SHORT-FORM ANNOUNCEMENT: REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2021

MAS REAL ESTATE

MAS P.L.C. Registered in Malta Registration number: C99355

JSE share code: MSP ISIN: VGG5884M1041 LEI code: 213800T1TZPGQ7HS4Q13 (MAS, the Company or the Group)

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).

Table 1 – Operational performance

		Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Total
Open GLA[2]	%	97	97	96	71	9	8	62
Restricted GLA[3]	%	3	3	4	29	91	92	38
Closed GLA[4]	%	-	-	-	-	-	-	-
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 Uberior 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. 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

[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.

[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).

All amounts in € thousand unless otherwise stated.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Reviewed 31 Dec 21	Reviewed 31 Dec 20	Audited 30 Jun 21
Non-current assets	853,461	689,324	758,253
Current assets	424,331	519,070	568,327
Total assets	**1,277,792**	**1,208,394**	**1,326,580**
Equity attributable to owners of the Group	895,039	816,098	869,423
Total equity	**895,039**	**816,098**	**869,423**
Non-current liabilities	321,318	160,705	321,059
Current liabilities	61,435	231,591	136,098
Total liabilities	**382,753**	**392,296**	**457,157**
Total shareholder equity & liabilities	**1,277,792**	**1,208,394**	**1,326,580**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	Reviewed 6 months to 31 Dec 21	Reviewed 6 months to 31 Dec 20	Audited Year to 30 Jun 21
Continuing operations			
Rental income	17,947	17,952	34,864
Service charge income and other recoveries	5,608	5,081	10,499
Gross revenue	**23,555**	**23,033**	**45,363**
Impairment of receivables	(335)	(3,003)	(6,090)
Service charge and other property operating expenses	(6,429)	(6,282)	(12,355)
Net rental income	**16,791**	**13,748**	**26,918**
Corporate expenses	(3,273)	(2,418)	(5,700)
Other income	1,032	1,728	2,690
Investment expenses	(908)	(799)	(631)
Fair value adjustments	24,898	8,539	28,432
Foreign currency exchange differences	(262)	759	3,100
Share of profit from equity-accounted investee, net of tax	14,616	3,412	10,629
Profit before finance income/(costs)	**52,894**	**24,969**	**65,438**
Finance income	10,774	7,197	15,397
Finance costs	(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)
Profit from continuing operations	**55,979**	**25,143**	**65,811**
Discontinued operations			
Profit/(loss) from discontinued operations, net of tax	10,932	(3,878)	5,931
Profit for the period/year	**66,911**	**21,265**	**71,742**
Attributable to:			
Owners of the Group	66,911	21,265	71,742
Profit for the period/year	**66,911**	**21,265**	**71,742**

FINANCIAL PERFORMANCE	Reviewed 31 Dec 21	Reviewed 31 Dec 20	Audited 30 Jun 21
IFRS Net Asset Value attributable to owners of the Group	895,039	816,098	869,423
IFRS Net Asset Value per share (eurocents)	127.0	115.8	123.4
IFRS Gross revenue from continuing operations	23,555	23,033	45,363
Earnings per share (eurocents)*	9.50	3.02	10.18
Adjusted distributable earnings per share (eurocents)	2.96	-	5.93
Cash dividend (eurocents)	2.96	-	5.93
Gross headline earnings	15,091	17,258	36,744
Net headline earnings	22,969	18,059	48,414
Gross headline earnings per share (eurocents)	2.14	2.45	5.22
Net headline earnings per share (eurocents)	3.26	2.56	6.87
Gross diluted headline earnings per share (eurocents)	2.14	2.45	5.19
Net diluted headline earnings per share (eurocents)	3.25	2.56	6.84
Closing number of shares in issue**	704,493,798	704,493,798	704,493,798

* The Group's earnings per share have increased by 215% vs. 31 Dec 2020.
** Excluding treasury shares.

SEGMENTAL ANALYSIS INCOME STATEMENT (JUL – DEC 2021)	Proportionate accounts Six months to 31 Dec 2021					Adjustments Six months to 31 Dec 2021					Adjusted proportionate accounts Six months to 31 Dec 2021				
	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	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	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	12	-	-	-	12	(687)	-	-	-	(687)	(675)	-	-	-	(675)
Foreign currency exchange differences	2,214	-	-	2,625	(411)	-	-	-	-	-	2,214	-	-	2,625	(411)
Investment expenses	(1,723)	-	-	(1,538)	(185)	1,489	-	-	1,489	-	(234)	-	-	(49)	(185)
Share-based payment expense	(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	(2,838)	316	(2,062)	(1,092)	-	1,746	(316)	2,062	-	-	(1,092)	-	-	(1,092)	-
Estimation for WE disposal realisation costs and losses	-	-	-	-	-	35,933	-	-	35,933	-	35,933	-	-	35,933	-
Weighted average number of shares (million) ~											**676.1**				
Adjusted distributable earnings per share (eurocents)											**2.96**				
Dividend per share (eurocents)											**2.96**				

SEGMENTAL ANALYSIS BALANCE SHEET (DEC 2021)	Proportionate accounts 31 Dec 2021					Adjustments 31 Dec 2021					Adjusted proportionate accounts 31 Dec 2021				
	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	130,189	-	19,570	-	110,619	(19,570)	-	(19,570)	-	-	110,619	-	-	-	110,619
Goodwill	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	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	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	-	-	-	-	-	3,902	-	-	3,902	-	3,902	-	-	3,902	-
Closing number of shares in issue (million) ~											**676.1**				
Net Asset Value per share (eurocents)	**132**	**72**	**52**	**12**	**(3)**										
Tangible Net Asset Value per share (eurocents)											**131**	**73**	**50**	**11**	**(3)**

*** Corporate (Co), other assets, liabilities and activities related to the Group's management, including investments in listed securities, Group level financing, as well as corporate level administration.
~Weighted number of shares for the period and Closing number of shares for proportionate accounting purposes are computed by elimination of MAS' 40% share of own shares acquired by the associate.

This short-form announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement released on SENS on Monday, 7 March 2022 and available at: https://senspdf.jse.co.za/documents/2022/jse/isse/msp/MASHYFS22.pdf or on the Company's website: https://www.masrei.com/investors/financials. This short-form announcement does not contain full or complete details, any investment decisions by investors and/or shareholders should be based on consideration of the full announcement. The full announcement is available for inspection or may be requested and obtained in person, at no charge, at the head office of the Company on Suite 11, Marina Business Centre, Abate Rigord Street, Ta' Xbiex, XBX1129, Malta, and at the offices of our sponsor, Java Capital Trustees and Sponsors (Proprietary) Limited, at 6th Floor, 1 Park Lane, Wierda Valley, Sandton, Johannesburg, 2196, South Africa, during office hours from 7 March 2022 to 21 March 2022. The condensed consolidated interim financial statements have been reviewed by the Company's auditors, PricewaterhouseCoopers LLC, who expressed an unmodified review opinion thereon. The opinion, together with the condensed consolidated interim financial statements are available on the Company's website at the above link.