AUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR TO 30 JUNE 2023 AND CHANGES TO THE BOARD OF DIRECTORS AND COMPANY SECRETARY

MAS P.L.C.

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 well during the second half of the financial year ended 30 June 2023, achieving adjusted distributable earnings for the year of 8.93eurocents per share (a 30.7% increase from adjusted distributable earnings per share for the previous financial year). This strong performance was driven by stellar operational results in commercial retail properties operated by the Group. By contrast, the current market uncertainties and increased interest rate environment have brought about various challenges, with ramifications affecting both MAS and the development joint venture (DJV[1]) with developer Prime Kapital. In respect of the latter, notwithstanding the strong fundamentals of the residential business, this segment of operations is facing headwinds.

Changes with respect to the funding environment have effects on multiple areas of the business, specifically due to the cost and availability of secured and unsecured debt. As communicated on 29 June 2023, MAS' board of directors (Board) was undertaking a comprehensive process of reviewing the Company's strategy and committed to announce the outcome of the review with the release of the financial results for the period to 30 June 2023. Following the strategic review, where the Board considered at length the macroeconomic challenges with respect to the debt markets, it has resolved a more conservative and proactive approach is required at this stage. For this reason, the Board deems it prudent to pause distributions and accumulate liquidity to provide for a more robust capital structure that can meet the operating requirements of the business in a more challenging funding environment.

The aforementioned points, and the Group's financial results are elaborated in detail within.

PREAMBLE

In addition to the reported International Financial Reporting Standards (IFRS) results, this commentary also includes segmental reporting prepared on a proportionate consolidated basis, which assists the interpretation of the former rather than replacing it. Detailed financial results and the Company Profile, for the year ended 30 June 2023, including highlights and supplemental operational information, are available on MAS' corporate website. Unless otherwise stated, all amounts in the Directors' commentary are presented on an adjusted proportionate consolidated basis.

MAS primarily invests in, and operates, retail assets in Central and Eastern Europe (CEE). The Group is well positioned to leverage the region's long-term, continual, high growth in consumption and generate strong like-for-like (LFL) net rental income (NRI) growth from retail holdings through increasing tenants' sales and implementing asset management initiatives. MAS benefits from downside-protected exposure to retail and residential developments via the DJV with developer Prime Kapital.

MAS remains committed to maximising total long-term returns from property investments on a per share basis. This is aimed to be achieved 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.

OUTCOME OF STRATEGY REVIEW

It is expected that real GDP and consumption growth in Romania will endure, and that long-term growth in Romania and other CEE countries will continue to remain robust and significantly surpass growth in Western European countries for the foreseeable future. As such, the Group expects to generate best-in-class, sustainable, long-term total shareholder returns.

MAS 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). Their achievement would have implied an increase in scale that would have positioned the Company well for an investment-grade credit rating. On this basis, the Company committed to a full pay-out of distributable income during this period and published its ambition to achieve distributable earnings per share ranging between 14.5 – 15eurocents per share by the 2026 financial year, with increases in gearing levels and profits from residential developments being core components.

Since formulation of these objectives, significant market changes have taken place. These affect the underlying assumptions in respect of debt financing cost and availability, and the achievability of the residential development targets over this period.

Before the funding environment changed, MAS was well on track to meet rating agencies' requirements for an investment grade rated real estate company. An investment grade credit rating would have facilitated refinancing the Group's issued bond in the capital markets, providing MAS with flexible access to debt finance at optimal cost, which is integral to long-term strategy. Despite the Group's strong operating performance, Moody's has downgraded MAS' corporate issuer, and bond, credit rating to Ba2 from Ba1 in July 2023, primarily because of the current challenging funding environment for real estate companies. Appetite for below investment grade bond issues has declined considerably and the associated cost of new bond funding has increased substantially. This means that potential issuers of such bonds may either have difficulty raising debt capital and/or may have to pay exorbitant interest rates to attract investors, which could affect their profitability and creditworthiness.

It is unlikely MAS will achieve, as previously planned, an investment grade credit rating well in advance of its bond maturity in May 2026. It is also expected that interest rates will remain at higher levels for longer than previously anticipated, which has a direct impact on appropriate debt levels. As such, alternative funding sources are required to ensure repayment of the existing bond at (or before) maturity.

Accordingly, MAS has reconsidered the Group's capital structure and revised its self-imposed, long-term overall debt limit downwards. More restrictive than its covenant tolerances, MAS' overall debt will from now on be limited to a maximum LTV of 35% (decreased from 40%). The Group's limitation of net debt to a maximum of seven is targeted to decrease to six times net rental income (computed on a forward-looking basis). These tighter limits will be monitored and adhered to on both an IFRS and on a proportionate consolidated accounting basis.

In addition, MAS is implementing a debt management plan to raise bank funding secured against its unencumbered properties in CEE aimed at reducing refinancing risks associated with its bond maturity. To date, management has negotiated €134.8million in new secured bank loan funding and processes to attract an additional €45million are ongoing. Drawing down on these facilities remains subject to banks' risk and credit approval processes, final terms being agreed, and conditions precedent being fulfilled.

Under the previous, more relaxed, self-imposed debt limitations, combined with MAS' plan to utilise almost exclusively unsecured debt in its capital structure, the Company could have maintained the full pay-out of distributable earnings. However, the adoption of the above, more restrictive, debt limitations whilst implementing a debt management plan focusing on raising secured debt and maintaining a full pay-out of distributable earnings will place MAS at undue risk of not meeting its existing ongoing funding commitments. The Board has therefore resolved rather to accumulate adequate liquidity to cover the bond redemption and medium-term funding commitments as they fall due whilst simultaneously reducing anticipated overall future debt levels. The Company will thus retain distributable earnings in full until such time as these objectives have been substantially met.

Although the long-term fundamentals of the Romanian residential market remain strong, residential demand is currently suboptimal, given significant increases in construction costs that placed downward pressure on margins. To this end, residential projects not currently under construction, and new phases to projects currently under development, have been placed on hold, attesting to the value of maintaining flexibility and optionality in the DJV's development and projects' de-risking processes. Considering this, expected timelines, costs, and margins in respect of the residential development pipeline are no longer applicable and will not be published. Publication of these estimates will resume when the DJV considers it appropriate to proceed with these developments.

Regarding unsold completed units at Avalon Estate and Marmura Residence, the DJV will retain these units for rental, addressing rising demand for quality rental stock in Bucharest, while preserving the option to sell in due course.

The strategic earnings targets previously set to be achieved by the end of the 2026 financial year, in respect of which excellent progress has been achieved to date, accounted for factors which have changed significantly since the targets had been set. This includes debt funding to be raised closer to the Group's previous self-imposed debt limitations (no longer appropriate due to the adoption of more conservative debt limitations) and significantly scaling up the residential development business over this period (no longer appropriate due to current unfavourable residential market dynamics). As a result, the strategic earnings target previously set in respect of the 2026 financial year, is withdrawn.

FINANCIAL RESULTS

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

Adjusted total earnings for the six months to 30 June 2023 were €41.2million and consisted of adjusted distributable earnings of €29.7million and adjusted non-distributable earnings of €11.5million. Tangible net asset value (NAV) was €1.45 per share on 30 June 2023, a marginal increase from 31 December 2022 (3.6% increase from Tangible NAV on 30 June 2022). Adjusted distributable earnings for the financial year were 8.93eurocents per share (30.7% increase compared to financial year to 30 June 2022) and resulted from 4.51eurocents per share for the six months to 30 June 2023 and 4.42eurocents per share for the preceding six months. MAS achieved diluted adjusted distributable earnings for the financial year of 8.80eurocents per share. Of this, commercial and corporate operations contributed 8.82eurocents per share, in line with the attributable earnings guidance range of 8.75 – 9.00eurocents per share provided in March 2023.

The variance in MAS' adjusted total earnings compared to the six months to 31 December 2022, is mostly due to positive outcomes arising from:

(i) continued outstanding performance of, and increase in, NRI from retail properties in CEE, enhanced by excellent rental and service charge collections and exceptional trading at commercial centres operated by MAS;
(ii) losses recognised in the previous period resulting from an increase in management's estimate for disposal realisation costs and losses for Western European assets remaining to be sold, as well as from foreign exchange losses related to the disposal of UK properties (Langley Park land), not being repeated, and
(iii) increased income from preferred equity, resulting from additional investments during the current and previous six-month periods.

These positives have been partially offset by (i) decreases in dividends and value of MAS' investment in listed securities following disposals in the current and previous six months; (ii) lower, still favourable, increases in Central and Eastern European property valuations; (iii) decreases in MAS' interest rate derivatives' market value, and (iv) net losses derived from the DJV's residential business caused by a challenging residential sales market environment requiring the DJV to recognise a decrease in net realisable value for some of its completed residential properties.

OPERATIONS

There was excellent trading in all Central and Eastern European countries where the Group operates during the first six months of the 2023 calendar year, with all the Group's properties benefiting from robust footfall and tenant sales. MAS progressed well with asset management initiatives aimed at achieving previously stated asset management targets.

Information regarding MAS' Central and Eastern European like-for-like (LFL) footfall and tenants' sales (compared to the same period of the previous financial year), and collection rates for the six months to 30 June 2023, is detailed in Table 1. Figures in respect of January to March 2023 benefit from, and reflect, a lower comparative base as social distancing restrictions were in place up to March 2022. All figures were reported on 31 August 2023.

Table 1

		Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Total
Footfall (2023 compared to 2022)	**%**	**139**	**134**	**118**	**110**	**109**	**110**	**118**
Open-air malls	%	138	133	121	112	111	112	119
Enclosed malls	%	141	136	113	107	106	107	116
Tenants' sales per m² (2023 compared to 2022)	**%**	**129**	**125**	**115**	**108**	**107**	**111**	**114**
Open-air malls	%	123	121	115	109	109	109	114
Enclosed malls	%	143	134	113	106	103	113	116
Collection rate	**%**	**100**	**100**	**100**	**100**	**99**	**99**	**100**

Overall LFL footfall for the six months to 30 June 2023 was 9% above the same period in 2019, and tenants' turnovers per m² significantly exceeded pre-pandemic levels by 28%, both in enclosed malls (29% increase) and in open-air malls (27% increase).

Footfall performance was admirable for the six months to 30 June 2023, increasing 18% compared to the same period in the previous year. This strong improvement in footfall confirms the continued robust demand for the Group's retail offering.

Overall, LFL tenants' sales outperformed levels achieved in the six-month period to 30 June 2022 by 14% in open-air malls and 16% in enclosed malls. Most tenant categories delivered impressive sales results, in line with the growth trend. Leisure, entertainment, services, and specialist tenants' sales, which had a slower recovery to pre-pandemic levels, have surpassed the overall growth trends during the six months to 30 June 2023. Food services, health and beauty, complements, home appliances and groceries categories have continued to outperform. Toys and DIYs, categories that previously significantly outperformed pre-pandemic sales levels, underperformed during the six months to 30 June 2023.

Passing NRI on a LFL basis increased by 6.4% compared to 31 December 2022 and by 12.4% compared to 30 June 2022. The increase is attributable both to higher rent indexation due to Euro inflation and to increased rental from overage because of excellent tenant sales' performance. MAS' properties benefit from Euro-based, triple-net, leases, with full Euro indexation to base (minimum) rents and turnover clauses. MAS fully passes on indexation to tenants, which have comfortably absorbed the higher rents, while occupancy cost ratios (OCR) have remained healthy due to the continued strong tenants' sales.

OCRs (excluding certain tenant categories: supermarkets, DIYs, entertainment, and services) to 30 June 2023 were stable at 10.7% (10.6% on 31 December 2022). This was achieved despite higher absolute occupancy costs brought about by increased service charges and rent indexation of 9.5% applied since January 2023. Stable OCRs highlight tenants' excellent sales performance. Consequently, collection rates were exceptional at over 99.6% for the entire six-month period.

In addition, occupancy of Central and Eastern European assets increased to 97.3% on 30 June 2023 (96.3% on 31 December 2022), and leasing efforts focused on sustainably achieving MAS' long-term strategic asset management target of 99% occupancy are ongoing.

At Flensburg Galerie (Germany), asset management initiatives to prepare the asset for disposal have been substantially completed and resulted in a significant increase in retail occupancy to 91.9% (from 81.7% on 30 June 2021, when the initiatives commenced). The property's occupancy on 30 June 2023, including office GLA, stood at 86.0%. Passing NRI increased by 23.5%, to €2.9million since 30 June 2021. The property's overall appeal in its catchment area increased, as evidenced by footfall levels for the six months to 30 June 2023 increasing by 11%, and tenants' sales increasing by 17% compared to the same period in 2022.

Residential operations reflected a €0.5million loss for the six months to 30 June 2023, included in MAS' adjusted distributable earnings, being its proportion of net results attributable to DJV's residential business. Of this, €0.5million represents residential profits achieved mainly through sales of Marmura Residence units during the period, offset by €1million in selling and administrative costs related to all residential projects and net realisable value adjustments on completed residential units at Marmura Residence. Profits on sales of residential units also include the first Avalon Estate units delivered prior to 30 June 2023. In respect of the latter, delays in the administrative process of completing residential sales have resulted in only 11% of units sold to 30 June 2023 being handed over to clients by the same date. The net margin on the remaining units sold at Avalon Estate, previously scheduled for completion by June 2023 is expected to be recognised in the following six-month period.

DEBT, COST OF DEBT AND LIQUIDITY

On 30 June 2023, MAS had €111.9million in cash, listed securities, and undrawn credit facilities (figures not proportionally consolidated). On the same date, the Group's outstanding debt amounted to €452.7million on a proportionate consolidation basis. This comprised of €290.9million in unsecured bonds, €5million in drawn unsecured revolving credit facility, and €156.8million in secured bank loans on the Group's properties in CEE and WE.

Group's LTV ratio on 30 June 2023 was 28.1% on a proportionate consolidation basis and 28.8% on an IFRS consolidation basis. The weighted average cost of debt was 4.42% per annum for the financial year ended 30 June 2023 (on an IFRS consolidation basis).

Covenant ratios on the Group's bond and unsecured revolving credit facility demonstrated comfortable headroom compared to covenant tolerances, on both IFRS and proportionate consolidation bases, as illustrated in Table 2 below.

Table 2

	Tolerance	Actual IFRS	Actual proportionate consolidation basis
Solvency ratio	Shall not exceed 0.6	0.31	0.30
Consolidated coverage ratio	At least 2.5:1	4.25	4.93
Unencumbered consolidated total assets/ unsecured consolidated total debt	Minimum 180%	360%	369%

FUNDING COMMITMENTS TO THE DJV

By 30 June 2023, MAS has invested a total of €319.9million in preferred equity and revolving credit facility and had ongoing undrawn commitments to the DJV of €180.1million, of which €19.5million in undrawn revolving credit facility (figures not proportionally consolidated).

PROPERTY VALUATIONS

The income property fair value uplift of €14.2million reflects positive fair value adjustments to income property in CEE of €15.5million (an improvement of 1.5% compared to the valuations on 31 December 2022 and 4.6% compared to 30 June 2022) and a decrease of €1.3million in WE (a decrease of 1.4% compared to 31 December 2022, mainly driven by an increase in the valuation discount rate used for Flensburg Galerie).

Valuations of MAS' (and the DJV's) properties are determined biannually by external, independent professional valuers, with appropriate, recognised qualifications and recent experience in the relevant location and category of property. Valuations are primarily based on discounted forecast cash flows and are therefore forward-looking.

Income property fair value gains were a result of passing NRI increases on a LFL basis of 6.4% since December 2022 (12.4% since June 2022) driven by strong operational performance, partially offset by the impact of an increase in discount rates applied. The weighted average unlevered discount rate for income property valuations in CEE slightly increased to 9.94% from 9.91% compared to valuations for the six months to 31 December 2022 (and from 9.71% on 30 June 2022).

ASSET SALES IN WE

MAS' remaining Western European assets held for sale are Flensburg Galerie (Germany) and Arches street retail units (UK). These assets had a combined fair value of €58.8million with €33.5million secured bank debt outstanding on 30 June 2023. A promising sales process for Flensburg Galerie was ongoing, in parallel with a debt refinancing process for the bank loan secured on the property, maturing in November 2023. The sales transaction was recently aborted, as the potential buyer did not secure appropriate funding to complete the transaction. Management continues the process of securing debt to refinance (or extend) the property's existing debt.

The competitive sales process for the Arches street retail units is continuing, and the asset is expected to be disposed of in the six months to December 2023.

Valuations of income properties held for sale in WE on 30 June 2023 have further decreased. Management's estimate of expected realisation costs and potential losses on disposal of €19.9million on 30 June 2023 has not changed significantly compared to €21.3million on 31 December 2022. The estimate had been re-assessed from €4.2million on 30 June 2022. Management's estimation includes costs likely to crystalise on disposal of the assets in WE, including early bank debt repayment penalties, relevant advisory and agency fees, and other related costs and losses.

LISTED SECURITIES

On 30 June 2023, MAS held shares in NEPI Rockcastle N.V. (NRP), to the value of €36.5million. During the six months to 30 June 2023, the Group disposed of 10,953,418 shares, at a realised gain of €0.9million compared to the weighted average acquisition price, and €0.4million realised loss compared to fair values on 31 December 2022.

Total adjusted returns from this investment during the six months to 30 June 2023 were €0.7million, of which €2.9million were accrued dividend returns for the period and €2.2million unrealised fair value losses. After financial year end, the remaining investment was fully disposed of, at a realised profit of €1.1million (compared to 30 June 2023).

DEVELOPMENTS, EXTENSIONS, AND REFURBISHMENTS IN THE DJV

The DJV's secured commercial development pipeline on 30 June 2023 is estimated at €889.9million at cost (figure not proportionally consolidated). Progress with commercial and residential developments and changes to secured commercial development pipeline are detailed below.

Completed commercial developments

Slobozia Value Centre extension, adjacent to MAS' directly owned property, was completed, and opened on 31 May 2023. The extension complements the existing centre with 4,300m² additional retail GLA. This represents the third such extension completed during the financial year to 30 June 2023, with Baia Mare and Roman Value Centres' respective extensions completed during the six months to 31 December 2022. The extensions enhance the existing open-air malls' retail offering and safeguard their dominant positions in the relevant catchment areas.

Carolina Mall was completed and opened as planned on 31 August 2023 with 92% of the 29,000m² GLA occupied. The mall is in Alba Iulia, the capital of Romania's Alba County, with a population of approximately 75,000 and approximately 228,000 residents in the mall's catchment area. The city's only modern retail centre, Carolina Mall, introduced remarkable entertainment and leisure facilities, including a 1ha new park built for the local community, as well as a diverse retail offering of high-quality national and international tenants to the region.

Commercial developments

Construction of Arges Mall, the dominant 51,400m² GLA regional enclosed mall continues as scheduled. Works on the bridge access infrastructure is ongoing, and the centre is scheduled to open May 2024. Leasing continues with national and international tenants showing significant interest.

Permitting of Mall Moldova, in Iasi, Romania, enhanced to incorporate a revised layout and reconfigured infrastructure, is in place. The construction, extending and redeveloping Era Shopping Centre (29,600m² GLA) into a super-regional enclosed mall, part of a retail node incorporating approximately 126,300m² of destination GLA, is expected to commence in September 2023. Leasing is progressing well with high demand from national and international tenants.

Construction for the first phase of Silk District office is on track to complete by 30 September 2023, and consents required for permitting of the following two phases, are in place.

Zoning is ongoing for the DJV's commercial projects in Bucharest (28,000m² GLA open-air mall component on 54ha of a former industrial platform, where a mixed-use urban regeneration project is planned), Brasov (24,400m² GLA open-air mall) and Cluj (73,300m² GLA enclosed mall and 49,200m² GLA office components on a 17ha land plot where the DJV plans a large-scale mixed-use urban regeneration project).

Several other retail development opportunities are being pursued, some of which have been secured.

Residential developments

At the Avalon Estate residential project, construction and finishing works on the first buildings were substantially complete on 30 June 2023. To date, 73% of the 352 first phase residential units have been sold and 52% of units sold have been handed over to clients.

Construction and sales of the first two phases of Silk District's residential component (315 units; 82% sold and 346 units; 81% sold, respectively) is progressing well. First phase units' handovers to clients are expected to commence by 31 December 2023 and by 30 June 2024 for the second phase units.

The first phase of Pleiades Residence's construction, comprising 142 units in two of the seven buildings planned for the residential component of the 10.1ha mixed-use urban regeneration in downtown Ploiesti, continues as scheduled. Sales are progressing, and 44% of the first phase units have been contracted to date.

Two previously disclosed residential projects in Timisoara, Spumotim Residential (approximately 2,100 apartments) and Elba Residential (approximately 1,400 apartments) are anticipated to be removed from the DJV's residential development pipeline.

EXTENSIONS AND REFURBISHMENTS TO DIRECTLY OWNED ASSETS

The refurbishment of Galleria Burgas progresses as scheduled, and it is expected the planned asset management initiatives for reconfiguring the food court and improving the centre's overall leisure and entertainment facilities will complete by 30 June 2024.

Further updates regarding other extension and refurbishment projects to directly owned assets in CEE, will be provided when appropriate.

EARNINGS GUIDANCE

Diluted adjusted distributable earnings per share for the 2024 financial year is expected to range from 9.81eurocents to 10.65eurocents per share. This guidance is based on the assumptions that MAS implements its current debt management plan as scheduled, no additional material macroeconomic disruption occurs, a stable political environment prevails in the Group's markets, developments are delivered as scheduled, and no major corporate failures occur.

Shareholders should note that the Company's estimates and distributable earnings per share targets 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 Company will not hesitate to adopt changes in strategy, or to take action that may impact negatively on distributable income per share, if this is considered appropriate from a long-term, risk-adjusted, total return perspective.

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

CHANGES TO THE BOARD AND COMPANY SECRETARY

MAS is pleased to announce the appointment of Stefan Briffa as Company Secretary, taking over Roxana Bordeanu's company secretarial responsibilities, with effect from 31 August 2023. Stefan has extensive experience in Maltese Company Law and has recently joined the Group's head office in Malta. Stefan has over 27 years' experience in regulatory affairs, compliance, and corporate governance. Prior to joining MAS, he worked as company secretary and head of risk and compliance at major Maltese groups activating in vehicle retail and mobility, telecommunications, and corporate services. Roxana remains a member of senior management and will continue to focus on her responsibilities as part of MAS' Capital Management team, particularly on the implementation of MAS' debt management plan. The Board thanks her for her dedicated service during her tenure as Company Secretary.

Dan Petrisor, originally appointed as Alternate Director on 28 February 2020, and as Executive Director on 30 August 2021, steps down from the Board as Executive Director effective 31 August 2023. He remains a senior executive of the Group and will continue to concentrate on his duties in respect of Capital Management and Investor Relations. The Board expresses their gratitude for Dan's dedicated service during his time on the Board.

Irina Grigore
Chief Executive Officer

Nadine Bird
Chief Financial Officer

31 August 2023, Malta
Released on 4 September 2023

[1] DJV is an abbreviation for a separate corporate entity named PKM Development Ltd (PKM Development), an associate of MAS since 2016 with independent governance. MAS owns 40% of PKM Development's ordinary equity (€20million), an investment conditional on it irrevocably undertaking to provide preferred equity to PKM Development on notice of drawdown. By 30 June 2023, MAS had invested €309.5million in preferred equity and had an obligation of €160.5million outstanding. In addition, MAS has committed to provide PKM Development a revolving credit facility of €30million at a 7.5% fixed rate, of which €19.5million was undrawn on 30 June 2023 (figures not proportionally consolidated). The balance of the ordinary equity in PKM Development (€30million) was taken up by Prime Kapital in 2016 in cash. In terms of applicable contractual undertakings and restrictions, Prime Kapital:
(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 2030 (end of exclusivity period);
(ii) contributes 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 an integrated in-house platform.

All amounts in € thousand unless otherwise stated.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Audited 30 Jun 23	Audited 30 Jun 22
Non-current assets	1,280,460	1,141,198
Current assets	193,565	388,402
Total assets	**1,474,025**	**1,529,600**
Equity attributable to owners of the Group	964,656	928,150
Total equity	**964,656**	**928,150**
Non-current liabilities	441,850	450,826
Current liabilities	67,519	150,624
Total liabilities	**509,369**	**601,450**
Total shareholder equity and liabilities	**1,474,025**	**1,529,600**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	Audited Year to 30 Jun 23	Audited Year to 30 Jun 22
Continuing operations		
Rental income	62,836	36,344
Service charge income and other recoveries	20,203	11,575
Gross revenue	**83,039**	**47,919**
Impairment of receivables	(127)	(338)
Service charge and other property operating expenses	(22,756)	(13,478)
Net rental income	**60,156**	**34,103**
Corporate expenses	(6,740)	(6,564)
Other income	10,097	5,006
Investment expenses	(931)	(1,858)
Fair value adjustments	44,636	61,223
Foreign currency exchange differences	(2,208)	(770)
Share of profit from equity-accounted investee, net of tax	4,315	40,901
Impairment of share-based payment prepayments	(9,624)	–
Profit before finance income/(costs)	**99,701**	**132,041**
Finance income	20,628	21,733
Finance costs	(19,071)	(15,256)
Profit before tax	**101,258**	**138,518**
Current tax	(4,165)	(872)
Deferred tax	(6,379)	(6,832)
Profit from continuing operations	**90,714**	**130,814**
Discontinued operations		
Profit from discontinued operations, net of tax	118	10,357
Profit for the year	**90,832**	**141,171**
Attributable to:		
Owners of the Group	90,832	141,171
Profit for the year	**90,832**	**141,171**

FINANCIAL PERFORMANCE	Audited 30 Jun 23	Audited 30 Jun 22
IFRS Net Asset Value attributable to owners of the Group (€ thousand)	964,656	928,150
IFRS Net Asset Value per share (eurocents)	140.2	134.9
IFRS Gross revenue from continuing operations (€ thousand)	83,039	47,919
IFRS Earnings per share (eurocents)	13.20	20.07
Adjusted distributable earnings (€ thousand)	58,937	46,106
Adjusted distributable earnings per share (eurocents)	8.93	6.83
Cash dividend (eurocents)	4.36	6.78
Headline earnings (€ thousand)	76,879	40,050
Headline earnings per share (eurocents)	11.18	5.69
Closing number of shares in issue*	687,906,892	687,906,892

* Excluding treasury shares.

SEGMENTAL ANALYSIS INCOME STATEMENT (JAN – JUN 2023)	Proportionate accounts Six months to 30 Jun 2023					Adjustments Six months to 30 Jun 2023					Adjusted proportionate accounts Six months to 30 Jun 2023				
	Total	CEE	DJV	WE	Co**	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
EARNINGS	**26,690**	**25,713**	**13,206**	**(2,191)**	**(10,038)**	**14,551**	**11,973**	**(613)**	**1,442**	**1,749**	**41,241**	**37,686**	**12,593**	**(749)**	**(8,289)**
DISTRIBUTABLE EARNINGS	**31,145**	**26,317**	**10,002**	**513**	**(5,687)**	**(1,376)**	–	**(1,238)**	–	**(138)**	**29,769**	**26,317**	**8,764**	**513**	**(5,825)**
Net rental income – income property	33,097	31,101	750	1,246	–	–	–	–	–	–	33,097	31,101	750	1,246	–
Net income – residential property	(524)	–	(524)	–	–	–	–	–	–	–	(524)	–	(524)	–	–
Net income – preferred equity and revolving credit facility	6,512	–	6,512	–	–	–	–	–	–	–	6,512	–	6,512	–	–
Net dividends – listed securities	4,583	–	1,238	–	3,345	(1,657)	–	(1,238)	–	(419)	2,926	–	–	–	2,926
Net corporate expenses	(3,167)	(1,083)	(83)	(261)	(1,740)	–	–	–	–	–	(3,167)	(1,083)	(83)	(261)	(1,740)
Interest on debt financing	(10,053)	(2,530)	–	(453)	(7,070)	–	–	–	–	–	(10,053)	(2,530)	–	(453)	(7,070)
Interest capitalised on developments	2,047	–	2,047	–	–	–	–	–	–	–	2,047	–	2,047	–	–
Other distributable net income/(cost)	259	(65)	68	(9)	265	281	–	–	–	281	540	(65)	68	(9)	546
Income tax	(1,609)	(1,106)	(6)	(10)	(487)	–	–	–	–	–	(1,609)	(1,106)	(6)	(10)	(487)
NON–DISTRIBUTABLE EARNINGS	**(4,455)**	**(604)**	**3,204**	**(2,704)**	**(4,351)**	**15,927**	**11,973**	**625**	**1,442**	**1,887**	**11,472**	**11,369**	**3,829**	**(1,262)**	**(2,464)**
Fair value adjustments – income property	14,235	11,675	3,864	(1,304)	–	–	–	–	–	–	14,235	11,675	3,864	(1,304)	–
Fair value adjustments – interest rate derivatives	(281)	(263)	(20)	–	2	–	–	–	–	–	(281)	(263)	(20)	–	2
Fair value adjustments – listed securities	(2,599)	–	–	–	(2,599)	419	–	–	–	419	(2,180)	–	–	–	(2,180)
Foreign currency exchange differences	(16)	–	–	–	(16)	–	–	–	–	–	(16)	–	–	–	(16)
Investment expenses	(825)	(43)	(53)	(462)	(267)	379	–	–	379	–	(446)	(43)	(53)	(83)	(267)
Share-based payment expense	(10,108)	(9,760)	–	–	(348)	10,108	9,760	–	–	348	–	–	–	–	–
Other non-distributable income/(cost)	35	–	38	–	(3)	–	–	–	–	–	35	–	38	–	(3)
Tax on sale of property	(265)	–	–	(265)	–	–	–	–	–	–	(265)	–	–	(265)	–
Deferred tax	(4,631)	(2,213)	(625)	(673)	(1,120)	3,958	2,213	625	–	1,120	(673)	–	–	(673)	–
Estimation for WE disposal realisation costs and losses	–	–	–	–	–	1,063	–	–	1,063	–	1,063	–	–	1,063	–
Weighted average adjusted number of shares (million)											**660.3**				
Diluted weighted average adjusted number of shares (million) ~											**670.4**				
Adjusted distributable earnings per share (eurocents)											**4.51**				
Diluted adjusted distributable earnings per share (eurocents)											**4.44**				

SEGMENTAL ANALYSIS BALANCE SHEET (JUN 2023)	Proportionate accounts 30 Jun 2023					Adjustments 30 Jun 2023					Adjusted proportionate accounts 30 Jun 2023				
	Total	CEE	DJV	WE	Co**	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
NET ASSET VALUE	**964,656**	**770,620**	**364,411**	**51,449**	**(221,824)**	**(3,719)**	**32,806**	**(16,637)**	**(19,888)**	**–**	**960,937**	**803,426**	**347,774**	**31,561**	**(221,824)**
ASSETS	**1,510,948**	**944,599**	**401,341**	**89,573**	**75,435**	**(22,517)**	**(2,947)**	**(19,570)**	–	–	**1,488,431**	**941,652**	**381,771**	**89,573**	**75,435**
Income property	979,056	896,390	23,856	58,810	–	–	–	–	–	–	979,056	896,390	23,856	58,810	–
Developments – income property	70,769	5,120	65,649	–	–	–	–	–	–	–	70,769	5,120	65,649	–	–
Developments – residential property	75,526	–	75,526	–	–	–	–	–	–	–	75,526	–	75,526	–	–
Preferred equity and revolving credit facility	203,369	–	203,369	–	–	–	–	–	–	–	203,369	–	203,369	–	–
Listed securities	56,074	–	19,570	–	36,504	(19,570)	–	(19,570)	–	–	36,504	–	–	–	36,504
Goodwill	1,696	1,696	–	–	–	(1,696)	(1,696)	–	–	–	–	–	–	–	–
Deferred tax asset	2,510	1,170	121	1,219	–	–	–	–	–	–	2,510	1,170	121	1,219	–
Interest rate derivative financial assets	8,951	8,088	863	–	–	–	–	–	–	–	8,951	8,088	863	–	–
Other assets	2,549	11	2,091	132	315	–	–	–	–	–	2,549	11	2,091	132	315
VAT receivable	5,038	24	4,698	263	53	–	–	–	–	–	5,038	24	4,698	263	53
Share-based payment prepayments	1,251	1,251	–	–	–	(1,251)	(1,251)	–	–	–	–	–	–	–	–
Trade and other receivables	40,268	11,703	2,068	25,094	1,403	–	–	–	–	–	40,268	11,703	2,068	25,094	1,403
Cash and cash equivalents	63,891	19,146	3,530	4,055	37,160	–	–	–	–	–	63,891	19,146	3,530	4,055	37,160
LIABILITIES	**546,292**	**173,979**	**36,930**	**38,124**	**297,259**	**(18,798)**	**(35,753)**	**(2,933)**	**19,888**	–	**527,494**	**138,226**	**33,997**	**58,012**	**297,259**
Debt financing	452,717	115,172	8,152	33,508	295,885	–	–	–	–	–	452,717	115,172	8,152	33,508	295,885
Deferred tax liability	38,686	35,753	2,933	–	–	(38,686)	(35,753)	(2,933)	–	–	–	–	–	–	–
Trade and other payables	54,889	23,054	25,845	4,616	1,374	–	–	–	–	–	54,889	23,054	25,845	4,616	1,374
Estimation for WE disposal realisation costs and losses	–	–	–	–	–	19,888	–	–	19,888	–	19,888	–	–	19,888	–
Adjusted number of shares in issue (million)											**661.0**				
Tangible net asset value per share (eurocents)											*145*				

** 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.
~ Diluted weighted average adjusted number of shares in issue are computed by elimination of MAS' 40% proportion of shares owned by the DJV in MAS and increased by the number of share purchase plan shares (on a proportionate consolidation basis).

This results announcement is the responsibility of the Directors and is only a summary of the information contained in the audited annual financial statements released on SENS on Monday, 4 September 2023 and available at: https://senspdf.jse.co.za/documents/2023/jse/isse/msp/MASFS23.pdf or on the Company's website: https://www.masrei.com/investors/financials. This results announcement does not contain full or complete details, any investment decisions by investors and/or shareholders should be based on consideration of the audited annual financial statements. 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 4 September 2023 to 18 September 2023. The consolidated annual financial statements have been audited by the Company's auditors, PricewaterhouseCoopers (Malta), who expressed an unmodified audit opinion thereon.