446,734
Total equity, attributable to:		816,098	-			
Owners of the Group	Net asset value	816,098	-	-	-	816,098

Condensed consolidated interim financial statements for the six-month period to 31 December 2021

		Audited Year to 30 June 2021				
Consolidated Statement of Profit or Loss	Proportionate accounts Line Item	IFRS amounts		Add 40% DJV	Other reclass	Proportionate accounts
		Continuing operations	Discontinued operations			
Rental income	Net rental income - income property	34,864	23,326	5,714	(13,516)	50,388
Service charge income and other recoveries		10,499	2,500	1,892	(14,891)	-
Gross revenue		45,363	25,826			
Impairment of receivables		(6,090)	(259)	(442)	6,791	-
Service charge and other property operating expenses		(12,355)	(6,063)	(2,429)	20,847	-
Net rental income		26,918	19,504			
Corporate expenses		(5,700)	(600)			
Corporate expenses	Net corporate expenses	(5,700)	(600)	(333)	1,720	(4,913)
	Share-based payment expense	-	-	-	(1,708)	(1,708)
Other income		2,690	-			
Dividend income (note 6)	Net dividends - listed securities	2,690	-	-	-	2,690
Other income (note 6)	Other distributable net income/(cost)	-	-	98	(748)	(650)
	Other non-distributable income/(cost)	-	-	-	655	655
Investment expenses	Investment expenses	(631)	(4,199)	(44)	208	(4,666)
Fair value adjustments		28,432	(9,878)			
Gain/(loss) on fair value of inv. prop. incl. inv. prop. held for sale (note 8)	Fair value adj. - income property	15,921	(10,193)	9,489	11,244	26,461
Loss on FV of fin. investments (note 8)	Fair value adj.- listed securities	12,114	-	-	496	12,610
Change in FV of interest rate swaps (note 8)	Fair value adj.- interest rate derivatives	354	315	-	(137)	532
Other financial liabilities/assets (note 8)	Fair value adj. - other fin. liabilities/assets	43	-	-	(362)	(319)
Gain/(loss) from disposal of assets		-	19,610	-	(19,610)	-
Foreign currency exchange differences	Foreign currency exchange differences	3,100	(7)	(75)	472	3,490
Share of profit from eq. acc. investees		10,629	-	(10,629)	-	-
Profit before finance income/(costs)		65,438	24,430			
Finance income		15,397	3			
Interest on preference shares (note 9)	Net income - preference shares	15,397	-	-	(6,204)	9,193
Interest on bank deposits (note 9)		-	3	3	(6)	-
	Interest capitalised on developments	-	-	-	1,304	1,304
Finance costs		(9,401)	(15,332)			
Interest on bank loans (note 9)	Interest on debt financing	(6,520)	(4,983)	(2,878)	(135)	(14,516)
Bond borrowing costs (note 9)		(1,588)	-	-	1,588	-
Debt break fees (note 9)		(956)	(10,315)	-	11,271	-
Negative interest on bank deposits (note 10)		(337)	(34)	(350)	721	-
Profit before tax		71,434	9,101			
Current tax		(180)	(11,565)			
Current tax (note 10)	Income tax	(180)	(11,565)	(25)	10,713	(1,057)
	Tax on sale of property	-	-	-	(10,713)	(10,713)
Deferred tax	Deferred tax	(5,443)	8,395	9	-	2,961
Tax expense		(5,623)	(3,170)			
Profit for the period, attributable to:		65,811	5,931	-	-	71,742
Owners of the Group	Earnings	65,811	5,931	-	-	71,742

On 30 June 2021 (audited)

Consolidated Statement of Financial Position	Proportionate accounts Line Item	IFRS amounts				
		Continuing operations	Discontinued operations	Add 40% DJV	Other reclass	Proportionate accounts
<i>Non-current assets</i>						
Investment property		458,603	-			
Income-generating property (note 11)	Income property	455,696	-	88,388	211,639	755,723
Dev. property and land bank (note 11)	Developments - income property	2,907	-	25,811	1	28,719
	Developments - residential property	-	-	28,739	-	28,739
Intangible assets		1,696	-			
Goodwill (note 13)	Goodwill	1,696	-	-	-	1,696
Inv. in equity-accounted investees		37,365	-	(37,365)	-	-
Financial assets		247,734	-			
PKM Dev preference shares (note 16.3)	Preference shares	247,734	-	-	(99,094)	148,640
Other receivables		9,385	-	347	(9,732)	-
Deferred tax asset	Deferred tax asset	3,470	-	130	-	3,600
Total non-current assets		758,253	-			
<i>Current assets</i>						
Financial assets	Other assets	-	-	-	738	738
Investment property held for sale		-	211,640	-	(211,640)	-
Financial investments	Listed securities	33,580	-	19,570	-	53,150
Trade and other receivables		36,030	-			
Trade and other receivables	Trade and other receivables	34,785	-	1,803	(3,665)	32,923
VAT receivable	VAT receivable	1,245	-	1,253	-	2,498
	Share-based payment prepayments	-	-	-	12,654	12,654
Cash and cash equivalents	Cash and cash equivalents	287,077	-	4,032	-	291,109
Total current assets		356,687	211,640			
Total assets	Assets	1,114,940	211,640	132,708	(99,099)	1,360,189
<i>Non-current liabilities</i>						
Bonds	Debt financing	294,587	-	-	(294,587)	-
Bank loans		-	-	110,502	308,841	419,343
Financial liabilities	Interest rate derivative fin. liabilities	-	-	-	848	848
Other non-current liabilities		2,036	-	1,138	(3,174)	-
Deferred tax liability	Deferred tax liability	24,436	-	4,158	(6)	28,588
Total non-current liabilities		321,059	-			
<i>Current liabilities</i>						
Bonds		151	-	-	(151)	-
Bank loans		112,171	-	1,026	(113,197)	-
Financial liabilities	Other liabilities	848	-	-	290	1,138
Trade and other payables	Trade and other payables	22,928	-	15,884	2,037	40,849
Total current liabilities		136,098	-			
Total liabilities	Liabilities	457,157	-	132,708	(99,099)	490,766
Total equity, attributable to:		869,423	-			
Owners of the Group	Net asset value	869,423	-	-	-	869,423

25. Summary of general accounting policies

Basis of preparation – statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ('IFRS'), the Johannesburg Stock Exchange ('JSE') Listings Requirements, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council. After taking into consideration the applicable legal and regulatory requirements of the Malta Companies Act 1995, including IFRS requirements adopted by the EU (European Union), management concluded that the condensed consolidated interim financial statements are in compliance with the latter.

Basis of measurement

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

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

Accounting policies

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year to 30 June 2021. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year to 30 June 2021 as well as any public announcements made by the Group during the six-month period to 31 December 2021.

New and amended standards and interpretations not yet adopted

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

Amendments/improvements to standards and interpretations not yet effective	Effective for annual periods beginning on or after
Reference to the Conceptual Framework – Amendments to IFRS 3	1 Jan 2022
Annual improvements to IFRS Standards 2018-2020	1 Jan 2022
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 Jan 2023 (deferred from 1 Jan 2022)
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 Jan 2023
Definition of Accounting Estimates – Amendments to IAS 8	1 Jan 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 Jan 2023

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MAS P.L.C.

Company information, advisors and property valuers

Company information and advisors

Identification

MAS P.L.C.
Registration number C99355
JSE share code: MSP
ISIN: VGG5884M1041
LEI code: 213800T1TZPGQ7HS4Q13

Registered office in Malta and Correspondence address

MAS P.L.C.
Suite 11, Marina Business Centre
Abate Rigord Street
Ta' Xbiex, XBX1129
Malta

Company secretary

Nathalie Vella

Independent auditor

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

JSE Sponsor

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

Registrar / Transfer Secretaries

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

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

Depository

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

Property Valuers

Germany

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

Poland

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Metropolitan
Plac Pilsudskiego 1
Warsaw, 00-078
Poland

Romania and Bulgaria

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

United Kingdom

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

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

Glossary

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

MAS P.L.C.

Glossary

LTV	Loan to value, the ratio of the nominal value of debt net of cash to investment property, listed securities and preference shares
LFL	Like-for-like, measure of growth adjusted to exclude new or disposed properties
NAV	Net asset value
SA REIT	South African Real Estate Investment Trust Association, the representative umbrella body comprised of voluntary members of South African listed REIT companies and trusts
Tangible NAV	Net asset value which includes only assets and liabilities likely to crystallise on disposal, and corresponds to net asset value under adjusted proportionate accounts
Transaction	The acquisition on 27 November 2019 by the Group of Prime Kapital's effective economic interest in the IJV with MAS
NRI	Net rental income
Prime Kapital / PK	Prime Kapital Holdings Limited
PKM Development	P K M Development Limited
REIT	Investment in listed real estate equity securities
WE	Western Europe or Western European

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