Investor Presentation

January 2024

GREEN PROPERTY INVESTOR
IN CENTRAL AND EASTERN EUROPE

TABLE OF CONTENTS

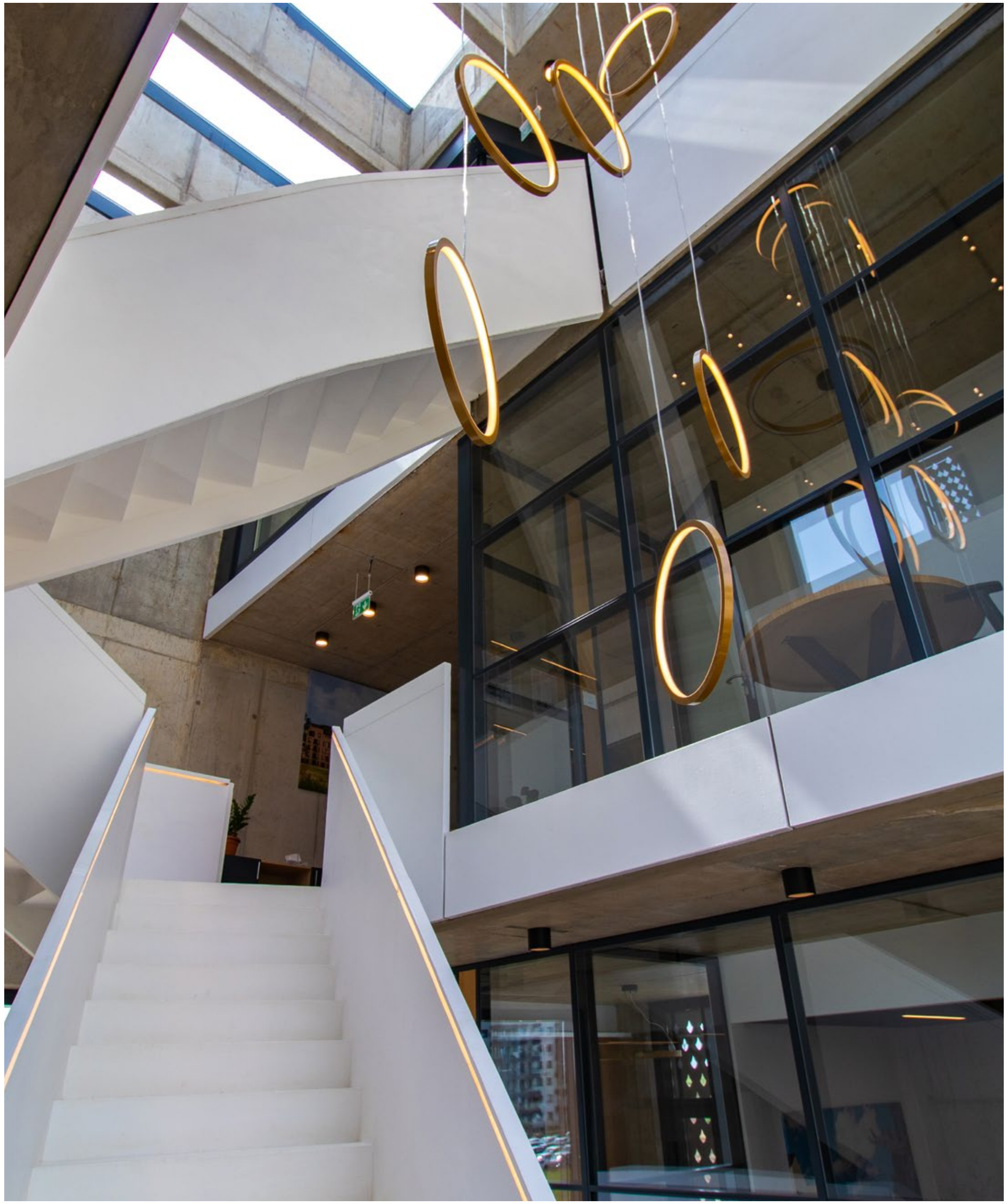


Photo: Avalon Estate

EXECUTIVE SUMMARY

Photo: Dambovita Mall

MAS consistently aims to **maximise total long-term returns on a per share basis** via a continued focus on **capital allocation, operational excellence**, sensible leveraging and cost efficiency.

The Group primarily invests in, and operates, green retail assets in CEE, and generates returns from directly-owned income property and operations in CEE and from indirectly owned property, either via (i) the DJV with Prime Kapital (completed DJV-owned income properties and development activities), or (ii) listed property investments.

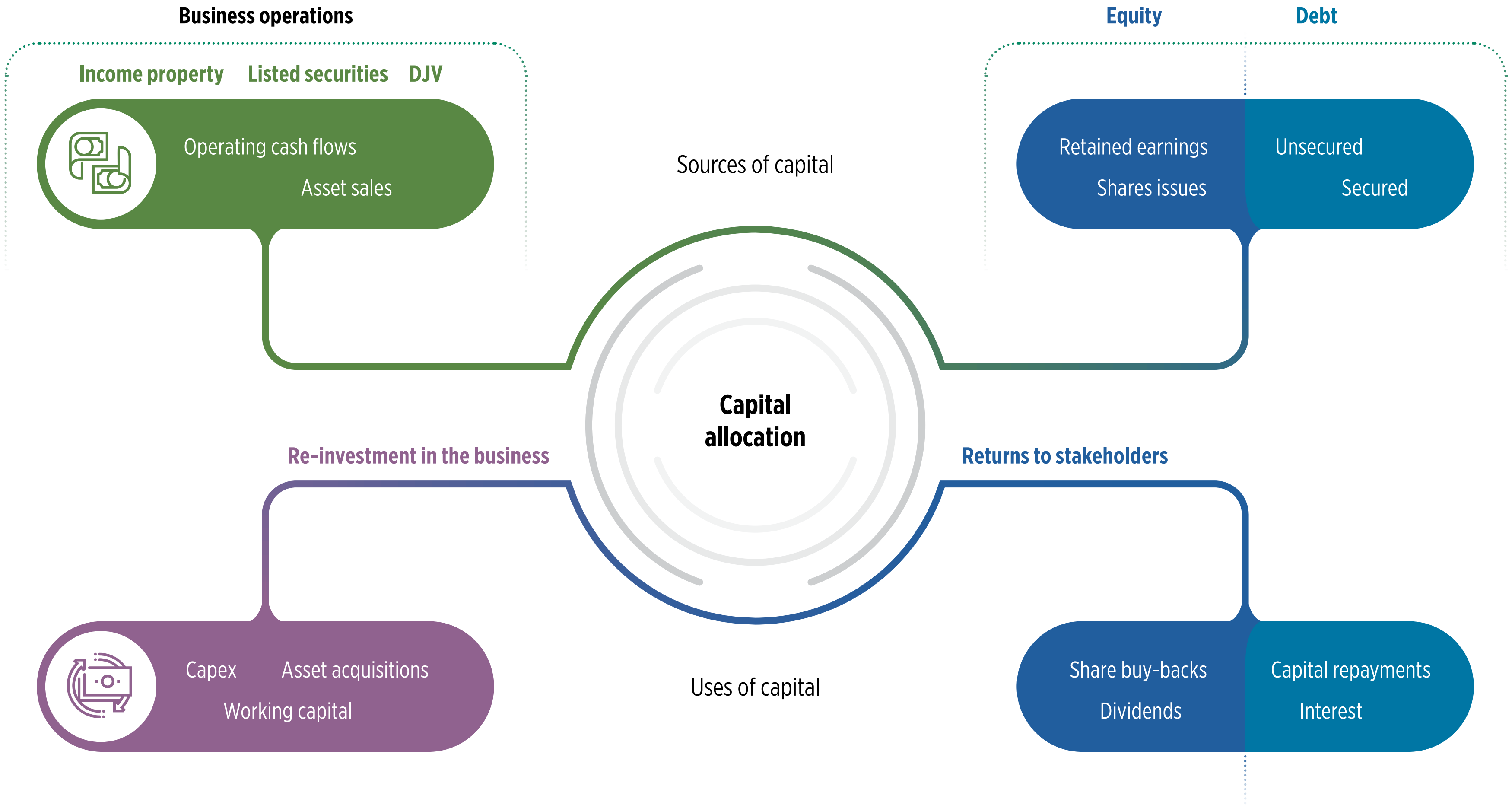
In May 2021, MAS issued an **inaugural €300m green Eurobond**, and undertook to pay cash dividends provided that its ambitious but achievable strategic objectives are not at undue risk, or if alternative, attractive investment opportunities are not available to it, until the bond's maturity. The achievement of its strategic objectives by June 2026 would have implied an increase in scale, partially via increases in gearing levels, and would have resulted in positioning the Company well for an investment grade (IG) credit rating. The latter would have allowed MAS to **refinance with a €500m bond** in 2025/2026, in advance of the current bond's maturity.

Unforeseen changes in circumstances occurred since then, significantly reducing the likelihood of MAS achieving IG in time for a bond issue in 2025/2026 and making **bond issues unviable for Non-IG real estate issuers**. Many of the bonds maturing in 2025/2026 are therefore expected to require refinancing in the secured debt market, increasing competition and putting pressure on **bank debt availability**.

MAS has considered all **capital allocation options** available to it in the current context, with the overarching goal to maximise total long-term returns per share, and aiming to **source capital required** to replace its bond maturing in 2026, but also the additional €200m that was planned to be raised by then. Thus, MAS adopted two options in combination, which are value enhancing to total long-term returns per share. Plans were put in place and implementation continues to **raise new secured debt** on all unencumbered properties, and, as dividends are discretionary, the Group is **retaining earnings** from its operations to cover the shortfall.

BUSINESS AND STRATEGY

MAS aims to maximise total long-term returns on a per share basis from **green property investments** by concentrating on **capital allocation, operational excellence**, sensible leveraging and cost efficiency.



LONG-TERM STRATEGY PRINCIPLES

MAS aims to **maximise total long-term returns** per share.

Dividends are discretionary, as MAS **is not** a REIT.

MAS undertook to pay **cash dividends** since June 2021 provided that:

- the Company's long-term objectives set at the time* are not at undue risk, or
- attractive investment opportunities, expected to substantially enhance total returns per share, do not become available.

CAPITAL STRUCTURE

Debt and liability management

- Balance of debt and equity funding appropriately set via self-imposed debt limitations.
- Capital management decisions – ensuring sufficient means are available to cover commitments.
- Secured and unsecured debt management.

Dividend policy

- Dividend pay-out (ratio) is discretionary as MAS is not a REIT, but is active in the listed real estate property segment.

Existing capital recycling

- Capital allocation decisions taken on a sustainable, forward-looking, risk-adjusted basis, aimed at maximising returns.
- Regular capital recycling – total combined expected returns resulting from disposing of assets with lower growth potential in favour of higher growth opportunities.

ACTIVE ASSET MANAGEMENT

Direct investments – Income property

- Core business in CEE is a data-led, long-term, active asset management focusing on value optimisation.
- Exceptional in-house property and asset management team, focusing on:
  - » Long-term partnerships with tenants.
  - » Constant reviews of performance metrics, consumption patterns in catchment areas.
  - » Proactively taking action through asset management initiatives.

Indirect investments – Listed securities

- Indirect property investments in markets that MAS participates in, and understands well, if pricing is compelling relative to

  (i) their intrinsic value, and

  (ii) MAS' alternative capital allocation options (either direct property investments or MAS' own share price).
- Listed securities investments are made only if cash invested will not be required within six months, but subject to pricing, with the intention to hold the shares long term, and could well be nil at times.

Indirect investments – DJV

- A significant proportion of MAS' business in CEE. MAS participates (on a down-side protected basis) in development profits from commercial and residential developments.
- Access to high-quality investment opportunities of completed developments, rarely available in the CEE market.

* including maintaining self-imposed gearing limitations and achieving an investment grade (IG) credit rating by the end of the 2026 financial year at the latest

BOND ISSUE (MAY 2021)

MAS planned to replace its €300m Non-IG green bond issued in 2021 with a €500m IG bond in 2025/2026.

Quantitative easing

- caused much lower IG bond yields
- drove bond investors into the Non-IG (high yield) bond issues
- generated an opportunity for MAS, as a smaller but growing company, to access bond finance via the Non-IG market, and to re-finance after achieving IG

Bond market

- alternative for property companies in smaller European markets without large bank industries
- bonds are not subject to amortisation, benefit from fixed interest (coupon) and fewer restrictions than secured finance

Investment grade rated bond

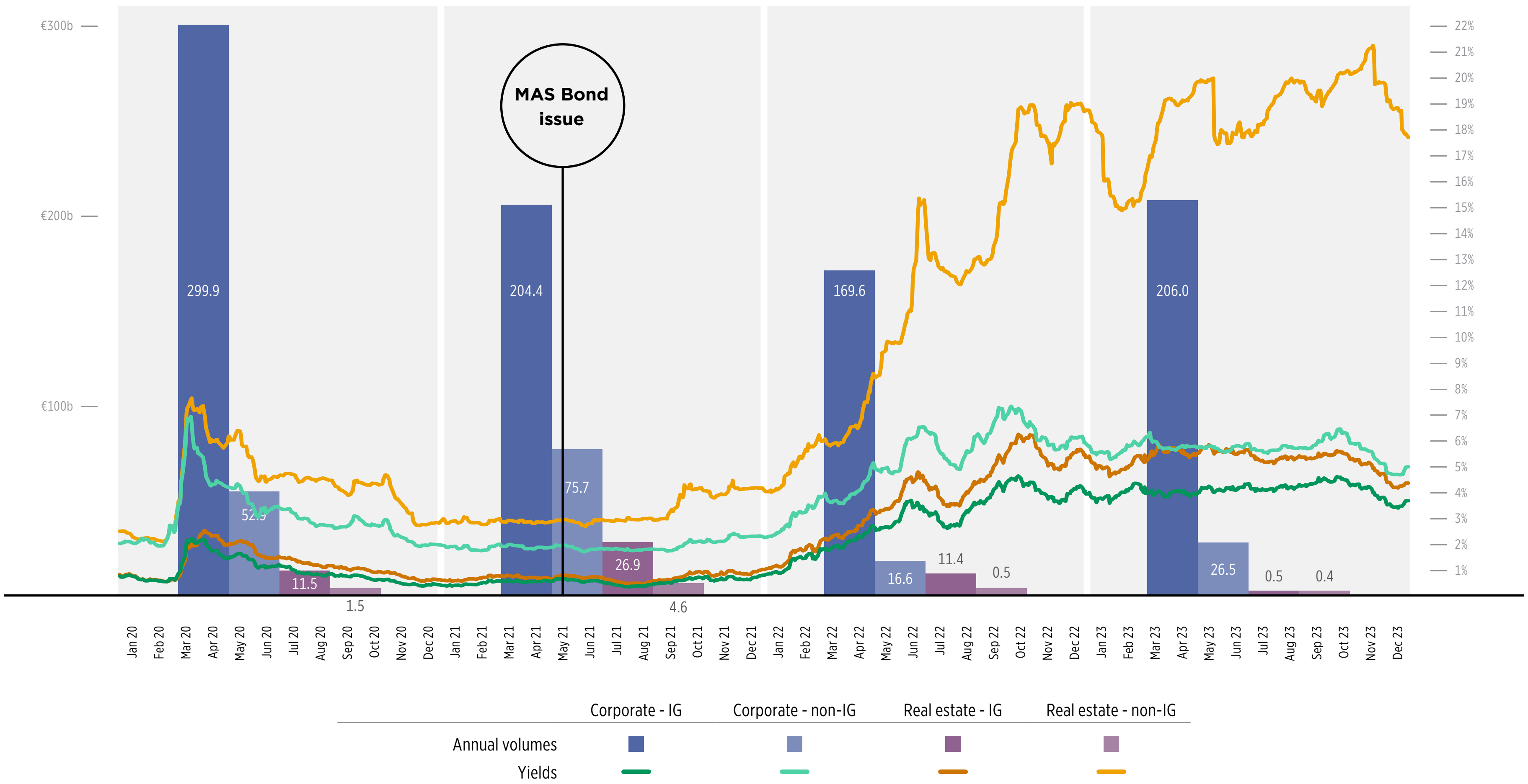
MAS planned to issue an IG rated bond in 2025/2026, of €500m

- to achieve IG, MAS had planned additional secured funding (capacity up to 40% LTV) on unencumbered properties to increase scale

DEVELOPMENTS IN EUROPEAN BOND MARKET

Non-IG real estate bond issues are no longer viable as the sector is priced for default. MAS is lumped in with these issuers despite its good credit quality.

Annual bond issue total volumes and yields

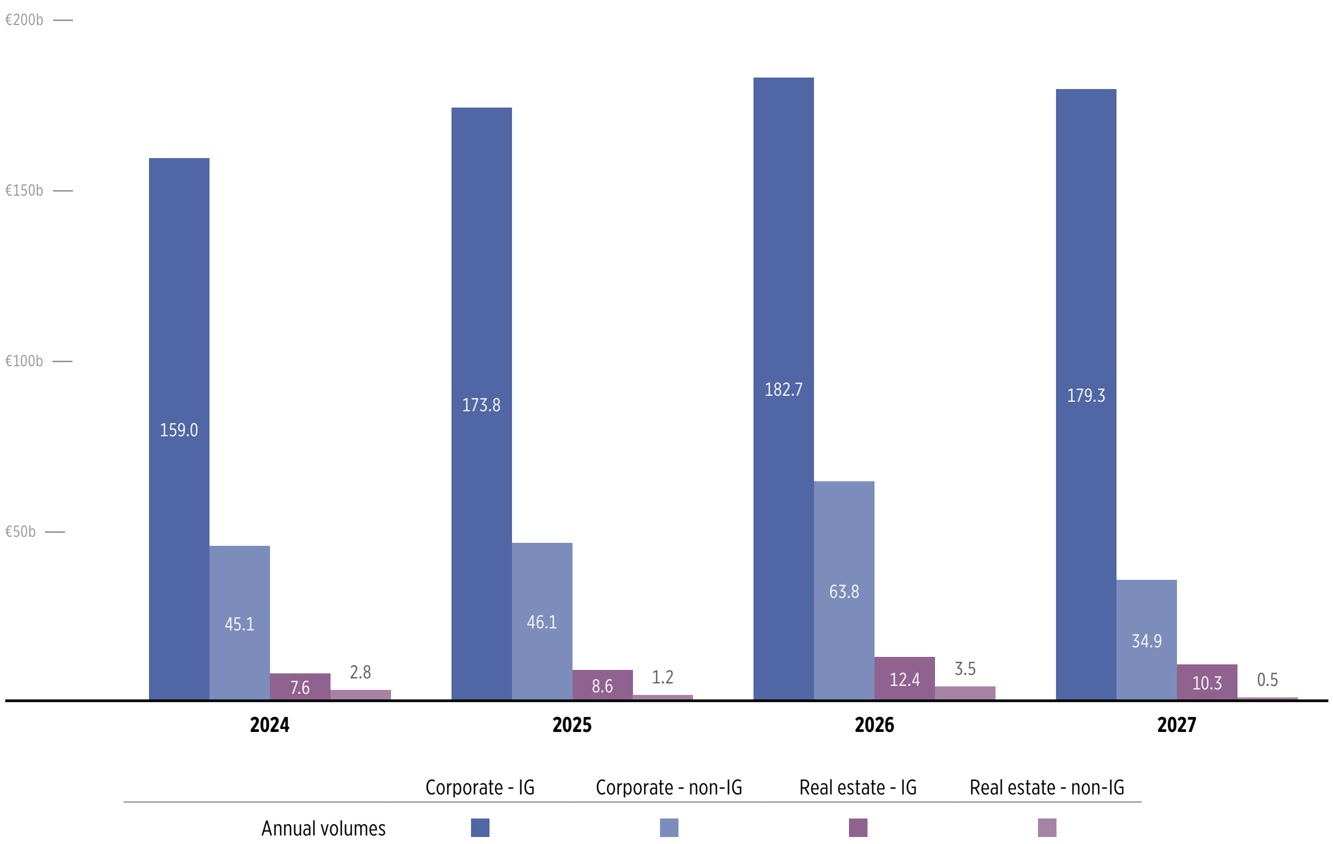


Source: Dealogic, Deutsche Bank, Markit

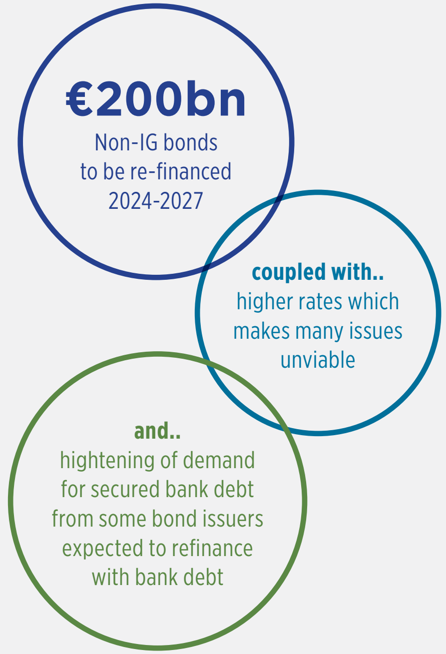
DEVELOPMENTS IN EUROPEAN BOND MARKET CONTINUED

With Non-IG real estate credit priced for distress, reliance on debt capital markets for finance in 2025/2026 is no longer a sensible option for MAS. As such, MAS has put plans in place to avoid value destructive options, such as a significant rights issue, if a large bond issue (of €500m) remains unviable.

Annual bond maturities



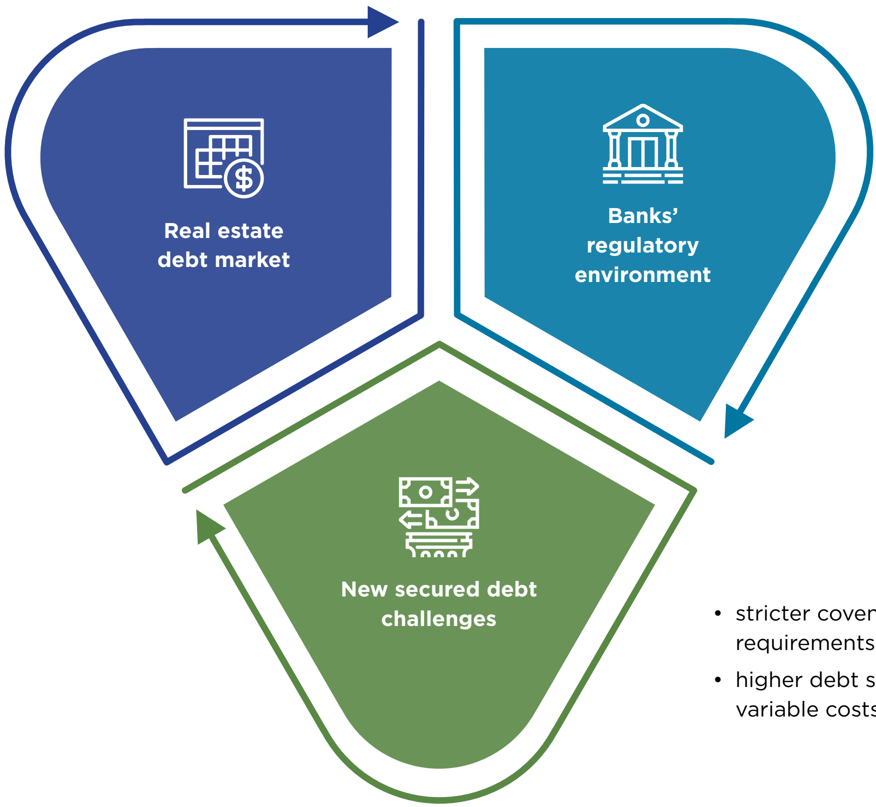
Re-issuance risk and high re-financing costs



DEVELOPMENTS IN EUROPEAN SECURED DEBT MARKET

Banks' risk appetite for real estate secured debt provides challenges in raising new debt. Spill over of WE real estate systemic concerns into CEE debt markets.*

- increased scrutiny of over-leveraged real estate companies (debt servicing capacity which may lead to distress among real estate borrowers)
- availability of debt under pressure due to banks' commercial real estate exposures limitations
- increased demand from previously unsecured real estate debt issuers refinancing in the secured debt market



- stricter ESG regulations driving banks to green assets
- quantitative tightening measures on bank reserves
- increased scrutiny of real estate valuations, including from ECB
- European banking market affected by
  – bank defaults (CreditSuisse/UBS)
  – consolidation in Romania

- stricter covenant criteria and bank requirements for debt amortisation
- higher debt service costs, 'higher for longer' variable costs consistent narrative

* WE real estate business models are established on the basis of pre-pandemic profitability and low-for-long interest rates.
These models may become unviable over the medium term due to: (a) downwards trend in property valuations, (b) higher funding costs and (c) over-leveraged real estate companies.

FINANCE OPTIONS TO REPLACE PLANNED 2025/2026 BOND ISSUE

to be measured against maximising total long-term returns per share

		Impact on Tangible NAV per share	
1	**Rights Issue**	Value destructive	If share price not reflective of MAS' underlying value
2	**Sell Assets**	Value destructive	Selling high growth assets in weak markets
3	**Reduce DJV funding / Capex**	Value destructive	Lowering funding levels to the DJV, which may require it to postpone or scrap developments, causes significantly lower returns (for both MAS and PK)
4	**Refinance with Secured Debt**	Value enhancing, but not sufficient to replace planned 2025/2026 bond issue	Can only raise ~€343m in additional debt vs €500m planned bonds, leaving a large shortfall to covering total requirements
5	**Retain earnings**	Value enhancing	From a value creation perspective, this is the superior option coupled with bonds buy-backs and efficient developments

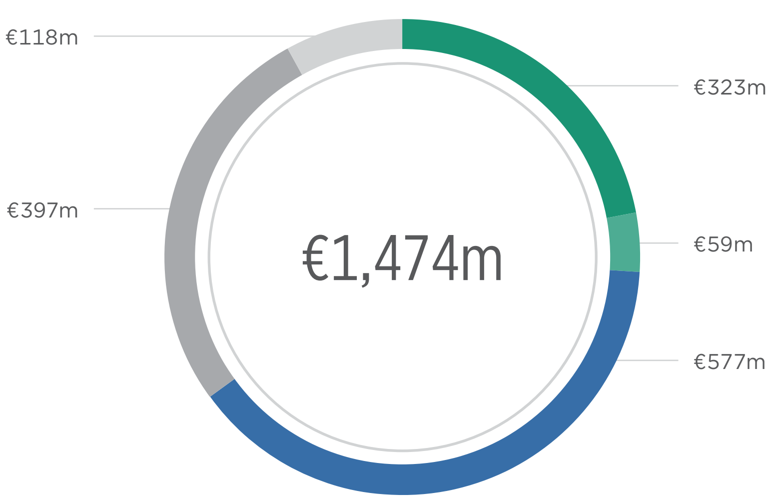
Thus MAS adopted options 4 and 5 in combination.

Photo: Silk District

DEBT MANAGEMENT

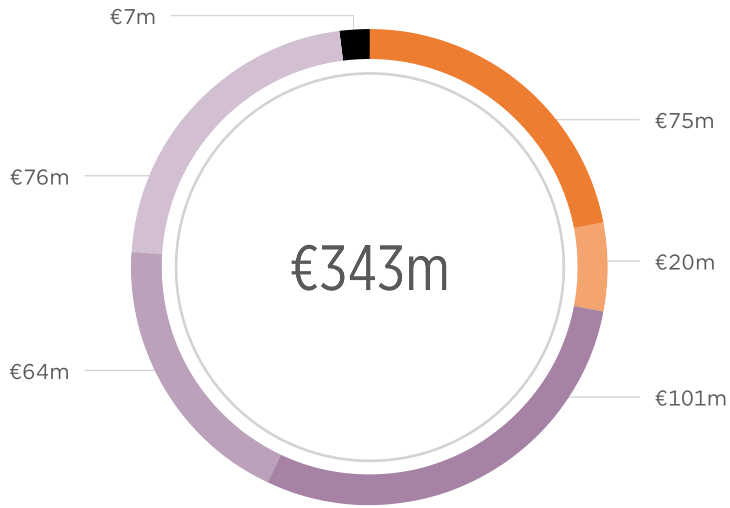
Debt capacity allowed by **current asset structure** means raising ~€343m via secured debt.

Total assets structure
30 Jun 2023



- Properties subject to secured funding – CEE
- Properties subject to secured funding – WE
- Properties subject to secured funding under negotiation
- Unencumbered properties
- Other unencumbered assets
- Unencumbered liquid assets

New secured debt required
in combination with earnings retention to replace 2025/2026 bond issue



- Secured debt finalised and drawn – Militari Shopping
- Secured debt finalised and drawn – Flensburg Galerie
- Secured debt subject to signed facilities agreements and term sheets*
- Secured debt subject to ongoing processes
- Additional debt required
- Discount on bonds achieved**

All figures are presented on an IFRS consolidated basis.
* Signed facilities agreements for €61m; signed term sheets for €40m
** After completion of a public tender process to repurchase €80.7m in bonds issued (Dec 2023)

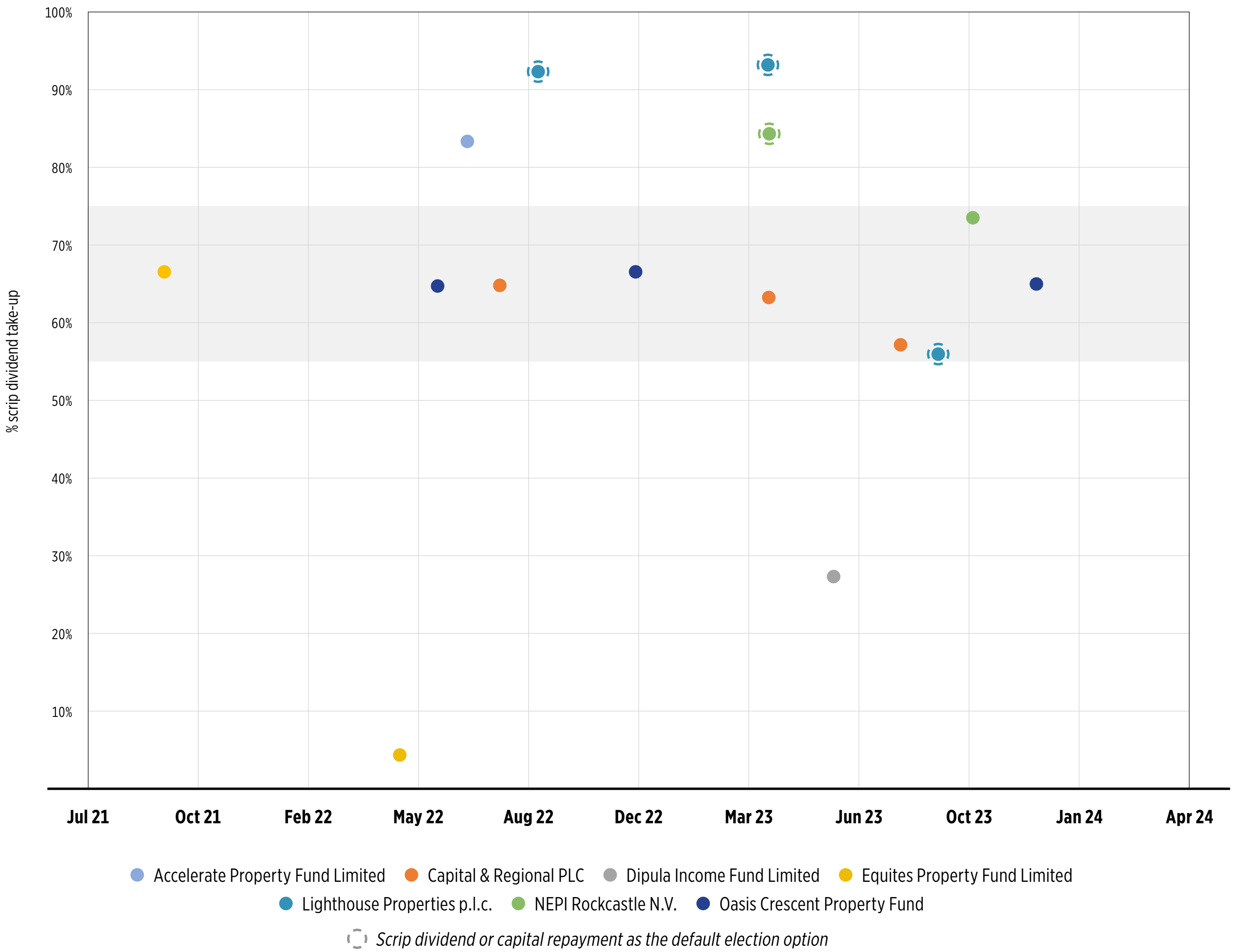
CASH DIVIDEND WITH SCRIP ALTERNATIVE/DRIP

Assessment of shareholders' comments

Offering a cash dividend with SCRIP alternative or a DRIP means MAS would be likely to distribute €63m-€113m of funds necessary to cover its dividends' cash alternative until 30 June 2026, increasing risk of value-destructive rights issue.

Any discount offered to encourage uptake of the SCRIP/DRIP would need to be significant, and likely lead to further value destruction.

Unlike South African REITs, MAS does not suffer any tax burden if a dividend is not paid.



GOVERNANCE STRUCTURE

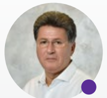
- Balanced Board structure, with a **majority of independent Non-Executive Directors** and appropriate Board committees
- **Compliance with King IV** – best practices on governance and transparency
- In-house **internal audit function** managed by a seasoned professional
- **Code of ethics** and compliance, business continuity and other comprehensive policies in place
- Regular and **transparent communication** with all stakeholders

Board of Directors

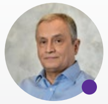

Werner Alberts IoM


Brett Nagle MT


Claudia Pendred UK


Dan Pascariu RO


Mihail Vasilescu RO


Vasile Iuga RO

Stela Duka
Internal Audit

Executive Directors and Function Heads

Irina Grigore
CEO

Nadine Bird
CFO

Stefan Briffa
Executive Director
Company Secretary

Gabriel Malanca
Director
Asset Management

Simona Orzan
Director
Finance and Reporting

Monica Petre
Director
Tax and Compliance

Roxana Bordeanu
Director
Legal and Debt

● Years of experience ● Independent Non-Executive Director ● Non-Executive Director

GLOSSARY

b	billion
Capex	Capital expenditure, funds used for improvements to and/or maintenance of Income property
CEE	Central and Eastern Europe or Central and Eastern European
Company	MAS P.L.C.
Credit rating	Credit quality forward-looking measure indicating a company's creditworthiness and credit risk in meeting its financial obligations
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	PKM Development Ltd, an associate of MAS housing the development joint venture with Prime Kapital
ECB	European Central Bank
ESG	Environmental, Social and Governance
Group	MAS P.L.C. and its subsidiaries
IG	Investment grade credit rating, a measure of credit quality attributed by a rating agency to a bond issue(r), suggesting strong underlying fundamentals and a good capacity to pay a bond's principal and interest
Income property	Property held to earn rental income
Investment property	Income property, Development property and Land bank
LTV	Loan to value, the ratio of the nominal value of debt net of cash to investment property, listed security and preferred equity
m	million
NAV	Net asset value
Non-IG	Sub-investment grade credit rating (also referred to as high yield), a measure of credit quality attributed attributed by a rating agency to a bond issue(r), considered to be a high risk investment
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
WE	Western Europe or Western European
Yield	The annual rate of return on a bond, expressed as a percentage of the bondholder's invested capital

MAS

www.masrei.com