

**Directors' commentary and
Condensed consolidated interim financial statements
for the six-month period to
31 December 2023**

1 March 2024



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Directors' commentary

Introduction and background

MAS (hereafter Group or Company) performed very well in the six months to 31 December 2023, achieving adjusted total earnings of €94.3million and adjusted distributable earnings per share of 4.79eurocents (6% increase compared to the previous six months). The Group's financial results and progress with strategic matters are detailed in this commentary.

In addition to the International Financial Reporting Standards (IFRS) based reported results, segmental reporting, prepared on a proportionate consolidated basis, is included to assist interpretation of the former rather than replacing it. Detailed financial results and Company Profile (updated on 31 December 2023), including highlights and supplemental operational information, are available on MAS' corporate website. Unless otherwise stated, amounts included in this commentary are presented on an adjusted proportionate consolidated basis.

The Group remains committed to maximising total long-term returns from property investments on a per share basis, aimed to be achieved by continued focus on capital allocation, operational excellence, sensible leveraging, and cost efficiency. MAS operates directly-owned income property in Central and Eastern Europe (CEE) and employs capital in commercial and residential developments owned indirectly via the Development Joint Venture (DJV¹) with co-investor and developer Prime Kapital. Benefiting from the long-term, continual high growth in consumption in CEE, and leveraging its strong asset prospects and asset management capabilities to generate robust like-for-like (LFL) net rental income (NRI) growth from retail operations through increasing tenants' sales and implementing asset management initiatives, as well as its downside-protected exposure to high-quality commercial and residential developments via DJV, MAS is well positioned to provide its shareholders with best-in-class total long-term returns.

Financial results

Group's 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 DJV (including earnings from a proportion of completed DJV-owned income properties, net results of residential sales and development activities); (iii) remaining directly-owned Western European income property, and (iv) investments in listed securities (including other elements disclosed as Corporate).

Adjusted total earnings for the six months to 31 December 2023 were €94.3million, consisting of adjusted distributable earnings of €31.6million (€29.7million during the previous six months) and adjusted non-distributable earnings of €62.7million (€11.5million during the previous six months). Tangible net asset value (NAV) on 31 December 2023 was €1.60 per share (an 10% increase to the Tangible NAV of €1.45 per share on 30 June 2023), and total shareholders return (TSR) was 20.4eurocents per share for the trailing 12-months to 31 December 2023.

This exceptional financial performance is the result of a number of factors impacting MAS' adjusted total earnings compared to the preceding six months (to 30 June 2023), including:

- (i) standing retail properties' exceptional operational performance in CEE, leading to increases in passing NRI and improved asset valuations, enhanced by excellent rental and service charge collections, as well as the positive effect of DJV opening Carolina Mall on 31 August 2023;
- (ii) the removal of management's estimate of disposal realisation costs and losses for Flensburg Galerie, in Western Europe (WE), offsetting the negative impact of further asset valuation decreases, mainly due to the Group's decision to continue operating Flensburg Galerie until the German retail real estate transactional market improves;
- (iii) realised gains on MAS bonds repurchased during the six months to 31 December 2023;
- (iv) a reduction in net interest expenditure due to a higher proportion of debt being capitalised on DJV's developments, partially offsetting unfavourable variances in interest rate derivatives' valuations (cap assets), and
- (v) income increases from MAS' preferred equity investment in DJV.

Capital structure

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

Unforeseen changes in circumstances have occurred since May 2021, significantly reducing the likelihood of MAS achieving IG credit rating 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 on the secured debt market, increasing competition and putting pressure on bank debt availability.

MAS considered all its available capital allocation options in this context, with the overarching goal to maximise long-term TSR per share, and aiming to source capital required to replace the bond maturing in 2026, including the additional €200million planned to be raised by then. Thus, MAS adopted a combination of two options, which are value enhancing to long-term TSR per share. Plans were put in place, and their 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.

MAS previously estimated that the Group could raise €343million of new secured debt (compared to secured debt on 30 June 2023), provided MAS takes on secured debt on all its directly-owned properties unencumbered on 30 June 2023. MAS further needs to retain all earnings generated from its directly-owned income property assets, as well as earnings generated from a full distribution by DJV of distributable earnings from its operations until the bond's maturity in May 2026.

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 31 December 2023, MAS had invested €319.2million in preferred equity and had an obligation of €150.8million outstanding. In addition, MAS has committed to provide PKM Development a revolving credit facility of €30million at a 7.5% fixed rate, which was fully drawn on 31 December 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 integrated in-house platform.

From a credit perspective, banks typically view MAS and DJV as a single group, despite their separate corporate governance structures. This assumption negatively impacts the overall amount of secured debt finance MAS and DJV can raise with a funding counterparty, due to banks' internal credit exposure limits placed on groups. The combination of increasing difficulty in raising bank funding, MAS suspending dividend payments (affecting DJV's liquidity) and DJV's attractive growing development pipeline, led to DJV deciding to limit distributions to its shareholders. If this continues until 2026, as much as €71million in capital may be required to be additionally raised, in the form of unsecured debt or otherwise. As a result, MAS' new debt target may increase to €414 million. This and any other change that may cause material decreases in MAS' anticipated funds from operations, exacerbate the risk of MAS being required to raise additional capital via (i) the issue of unsecured debt, which is likely to be subject to covenants that could further restrict MAS' ability to declare dividends post the 2026 calendar year, (ii) a sale of assets, which will further negatively impact the Group's future ability to achieve IG, or (iii) a rights issue. The Board will continue monitoring the situation and consider alternatives in the context of maximising long-term TSR per share.

Liquidity, debt and cost of debt

On 31 December 2023, MAS had €101.8million in cash and undrawn credit facilities (figure not proportionally consolidated). After disposing of its remaining investment of €36.5million in NEPI Rockcastle NV shares during the six-month period, at a realised profit of €1.1million (compared to 30 June 2023), MAS does not hold any listed securities.

MAS' management has made considerable progress to date in raising new secured debt finance. Secured loans of €156million were finalised since 30 June 2023, of which €95million was also drawn by 31 December 2023 (debt secured on Militari Shopping and Flensburg Galerie), and the Group has term sheets in place for an additional €60.5million of secured debt, subject to banks' credit committee approvals and documentation being finalised. Terms are under discussion, and processes ongoing, with respect to an additional €33.1million in secured bank finance. The Group has extended the maturity of its €20million revolving credit facility to November 2025.

During December 2023, the Group repurchased, via public tender, bonds issued by its subsidiary, MAS Securities BV, at a 9.3% discount to their nominal value of €80.7million. Therefore, on 31 December 2023, the Group had €436million of outstanding debt (bonds and secured bank loans), and its loan-to-value (LTV) ratio was 24.3% on a proportionate consolidated basis (28.1% on 30 June 2023) and 24.8% on an IFRS consolidated basis (28.8% on 30 June 2023).

MAS' weighted average cost of debt (WACD) for the period, on an IFRS consolidated basis, increased to 5.34% per annum (4.42% for the financial year to 30 June 2023). Except for MAS' undrawn revolving credit facility, all debt interest rates are hedged. The new secured debt is subject to margins above EURIBOR rates, and the Group hedges its interest rate exposure, typically via interest rate caps, protecting against future increases in variable rates over loans' terms to maturity. The Group expects the WACD to continue to increase as the debt management plan progresses and secured debt is drawn down in the current elevated interest rate environment.

The Group's self-imposed, long-term overall debt limit is a maximum LTV ratio of 35%, or, on a forward-looking basis, seven times, targeted to decrease to six times NRI, which is considerably more restrictive than its covenant tolerances. On 31 December 2023, the Group's bond and unsecured facility ratios demonstrated significant headroom compared to covenant tolerances, on both IFRS and proportionate consolidation bases.

	Tolerance	Actual IFRS	Actual proportionate consolidation basis
Solvency ratio	Shall not exceed 0.6	0.28	0.28
Consolidated coverage ratio	At least 2.5:1	4.01	5.01
Unencumbered consolidated total assets/unsecured consolidated total debt	Minimum 180%	436%	443%

Funding commitments to DJV

By 31 December 2023, MAS had invested €349.2million in preferred equity and the fully drawn revolving credit facility and had an ongoing undrawn commitment to invest €150.8million in DJV preferred equity (figures not proportionally consolidated). MAS must ensure it can subscribe for preferred equity of up to €120million in a rolling six-month period.

Operations

Information regarding MAS' Central and Eastern European LFL footfall and tenants' sales (compared to the same period in 2022) and collection rates for the six months to 31 December 2023 is detailed in Table 1. All figures were reported on 28 February 2024.

Table 1

		Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Total
Footfall								
(2023 compared to 2022)	%	110	107	109	106	111	107	108
Open-air malls	%	110	107	111	107	112	108	109
Enclosed malls	%	109	106	105	105	109	104	106
Tenants' sales per m²								
(2023 compared to 2022)	%	110	105	106	107	112	110	108
Open-air malls	%	108	103	106	106	112	111	108
Enclosed malls	%	113	107	106	108	111	109	109
Collection rate	%	99.3	99.6	99.6	99.6	99.8	99.7	99.6

Robust consumption continued in all Central and Eastern European countries where the Group operates, with exceptional trading and footfall in all Group's properties for the six months to 31 December 2023. During this period, collection rates were excellent, and occupancy of Central and Eastern European

assets further improved to 97.7% on 31 December 2023 (97.3% on 30 June 2023). Occupancy cost ratios on 31 December 2023 (excluding certain tenant categories: supermarkets, DIY stores, entertainment and services) were healthy, at 10.7% (same as 30 June 2023).

During this period, on a LFL basis, Central and Eastern European tenants' sales continued to be outstanding, and both open-air malls and enclosed malls outperformed by 8% and 9%, respectively, compared to the same period in 2022. Significant outperformance of the aggregate was achieved by services, entertainment, health and beauty, home appliances, complements and food service tenant categories. In contrast, DIY and specialist categories have performed less admirably. At Carolina Mall (opened on 31 August 2023 with 92% of the 28,900m² gross leasable area (GLA) occupied), the record-breaking first month was followed by continued strong tenants' sales.

Passing NRI of the Group's properties in CEE increased by 7.2% during the six months to 31 December 2023 and 14.5% year-on-year, which is partly attributable to rent indexation and rental from overage, but also to the positive effect of Carolina Mall becoming operational.

Flensburg Galerie (Germany) continued to benefit from MAS' proactive internalised asset management. Occupancy increased to 89.6% (86.0% on 30 June 2023), and both footfall and tenants' sales outperformed by 2% compared to the six months to 31 December 2022. The collection rate achieved for the six months to 31 December 2023 was 98%.

Regarding DJV's residential business, MAS' adjusted distributable earnings for the six months to 31 December 2023 include a loss of €1.1million, being its proportion of net results from residential operations. This loss includes the result of completing significant pre-construction sales from the first phases of Avalon Estate and Silk District (from 2018 and 2021 financial years, respectively) at prices considerably lower than the current market sales levels. Costs of these assets included preferred equity coupon capitalised over the development cycle, which was significantly extended due to Covid-19. Comparatively, sales for Silk District's Phase II are at significantly improved prices, and the combined sales for the first two phases (92% and 87% of residential units in respect of Phases I and II, respectively, sold by 31 December 2023) are expected to deliver a positive combined margin.

Property valuations

The overall €40.8million income property fair value uplift was the result of positive fair value adjustments of €44.2million to income property in CEE (LFL improvement of 4.3% compared to valuations on 30 June 2023) and a decrease of €3.4million in WE (5.1% decrease compared to valuations on 30 June 2023, mainly due to an increase in the valuation discount rate for Flensburg Galerie). Valuation of MAS' (and DJV's) properties is determined biannually by external, independent professional valuers, with appropriate, recognised qualifications and recent experience in the relevant location and property category. Valuations are primarily based on discounted forecast cash flows and are therefore forward-looking. Compared to valuations on 30 June 2023, the weighted average unlevered discount rate for income property in CEE decreased from 9.94% to 9.56%.

Asset sales in WE

Flensburg Galerie and Arches street retail units (UK) remain the last of MAS' Western European properties. On 31 December 2023, they had a combined book value of €55.8million, with €20.1million secured bank debt outstanding. After discontinuing the sale of Flensburg Galerie in July 2023, as the potential buyer did not secure appropriate funding to complete the transaction, the Group partially extended the property's debt funding (previously €33.4million at its maturity on 30 November 2023) for three years. The asset remains available for sale, and will be disposed of, should an appropriate opportunity arise. However, the Group intends to continue operating the property and achieve further progress with asset management initiatives until such time as the German real estate market improves sufficiently to facilitate optimal disposal.

In January 2024, following a competitive sales process, MAS concluded an agreement for the disposal of the Arches street retail units, at a price close to its book value on 31 December 2023. Completion of the transaction, which is conditional on MAS finalising agreed minor capital expenditure works, as well as on consent to transfer the long leasehold interest being received from Edinburgh City Council, is estimated by 30 June 2024.

Progress at Arches street retail units, further decreases in Western European assets' valuations and Flensburg Galerie no longer actively being sold, resulted in management's estimate of the Western European disposal realisation costs and losses being significantly reduced from €19.9million to €0.5million. The remainder represents costs for completing the Arches sale and winding down other nearly dormant Western European structures.

Developments, extensions and refurbishments in DJV

Progress with developments and changes to DJV's secured pipeline are detailed below.

Commercial developments

The DJV's commercial developments pipeline is becoming larger and more diverse, with numerous projects being considered and work being done on securing these, despite a value centre project previously disclosed being removed from the pipeline.

Carolina Mall (Alba Iulia, Romania) was completed, and opened for trade on 31 August 2023 with 92% of the 28,900m² GLA occupied by tenants. The yield on cost is 9.1%, which, combined with high collection rates and occupancy increasing to 93.7% since opening, highlights the development's quality. Footfall and trading levels experienced since opening were well above expectations.

The first phase of the Silk District office component was also completed during this six-month period. Tenant fit-outs are ongoing, with the first office tenant to become operational during April 2024. Although leasing demand for office is subdued, leasing continues, and alternative options are available for the remaining phases of the office component of the project.

Construction at Arges Mall continues, with the 51,400m² enclosed mall's opening brought forward to April 2024. Leasing is progressing very well (currently over 91% leased) and estimated rental value (ERV) income has increased significantly, by approximately 18% on previous estimates. The centre is anchored by a Carrefour hypermarket, and the tenant mix benefits from national and international tenants such as Altex, Bershka, Burger King, C&A, CCC, Colin's, Cropp, Deichmann, DM, Douglas, Dr. Max, Flanco, Fressnapf, Hervis, House, JD Sports, KFC, LC Waikiki, Mango, Maxipet, Mohito, Motivi, New Yorker, Peek&Cloppenburg, Pepco, Popeye's, Pull&Bear, Reserved, Sephora, Sinsay, Smyk, Sportissimo, Sportvision, Terranova, Tezyo, Tom Tailor, and Zara.

Work continues on extending and redeveloping the existing Era Shopping Centre (26,000m² GLA) into Romania's second super-regional enclosed mall and retail node, Mall Moldova, incorporating approximately 122,600m² of destination GLA. Retailer interest remains strong and significant progress has been

achieved in leasing the project to national and international tenants. Over 89% of the project's GLA is subject to leases in the process of finalisation. DJV has agreed to sell approximately 5.25ha of the site to IKEA for it to build and operate its first store in the Moldova region.

Zoning continues on a 17ha land plot in Cluj-Napoca, the second-largest economic hub in Romania, with a thriving IT and telecommunications sector where the DJV plans a large-scale mixed-use urban regeneration including a 130,000m² GLA super regional mall seamlessly integrated with a large-scale residential development, as well as on a 17.8ha land plot in Bucharest where the DJV plans a major residential development complemented by a 28,000m² GLA open-air mall.

DJV has secured an approximately 10.6ha site in a high-density residential area of Bacau, Romania for the development of an approximately 51,200m² GLA regionally dominant mall, with approximately 500,000 residents within a 60-minute drive. The land, which will provide the project with good visibility and access to a main boulevard, is part of a former industrial platform of approximately 34.2ha, that is planned to be rejuvenated by additional retail areas and introducing several social functions, thus transforming it into a major attraction for the city.

Residential developments

Phase I of Avalon Estate is complete, and on 31 December 2023, 76% of its 352 units sold. Some of the unsold completed units are being retained for rental, addressing Bucharest's rising rental demand for quality rental properties, while preserving the option to sell in due course.

Sales of the first two phases of Silk District's residential component progressed very well, with 89% of the 661 units (Phase I: 315 units, Phase II: 346 units) sold by 31 December 2023. Phase I was completed, and 184 units handed over to clients by 31 December 2023. Construction of Phase II is nearing finalisation, and handovers to clients are expected to commence by June 2024. Permitting for Phase III (380 units) was obtained, and sales are planned to begin in March 2024.

Construction of Pleiades Residence's first phase is ongoing, with the first two buildings' 142 units planned to be completed and delivered to clients by 30 June 2024. Sales are progressing, with 53% of the first phase units having been contracted to date. Further phases (five buildings) have been put on hold, and the unsold completed units will be put to market for renting.

Extensions and refurbishments to directly-owned assets

Galleria Burgas' refurbishment, which includes reconfiguring the food court and improving the centre's leisure and entertainment facilities, is progressing as scheduled and will be finalised by June 2024.

Responding to the catchment area's high demand for anchor tenants, MAS is enhancing Prahova Value Centre's tenant mix with a partial extension of approximately 2,900m² GLA, scheduled to be completed by June 2024. It is expected that this asset management initiative will further improve the centre's attractiveness and consolidate its position as the dominant retail node in the area.

Further updates regarding extensions and refurbishments to MAS' directly-owned assets in CEE will be provided when appropriate.

Dividend

The Company suspended dividends to accumulate liquidity for a more robust capital structure to meet operating requirements of the business in a more challenging funding environment. MAS does not expect it will be able to consider resuming dividend payments for financial periods ending prior to December 2026. If MAS supplements planned new secured debt with unsecured financing, it would likely include covenants that may further restrict MAS' ability to declare dividends post the 2026 calendar year. MAS will consider resuming dividend payments when capital requirements are sufficient to cover its funding commitments and depending on the attractiveness of investment opportunities relative to the available liquidity at the time. This list is not comprehensive, and, if relevant, other factors will be considered. The Board may take a more conservative approach and apply a lower payout ratio to MAS' diluted adjusted distributable income per share on a proportionate consolidated basis. Accordingly, in keeping with MAS' approach of providing transparent public communication, and to provide further insight into its liquidity, the Group is introducing the publication of a new financial performance indicator, cash available from distributable earnings per share (CDEPS). CDEPS is defined as distributable earnings excluding non-cash items. This performance indicator illustrates the portion of total proportionally consolidated distributable earnings that have either been collected, or paid, in cash and that is under MAS' direct control, and thus limit returns from DJV to dividends declared or paid by the DJV in respect of the reporting period. An adjusted version of CDEPS highlights the impact of amortisation on secured debt paid during the period.

Earnings guidance and prospects

Earnings guidance for the 2024 financial year, is adjusted to a range from 8.83 to 9.31 eurocents per share (previously at 9.81 to 10.65 per share). This is mostly a result of a lower investment in DJV-issued preferred equity during the 2024 financial year than previously estimated.

This guidance is based on the assumptions that no additional material macroeconomic disruption occurs, a stable political environment prevails in Groups' markets, developments continue as scheduled, and no major corporate failures ensue. Shareholders should note that MAS' estimates and distributable earnings per share targets have not been reviewed by the Group's auditors and are subject to change. Inevitably, some assumptions will not materialise, plans will change, and unanticipated events and circumstances may affect eventual financial results. MAS 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.

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

Changes to Board Committee

Following and considering directorship changes during the six months to 31 December 2023, Claudia Pendred was appointed Chair of the Environmental, Social and Ethics Committee, and Werner Alberts joined as a member. As a result, the composition of Board's committees is as follows:

Audit and Risk Committee Chair: Vasile Iuga; **Members:** Brett Nagle, Mihail Vasilescu

Remuneration and Nomination Committee Chair: Dan Pascariu; **Members:** Mihail Vasilescu, Werner Alberts

Environmental, Social and Ethics Committee Chair: Claudia Pendred; **Members:** Irina Grigore, Werner Alberts

The change to committee membership is effective 1 March 2024. The Board remains compliant in all material respects, with the King IV Code on Corporate Governance following these changes to the composition of its committees.

Irina Grigore
Chief Executive Officer

Nadine Bird
Chief Financial Officer

1 March 2024
Malta

Released on 4 March 2024

Statement of Directors' responsibilities

In accordance with the applicable laws and regulations, the Directors are required to prepare financial statements which give a true and fair view of the financial position of the Group for each period end and the financial performance for that period.

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

- ensuring that the condensed consolidated interim financial statements have been prepared in accordance with the IFRS® Accounting Standard ('IFRS') IAS 34 'Interim Financial Reporting' issued by the International Accounting Standards Board ('IASB'), SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee in South Africa and Financial Pronouncements as issued by Financial Reporting Standards Council in South Africa and IFRS issued by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances, and
- preparing the condensed consolidated interim financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business as a going concern.

The Directors are also responsible for designing, implementing, and maintaining internal control as the Directors determine is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

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

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

The condensed consolidated interim financial statements on pages 1 to 55 were approved and authorised for issue by the Board of Directors on 1 March 2024 and signed on its behalf by:

Nadine Bird
Chief Financial Officer

Irina Grigore
Chief Executive Officer

1 March 2024
Ta' Xbiex
Malta



Report on Review of Interim Financial Statements

To the shareholders of MAS P.L.C.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of MAS P.L.C. and its subsidiaries (the 'Group') on 31 December 2023 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and IFRSs as issued by the International Accounting Standards Board applicable to interim financial reporting (International Accounting Standard 34 'Interim Financial Reporting'). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Other matters

This report, including the conclusion, has been prepared for and only for the Group and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Christopher Cardona
Principal

For and on behalf of
PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

1 March 2024

MAS P.L.C.
Condensed consolidated interim financial statements for the six-month period to 31 December 2023
Condensed consolidated statement of profit or loss

	Note	Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
<i>Continuing operations</i>				
Rental income	5.1	35,970	32,391	66,519
Service charge income and other recoveries	5.2	11,335	10,044	21,369
Gross revenue		47,305	42,435	87,888
(Impairment)/Reversal of impairment of receivables	5	(183)	47	(76)
Service charge and other property operating expenses	5.2	(13,515)	(12,497)	(25,617)
Net rental income	5	33,607	29,985	62,195
Corporate expenses		(3,555)	(3,580)	(6,965)
Other income	6	7,694	5,914	10,097
Investment expenses	7	(573)	(556)	(1,129)
Fair value adjustments	8	28,275	33,205	40,392
Foreign currency exchange differences		(16)	(2,068)	(2,213)
Share of profit from equity-accounted investee, net of tax	12	8,072	1,953	4,315
Impairment of share-based payment prepayments	18.2	(67)	-	(9,624)
Profit before finance income/(costs)		73,437	64,853	97,068
Finance income	9	15,175	9,678	20,628
Finance costs	9	(12,297)	(9,901)	(19,993)
Profit before tax		76,315	64,630	97,703
Current tax		(2,132)	(1,983)	(4,165)
Deferred tax		(5,341)	(2,536)	(6,542)
Taxation	10	(7,473)	(4,519)	(10,707)
Profit from continuing operations		68,842	60,111	86,996
<i>Discontinued operations</i>				
(Loss)/Profit from discontinued operations, net of tax	4.1	(207)	4,031	3,836
Profit for the period/year		68,635	64,142	90,832
<i>Attributable to:</i>				
Owners of the Group		68,635	64,142	90,832
Profit for the period/year		68,635	64,142	90,832
IFRS Earnings per share for profit attributable to the ordinary equity holders of the Group - total	18.3			
IFRS Basic earnings per share (eurocents)		9.98	9.32	13.20
IFRS Diluted earnings per share (eurocents)		9.90	9.21	13.04
IFRS Earnings per share for profit attributable to the ordinary equity holders of the Group - continuing operations	18.3			
IFRS Basic earnings per share (eurocents)		10.01	8.74	12.65
IFRS Diluted earnings per share (eurocents)		9.93	8.63	12.49

The condensed consolidated statement of profit or loss for the six-month period to 31 December 2022 and for the year to 30 June 2023 has been represented as a result of reclassifying certain assets between discontinued and continuing operations. For more details, refer to note 4 and note 22.

The notes on pages 6 to 55 form part of these condensed consolidated interim financial statements.

All amounts in € thousand unless otherwise stated.

MAS P.L.C.
Condensed consolidated interim financial statements for the six-month period to 31 December 2023
Condensed consolidated statement of other comprehensive income

	Note	Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Profit for the period/year - continuing operations		68,842	60,111	86,996
(Loss)/Profit for the period/year - discontinued operations		(207)	4,031	3,836
Profit for the period/year		68,635	64,142	90,832
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations - continuing operations		(83)	3,062	3,406
Exchange differences on translation of foreign operations - discontinued operations		(120)	(279)	178
<i>Items reclassified through profit or loss</i>				
Foreign exchange loss previously recognised in other comprehensive income recycled on liquidation of subsidiaries - continuing operations		-	(1,870)	(1,871)
Total comprehensive income for the period/year		68,432	65,055	92,545
<i>Attributable to:</i>				
Owners of the Group		68,432	65,055	92,545
Total comprehensive income for the period/year		68,432	65,055	92,545

The notes on pages 6 to 55 form part of these condensed consolidated interim financial statements.

All amounts in € thousand unless otherwise stated.

MAS P.L.C.**Condensed consolidated interim financial statements for the six-month period to 31 December 2023****Condensed consolidated statement of financial position**

		On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
	Note			
<i>Non-current assets</i>				
Investment property	11.1	994,441	887,328	901,472
Financial assets	16.3	374,094	275,533	338,949
Investment in equity-accounted investee	12	33,484	23,050	25,412
Other non-current assets	14	7,641	27,436	10,542
Deferred tax assets	10	2,604	4,280	2,389
Intangible assets	13	1,696	1,696	1,696
Total non-current assets		1,413,960	1,219,323	1,280,460
<i>Current assets</i>				
Financial investments	16.1	-	101,104	36,504
Trade and other receivables		28,664	37,016	37,852
Cash and cash equivalents	16.2	81,790	66,225	60,361
Investment property held for sale	4.2	1,553	59,660	58,848
Total current assets		112,007	264,005	193,565
Total assets		1,525,967	1,483,328	1,474,025
<i>Equity</i>				
Share capital and share premium	18.1	654,586	653,122	654,643
Share capital		7,161	7,146	7,161
Share premium		647,425	645,976	647,482
Treasury shares	18.1	(31,013)	(29,663)	(31,184)
Retained earnings		418,157	352,825	349,522
Share-based payment reserve	18.2	1,926	1,512	1,602
Foreign currency translation reserve		(10,130)	(10,727)	(9,927)
Equity attributable to owners of the Group		1,033,526	967,069	964,656
<i>Non-current liabilities</i>				
Bonds	17	211,296	290,042	290,752
Bank loans	17	196,987	112,489	108,629
Deferred tax liabilities	10	41,309	33,638	35,753
Other non-current liabilities	15	6,796	6,820	6,716
Total non-current liabilities		456,388	442,989	441,850
<i>Current liabilities</i>				
Bonds	17	4,595	6,391	84
Bank loans	17	8,558	40,554	45,100
Trade and other payables		22,900	26,325	22,335
Total current liabilities		36,053	73,270	67,519
Total liabilities		492,441	516,259	509,369
Total shareholder equity and liabilities		1,525,967	1,483,328	1,474,025

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 1 March 2024 and signed on their behalf by:

Nadine Bird
Chief Financial Officer

Irina Grigore
Chief Executive Officer

The notes on pages 6 to 55 form part of these condensed consolidated interim financial statements.

All amounts in € thousand unless otherwise stated.

MAS P.L.C.
Condensed consolidated interim financial statements for the six-month period to 31 December 2023
Condensed consolidated statement of changes in equity

	Note	Share capital	Share premium	Treasury shares	Retained earnings	Share-based payment reserve	Foreign currency translation reserve	Equity attributable to owners of the Group
Balance on 30 June 2022 (audited)		7,146	645,976	(29,663)	314,961	1,370	(11,640)	928,150
<i>Comprehensive income for the period</i>								
Profit for the period		-	-	-	64,142	-	-	64,142
Other comprehensive income for the period		-	-	-	-	-	913	913
Total comprehensive income for the period		-	-	-	64,142	-	913	65,055
<i>Equity transactions</i>								
Employee share schemes – value of employee services	18.2	-	-	-	-	142	-	142
Total equity transactions		-	-	-	-	142	-	142
<i>Transactions with the owners of the Group</i>								
Distributions	18.1	-	-	-	(26,278)	-	-	(26,278)
Total transactions with the owners of the Group		-	-	-	(26,278)	-	-	(26,278)
Balance on 31 December 2022 (reviewed)		7,146	645,976	(29,663)	352,825	1,512	(10,727)	967,069
<i>Comprehensive income for the period</i>								
Profit for the period		-	-	-	26,690	-	-	26,690
Other comprehensive income for the period		-	-	-	-	-	800	800
Total comprehensive income for the period		-	-	-	26,690	-	800	27,490
<i>Equity transactions</i>								
Employee share schemes – value of employee services	18.2	-	-	-	-	90	-	90
Total equity transactions		-	-	-	-	90	-	90
<i>Transactions with the owners of the Group</i>								
Issue of shares	18.1	15	1,506	(1,521)	-	-	-	-
Distributions	18.1	-	-	-	(29,993)	-	-	(29,993)
Total transactions with the owners of the Group		15	1,506	(1,521)	(29,993)	-	-	(29,993)
Balance on 30 June 2023 (audited)		7,161	647,482	(31,184)	349,522	1,602	(9,927)	964,656
<i>Comprehensive income for the period</i>								
Profit for the period		-	-	-	68,635	-	-	68,635
Other comprehensive loss for the period		-	-	-	-	-	(203)	(203)
Total comprehensive income for the period		-	-	-	68,635	-	(203)	68,432
<i>Equity transactions</i>								
Employee share schemes - shares forfeited and brought back	18.2	-	(94)	94	-	-	-	-
Employee share schemes - value of employee services	18.2	-	-	-	-	361	-	361
Employee share schemes - unlocked shares sales	18.2	-	37	77	-	(37)	-	77
Total equity transactions		-	(57)	171	-	324	-	438
Balance on 31 December 2023 (reviewed)		7,161	647,425	(31,013)	418,157	1,926	(10,130)	1,033,526

The notes on pages 6 to 55 form part of these condensed consolidated interim financial statements.

All amounts in € thousand unless otherwise stated.

Condensed consolidated statement of cash flows

	Note	Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
<i>Operating activities</i>				
Cash generated from operating activities	16.2	42,276	37,118	74,220
Coupon received on PKM Development preferred equity	16.3	7,170	-	-
Interest received on PKM Development revolving credit facility	16.3	500	619	1,106
Income taxes paid	10	(2,345)	(977)	(3,083)
Reimbursements/(Payments) of federal tax and capital gains tax	10	621	(1,168)	(1,168)
Distribution paid to geared share purchase plan participants	18.2	-	(173)	(431)
Net cash inflow from operating activities		48,222	35,419	70,644
<i>Investing activities</i>				
Capitalised expenditure on investment property paid	11.1	(2,496)	(4,947)	(7,804)
Capitalised expenditure on investment property held for sale paid	4.2	(36)	(586)	(1,486)
Proceeds from sale of investment property held for sale	4.2	-	11,420	11,420
Subscription for PKM Development preferred equity	16.3	(9,687)	(10,000)	(36,573)
Drawdowns of PKM Development revolving credit facility	16.3	(19,550)	(25,895)	(52,374)
Proceeds from PKM Development revolving credit facility		-	9,528	9,528
Settlement of Spark II Portfolio acquisition		-	(89,764)	(89,764)
Proceeds from disposal of financial investments	16.1	37,626	7,700	69,701
Investment expenses paid		(814)	(849)	(1,876)
Interest paid on bank deposits	9	-	(38)	(88)
Tax paid on investing activities		(147)	-	(497)
Net cash inflow/(outflow) from investing activities		4,896	(103,431)	(99,813)
<i>Financing activities</i>				
Consideration for bond repurchases paid	17	(73,187)	(5,251)	(5,251)
Bond coupon paid	17	(1,948)	(106)	(12,575)
Drawdowns of bank loans	17	75,000	-	-
Repayment of capital on bank loans	17	(18,075)	(5,160)	(9,441)
Interest paid on bank loans	17	(5,058)	(2,163)	(5,887)
Transaction costs relating to bank loans paid	17	(972)	(77)	(177)
Acquisition of interest rate caps	17	(2,253)	-	-
Drawdown of bank revolving credit facility	17	-	-	5,000
Repayment of bank revolving credit facility	17	(5,000)	-	-
Distributions paid	18.1	-	(26,278)	(56,271)
Net cash outflow from financing activities		(31,493)	(39,035)	(84,602)
Net increase/(decrease) in cash and cash equivalents		21,625	(107,047)	(113,771)
Cash and cash equivalents at the beginning of the period/year	16.2	60,361	174,176	174,176
Effect of movements in foreign exchange rate fluctuations on cash held		(196)	(904)	(44)
Cash and cash equivalents at the end of the period/year	16.2	81,790	66,225	60,361

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

Notes to the consolidated financial statements
Corporate information

MAS P.L.C. (the 'Company' or 'MAS') is domiciled in Malta and subject to the Maltese Companies Act 1995. The address of its registered office is Suite 11, Marina Business Centre, Abate Rigord Street, Ta' Xbiex, XBX1129, Malta.

These condensed consolidated interim financial statements in respect of the six-month period to 31 December 2023 comprise the Company and its subsidiaries (together referred to as the 'Group') and are available for inspection at the registered office of the Company and on the corporate website.

Comparative figures are included for the six-month period to 31 December 2022 and for the financial year to 30 June 2023.

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

Group subsidiaries

The Group's subsidiaries on 31 December 2023, 30 June 2023 and 31 December 2022 are set out below. Unless otherwise stated, subsidiaries' share capital consists solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Entity name	Jurisdiction	Ownership interest held by the Group
Atrium Mall SRL	Romania	100%
Baia Mare Value Centre SRL	Romania	100%
Barlad Value Centre SRL	Romania	100%
Braehead Properties Limited (dissolved on 14 August 2023)	Isle of Man	100%
Brandenburg Retail Capital Sarl	Luxembourg	100%
Braunschweig Limited	Isle of Man	100%
Chippenham Properties Limited	Isle of Man	100%
Dambovită Mall SRL	Romania	100%
DN1 Value Centre SRL	Romania	100%
Flensburg Limited	Isle of Man	100%
Galleria Burgas ead	Bulgaria	100%
Galleria Stara Zagora ead	Bulgaria	100%
Impromptu Capital Sarl	Luxembourg	100%
Incantada Capital Sarl	Luxembourg	100%
Innova Capital Sarl (dissolved on 4 October 2023)	Luxembourg	100%
Instrumento Capital Sarl	Luxembourg	100%
Interlude Capital Sarl (dissolved on 23 November 2023)	Luxembourg	100%
Intermezzo Capital Sarl	Luxembourg	100%
Intonata Capital Sarl	Luxembourg	100%
Istempo Capital Sarl (dissolved on 14 December 2023)	Luxembourg	100%
Langley Properties Limited	Isle of Man	100%
Leipzig Retail Capital Sarl	Luxembourg	100%
Magdebourg Retail Capital Sarl	Luxembourg	100%
MAS (European) Holdings Limited	Isle of Man	100%
MAS (IOM) Holdings Limited	Isle of Man	100%
MAS CEE Developments Ltd (merger with MAS CEE Holdings Ltd 2023 effective 30 June 2023*)	Malta	100%
MAS CEE Holdings Ltd	Malta	100%
MAS CEE Investments Limited (dissolved on 23 February 2023)	British Virgin Islands	100%
MAS Ginger SRL	Romania	100%
MAS Jupiter SRL (name changed from PKM Jupiter SRL on 12 January 2023)	Romania	100%
MAS One PCC Limited	Isle of Man	100%
MAS Pearl SA	Romania	100%
MAS Property Holding SRL (name changed from MAS CEE Management Holding SRL on 11 August 2023)	Romania	100%
MAS Property Management Bulgaria eood (name changed from PK Property Management (Bulgaria) eood on 19 January 2023)	Bulgaria	100%
MAS Property Management GmbH	Germany	100%
MAS Property Management Poland sp zoo (name changed from PK Property Management (Poland) sp zoo on 19 January 2023)	Poland	100%
MAS RE Malta Holding Ltd	Malta	100%
MAS Real Estate Finance SRL (merged with MAS Property Holding SRL effective 1 July 2023)	Romania	100%
MAS Saturn SRL (name changed from PKM Saturn SRL on 12 January 2023)	Romania	100%
MAS Securities BV	Netherlands	100%
MAS Three Limited	Isle of Man	100%
MAS Velvet SRL	Romania	100%
MAS WE Holdings Ltd	Malta	100%
Militari Shopping Centre SRL	Romania	100%
New Waverley 10 Limited	Isle of Man	100%
New Waverley 12 Limited	Isle of Man	100%
New Waverley 14 Limited	Isle of Man	100%
New Waverley 20 Limited	United Kingdom	100%

MAS P.L.C.

Condensed consolidated interim financial statements for the six-month period to 31 December 2023

Entity name	Jurisdiction	Ownership interest held by the Group
North Street Quarter Limited	Isle of Man	100%
Nova Park sp zoo	Poland	100%
Petrusse Capital Sarl	Luxembourg	100%
PK Red SRL	Romania	100%
PKM Investments (Netherlands) BV (merged with MAS CEE Holdings Ltd on 27 January 2023)	Netherlands	100%
Prahova Value Centre SRL	Romania	100%
Prime Kapital CEE Property Investments Management Ltd (dissolved on 13 January 2023)	British Virgin Islands	100%
Rhea Mezzi Limited	Isle of Man	100%
Roman Value Centre SRL	Romania	100%
Sepsi Value Centre SRL	Romania	100%
Zalau Value Centre SRL	Romania	100%

* Approved on 21 September 2023.

Auditors

At the annual general meeting held on 7 December 2023, PricewaterhouseCoopers (Malta) was reappointed as the Group and Company's external auditor.

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1. Significant events in the reporting period

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

- Disposal of listed real estate equity securities portfolio; see further information in note 16.1.
- Drawdown of bank loans secured against CEE and WE income property; see further information in note 17.
- Bonds repurchases at a discount to their nominal value; see further information in note 17.

2. Going concern

Management has, at the time of approving these condensed consolidated interim financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, management continues to apply the going concern basis of accounting in preparing the condensed consolidated interim financial statements.

3. Segmental analysis – proportionate accounts

Segmental analysis

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

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

The Group has a significant investment in PKM Development Ltd. ('DJV') following the agreement with Prime Kapital Holdings Ltd ('Prime Kapital', 'PK'). Presentation of financial information by using the proportionate consolidation method enhances clarity to interested parties in respect of the Group's operations.

Reportable segment	Description
CEE direct assets (CEE)	Income properties located in CEE fully owned and managed by the Group.
CEE development joint venture (DJV)	Income and development properties located in CEE operated by the Group and indirectly owned through the DJV with Prime Kapital. Information presented represents the Group's 40% share in the joint venture. In addition, the segment includes other balances and transactions in relation to the DJV, including 60% of the preferred equity and the revolving credit facility made available to the DJV (40% of the redemption value, income related to preferred equity and revolving credit facility is eliminated on proportionate consolidation).
WE direct assets (WE)	Income properties held to be sold located in WE (Germany, UK) fully owned and managed by the Group. The fair value of these assets was tested by independent valuers in terms of IAS 40, as the measurement requirements of IFRS 5 do not apply to investment properties held for sale. The fair value of these two assets is disclosed in the Western European segment as income property. Management also includes an estimation for WE disposal realisation costs in this segment.
Corporate (Co)	Other assets, liabilities and activities related to the Group's management, including investments in listed securities, Group level financing, as well as corporate level administration.

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

Proportionate accounts - basis for preparation

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

Presentation	IFRS	Segmental analysis – proportionate accounts
Joint ventures and non-controlling interests	Equity accounting	Proportionate accounting to reflect the Group's 40% ordinary equity interest in the DJV
Statement of profit or loss	Aggregation based on function (presented as continuing and discontinued operations in accordance with IFRS 5)	Aggregation based on nature
Investment property held for sale	Current assets	Investment property based on type
Statement of financial position – line descriptions	Aggregation with limited details (explanatory notes needed for clarity)	Limited aggregation
Statement of financial position – classification by current/non-current	Yes	No
Statement of financial position – equity	Classification by type	Total equity amount

Condensed consolidated interim financial statements for the six-month period to 31 December 2023

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

- Net result – residential property includes proceeds from sale of residential units during the reporting period, less expenses which are directly attributable to the delivered units (Cost of Sales) or attributable to each residential project as a whole (e.g. operational, selling and administrative expenses and net realisable value adjustments).
- Expenses incurred by corporate entities servicing multiple WE subsidiaries, mainly relating to fees attributable to disposal of the WE assets have been reclassified from Co segment to WE segment.
- Net dividends – listed securities have been adjusted to include withholding taxes reclassified from income tax.
- Share-based payment expense has been adjusted with impairment of share-based payment prepayments.
- Other non-distributable income/(cost) has been adjusted with the gain on bonds repurchases net of tax.

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

- Investment property, investment property held for sale and inventory property have been disaggregated to show Income property, Developments – income property and Developments – residential property.
- Financial assets and investments have been disaggregated to show Preferred equity and revolving credit facility, Listed securities gross exposure (including DJV's listed securities at cost), Interest rate derivative financial assets and Other assets.
- Trade and other receivables have been split in VAT receivable, Share-based payment prepayments and Trade and other receivables.

Segment adjusted proportionate accounts

In addition to segmental proportionate accounts, the presentation includes a set of segment adjusted proportionate accounts, derived from adjustments specific for real estate companies, as described in more detail below.

1. *Net dividends – listed securities*
Dividends from listed securities are recognised in adjusted distributable earnings on a basis which is commensurate with and matching the holding period of the securities with the reporting period of the Company. Consequently, any excess or shortfall in dividends received is reclassified 'to' and, respectively, 'from' non-distributable earnings fair value movements in listed securities (together with any expected withholding tax).
2. *Goodwill*
No goodwill is included in adjusted proportionate accounts. Consequently, goodwill and related impairments are eliminated.
3. *Share-based payments*
The allocation of part of the purchase price in a transaction settled in shares to share-based payments is an accounting treatment required under IFRS. Share-based payments related to the 2019 Transaction (detailed in note 18.2) between MAS and Prime Kapital in November 2019 are reversed in adjusted proportionate accounts so that the entire 2019 Transaction purchase price is treated as being paid for Prime Kapital's effective economic interest in the IJV and all amounts exceeding the net tangible asset value thereof eliminated.
4. *Deferred tax*
Deferred tax, which is unlikely to crystallise on disposal as an actual tax, a purchase price adjustment, or any other cost, is reversed.
5. *Estimation for WE disposal realisation costs*
Estimated costs likely to crystallise on disposal of the assets in WE, and the liquidation of all holding entities in the WE segment, including early bank debt repayment penalties, agency fees, tax advisory fees, legal fees, capital expenditure requirements and other related costs and losses. This includes an estimated loss on disposal of the properties when it can be estimated reliably. Based on the information available to management on the date of this report, an amount of €454 thousand was raised in the calculation of Tangible NAV to provide for these expected costs.
6. *Elimination of cross-shareholding between MAS and DJV*
Elimination of MAS' 40% proportion of the DJV's investment in MAS shares, at cost.
7. *Elimination of DJV's dividend income from MAS*
Elimination of the 40% proportionate part of Net dividends – listed securities recognised by the DJV as dividend income received from MAS.
8. *Geared share purchase plan interest income*
Interest charged by MAS to participants' outstanding loans with reference to the geared share purchase plan, accrued at the Group's weighted average cost of debt.

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

MAS P.L.C.
Condensed consolidated interim financial statements for the six-month period to 31 December 2023

Six-month period to 31 December 2023	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
EARNINGS	68,635	49,971	21,650	(2,831)	(155)	25,623	5,946	(406)	19,435	648	94,258	55,917	21,244	16,604	493
DISTRIBUTABLE EARNINGS	30,990	25,543	12,234	287	(7,074)	577	-	-	-	577	31,567	25,543	12,234	287	(6,497)
Net rental income – income property	34,988	32,539	1,327	1,122	-	-	-	-	-	-	34,988	32,539	1,327	1,122	-
Net result – residential property	(1,119)	-	(1,119)	-	-	-	-	-	-	-	(1,119)	-	(1,119)	-	-
Net income – preferred equity and revolving credit facility	8,147	-	8,147	-	-	-	-	-	-	-	8,147	-	8,147	-	-
Net dividends – listed securities ¹	-	-	-	-	-	290	-	-	-	290	290	-	-	-	290
Net corporate expenses	(3,409)	(1,476)	(200)	(294)	(1,439)	-	-	-	-	-	(3,409)	(1,476)	(200)	(294)	(1,439)
Interest on debt financing	(11,351)	(3,958)	(46)	(502)	(6,845)	-	-	-	-	-	(11,351)	(3,958)	(46)	(502)	(6,845)
Interest capitalised on developments	4,480	-	4,480	-	-	-	-	-	-	-	4,480	-	4,480	-	-
Other distributable net income/(cost) ⁸	1,708	76	(45)	(9)	1,686	287	-	-	-	287	1,995	76	(45)	(9)	1,973
Income tax	(2,454)	(1,638)	(310)	(30)	(476)	-	-	-	-	-	(2,454)	(1,638)	(310)	(30)	(476)
NON-DISTRIBUTABLE EARNINGS	37,645	24,428	9,416	(3,118)	6,919	25,046	5,946	(406)	19,435	71	62,691	30,374	9,010	16,317	6,990
Fair value adjustments – income property	40,754	35,253	8,978	(3,477)	-	-	-	-	-	-	40,754	35,253	8,978	(3,477)	-
Fair value adjustments – interest rate derivatives	(5,234)	(4,823)	(372)	(39)	-	-	-	-	-	-	(5,234)	(4,823)	(372)	(39)	-
Fair value adjustments – listed securities ¹	1,124	-	-	-	1,124	(290)	-	-	-	(290)	834	-	-	-	834
Investment expenses	(826)	(56)	(12)	(387)	(371)	-	-	-	-	-	(826)	(56)	(12)	(387)	(371)
Share-based payment expense ³	(596)	(235)	-	-	(361)	596	235	-	-	361	-	-	-	-	-
Other non-distributable income	6,943	-	416	-	6,527	-	-	-	-	-	6,943	-	416	-	6,527
Tax on sale of property	415	-	-	415	-	-	-	-	-	-	415	-	-	415	-
Deferred tax ⁴	(4,935)	(5,711)	406	370	-	5,305	5,711	(406)	-	-	370	-	-	370	-
Estimation for WE disposal realisation costs ⁵	-	-	-	-	-	19,435	-	-	19,435	-	19,435	-	-	19,435	-
Weighted average adjusted number of shares											659,510,512				
Diluted weighted average adjusted number of shares											671,159,433				
Adjusted distributable earnings per share (eurocents)											4.79				
Diluted adjusted distributable earnings per share (eurocents)											4.70				

MAS P.L.C.
Condensed consolidated interim financial statements for the six-month period to 31 December 2023

On 31 December 2023	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
NET ASSET VALUE	1,033,526	735,644	407,632	52,126	(161,876)	22,390	38,937	(16,093)	(454)	-	1,055,916	774,581	391,539	51,672	(161,876)
ASSETS	1,564,309	987,294	445,977	75,914	55,124	(21,942)	(2,372)	(19,570)	-	-	1,542,367	984,922	426,407	75,914	55,124
Income property	1,061,946	934,901	71,249	55,796	-	-	-	-	-	-	1,061,946	934,901	71,249	55,796	-
Developments – income property	56,289	5,298	50,991	-	-	-	-	-	-	-	56,289	5,298	50,991	-	-
Developments – residential property	62,402	-	62,402	-	-	-	-	-	-	-	62,402	-	62,402	-	-
Preferred equity and revolving credit facility	224,456	-	224,456	-	-	-	-	-	-	-	224,456	-	224,456	-	-
Listed securities ⁶	19,570	-	19,570	-	-	(19,570)	-	(19,570)	-	-	-	-	-	-	-
Goodwill ²	1,696	1,696	-	-	-	(1,696)	(1,696)	-	-	-	-	-	-	-	-
Deferred tax asset	3,674	1,015	1,070	1,589	-	-	-	-	-	-	3,674	1,015	1,070	1,589	-
Interest rate derivative financial assets	5,970	5,441	492	37	-	-	-	-	-	-	5,970	5,441	492	37	-
Other assets	568	6	190	132	240	-	-	-	-	-	568	6	190	132	240
VAT receivable	3,411	23	3,206	115	67	-	-	-	-	-	3,411	23	3,206	115	67
Share-based payment prepayments ³	676	676	-	-	-	(676)	(676)	-	-	-	-	-	-	-	-
Trade and other receivables	33,886	12,950	4,376	14,887	1,673	-	-	-	-	-	33,886	12,950	4,376	14,887	1,673
Cash and cash equivalents	89,765	25,288	7,975	3,358	53,144	-	-	-	-	-	89,765	25,288	7,975	3,358	53,144
LIABILITIES	530,783	251,650	38,345	23,788	217,000	(44,332)	(41,309)	(3,477)	454	-	486,451	210,341	34,868	24,242	217,000
Debt financing	435,992	185,471	14,555	20,054	215,912	-	-	-	-	-	435,992	185,471	14,555	20,054	215,912
Deferred tax liability ⁴	44,786	41,309	3,477	-	-	(44,786)	(41,309)	(3,477)	-	-	-	-	-	-	-
Trade and other payables	50,005	24,870	20,313	3,734	1,088	-	-	-	-	-	50,005	24,870	20,313	3,734	1,088
Estimation for WE disposal realisation costs ⁵	-	-	-	-	-	454	-	-	454	-	454	-	-	454	-
Adjusted number of shares in issue											659,645,959				
Tangible net asset value per share (eurocents)											160				

MAS P.L.C.
Condensed consolidated interim financial statements for the six-month period to 31 December 2023

Six-month period to 31 December 2022	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
EARNINGS	64,142	45,340	11,566	2,097	5,139	(13,949)	4,303	(453)	(17,167)	(632)	50,193	49,643	11,113	(15,070)	4,507
DISTRIBUTABLE EARNINGS	29,200	25,170	9,185	239	(5,394)	(32)	-	(1,085)	-	1,053	29,168	25,170	8,100	239	(4,341)
Net rental income – income property	30,802	29,055	704	1,043	-	-	-	-	-	-	30,802	29,055	704	1,043	-
Net result – residential property	331	-	331	-	-	-	-	-	-	-	331	-	331	-	-
Net income – preferred equity and revolving credit facility	5,767	-	5,767	-	-	-	-	-	-	-	5,767	-	5,767	-	-
Net dividends – listed securities ¹	4,811	-	1,085	-	3,726	(205)	-	(1,085)	-	880	4,606	-	-	-	4,606
Net corporate expenses	(3,437)	(953)	(157)	(299)	(2,028)	-	-	-	-	-	(3,437)	(953)	(157)	(299)	(2,028)
Interest on debt financing	(9,762)	(2,172)	(11)	(459)	(7,120)	-	-	-	-	-	(9,762)	(2,172)	(11)	(459)	(7,120)
Interest capitalised on developments	1,892	-	1,892	-	-	-	-	-	-	-	1,892	-	1,892	-	-
Other distributable net income/(cost) ⁸	169	(17)	(55)	(21)	262	173	-	-	-	173	342	(17)	(55)	(21)	435
Income tax	(1,373)	(743)	(371)	(25)	(234)	-	-	-	-	-	(1,373)	(743)	(371)	(25)	(234)
NON-DISTRIBUTABLE EARNINGS	34,942	20,170	2,381	1,858	10,533	(13,917)	4,303	632	(17,167)	(1,685)	21,025	24,473	3,013	(15,309)	8,848
Fair value adjustments – income property	27,040	20,945	2,948	3,147	-	(5,380)	-	-	(5,380)	-	21,660	20,945	2,948	(2,233)	-
Fair value adjustments – interest rate derivatives	4,099	3,727	372	-	-	-	-	-	-	-	4,099	3,727	372	-	-
Fair value adjustments – listed securities ¹	11,149	-	-	-	11,149	(880)	-	-	-	(880)	10,269	-	-	-	10,269
Foreign currency exchange differences	(2,079)	-	-	-	(2,079)	-	-	-	-	-	(2,079)	-	-	-	(2,079)
Investment expenses	(1,422)	(199)	(318)	(695)	(210)	639	-	-	639	-	(783)	(199)	(318)	(56)	(210)
Share-based payment expense ³	(452)	(137)	-	-	(315)	452	137	-	-	315	-	-	-	-	-
Other non-distributable income	879	-	11	-	868	-	-	-	-	-	879	-	11	-	868
Tax on sale of property	(1,104)	-	-	(1,104)	-	-	-	-	-	-	(1,104)	-	-	(1,104)	-
Deferred tax ⁴	(3,168)	(4,166)	(632)	510	1,120	3,678	4,166	632	-	(1,120)	510	-	-	510	-
Estimation for WE disposal realisation costs ⁵	-	-	-	-	-	(12,426)	-	-	(12,426)	-	(12,426)	-	-	(12,426)	-
Weighted average adjusted number of shares											659,507,502				
Diluted weighted average adjusted number of shares											669,659,433				
Adjusted distributable earnings per share (eurocents)											4.42				
Diluted adjusted distributable earnings per share (eurocents)											4.36				

MAS P.L.C.
Condensed consolidated interim financial statements for the six-month period to 31 December 2023

On 31 December 2022	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
NET ASSET VALUE	967,069	768,044	298,634	57,472	(157,081)	(17,799)	20,792	(17,261)	(21,330)	-	949,270	788,836	281,373	36,142	(157,081)
ASSETS	1,508,580	942,734	323,893	101,873	140,080	(32,416)	(12,846)	(19,570)	-	-	1,476,164	929,888	304,323	101,873	140,080
Income property	962,583	882,793	20,168	59,622	-	-	-	-	-	-	962,583	882,793	20,168	59,622	-
Developments – income property	54,630	4,573	50,057	-	-	-	-	-	-	-	54,630	4,573	50,057	-	-
Developments – residential property	59,970	-	59,970	-	-	-	-	-	-	-	59,970	-	59,970	-	-
Preferred equity and revolving credit facility	165,320	-	165,320	-	-	-	-	-	-	-	165,320	-	165,320	-	-
Listed securities ⁶	120,674	-	19,570	-	101,104	(19,570)	-	(19,570)	-	-	101,104	-	-	-	101,104
Goodwill ²	1,696	1,696	-	-	-	(1,696)	(1,696)	-	-	-	-	-	-	-	-
Deferred tax asset	4,399	1,268	120	1,891	1,120	-	-	-	-	-	4,399	1,268	120	1,891	1,120
Interest rate derivative financial assets	9,183	8,307	876	-	-	-	-	-	-	-	9,183	8,307	876	-	-
Other assets	2,950	16	2,436	132	366	-	-	-	-	-	2,950	16	2,436	132	366
VAT receivable	2,836	264	2,374	155	43	-	-	-	-	-	2,836	264	2,374	155	43
Share-based payment prepayments ³	11,150	11,150	-	-	-	(11,150)	(11,150)	-	-	-	-	-	-	-	-
Trade and other receivables	45,537	15,260	1,575	27,591	1,111	-	-	-	-	-	45,537	15,260	1,575	27,591	1,111
Cash and cash equivalents	67,652	17,407	1,427	12,482	36,336	-	-	-	-	-	67,652	17,407	1,427	12,482	36,336
LIABILITIES	541,511	174,690	25,259	44,401	297,161	(14,617)	(33,638)	(2,309)	21,330	-	526,894	141,052	22,950	65,731	297,161
Debt financing	455,916	119,203	6,441	33,819	296,453	-	-	-	-	-	455,916	119,203	6,441	33,819	296,453
Other liabilities	108	-	108	-	-	-	-	-	-	-	108	-	108	-	-
Deferred tax liability ⁴	35,947	33,638	2,309	-	-	(35,947)	(33,638)	(2,309)	-	-	-	-	-	-	-
Trade and other payables	49,540	21,849	16,401	10,582	708	-	-	-	-	-	49,540	21,849	16,401	10,582	708
Estimation for WE disposal realisation costs ⁵	-	-	-	-	-	21,330	-	-	21,330	-	21,330	-	-	21,330	-
Adjusted number of shares in issue											659,507,502				
Tangible net asset value per share (eurocents)											144				

MAS P.L.C.
Condensed consolidated interim financial statements for the six-month period to 31 December 2023

Year to 30 June 2023	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
EARNINGS	90,832	71,053	24,772	(94)	(4,899)	602	16,276	(1,066)	(15,725)	1,117	91,434	87,329	23,706	(15,819)	(3,782)
DISTRIBUTABLE EARNINGS	60,345	51,487	19,187	752	(11,081)	(1,408)	-	(2,323)	-	915	58,937	51,487	16,864	752	(10,166)
Net rental income – income property	63,899	60,156	1,454	2,289	-	-	-	-	-	-	63,899	60,156	1,454	2,289	-
Net result – residential property	(193)	-	(193)	-	-	-	-	-	-	-	(193)	-	(193)	-	-
Net income – preferred equity and revolving credit facility	12,279	-	12,279	-	-	-	-	-	-	-	12,279	-	12,279	-	-
Net dividends – listed securities ¹	9,394	-	2,323	-	7,071	(1,862)	-	(2,323)	-	461	7,532	-	-	-	7,532
Net corporate expenses	(6,604)	(2,036)	(240)	(560)	(3,768)	-	-	-	-	-	(6,604)	(2,036)	(240)	(560)	(3,768)
Interest on debt financing	(19,815)	(4,702)	(11)	(912)	(14,190)	-	-	-	-	-	(19,815)	(4,702)	(11)	(912)	(14,190)
Interest capitalised on developments	3,939	-	3,939	-	-	-	-	-	-	-	3,939	-	3,939	-	-
Other distributable net income/(cost) ⁸	428	(82)	13	(30)	527	454	-	-	-	454	882	(82)	13	(30)	981
Income tax	(2,982)	(1,849)	(377)	(35)	(721)	-	-	-	-	-	(2,982)	(1,849)	(377)	(35)	(721)
NON-DISTRIBUTABLE EARNINGS	30,487	19,566	5,585	(846)	6,182	2,010	16,276	1,257	(15,725)	202	32,497	35,842	6,842	(16,571)	6,384
Fair value adjustments – income property	41,275	32,620	6,812	1,843	-	(5,380)	-	-	(5,380)	-	35,895	32,620	6,812	(3,537)	-
Fair value adjustments – interest rate derivatives	3,818	3,464	352	-	2	-	-	-	-	-	3,818	3,464	352	-	2
Fair value adjustments – listed securities ¹	8,550	-	-	-	8,550	(461)	-	-	-	(461)	8,089	-	-	-	8,089
Foreign currency exchange differences	(2,095)	-	-	-	(2,095)	-	-	-	-	-	(2,095)	-	-	-	(2,095)
Investment expenses	(2,247)	(242)	(371)	(1,157)	(477)	1,018	-	-	1,018	-	(1,229)	(242)	(371)	(139)	(477)
Share-based payment expense ³	(10,560)	(9,897)	-	-	(663)	10,560	9,897	-	-	663	-	-	-	-	-
Other non-distributable income	914	-	49	-	865	-	-	-	-	-	914	-	49	-	865
Tax on sale of property	(1,369)	-	-	(1,369)	-	-	-	-	-	-	(1,369)	-	-	(1,369)	-
Deferred tax ⁴	(7,799)	(6,379)	(1,257)	(163)	-	7,636	6,379	1,257	-	-	(163)	-	-	(163)	-
Estimation for WE disposal realisation costs ⁵	-	-	-	-	-	(11,363)	-	-	(11,363)	-	(11,363)	-	-	(11,363)	-
Weighted average adjusted number of shares											659,897,913				
Diluted weighted average adjusted number of shares											670,049,844				
Adjusted distributable earnings per share (eurocents)											8.93				
Diluted adjusted distributable earnings per share (eurocents)											8.80				

MAS P.L.C.
Condensed consolidated interim financial statements for the six-month period to 31 December 2023

On 30 June 2023	Proportionate accounts					Adjustments					Adjusted proportionate accounts				
	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 ⁶	56,074	-	19,570	-	36,504	(19,570)	-	(19,570)	-	-	36,504	-	-	-	36,504
Goodwill ²	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 ³	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 ⁴	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 ⁵	-	-	-	-	-	19,888	-	-	19,888	-	19,888	-	-	19,888	-
Adjusted number of shares in issue											661,007,502				
Tangible net asset value per share (eurocents)											145				

Condensed consolidated interim financial statements for the six-month period to 31 December 2023

The reconciliations of adjusted distributable earnings for the six-month periods to 31 December 2023, 31 December 2022 and 30 June 2023, and the year to 30 June 2023 are provided below.

Segment	Adjusted distributable earnings for the six-month period to 31 December 2023	Adjusted distributable earnings for the six-month period to 31 December 2022	Adjusted distributable earnings for the six-month period to 30 June 2023	Adjusted distributable earnings for the financial year to 30 June 2023
CEE	25,543	25,170	26,317	51,487
DJV	12,234	8,100	8,764	16,864
WE	287	239	513	752
Co	(6,497)	(4,341)	(5,825)	(10,166)
Total	31,567	29,168	29,769	58,937
Weighted average adjusted number of shares in issue for the period	659,510,512	659,507,502	660,294,795	659,897,913
Diluted weighted average adjusted number of shares in issue for the period	671,159,433	669,659,433	670,446,726	670,049,844
Adjusted distributable earnings per share (eurocents)	4.79	4.42	4.51	8.93
Diluted adjusted distributable earnings per share (eurocents)	4.70	4.36	4.44	8.80
Dividend per share (eurocents)	-	4.36	-	4.36

The Diluted weighted average adjusted number of shares and Diluted adjusted number of shares in issue are presented below.

Six months to 31 December 2023

Date	Transaction	Number of shares	Cumulative number of shares outstanding	% of period	Diluted weighted average
1-Jul-23	Opening	671,159,433	671,159,433	100.0%	671,159,433
31-Dec-23	Closing	671,159,433	671,159,433	100.0%	671,159,433

Six months to 31 December 2022

Date	Transaction	Number of shares	Cumulative number of shares outstanding	% of period	Diluted weighted average
1-Jul-22	Opening	669,659,433	669,659,433	100.0%	669,659,433
31-Dec-22	Closing	669,659,433	669,659,433	100.0%	669,659,433

Six months to 30 June 2023

Date	Transaction	Number of shares	Cumulative number of shares outstanding	% of period	Diluted weighted average
1-Jan-23	Opening	669,659,433	669,659,433	47.5%	318,180,725
27-Mar-23	Share scheme shares granted	1,500,000	671,159,433	52.5%	352,266,001
30-Jun-23	Closing	671,159,433	671,159,433	100.0%	670,446,726

4. Investment property held for sale and discontinued operations

During the six-month period to 31 December 2023, following the assessment of the IFRS 5 criteria for classifying assets held for sale, Flensburg Galerie was reclassified from assets held for sale to non-current assets, as income-generating property. The asset is no longer actively marketed for sale at a price that is reasonable in relation to its current fair value and the sale is therefore not expected to qualify for recognition as a completed sale within one year from the date of initial classification. The exceptions described in IFRS 5 no longer apply. In accordance with IFRS 5, the results of Flensburg Galerie for the prior periods were removed from the single financial statement line item named '(loss)/profit from discontinued operations, net of tax' and were recognised on a line by line basis in the condensed consolidated statement of profit or loss from continuing operations for the current and comparative periods presented.

Completion of the disposal of Arches street retail units (UK) is subject to the conditions precedent being fulfilled.

Properties classified as held for sale and/or discontinued operations

Property name	Country	Discontinued	Status			Completion date
			On 31 December 2023	On 31 December 2022	On 30 June 2023	
Langley Park	UK	Yes	Sold	Sold	Sold	21 December 2022
New Waverley, Arches	UK	Yes	Held for sale	Held for sale	Held for sale	n/a
Flensburg Galerie	Germany	No	Investment property	Held for sale	Held for sale	n/a

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

	Note	Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Rental income	5.1	103	104	282
Service charge income and other recoveries	5.2	1	51	83
Gross revenue		104	155	365
Reversal of impairment of receivables	5.1; 5.2	4	-	25
Service charge and other property operating expenses	5.2	(54)	(42)	(140)
Net rental income	5	54	113	250
Corporate expenses		(185)	(152)	(335)
Other income	6	112	312	870
Investment expenses	7	(241)	(547)	(747)
Fair value adjustments	8	(349)	71	(103)
Foreign currency exchange differences		1	(2)	-
Gain from disposal of investment property held for sale	4.2	-	5,380	5,320
(Loss)/Profit before finance costs		(608)	5,175	5,255
Finance income	9	7	-	8
Finance costs	9	(9)	(15)	(23)
(Loss)/Profit before tax		(610)	5,160	5,240
Current tax		403	(1,129)	(1,404)
Taxation	10	403	(1,129)	(1,404)
(Loss)/Profit from discontinued operations, net of tax		(207)	4,031	3,836

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

4.2. Investment property held for sale

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

	Note	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Opening balance		58,848	78,509	78,509
Disposals		-	(23,355)	(23,176)
Profit from disposal of investment property held for sale		-	5,380	5,320
Capitalised expenditure ¹		36	1,829	2,770
Transfer to investment property ²		(56,960)	-	-
Fair value adjustment		(349)	(2,545)	(4,347)
Foreign currency translation reserve		(22)	(158)	(228)
Closing balance		1,553	59,660	58,848

¹The entire €36 thousand capitalised expenditure incurred during the period, was paid in cash (31 December 2022: €586 thousand; 30 June 2023: €1,486 thousand).

²Flensburg Galerie has been reclassified from investment property held for sale to investment property, as described above.

Investment property held for sale disposed during comparative periods

Reconciliation of the profit from disposal of investment property held for sale for the financial year to 30 June 2023 is disclosed below.

Property name	Fair value at completion date	Transaction value	Foreign currency translation	Profit from disposal
Langley Park	18,084	23,176	228	5,320
Total	18,084	23,176	228	5,320

Of the total sale price of €23,176 thousand, €255 thousand transaction fees were deducted at the transaction date. The Group received the first instalment amounting to €11,420 thousand in cash, with the second instalment of €11,756 thousand (€10,077 thousand) received after the period end, in January 2024. Profit from disposal of investment properties held for sale includes (a) investment properties fair valued on the most recent date prior to disposal and (b) lease incentive accruals. The transaction value is the sale price in accordance with sale and purchase agreements (SPAs) entered into.

Transaction fees of €241 thousand (31 December 2022: €547 thousand; 30 June 2023: €747 thousand) were incurred relating to disposal of the properties, and were recognised as investment expenses; refer to note 7.

4.3. Cash flows from discontinued operations

		Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Net cash outflow from operating activities		(133)	(6,284)	(14,023)
Net cash (outflow)/inflow from investing activities		(404)	10,164	9,363
Net cash (outflow)/inflow from discontinued operations		(537)	3,880	(4,660)

5. Net rental income

	Note	Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Continuing operations				
Rental income	5.1	35,970	32,391	66,519
Service charge income and other recoveries	5.2	11,335	10,044	21,369
Gross revenue - continuing operations		47,305	42,435	87,888
(Impairment)/Reversal of impairment of receivables		(183)	47	(76)
Service charge and other property operating expenses	5.2	(13,515)	(12,497)	(25,617)
Net rental income - continuing operations		33,607	29,985	62,195
Discontinued operations				
Rental income	5.1	103	104	282
Service charge income and other recoveries	5.2	1	51	83
Gross revenue - discontinued operations		104	155	365
Reversal of impairment of receivables		4	-	25
Service charge and other property operating expenses	5.2	(54)	(42)	(140)
Net rental income - discontinued operations		54	113	250
Total				
Rental income	5.1	36,073	32,495	66,801
Service charge income and other recoveries	5.2	11,336	10,095	21,452
Gross revenue		47,409	42,590	88,253
(Impairment)/Reversal of impairment of receivables		(179)	47	(51)
Service charge and other property operating expenses	5.2	(13,569)	(12,539)	(25,757)
Net rental income		33,661	30,098	62,445

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

5.1. Rental income

		Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Continuing operations				
Gross rental income		31,008	27,264	57,831
Turnover rent		4,962	5,127	8,688
Rental income - continuing operations		35,970	32,391	66,519
(Impairment)/Reversal of impairment of receivables		(183)	47	(76)
Rental income, net of impairment - continuing operations		35,787	32,438	66,443
Discontinued operations				
Gross rental income		103	104	282
Reversal of impairment of receivables		4	-	25
Rental income, net of impairment - discontinued operations		107	104	307
Total				
Gross rental income		31,111	27,368	58,113
Turnover rent		4,962	5,127	8,688
Rental income		36,073	32,495	66,801
(Impairment)/Reversal of impairment of receivables		(179)	47	(51)
Rental income, net of impairment		35,894	32,542	66,750

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

5.2. Service charge

		Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Continuing operations				
Gross service charge income and other recoveries		11,335	10,044	21,369
Service charge and other recoveries, net – continuing operations		11,335	10,044	21,369
Property expenses		(8,517)	(7,782)	(16,049)
Property management expenses		(3,094)	(2,809)	(5,781)
Marketing fees		(1,489)	(1,266)	(2,610)
Insurance expenses		(228)	(193)	(440)
Other service charge expenses		(187)	(447)	(737)
Service charge and other property operating expenses – continuing operations		(13,515)	(12,497)	(25,617)
Net service charge – continuing operations		(2,180)	(2,453)	(4,248)
Discontinued operations				
Gross service charge income and other recoveries		1	51	83
Service charge and other recoveries, net – discontinued operations		1	51	83
Property expenses		(27)	(31)	(126)
Insurance expenses		(2)	(4)	(6)
Other service charge expenses		(25)	(7)	(8)
Service charge and other property operating expenses – discontinued operations		(54)	(42)	(140)
Net service charge – discontinued operations		(53)	9	(57)
Total				
Gross service charge income and other recoveries		11,336	10,095	21,452
Service charge and other recoveries, net		11,336	10,095	21,452
Property expenses		(8,544)	(7,813)	(16,175)
Property management expenses		(3,094)	(2,809)	(5,781)
Marketing fees		(1,489)	(1,266)	(2,610)
Insurance expenses		(230)	(197)	(446)
Other service charge expenses		(212)	(454)	(745)
Service charge and other property operating expenses		(13,569)	(12,539)	(25,757)
Net service charge		(2,233)	(2,444)	(4,305)

6. Other income

	Note	Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Continuing operations				
Gain on bonds repurchased ¹	17	7,469	1,354	1,354
Other income		225	177	425
Dividend income earned on financial investments	16.1	-	4,383	8,318
Other income - continuing operations		7,694	5,914	10,097
Discontinued operations				
Other income		112	312	870
Other income - discontinued operations		112	312	870
Total				
Gain on bonds repurchased	17	7,469	1,354	1,354
Other income		337	489	1,295
Dividend income earned on financial investments	16.1	-	4,383	8,318
Other income		7,806	6,226	10,967

¹During the period to 31 December 2023, the Group repurchased bonds for a capital consideration of €73,187 thousand at a 9.26% discount to their nominal value of €80,656 thousand and coupon payments made at the repurchase date in respect of the bonds repurchased, amounted to €1,948 thousand. During the year to 30 June 2023, the Group repurchased bonds for a consideration of €5,251 thousand at a 20.5% discount to their nominal value of €6,605 thousand. Coupon payments in respect of these bonds repurchased amounted to €106 thousand.

7. Investment expenses

		Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Continuing operations				
Transaction fees on disposal of investment property held for sale		(146)	(155)	(317)
Investment expenses related to acquisitions		-	(199)	(380)
Other investment expenses		(427)	(202)	(432)
Investment expenses - continuing operations		(573)	(556)	(1,129)
Discontinued operations				
Transaction fees on disposal of investment property held for sale		(241)	(547)	(747)
Investment expenses - discontinued operations		(241)	(547)	(747)
Total				
Transaction fees on disposal of investment property held for sale		(387)	(702)	(1,064)
Investment expenses related to acquisitions		-	(199)	(380)
Other investment expenses		(427)	(202)	(432)
Investment expenses		(814)	(1,103)	(1,876)

Transaction fees on disposal of investment property held for sale

In continuing operations €146 thousand (31 December 2022: €155 thousand; 30 June 2023: €317 thousand) were incurred by corporate entities, mainly relating to legal fees attributable to the WE investment properties' disposal plan. These fees are allocated to the WE segment for segmental reporting.

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8. Fair value adjustments

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

	Note	Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Continuing operations				
Gain on fair value of investment property	11.1	32,013	18,329	28,376
Gain on fair value of financial investments - listed securities (realised and unrealised)	16.1	1,122	11,149	8,550
(Loss)/Gain on fair value of financial assets - interest rate caps		(4,860)	3,727	3,466
Fair value adjustments - continuing operations		28,275	33,205	40,392
Discontinued operations				
(Loss)/Gain on fair value of investment property held for sale	4.2	(349)	71	(103)
Fair value adjustments - discontinued operations		(349)	71	(103)
Total				
Fair value adjustments		27,926	33,276	40,289

9. Finance income and finance costs

	Note	Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Continuing operations				
Finance income				
Coupon on PKM Development preferred equity	16.3	12,537	8,990	19,000
Income on PKM Development revolving credit facility	16.3	1,041	623	1,465
Interest on bank deposits and other finance income		1,597	65	163
Finance income - continuing operations		15,175	9,678	20,628
Finance costs				
Bonds borrowing costs	17	(7,659)	(7,125)	(13,997)
Interest on bank loans	17	(5,921)	(2,753)	(6,545)
Impact of interest rate derivatives		1,337	-	613
Bank charges and negative interest on bank deposits		(54)	(23)	(64)
Finance costs - continuing operations		(12,297)	(9,901)	(19,993)
Discontinued operations				
Finance income				
Interest on bank deposits and other finance income		7	-	8
Finance income - discontinued operations		7	-	8
Finance costs				
Bank charges		(9)	(15)	(23)
Finance costs - discontinued operations		(9)	(15)	(23)
Total				
Finance income		15,182	9,678	20,636
Finance costs		(12,306)	(9,916)	(20,016)

10. Taxation

The Group's tax includes the following.

		Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Continuing operations				
Current tax		(2,132)	(1,983)	(4,165)
Deferred tax		(5,341)	(2,536)	(6,542)
Taxation – continuing operations		(7,473)	(4,519)	(10,707)
Discontinued operations				
Current tax		403	(1,129)	(1,404)
Taxation – discontinued operations		403	(1,129)	(1,404)
Total				
Current tax		(1,729)	(3,112)	(5,569)
Deferred tax		(5,341)	(2,536)	(6,542)
Taxation		(7,070)	(5,648)	(12,111)

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

	Reviewed Six-month period to 31 December 2023		Reviewed Six-month period to 31 December 2022		Audited Year to 30 June 2023	
	Statutory rate %	Amount	Statutory rate %	Amount	Statutory rate %	Amount
Continuing operations						
Income/corporation tax						
Malta ¹	35.0	(299)	35.0	(64)	35.0	(382)
Poland	19.0	(236)	19.0	(180)	19.0	(807)
Netherlands	25.8	(74)	25.8	(398)	25.8	(450)
Germany	15.8	(18)	15.8	-	15.8	-
Bulgaria	10.0	(384)	10.0	(5)	10.0	(7)
Romania	16.0	(1,121)	16.0	(679)	16.0	(1,271)
		(2,132)		(1,326)		(2,917)
Withholding tax						
Netherlands ²	15.0	-	15.0	(657)	15.0	(1,248)
		-		(657)		(1,248)
Continuing operations - Current tax		(2,132)		(1,983)		(4,165)
Discontinued operations						
Income/corporation tax						
UK – corporation tax	25.0	(71)	20.5	7	20.5	(24)
Germany	15.8	66	15.8	55	15.8	283
Switzerland ³	31.9	430	26.8	-	31.9	(459)
		425		62		(200)
Wealth tax						
Luxembourg	0.5	(22)	0.5	(23)	0.5	(36)
		(22)		(23)		(36)
Federal tax						
Switzerland ⁴	8.5	-	8.5	(1,168)	8.5	(1,168)
		-		(1,168)		(1,168)
Discontinued operations - Current tax		403		(1,129)		(1,404)

¹Following the implementation of a fiscal unit in Malta, the applicable tax rate for entities within the fiscal unit is 5.5% (5.7% on 30 June 2023).

²€657 thousand on 31 December 2022 (€1,248 thousand on 30 June 2023) relates to withholding tax on the gross dividend received in respect of financial investments.

³€430 thousand on 31 December 2023 related to capital gain tax reimbursement previously paid on the Zurich property (30 June 2023: (€459) thousand paid).

⁴€1,168 thousand on 31 December 2022 and 30 June 2023 relates to federal tax paid on the Zurich property.

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Reconciliation of deferred tax is presented below.

	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Net deferred tax liability brought forward	(33,364)	(26,822)	(26,822)
Current period/year deferred tax changes	(5,341)	(2,536)	(6,542)
Net deferred tax liability carried forward	(38,705)	(29,358)	(33,364)

The breakdown of net deferred tax liability is presented below.

	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Deferred tax asset	2,604	4,280	2,389
Deferred tax liability	(41,309)	(33,638)	(35,753)
Net deferred tax liability	(38,705)	(29,358)	(33,364)

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

	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Revaluation of investment property and investment property cumulative statutory tax allowance	1,431	941	1,061
Fiscal losses ¹	1,173	3,339	1,328
Deferred tax asset	2,604	4,280	2,389
Revaluation of investment property and investment property cumulative statutory tax allowance	(46,626)	(38,834)	(40,828)
Deductible interest expense	5,296	5,150	5,033
Other deductible temporary differences	21	46	42
Deferred tax liability	(41,309)	(33,638)	(35,753)
Net deferred tax liability	(38,705)	(29,358)	(33,364)

¹Of total fiscal losses carried forward, €1,015 thousand are generated by CEE operating legal entities, while the remaining €158 thousand relates to WE operating legal entities. Fiscal losses are carried forward if deemed recoverable and were generated as a result of i) leases transferred at acquisition from third parties, with the same terms as negotiated by the previous owners, and ii) non-recoverable expenses incurred in the properties' first years of operation. Under local tax law, fiscal losses may be carried forward up to seven years by Romanian entities, from the date on which they were incurred, while for the German entities, fiscal losses may be carried forward indefinitely. Management expects the fiscal losses to crystallise against the future expected profits realised by the entities.

Reconciliation of effective tax rate is presented below.

	Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Continuing operations			
Profit before tax	76,315	64,630	97,703
Applicable Group weighted average tax rate	10.3%	6.5%	10.6%
Net tax expense based on applicable Group weighted average tax rate	(7,825)	(4,197)	(10,389)
Reconciling items			
Effect of borrowing costs carried forward/(used)	246	(249)	(347)
Fiscal losses utilised or expired	235	694	481
Fiscal losses derecognised	-	-	(1,085)
Non-deductible expenses	(1,896)	(1,136)	(1,359)
Non-taxable income	1,980	1,854	4,041
Effect of accounting losses for which no deferred tax asset was recognised	(213)	(828)	(792)
Effect of other taxes applicable in different Group subsidiaries' jurisdictions	-	(657)	(1,257)
Net taxation	(7,473)	(4,519)	(10,707)
Effective tax rate	9.8%	7.0%	11.0%

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	Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Discontinued operations			
(Loss)/Profit before tax	(610)	5,160	5,240
Applicable Group weighted average tax rate	22.3%	21.6%	25.5%
Net tax expense based on applicable Group weighted average tax rate	136	(1,116)	(1,336)
Reconciling items			
Non-deductible expenses	(12)	-	-
Non-taxable income	70	1,199	1,617
Effect of accounting losses for which no deferred tax asset was recognised	(199)	(14)	(12)
Effect of other taxes applicable in different Group subsidiaries' jurisdictions	408	(1,198)	(1,673)
Net taxation	403	(1,129)	(1,404)
Effective tax rate	66.1%	21.9%	26.8%
Weighted average effective tax rate – continuing and discontinued operations	9.3%	8.1%	11.8%

The applicable Group weighted average tax rate has been determined using the applicable tax rate of each jurisdiction in which the Group operates.

Except for changes related to redomiciliation to Malta of certain entities in the Group and the increase in applicable tax rates in the United Kingdom effective 1 April 2023, there have been no other changes in the applicable tax rates compared to the previous financial periods.

The increase in the effective tax rate from 8.1% for six-month period to 31 December 2022 to 9.3% for the six-month period to 31 December 2023 is a result of the following:

- changes in the jurisdictional sources of taxable profits;
- non-deductible expenses (mostly intragroup) generated by subsidiary legal entities deemed non-trading, comprising of financing and holding entities within the Group, and incurred losses on fair value of interest rate derivatives reflected as an increase in non-deductible expenses for the period. For the comparative periods these derivative instruments achieved fair value gains which were included in non-taxable income;
- non-taxable income, in respect of discontinuing operations, accounted for in the previous period, relating to income tax reimbursements and capital gain effects of Langley Park disposal, and
- decrease in fiscal losses utilised during the period.

These increase effects were partially offset by the following items:

- reimbursement of capital gain tax on Zurich property disposal, while previously other taxes included withholding tax on dividends received on listed securities investment, and federal and wealth tax paid by WE entities;
- effect of accounting losses for which no deferred tax assets were recognised;
- effect of borrowing costs carried forward, generating a decrease in deferred tax liability; tax legislation applicable allows deduction of such borrowing costs in the determination of income tax payable, indefinitely, and
- non-taxable income, in respect of continuing operations relating to gain on bonds repurchased during the period.

The change in the effective tax rate from 11.8% for the year to 30 June 2023 to 9.3% for the six-month period to 31 December 2023, in addition to the increase effects explained above, is mainly due to the release of a portion of Flensburg Galerie's deferred tax asset on 30 June 2023, which the Group expected would be utilised on disposal of this property.

11. Investment property

11.1. Investment property

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

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

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

		On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Income-generating property		989,143	882,755	896,352
Development property and land bank		5,298	4,573	5,120
		994,441	887,328	901,472

Reviewed Six-month period to 31 December 2023	Note	Income property	Development property and Land bank	Total
Opening balance		896,352	5,120	901,472
Transfer from investment property held for sale to income property	4.2	56,960	-	56,960
Capitalised expenditure ¹		3,907	89	3,996
Fair value adjustment	8	31,924	89	32,013
Closing balance		989,143	5,298	994,441

¹The Group paid €2,496 thousand in relation to capitalised expenditure during the period to 31 December 2023.

Reviewed Six-month period to 31 December 2022	Note	Income property	Development property and Land bank	Total
Opening balance		859,778	720	860,498
Acquisition of land		-	3,504	3,504
Capitalised expenditure ¹		2,150	231	2,381
Fair value adjustment	8	20,827	118	20,945
Closing balance		882,755	4,573	887,328

¹The Group paid €1,443 thousand in relation to capitalised expenditure during the period to 31 December 2022.

Audited Year to 30 June 2023	Note	Income property	Development property and Land bank	Total
Opening balance		859,778	720	860,498
Acquisition of land		-	3,903	3,903
Capitalised expenditure ¹		4,135	316	4,451
Fair value adjustment	8	32,439	181	32,620
Closing balance		896,352	5,120	901,472

¹The Group paid €3,901 thousand in relation to capitalised expenditure during the year to 30 June 2023.

Income generating property value on 31 December 2023 includes lease incentive accruals of €220 thousand for Flensburg Galerie, while for the previous periods they were included in investment property held for sale (31 December 2022: €258 thousand; 30 June 2023: €240 thousand); see further information in note 4.2.

Bank loans

On 31 December 2023 bank loans of €205,526 thousand were secured against investment property with a carrying value of €554,348 thousand.

11.2. Valuation sensitivity analysis

Investment property – measurement of fair values**Valuation process for investment property**

Fair value of investment property is determined semi-annually, on 30 June and 31 December, by external, independent professional valuers, with appropriate and recognised qualifications and recent experience in the location and type of property being valued. For details of the valuers used by the Group in its valuation process on 31 December 2023, refer to page 56. For all investment properties, their current values equate to the highest and best use.

Fair value hierarchy

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

Valuation techniques and significant inputs**Discounted cash flows ('DCF') method**

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

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

Capitalisation method

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

Residual method

The valuation model considers the gross development value of the property based on an independent view of market values for the completed development less any build costs. The valuation starts with an estimation of the value of the completed development, normally referred to as the Gross Development Value (GDV). Thereafter, various costs to complete the development are deducted (including construction costs, professional fees, marketing fees/costs, borrowing costs, together with developer's profit); to arrive at a 'residual' site value, which is the price which a developer could afford to pay for the land (and still generate their target profit level). Significant unobservable inputs used in the residual method are the GDV and the profit on GDV. The estimated fair value would increase/(decrease) if the GDV was higher/(lower) or if the target profit was lower/(higher).

Market comparison

The market comparison (or sale comparison approach) is based upon direct comparison of the subject property with other comparable properties, which have been recently sold or are currently offered for sale. The market comparison approach to value is based on the principle of substitution, which states that a prudent purchaser will not pay more for a property than the price of an equally desirable substitute property under similar conditions.

Purchase price

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

Firm offers less costs to complete

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

Changes to valuation methods used

There were no changes to valuation methods used in the six-month period to 31 December 2023 compared to the previous period/year.

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Significant inputs

Property valuations reflect the external valuers' assessment, and the Group analysed a range of +/- 2.5% for Net Rental Income, a range of +/- 0.25% for NRI/BV (key valuation assumptions) and a range of +/- 0.25% for the discount rate for the sensitivity analysis on the current market conditions, as detailed in the tables below.

31 December 2023	Country/Type	Valuation	Discount Rate	Sensitivity analysis (variance)					
		Method	Range	NRI € thousand +2.5%	NRI/BV € thousand -2.5%	NRI/BV € thousand -0.25%	NRI/BV € thousand +0.25%	Discount rate € thousand -0.25%	Discount rate € thousand +0.25%
Investment property, including Investment property held for sale				24,774	(24,774)	35,331	(32,956)	17,029	(17,136)
CEE income property - continuing operations				23,372	(23,372)	32,682	(30,538)	15,929	(16,036)
	Romania								
	Open-air Malls	DCF	9.28% - 9.99%	12,469	(12,469)	18,168	(16,933)	8,536	(8,348)
	Enclosed Malls	DCF	9.56% - 9.81%	4,435	(4,435)	6,304	(5,885)	3,040	(2,972)
	Strip Malls	DCF	10.00% - 10.43%	1,234	(1,234)	1,634	(1,533)	820	(801)
	Bulgaria								
	Enclosed Malls	DCF	10.43%	3,157	(3,157)	3,961	(3,727)	2,198	(2,150)
	Poland								
	Enclosed Malls	DCF	6.80%	2,077	(2,077)	2,615	(2,460)	1,335	(1,765)
WE income property - continuing operations				1,363	(1,363)	2,618	(2,388)	1,100	(1,100)
	Germany								
	Enclosed Malls	DCF	6.75%	1,363	(1,363)	2,618	(2,388)	1,100	(1,100)
WE investment property held for sale - discontinued operations				39	(39)	31	(30)		
	UK								
	Strip Malls	Capitalisation	n/a	39	(39)	31	(30)		

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

All properties except land are valued either by discounted cash flows or by capitalisation method. For the latter, the sensitivity analysis for the discount rate is not applicable.

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

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

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Other inputs

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

Six-month period to 31 December 2023	Void at expiry (months)	Estimated rental value long-term growth rate	Capex reserve as % of Net Rental Income
Retail assets			
Romania	2	2.2%	5.0-10.0%
Bulgaria	3	2.5%	1.0%
Poland	6	n/a	9.0%
Germany	9-12	1.0%	10.1%
Six-month period to 31 December 2022	Void at expiry (months)	Estimated rental value long-term growth rate	Capex reserve as % of Net Rental Income
Retail assets			
Romania	3-4	2.5-3.3%	5.0-10.0%
Bulgaria	4-5	3.0%	10.0%
Poland	6	2.4%	10.0%
Germany – held for sale	9-12	1.0%	10.5%
Year to 30 June 2023	Void at expiry (months)	Estimated rental value long-term growth rate	Capex reserve as % of Net Rental Income
Retail assets			
Romania	3-4	2.5-3.3%	5.0-10.0%
Bulgaria	4-5	3.0%	10.0%
Poland	6	2.5%	10.0%
Germany – held for sale	9-12	1.0%	9.4%

12. Investment in equity-accounted investee

The Group has an investment in PKM Development Ltd. (incorporated in the Isle of Man and redomiciled to Malta in July 2023) ('PKM Development' or 'DJV'), a holding entity of a group which develops retail, residential and office properties in Romania, as well as with a mandate for other CEE countries.

The Group owns 40% of the DJV's ordinary shares. The remaining 60% of the ordinary shares are owned by Prime Kapital.

Under the joint venture agreement between MAS and Prime Kapital, Prime Kapital is responsible for all property identification, development and sales, allocation of capital and funding for the DJV, while MAS is responsible for the property and asset management of the DJV's operational/completed properties. MAS assessed it does not have control over the DJV. However, MAS assessed it has significant influence over the DJV through its ability to appoint a director to the DJV's board and hence is accounting for its investment in the DJV as an associate in accordance with the IAS 28 equity method.

The Group discloses further details on its judgements and estimates regarding the control and influence assessments over the DJV in note 22.

Carrying value of MAS' ordinary equity investment in PKM Development

	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Opening balance	25,412	25,202	25,202
Share of profit from equity-accounted investee, net of tax	8,072	1,953	4,315
Distribution received	-	(4,105)	(4,105)
Closing balance	33,484	23,050	25,412

In addition to the investment in ordinary shares, the Group has invested in 7.5% preferred equity issued by PKM Development and made available to the DJV a €30million revolving credit facility. For further details on the preferred equity and revolving credit facility granted to the DJV, refer to note 16.3.

Ordinary, preferred equity and revolving credit facility combined exposure to PKM Development

	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Investment in equity-accounted investee	33,484	23,050	25,412
PKM Development preferred equity (including accrued coupon)	343,521	255,057	328,467
PKM Development revolving credit facility (including accrued interest)	30,573	20,476	10,482
Exposure to PKM Development	407,578	298,583	364,361

MAS shares held by PKM Development

PKM Development maintained its cross-shareholding of 70,998,476 MAS shares for all the periods presented. The investment is valued at €60,399 thousand on 31 December 2023 (31 December 2022: €80,615 thousand; 30 June 2023: €73,143 thousand). On consolidation, MAS' proportion of 40% of the shares held by PKM Development Ltd. are adjusted to their original cost of €19,570 thousand for all periods presented, so that no gains or losses are recognised on this investment.

Summarised financial information of PKM Development

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

Statement of financial position PKM Development	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Investment Property	295,989	172,532	220,481
Income property	178,123	50,420	59,640
Development property	117,866	122,112	160,841
Financial investments in listed securities at fair value	60,399	80,615	73,143
Deferred tax assets	2,676	299	299
Interest bearing loans receivable	-	4,239	3,485
Other non-current assets	1,707	4,045	3,908
Non-current assets	360,771	261,730	301,316
Inventory property	156,004	149,925	188,816
Investment property held for sale	9,612	3,030	3,282
Receivables and advance payments	18,950	9,869	16,911
Cash and cash equivalents	19,938	3,568	8,826
Current assets	204,504	166,392	217,835
Total assets	565,275	428,122	519,151

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Statement of financial position PKM Development	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
MAS' preferred equity and revolving credit facility	374,094	275,533	338,949
Bank loans	29,969	15,228	20,552
Deferred tax liabilities	8,693	5,772	7,333
Other non-current liabilities	7,777	2,619	5,063
Non-current liabilities	420,533	299,152	371,897
Bank loans	6,693	1,142	104
Trade and other payables	42,736	38,386	59,273
Current liabilities	49,429	39,528	59,377
Total liabilities	469,962	338,680	431,274
Net assets	95,313	89,442	87,877
Percentage of the Group's ownership interest	40%	40%	40%
Un-adjusted Group share of net assets	38,125	35,777	35,151
Elimination of cross-shareholding	(4,700)	(12,786)	(9,798)
Net assets attributable to the Group	33,425	22,991	25,353
Capitalised costs	59	59	59
Carrying amount	33,484	23,050	25,412

PKM Development's investment properties have been valued by external independent valuers in a manner consistent with the policies disclosed in note 11.2.

Statement of profit or loss and other comprehensive income PKM Development	Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Gross rental income	3,971	1,791	3,951
Service charge income and other recoveries	1,430	788	1,712
(Impairment)/Reversal of impairment of receivables	(165)	10	10
Service charge and other property operating expenses	(1,976)	(894)	(2,074)
Net rental income	3,260	1,695	3,599
Net result - residential property*	(2,804)	628	(846)
Other income	1,099	2,799	5,874
Corporate expenses	(501)	(392)	(600)
Investment expenses	(31)	(795)	(928)
Fair value adjustments of investment property	22,446	4,119	9,614
Fair value adjustments of financial investments in listed securities	(12,744)	(2,216)	(9,689)
Fair value adjustments on financial asset - interest rate cap	(929)	930	881
Foreign currency exchange differences	(286)	(187)	(165)
Finance income	213	110	363
Finance costs	(2,525)	(1,519)	(2,923)
Taxation	240	(2,506)	(4,083)
Total profit	7,438	2,666	1,097
Percentage of the Group's ownership interest	40%	40%	40%
Total profit and other comprehensive income attributable to the Group	2,975	1,066	439
Elimination of fair value adjustment on cross-shareholding	5,097	887	3,876
Group's share of profit	8,072	1,953	4,315

* Net result – residential property includes profit/(loss) on disposal of residential units, net realisable value impairment adjustments, as well as selling and other expenses related to residential sales.

PKM Development has no other comprehensive income.

An impairment test was performed on the Group's existing exposure to PKM Development's ordinary equity on 31 December 2023, in accordance with the Group's accounting policies. No impairment arose as a result.

13. Intangible assets

	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Goodwill	1,696	1,696	1,696
Intangible assets	1,696	1,696	1,696
	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Goodwill			
Spark I portfolio	1,628	1,628	1,628
Property Management Platform ("PMP")	68	68	68
	1,696	1,696	1,696

14. Other non-current assets

	Note	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
<i>Financial assets</i>				
Interest rate derivatives		5,478	8,307	8,088
Property retentions related to disposal of assets		1,226	1,455	1,392
Long-term receivables from disposal of assets		-	11,361	-
		6,704	21,123	9,480
<i>Non-financial assets</i>				
Equity-settled share-based payment expense	18.2	-	5,099	-
– PK Prepaid Development Services		-	699	603
– Incentive Share Participants		338	58	49
Property, plant and equipment		41	-	-
Lease incentive accrual		220	317	272
Right-of-use asset		201	140	138
Other non-current assets		137		
		937	6,313	1,062
Total other non-current assets		7,641	27,436	10,542

Interest rate derivatives

On 31 December 2023, 31 December 2022 and 30 June 2023, the Group only had interest rate caps as interest rate derivatives.

These interest rate derivatives are classified as financial assets at fair value through profit or loss. Hedge accounting under IFRS 9 has not been applied.

15. Other non-current liabilities

	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Security deposits from tenants	3,892	3,605	3,709
Lease liability	2,516	2,665	2,532
Security deposits from construction suppliers	388	550	475
Total other non-current liabilities	6,796	6,820	6,716

16. Financial assets

16.1. Financial investments

Financial investments are measured at fair value on the reporting date with changes in fair value recognised in profit or loss.

During the period to 31 December 2023 the Group disposed of the remaining shares held in NEPI Rockcastle N.V. for €37,626 thousand and realised a profit of €1,122 thousand.

The full notional exposure for all positions, for the comparable periods, is disclosed below.

Financial investments	Share price	No of shares	Fair value	Carrying value
NEPI Rockcastle N.V.	€	'000	financial investments	
On 31 December 2022	5.69	17,753	101,104	101,104
On 30 June 2023	5.37	6,800	36,504	36,504

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Reconciliation of financial investments is disclosed below.

	Note	Financial investments at fair value
On 30 June 2022 (audited)		97,655
Cash proceeds from disposal		(7,700)
Fair value adjustment - unrealised ¹	8	10,231
Fair value adjustment - realised ¹	8	918
On 31 December 2022 (reviewed)		101,104
Cash proceeds from disposal		(62,001)
Fair value adjustment - unrealised ¹	8	(8,535)
Fair value adjustment - realised ¹	8	5,936
On 30 June 2023 (audited)		36,504
Cash proceeds from disposal		(37,626)
Fair value adjustment - realised ¹	8	1,122
On 31 December 2023 (reviewed)		-

¹ Non-cash flow movements

The total fair value gains related to financial investments for the six-month period to 31 December 2023 were €1,122 thousand (for the six-month period to 31 December 2022: fair value gains of €11,149 thousand; for the year to 30 June 2023: fair value gains €8,550 thousand); refer to note 8. Fair value adjustments in relation to financial investments include fair value movements until the date of disposal.

No dividend income resulted from the Group's financial investments for the period to 31 December 2023 (31 December 2022: dividend income of €4,383 thousand; 30 June 2023: dividend income of €8,318 thousand), refer to note 6.

16.2. Cash and cash equivalents

	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Bank balances	81,790	66,225	60,361
	81,790	66,225	60,361

Bank balances disclosed above and in the condensed consolidated statement of cash flows include €9,202 thousand in cash balances deemed as restricted cash, of which €6,376 thousand for debt service reserve accounts restricted through terms agreed with banks for secured loans in place and €2,826 thousand tenants' guarantees received.

Cash flow information

Reconciliation of cash generated from operating activities is presented below.

	Note	Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Profit for the period/year - continuing operations		68,842	60,111	86,996
(Loss)/Profit for the period/year - discontinued operations		(207)	4,031	3,836
<i>Adjustments:</i>				
Fair value adjustments	8	(27,926)	(33,276)	(40,289)
Finance income	9	(15,182)	(9,678)	(20,636)
Finance costs	9	12,306	9,916	20,016
Share of profit from equity-accounted investees	12	(8,072)	(1,953)	(4,315)
Tax expense	10	7,070	5,648	12,111
Investment expenses	7	814	1,103	1,876
Share-based payment expense		529	452	935
Depreciation and amortisation		38	53	86
Gain on disposal of investment property held for sale	4.2	-	(5,380)	(5,320)
Foreign exchange differences		15	2,070	2,213
Other income from bonds repurchased		(7,469)	(1,354)	(1,354)
Impairment of share-based payment prepayments	18.2	67	-	9,624
Decrease in trade receivables and other operating assets		8,506	1,874	8,681
Decrease/(increase) in trade payables and other operating liabilities		2,945	3,501	(240)
Cash generated from operating activities		42,276	37,118	74,220

16.3. Financial assets – PKM Development preferred equity and revolving credit facility

PKM Development preferred equity and revolving credit facility

The Group has committed to fund PKM Development via 7.5% cumulative preferred equity issued by PKM Development. The total committed amount is €470million. The drawdown period is until 23 March 2030. The Group also provides PKM Development with a revolving credit facility of €30million carrying interest of 7.5%, until 23 March 2030. The revolving credit facility is aimed at improving cash management in PKM Development and providing short-term flexibility.

There is no limit to the number of preferred equity issues that can be made until the end of the contractually agreed period (i.e. 2030), except that if funding is requested, but not immediately available, the Group's funding obligations are limited to €120million on a rolling six-month basis.

	Note	PKM Development revolving credit facility	PKM Development preferred equity
Balance on 30 June 2022		-	236,067
Non-cash movements			
Drawdown revolving credit facility ¹		4,104	-
Income on revolving credit facility / preferred equity	9	623	8,990
		4,727	8,990
Cash movements			
Subscription for preferred equity / drawdown revolving credit facility		25,896	10,000
Proceeds from revolving credit facility		(9,528)	-
Interest received on revolving credit facility		(619)	-
		15,749	10,000
Balance on 31 December 2022		20,476	255,057
Non-cash movements			
Income on revolving credit facility / preferred equity	9	842	10,010
Subscription for preferred equity ¹		-	36,827
Proceeds from revolving credit facility ¹		(36,500)	-
Interest received on revolving credit facility ¹		(327)	-
		(35,985)	46,837
Cash movements			
Subscription for preferred equity / drawdown revolving credit facility		26,478	26,573
Interest received on revolving credit facility		(487)	-
		25,991	26,573
Balance on 30 June 2023		10,482	328,467
Non-cash movements			
Income on revolving credit facility / preferred equity	9	1,041	12,537
		1,041	12,537
Cash movements			
Subscription for preferred equity / drawdown revolving credit facility		19,550	9,687
Interest received from revolving credit facility / preferred equity coupon settled		(500)	(7,170)
		19,050	2,517
Balance on 31 December 2023		30,573	343,521
Less: Accrued interest on revolving credit facility/ Accrued income on preferred equity*		(573)	(24,367)
Outstanding commitment on 31 December 2023		-	150,846
Total facility		30,000	470,000

*Accrued income on preferred equity included unpaid coupon compounded on 30 June 2023.

¹During the year to 30 June 2023, the revolving credit facility drawdowns amounted to €56,478 thousand, of which €4,104 thousand was a non-cash transaction settling ordinary distributions received from PKM Development. During the 2023 financial year €36,827 thousand drawdowns and accrued interest under the revolving credit facility were converted into preferred equity with no cash impact.

Preferred equity coupon and interest received on the revolving credit facility are considered revenue generating activities from both instruments, and in the consolidated statement of cash flows these are shown as cash inflows from operating activities.

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Preferred equity may be issued by a single counterparty, PKM Development. Preferred equity and the revolving credit facility have no contractual drawdowns, therefore concentration risk is managed mainly by maintaining sufficient liquidity to match PKM Development's budgeted preferred equity issuance and estimated drawdowns of the revolving credit facility. The Group must ensure sufficient liquidity to meet these preferred equity subscription requests and revolving credit facility drawdowns from PKM Development.

The preferred equity and revolving credit facility committed to PKM Development are held at amortised cost.

The Group has performed an expected credit loss assessment on 31 December 2023 and concluded that there has not been a significant increase in credit risk in relation to PKM Development, and that any expected credit loss is not significant in the reporting periods.

17. Financial liabilities

		On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Non-current				
Bonds		211,296	290,042	290,752
Bank loans		196,987	112,489	108,629
		408,283	402,531	399,381
Current				
Bonds		4,595	6,391	84
Bank loans		8,558	40,554	45,100
		13,153	46,945	45,184
Total bonds and bank loans		421,436	449,476	444,565

Unsecured fixed coupon notes (Bonds)

	Note	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Opening balance		290,836	296,019	296,019
<i>Changes from financing cash flows</i>				
Bonds repurchased		(73,187)	(5,251)	(5,251)
Coupon payment		(1,948)	(106)	(12,575)
<i>Non cash-flow movements</i>				
Finance costs	9	7,659	7,125	13,997
Accrued coupon on bonds		6,100	6,360	12,539
Amortisation of bonds discount		748	329	676
Amortisation of capitalised borrowing costs		811	436	782
Bond repurchase gain		(7,469)	(1,354)	(1,354)
Closing balance		215,891	296,433	290,836

The Group issued, in May 2021, fixed coupon notes (bonds) to the value of €300,000 thousand. The bonds are unsecured, 5-year Eurobonds maturing on 19 May 2026, listed on Euronext Dublin, carrying a 4.25% fixed coupon, and were issued at 98.903% of nominal value. On 31 December 2023, the bonds had Moody's and Fitch Ba2 (stable outlook) and BB (stable outlook) ratings respectively. The bond proceeds were used to refinance Eligible Projects in accordance with the Group's Green Financing Framework, to repay bank loans secured against investment properties in CEE, and for the Spark II Portfolio acquisition.

During the period to 31 December 2023, the Group repurchased bonds for a consideration of €73,187 thousand at a 9.26% discount to their nominal value of €80,656 thousand. Coupon payments in respect of the bonds repurchased amounted to €1,948 thousand.

During the year to 30 June 2023, the Group repurchased bonds for a consideration of €5,251 thousand at a 20.5% discount to their nominal value of €6,605 thousand. Coupon payments in respect of the bonds repurchased amounted to €106 thousand.

On 31 December 2023, the bonds were trading on the market at 89.19% (31 December 2022: 78.48%; 30 June 2023: 82.25%) of their nominal value. The Group's liability towards bondholders does not vary in line with the market price of listed notes, as on contractual maturity of the bonds, the bond issuer is liable to redeem the notes at their nominal value.

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Secured bank loans and unsecured revolving credit facility

Reconciliation of the Group's carrying value of bank loans and revolving credit facility is detailed below.

	Note	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Opening balance		153,729	157,690	157,690
<i>Changes from financing cash flows</i>				
Drawdowns of bank loans		75,000	-	-
Repayment of capital on bank loans		(18,075)	(5,160)	(9,441)
Drawdown of bank revolving credit facility		-	-	5,000
Repayment of bank revolving credit facility		(5,000)	-	-
Transaction costs relating to bank loans paid		(972)	(77)	(177)
Interest paid on bank loans		(5,058)	(2,163)	(5,887)
<i>Non cash-flow movements</i>				
Finance costs	9	5,921	2,753	6,544
Closing balance		205,545	153,043	153,729

Secured bank loans

Bank loans include current and non-current debt of €205,526 thousand (31 December 2022: €153,022 thousand; 30 June 2023: €148,680 thousand) secured against CEE and WE investment properties with a carrying value of €554,348 thousand (31 December 2022: €378,312 thousand; 30 June 2023: €382,189 thousand).

During the period to 31 December 2023, the Group contracted a new bank loan secured against a CEE investment property of €75,000 thousand, repaid €4,499 thousand in respect of bank loans secured against CEE investment properties and repaid €13,576 thousand in respect of a bank loan refinanced and secured against a WE investment property.

Unsecured revolving credit facility

During the period to 31 December 2023, the Group repaid €5,000 thousand (31 December 2022: nil; 30 June 2023: drawdown of €5,000 thousand) bringing the revolving credit facility to its available amount of €20,000 thousand. The revolving credit facility had a 2.98% margin over 3-months EURIBOR at 31 December 2023 and the remaining term of the facility is 0.65 years.

Subsequent to 31 December 2023 the Group signed an extension of the Group's revolving credit facility to November 2025 on the same terms as the existing facility, subject to conditions precedent.

The fair values of secured bank loans and unsecured revolving credit facility are reasonably approximated by their carrying values.

Fixed and variable debt

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

	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Fixed debt (including unsecured fixed coupon notes)	215,891	330,252	324,344
Variable/hedged debt	205,545	119,224	120,221
	421,436	449,476	444,565

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Summary of borrowings terms and covenants

In accordance with the Group's unsecured fixed coupon notes' offering memorandum, covenant tolerances on issued bonds are disclosed on both IFRS and proportionate consolidation bases, as follows.

Tolerances		On 31 December 2023		On 31 December 2022		On 30 June 2023	
		Proportionate consolidation basis		Proportionate consolidation basis		Proportionate consolidation basis	
		IFRS		IFRS		IFRS	
Solvency Ratio	shall not exceed 0.6	0.28	0.28	0.31	0.30	0.31	0.30
Consolidated Coverage Ratio	at least 2.5:1	4.01	5.01	3.87	4.80	4.25	4.93
Unencumbered Consolidated Total Assets /Unsecured Consolidated Total Debt	minimum 180%	436%	443%	364%	367%	360%	369%

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

Segment	Currency	Weighted average remaining term			Weighted average margin*			Significant terms and conditions
		On 31 December 2023	On 31 December 2022	On 30 June 2023	On 31 December 2023	On 31 December 2022	On 30 June 2023	
WE								All loans are secured against specific investment properties.
Hedged/previously fixed debt	EUR	2.92 years	0.91 years	0.42 years	3.63% + 3-months EURIBOR ¹	2.64%	2.62%	
CEE								
Hedged debt	EUR	5.03 years	4.89 years	4.40 years	2.97% + 3-months EURIBOR ²	2.79% + 3-months EURIBOR ²	2.80% + 3-months EURIBOR ²	
Co								
Variable debt	EUR	0.65 years	1.65 years	1.16 years	2.98% + 3-months EURIBOR	2.86% + 3-months EURIBOR	2.86% + 3-months EURIBOR	

¹ WE loan interest is hedged with a 4% interest rate cap since 30 November 2023.

² €111,281 thousand (31 December 2022: €119,203 thousand; 30 June 2023: €115,172 thousand) of the CEE loans are hedged with a 1.5% interest rate cap and €74,190 thousand (31 December 2022: nil; 30 June 2023: nil) are hedged with a 4.2% interest rate cap.

*Weighted average margin includes the margin over EURIBOR on the reporting date as well as the amortisation of all transaction costs and hedging fees.

During the six-month period to 31 December 2023, the Group contracted a €75,000 thousand bank loan secured against a CEE investment property with a 7-year maturity. Additionally, the Group refinanced its existing WE investment property loan with a €20,000 thousand 3-year loan and repaid the balance outstanding of €13,576 thousand.

Both loans have variable interest rates with margins over 3-months EURIBOR rate.

Interest rate caps are put in place for all secured debt to hedge the exposure to the variable EURIBOR rates.

On 31 December 2023, 31 December 2022 and 30 June 2023, the Group has complied with all debt covenants. During the period to 31 December 2022, apart from one bank loan covenant in respect of which a waiver was obtained before that period end, the Group has complied with its debt covenants.

18. Equity

18.1. Share capital, share premium and treasury shares

The reconciliation of share capital, share premium and treasury shares is detailed below.

			Share capital	Share premium	Treasury shares			Total	
	Note		No of shares		No of shares		No of shares		
Balance on 30 June 2022 (audited)			714,645,729	7,146	645,976	(26,738,837)	(29,663)	687,906,892	623,459
Balance on 31 December 2022 (reviewed)			714,645,729	7,146	645,976	(26,738,837)	(29,663)	687,906,892	623,459
Geared share purchase plan shares issued	18.2		1,500,000	15	1,506	(1,500,000)	(1,521)	-	-
Balance on 30 June 2023 (audited)			716,145,729	7,161	647,482	(28,238,837)	(31,184)	687,906,892	623,459
Geared share purchase plan shares forfeited	18.2		(1,783,484)		(1,529)	1,783,484	1,529	-	-
Geared share purchase plan shares brought back in the scheme	18.2		1,783,484	-	1,435	(1,783,484)	(1,435)	-	-
Geared share purchase plan shares sold			-	-	37	138,457	77	138,457	114
Balance on 31 December 2023 (reviewed)			716,145,729	7,161	647,425	(28,100,380)	(31,013)	688,045,349	623,573

The table below discloses the IFRS net asset value per share.

		On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Number of ordinary shares in issue		688,045,349	687,906,892	687,906,892
IFRS Net Asset Value per share (eurocents)		150.2	140.6	140.2

Share capital

On 31 December 2023, the issued and fully-paid share capital value is €7,161,457 divided into 716,145,729 ordinary shares with a nominal value of €0.01 each.

Treasury shares - shares repurchases

MAS holds as treasury shares the 16,586,906 own issued shares repurchased (2.3% of the Company's issued share capital, at a weighted average share price of €1.21 per share) via one of its subsidiaries. The nominal value of the shares repurchased is €165,869 (2.3% of subscribed share capital). The shares are not cancelled, consequently the cost of shares repurchased, of €19,989 thousand including incremental costs of €101 thousand, were deducted from the equity attributable to the owners of the Group, as treasury shares.

Treasury shares - geared share purchase plan shares

During the six-month period to 31 December 2023, 1,783,484 allocated geared share purchase plan shares were forfeited following the departure of three share purchase plan participants and subsequently returned to the scheme. The shares were forfeited at their initial issue price and returned to the scheme at the 5-day weighted average share price on the date of their departure, the net value of €94 thousand being reflected as a share premium reduction. Of the total shares brought back in the scheme, 417,419 shares were allocated to other existing participants at €0.7870 per share.

Additionally, 138,457 unlocked geared share purchase plan shares were sold by participants that elected to sell unlocked shares, at €0.8164 per share. The value at which the shares were granted of €77 thousand was deducted from the treasury shares balance.

During the financial year to 30 June 2023, 1,500,000 shares were issued in the geared share purchase plan at €1.0141 per share, of which €15 thousand as share capital (€0.01 per share), and a share premium of €1,506 thousand; refer to note 18.2.

Distributions

Company's shareholders are entitled to distributions, if and when declared by the Board and to vote at the Company's general meetings. Distributions can be paid by the Company from retained earnings or as a return of capital.

The following distributions were paid by the Group.

	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Distribution to shareholders of the Group			
In respect of the six-month period to 30 June 2023	-	-	-
In respect of the six-month period to 31 December 2022	-	-	(29,993)
In respect of the six-month period to 30 June 2022	-	(26,278)	(26,278)
	-	(26,278)	(56,271)

18.2. Share-based payment arrangements

On 31 December 2023, the Group had the following share-based payment arrangements:

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

The Incentive Share Participants and the PK Prepaid Development Services are remaining arrangements (the '2019 Transaction Share-Based Payments') as a result of the 2019 Transaction.

Incentive Share Participants

In accordance with the terms of the 2019 Transaction, Prime Kapital had placed 5% (3,350,000 shares) of the Consideration Shares in reserve to be allocated to existing and future employees and service providers, who directly or indirectly provide services to or for the benefit of MAS through the Property Management Platform or as otherwise required by MAS from time to time (the 'Incentive Share Participants'). The incentive shares are held in a trust for the benefit of Incentive Share Participants. The shares are treated as equity share-based payments in accordance with the requirements of IFRS 2 'Share-based Payments'.

The terms have been communicated to participants and the grant date was determined as 1 September 2020 with a grant date fair value of €0.5525 per share. The incentive shares were initially recognised as a prepaid employee service asset of €3,866 thousand. The prepaid employee service asset is released to the statement of profit or loss as a share-based payment expense over the vesting period.

For the six-month period to 31 December 2023, the Incentive Share Participants share-based payment expense was €168 thousand (31 December 2022: €137 thousand; 30 June 2023: €272 thousand).

The remaining prepaid balance is allocated between non-current and current assets based on the expected remaining vesting period. The non-current prepaid employee service asset on 31 December 2023 was €338 thousand (31 December 2022: €699 thousand; 30 June 2023: €603 thousand), refer to note 14. The current prepaid employee service asset is included in trade and other receivables and amounted to €338 thousand on 31 December 2023 (31 December 2022: €280 thousand; 30 June 2023: €242 thousand).

PK Prepaid Development Services

In accordance with the terms of the 2019 Transaction, Prime Kapital committed to provide property development services in relation to the refurbishment, extension and redevelopment of commercial real estate assets previously held within the IJV ('IJV assets') on a cost recovery basis. The development services are a result of a pre-existing relationship that was in place before the 2019 Transaction, and with Prime Kapital acting as a counterparty, not a shareholder of the Group. Providing the services below market value (cost recovery basis) resulted in an equity-settled share-based payment arrangement with a non-employee.

The fair value of these services has been determined in accordance with the market approach of IFRS 13 'Fair Value Measurement', and a corresponding share-based payment (prepayment for development services) had been recognised at the 27 November 2019 transaction date for the 8,813,237 Consideration shares allocated to these development services.

Services have to be performed in a 5-year period from the Transaction date (also considered the vesting period). The prepayment is reduced with the difference between the market value and the cost of services received, as and when services are received.

Management performs an annual impairment test for these prepaid services recognised. In assessing the recoverable amount, management takes into consideration the probability of benefitting from these services provided for the IJV assets, before the expiry of the vesting period.

On 31 December 2023, considering the Group's development and extension plans for the IJV assets, management assessed it is unlikely material benefits will be derived from these services during the remaining vesting period. An additional impairment of €67 thousand resulted from this assessment (31 December 2022: nil; 30 June 2023: €9,624). The PK Prepaid Development Services that have suffered an impairment will be reviewed for possible reversal of the impairment at each future reporting date.

It remains the Group's intention to utilise the development management services in the future and to benefit from this arrangement. An impairment does not have any impact on the existing contractual arrangements.

Geared share purchase plan

Eligible members of staff invited to participate in the geared share purchase plan are awarded loans to acquire Company shares at the five-day volume weighted average price of a share on the JSE, immediately preceding the grant date. The loans attract interest at a rate equal to MAS' weighted average cost of debt and are non-recourse loans.

Shares are unlocked in accordance with the scheme rules, and participants may only dispose of unlocked shares. Locked shares are forfeited, without compensation, if a participant leaves the Group prior to unlocking. Participants in the geared share purchase plan are entitled to receive dividend payments less interest accumulated on applicable loans. Proceeds from any disposal of unlocked shares are initially used to repay the corresponding loan and accrued, but unpaid, interest, with the surplus distributed to the participant.

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

Below is a reconciliation showing the impact of the geared share purchase plan on the share-based payment reserve; a reconciliation of outstanding loans and number of shares, including grant date fair values and the remaining loan terms.

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Reconciliation of share-based payment reserve

		Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Opening balance		1,602	1,370	1,370
Share-based payment recognised during the year		361	315	663
Distribution of gains on unlocked shares sold		(37)	-	-
Non-forfeitable distribution		-	(173)	(431)
Closing balance		1,926	1,512	1,602

Reconciliation of outstanding loans and shares

On 31 December 2023 (reviewed)		Geared share purchase plan		
		Number of shares	Weighted average share price	Weighted average loan per share*
Opening outstanding balance		10,001,931	€1.0302	€0.9979
Shares sold		(138,457)	-	(€0.0068)
Forfeited		(1,783,484)	-	(€0.1349)
Brought back in the scheme and granted (at a price of €0.7870 per share)		417,419	-	€0.0280
Brought back in the scheme and not granted		1,366,065	-	€0.1145
Interest		-	-	€0.0250
Share price movement		-	(€0.1795)	-
Closing outstanding balance		9,863,474	€0.8507	€1.0236
Exercisable		748,217	€0.8507	€0.5525

On 31 December 2022 (reviewed)		Geared share purchase plan		
		Number of shares	Weighted average share price	Weighted average loan per share
Opening outstanding balance		10,151,931	€1.1667	€0.9954
Interest		-	-	€0.0212
Interest repayment		-	-	(€0.0240)
Share price movement		-	(€0.0313)	-
Closing outstanding balance		10,151,931	€1.1354	€0.9926
Exercisable		1,650,000	€1.1354	€1.6775

On 30 June 2023 (audited)		Geared share purchase plan		
		Number of shares	Weighted average share price	Weighted average loan per share*
Opening outstanding balance		10,151,931	€1.1667	€0.9954
Forfeited and held for sale*		(1,650,000)	-	-
Granted (at a price of €1.0141 per share)		1,500,000	-	€0.0228
Interest		-	-	€0.0307
Interest repayment		-	-	(€0.0510)
Share price movement		-	(€0.1365)	-
Closing outstanding balance		10,001,931	€1.0302	€0.9979
Exercisable		-	-	-

*By 30 June 2023, 1,650,000 shares were forfeited and were held for sale. As the shares have not been sold and the related loans not settled, loans outstanding in respect of these shares are still recognised at €1.6740 per share, having an impact in the weighted average loan per share.

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

	On 31 December 2023 (reviewed)	On 31 December 2022 (reviewed)	On 30 June 2023 (audited)
Shares granted	3.20 - 9.76 years	4.20 - 9.19 years	3.70 - 9.74 years

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18.3. Earnings per share

IFRS Basic earnings per share

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

		Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Opening issued ordinary shares		687,906,892	687,906,892	687,906,892
Effect of unlocked shares sold		3,010	-	-
IFRS Weighted-average number of ordinary shares (basic)		687,909,902	687,906,892	687,906,892
		Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
Profit from continuing operations attributable to owners of the Group		68,842	60,111	86,996
(Loss)/Profit from discontinued operations attributable to owners of the Group		(207)	4,031	3,836
IFRS Weighted-average number of ordinary shares (basic)		687,909,902	687,906,892	687,906,892
IFRS Basic earnings per share (eurocents)		9.98	9.32	13.20
<i>IFRS Basic earnings per share (eurocents) - continuing operations</i>		<i>10.01</i>	<i>8.74</i>	<i>12.65</i>
<i>IFRS Basic earnings per share (eurocents) - discontinued operations</i>		<i>(0.03)</i>	<i>0.58</i>	<i>0.55</i>

IFRS Diluted earnings per share

The computation of IFRS diluted earnings per share is based on the IFRS weighted average number of ordinary shares outstanding on the relevant date after adjusting for the effects of all potential dilutive ordinary shares.

Management considers all geared share purchase plan shares that are 'in the money' at the relevant reporting date as dilutive of that period. The market value of the Company's shares for the purpose of computing if the share options are 'in the money' is based on quoted market prices at each reporting date and this value is compared to the loan per each share outstanding at the same date.

		Reviewed Six-month period to 31 December 2023	Reviewed Six-month period to 31 December 2022	Audited Year to 30 June 2023
IFRS Weighted-average number of ordinary shares (basic)		687,909,902	687,906,892	687,906,892
Effect of share options		5,338,744	8,501,931	8,892,342
IFRS Weighted-average number of ordinary shares (diluted)		693,248,646	696,408,823	696,799,234
Profit from continuing operations attributable to owners of the Group		68,842	60,111	86,996
(Loss)/Profit from discontinued operations attributable to owners of the Group		(207)	4,031	3,836
IFRS Weighted-average number of ordinary shares (diluted)		693,248,646	696,408,823	696,799,234
IFRS Diluted earnings per share (eurocents)		9.90	9.21	13.04
<i>IFRS Diluted earnings per share (eurocents) - continuing operations</i>		<i>9.93</i>	<i>8.63</i>	<i>12.49</i>
<i>IFRS Diluted earnings per share (eurocents) - discontinued operations</i>		<i>(0.03)</i>	<i>0.58</i>	<i>0.55</i>

Headline earnings and IFRS diluted headline earnings per share

	Note	Reviewed Six-month period to 31 December 2023		Reviewed Six-month period to 31 December 2022		Audited Year to 30 June 2023	
		Gross	Net	Gross	Net	Gross	Net
Profit for the period/year attributable to ordinary shareholders - continuing operations		68,842	68,842	60,111	60,111	86,996	86,996
(Loss)/Profit for the period/year attributable to ordinary shareholders - discontinued operations		(207)	(207)	4,031	4,031	3,836	3,836
<i>Adjusted for:</i>							
Fair value gain on investment property	8	(32,013)	(27,001)	(18,329)	(17,669)	(28,376)	(17,229)
Impairment of share-based payment prepayments	18.2	67	67	-	-	9,624	9,624
Fair value gain on investment property in associate		(8,978)	(7,542)	(1,647)	(1,384)	(3,846)	(3,230)
Fair value loss/(gain) on investment property held for sale	8	349	349	(71)	(71)	103	103
Gain on disposal of investment property held for sale	4.2	-	-	(5,380)	(5,287)	(5,320)	(5,092)
Foreign exchange loss previously recognised in OCI recycled on disposal/liquidation of subsidiaries	4.2	-	-	1,870	1,870	1,871	1,871
Headline earnings		28,060	34,508	40,585	41,601	64,888	76,879
<i>Headline earnings per share</i>							
IFRS Weighted-average number of ordinary shares (basic)			687,909,902		687,906,892		687,906,892
Headline earnings per share (eurocents)			5.02		6.05		11.18
<i>IFRS Diluted headline earnings per share</i>							
IFRS Weighted-average number of ordinary shares (diluted)			693,248,646		696,408,823		696,799,234
IFRS Diluted headline earnings per share (eurocents)			4.98		5.97		11.03

The JSE Listings Requirements require the computation of headline earnings and IFRS diluted headline earnings per share and the disclosure of a detailed reconciliation of headline earnings to the earnings numbers used in the computation of IFRS basic earnings per share, as required by IAS 33 'Earnings per Share'. Disclosure of headline earnings is not an IFRS requirement. The Directors do not use headline earnings or headline earnings per share in their assessment of the Group's performance.

19. Contingent assets and contingent liabilities

There are no contingent assets or contingent liabilities.

20. Commitments

The Group has committed to fund PKM Development through 7.5% cumulative preferred equity issued by PKM Development. The total commitment is €470million. The outstanding commitment on the reporting date is €150.8million (31 December 2022: €223.9million; 30 June 2023: €160.5million) and it is expected this will be invested during the drawdown period expiring on 23 March 2030.

MAS is entitled to give written notice to the DJV parties to liquidate the assets of, redeem the preferred equity, and voluntarily dissolve the DJV in 2035. MAS provides the DJV with a €30million revolving credit facility at a fixed interest rate of 7.5%, for the duration of the drawdown period applicable to preferred equity. On 31 December 2023 the revolving credit facility was fully drawn.

On 28 February 2019, the Group acquired nine properties (collectively referred to as the 'Spark I Portfolio') from PKM Development through the acquisition of 100% of the share capital of their holding companies. In the years following the acquisition, PKM Development may develop extensions for three of the completed properties on adjacent land plots. The Group has granted PKM Development an option ('the put option'), under the terms of which it can sell these completed extensions to the Group at an acquisition yield of 7.5% until 28 February 2024, if developed over the five years following the acquisition, and thereafter at an acquisition yield equating to the latest valuation yield of the relevant property. The extensions have been completed in the financial year to 30 June 2023. The put option is outside the scope of IFRS 9 'Financial Instruments' as it relates to the 'own use' exemption (i.e. the purpose of entering into the contract was to meet the Group's expected purchase, sale or usage requirements and cannot be settled on a net basis). Accordingly, it was not accounted for as a derivative financial instrument. Instead, the Group considered the principles of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and concluded that no onerous contract should be recognised. PKM Development did not exercise its put option by 28 February 2024.

Future minimum lease payments

With the Spark II Portfolio acquisition, a concession agreement was transferred from the DJV, effective 30 June 2022, relating to the land on which Dambovita Mall was built. On 17 November 2017, Dambovita Mall SRL (formerly PK Grizzly SRL) was awarded the tender for 49-year building rights on a 6.88 ha land plot in Targoviste owned by the Dambovita County Council. The initial annual fee was approximately €104 thousand (on transfer, the annual fee was €114 thousand). This fee is increased annually with inflation and is subject to a one-off increase of up to 20% on the tenth anniversary of the contract. The terms of the contract offer an option of extending the concession for a further 49 years. For lease liabilities related to the recognised concession agreement, refer to note 15.

21. Events after the reporting date

Disposal of WE properties

Subsequent to the reporting date, the Group received the second instalment amounting to €11,756 thousand (£10,077 thousand) from the sale of Langley Park and contracted the sale of Arches street retail units (UK) subject to conditions precedent to be fulfilled for a consideration of €1,622 thousand (£1,410 thousand).

Preferred equity and revolving credit facility

By 29 February 2024, PKM Development drew down a further €30,413 thousand of the PKM Development preferred equity and the proceeds were used to repay the revolving credit facility. The Group's total preferred equity and revolving credit facility position remains unchanged since 31 December 2023.

Conclusion of facilities agreement

By 29 February 2024 the Group concluded facilities agreements for bank loans of €61million secured against both its investment properties in Bulgaria. The Group also concluded the extension of the maturity of its own revolving credit facility until November 2025.

22. Critical accounting estimates, judgements and errors

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

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

Determination of whether investment property is classified as held for sale

The Group applies judgements to determine whether investment property meets the criteria to be classified as held for sale under IFRS 5 'Non-current assets held for sale'. The Group's strategy is to dispose of its Western European segment of investment property, and it assessed the IFRS 5 criteria and concluded for the WE assets the criteria were met. However, during the six-month period to 31 December 2023, the management assessed whether the IFRS 5 criteria still applies for Flensburg Galerie, and as a result the asset was reclassified from assets held for sale (discontinued operations) to non-current assets, as income-generating property.

As the asset is no longer actively marketed for sale at a price that is reasonable in relation to its current fair value and, the sale is not expected to qualify for recognition as a completed sale within one year from the date of initial classification, the exceptions described in IFRS 5 no longer apply. The property was reclassified from held for sale.

Determination of whether disposal of investment property represents discontinued operations

Management concluded that the sale of the Western European assets represents an identifiable segment of the business and forms part of a co-ordinated disposal plan. The management remains committed to finalise the disposal plan. The WE assets segment that met the criteria for 'held for sale' have been treated as discontinued operations. Management assessed whether the WE assets meet the criteria for held for sale and concluded that the criteria no longer applies for Flensburg Galerie. Thus, in accordance with IFRS 5, the results for the current and prior period/year have been represented by reclassifying the asset's results from discontinued to continuing operations.

Determination of whether MAS has control over the DJV

Management applied significant judgements to determine whether, in accordance with IFRS 10, MAS (the investor) controls the DJV (the investee), whether it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In accordance with IFRS 10, an investor controls an investee if and only if the investor has each of the following three elements of control:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee, and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

Management concluded that MAS does not have power over the DJV. By analysing MAS' involvement in the DJV's relevant activities, management concluded MAS does not control the DJV. The analysis of power also indicates that there is no joint control as the power over the most relevant activities is held by Prime Kapital (PK) and it is not shared between MAS and PK. Furthermore, management also concluded that unanimous voting required in relation to restricted matters are not related to relevant activities, it is a protective right and does not create joint control. However, MAS does have significant influence over the DJV through its ability to appoint a director to the DJV's board and through asset managing the DJV's completed/operational commercial properties.

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

Valuation of investment properties and investment properties held for sale

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

Valuation of financial instruments

In determining the fair value of financial instruments measured at fair value through profit or loss, the Group is required to make estimations of inputs in determining fair value.

Loan commitments

The Group has committed to finance PKM Development by investing in preferred equity or via the available revolving credit facility; refer to note 20. Judgements are made to assess the market related rate of these loan commitments, the expected credit loss on default and the probability of default.

23. Related parties

Parent and ultimate controlling party

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

Key management

Key management consists of the Executive and Non-Executive Directors ('NED').

Transactions with key management

Six-month period to 31 December 2023 (reviewed)

	Role	During the year	Basic salary	Benefits	Short-term incentive	Long-term incentive	Tax equalisation ⁶	Sub Total	IFRS 2 option expense	Total
Irina Grigore ¹	CEO		133	30	-	-	-	163	48	211
Nadine Bird ²	CFO		108	38	-	-	-	146	41	187
	Executive Director and Company Secretary									
Stefan Briffa ³	Secretary	Appointed	24	-	-	-	-	24	-	24
Dan Petrisor ⁴	Executive Director	Resigned	22	24	-	-	-	46	8	54
Werner Alberts	NED		25	-	-	-	1	26	-	26
Brett Nagle	NED		24	-	-	-	-	24	-	24
Claudia Pendred	NED		22	-	-	-	4	26	-	26
Dan Pascariu	NED		22	-	-	-	28	50	-	50
Mihail Vasilescu	NED		24	-	-	-	30	54	-	54
Pierre Goosen ⁵	NED	Resigned	20	-	-	-	1	21	-	21
Vasile Iuga	NED		25	-	-	-	32	57	-	57
			449	92	-	-	96	637	97	734

¹ Irina Grigore's 'basic salary' comprises the Director's fixed cash-based compensation, and 'benefits' of €30 thousand refer to allowance granted to compensate for additional living costs due to her residence in Malta.

² Nadine Bird's 'basic salary' comprises the Director's fixed cash-based compensation, and 'benefits' of €38 thousand refer to expenses with respect to her relocation to Romania, and cost of living expenses comprising of rent allowance and other fringe benefits.

³ Effective 25 October 2023, Stefan Briffa was appointed Executive Director. Figure shown on 'basic salary' column for Stefan reflects the fixed cash-based compensation since his appointment.

⁴ Effective 31 August 2023, Dan Petrisor stepped down from the Board as Executive Director. Figures shown on 'basic salary', 'benefits' and 'IFRS 2 option expense' comprises the Director's fixed cash-based compensation, benefits and share-based payments for the period to his resignation. Benefits of €24 thousand refer to allowances granted to compensate for additional living costs due to his residence in Malta.

⁵ Effective 11 December 2023, Pierre Goosen stepped down from the Board as Non-Executive Director.

⁶ Tax equalisation adjustment is aimed at ensuring equality between Board members, that Non-Executive Directors' fees are competitive, and compensation is not affected by individual circumstances, such as the Directors' country of tax residence. Cost to company of Non-Executive Directors' fees is adjusted upwards, in cases where cumulated taxation effects on their compensation exceeds 30%.

	Role	During the period	Basic salary	Benefits	Short-term incentive	Long-term incentive	Tax equalisation ⁷	Sub Total	IFRS 2 option expense	Total
	Irina Grigore ¹	CEO	119	34	-	-	-	153	62	215
	Raluca Buzuleac ²	CFOO	71	-	-	-	-	71	17	88
	Dan Petrisor ³	Executive Director	106	31	-	-	-	137	32	169
	Werner Alberts	NED	26	-	-	-	3	29	-	29
	Brett Nagle	NED	24	-	-	-	-	24	-	24
	Claudia Pendred	NED	22	-	-	-	11	33	-	33
	Dan Pascariu	NED	22	-	-	-	88	110	-	110
	Malcolm Levy ⁴	NED	7	-	-	-	1	8	-	8
	Martin Slabbert ⁵	NED	-	-	-	-	-	-	-	-
	Melt Hamman ⁴	NED	7	-	-	-	16	23	-	23
	Mihail Vasilescu ⁶	NED	-	-	-	-	-	-	-	-
	Pierre Goosen	NED	22	-	-	-	2	24	-	24
	Vasile Iuga	NED	26	-	-	-	102	128	-	128
			452	65	-	-	223	740	111	851

¹ Irina Grigore's benefits of €34 thousand refer to cost of living expenses with respect to her residence in Malta, comprising rent allowance and other fringe benefits. Figure shown on 'Basic salary' column above comprises the Director's fixed cash-based compensation, as well as allowance granted to compensate for additional living costs due to her residence in Malta.

² With effect from 1 February 2023, Raluca Buzuleac stepped down from the Board as Executive Director and with effect from the same date Nadine Bird was appointed CFO of the Group.

³ Dan Petrisor's benefits amounting to €31 thousand refer to cost of living expenses with respect to his residence in Malta, comprising of rent allowance and other fringe benefits. Figure shown on 'Basic salary' column above comprises the Director's fixed cash-based compensation, as well as allowance granted to compensate for additional living costs due to his residence in Malta.

⁴ Effective 25 August 2022, Melt Hamman and Malcolm Levy stepped down from the Board.

⁵ Effective 13 December 2022, Martin Slabbert stepped down from the Board as Non-Executive Director.

⁶ Effective 13 December 2022, Mihail Vasilescu was appointed Non-Executive Director.

⁷ Tax equalisation adjustment is aimed at ensuring equality between Board members, that Non-Executive Directors' fees are competitive, and compensation is not affected by individual circumstances, such as country of tax residence. Cost to company of Non-Executive Directors' fees is adjusted upwards, in cases where cumulated taxation effects on their compensation exceeds 30%. Amounts relating to tax equalisation shown for the period to 31 December 2022 include adjustment from the date of redomiciliation to Malta, effective 12 October 2021.

Year to 30 June 2023 (audited)

	Role	During the year	Basic salary	Benefits	Short-term incentive	Long-term incentive	Tax equalisation ⁷	Sub Total	IFRS 2 option expense	Total
Irina Grigore ¹	CEO		228	109	-	-	-	337	124	461
Nadine Bird ²	CFO	Appointed	65	87	-	-	-	152	20	172
Raluca Buzuleac ²	CFOO	Resigned	78	-	-	-	-	78	20	98
Dan Petrisor ³	Executive Director		129	146	-	-	-	275	63	338
Werner Alberts	NED		51	-	-	-	4	55	-	55
Brett Nagle	NED		47	-	-	-	-	47	-	47
Claudia Pendred	NED		44	-	-	-	15	59	-	59
Dan Pascariu	NED		44	-	-	-	116	160	-	160
Malcolm Levy ⁴	NED	Resigned	7	-	-	-	1	8	-	8
Martin Slabbert ⁵	NED	Resigned	-	-	-	-	-	-	-	-
Melt Hamman ⁴	NED	Resigned	7	-	-	-	16	23	-	23
Mihail Vasilescu ⁶	NED	Appointed	25	-	-	-	35	60	-	60
Pierre Goosen	NED		44	-	-	-	3	47	-	47
Vasile Iuga	NED		51	-	-	-	135	186	-	186
			820	342	-	-	325	1,487	227	1,714

¹ Irina Grigore's 'basic salary' comprises the Director's fixed cash-based compensation, and 'benefits' of €109 thousand refer to allowance granted to compensate for additional living costs due to her residence in Malta.

² Effective 1 February 2023, Raluca Buzuleac stepped down from the Board as Executive Director and with effect from the same date Nadine Bird was appointed CFO of the Group.

Nadine's figure shown on 'basic salary' column above comprises the Director's fixed cash-based compensation, received starting her appointment as CFO. Benefits of €87 thousand refer to expenses with respect to her relocation to Romania, and cost of living expenses comprising of rent allowance and other fringe benefits.

Raluca's figure shown on 'basic salary' column above comprises the Director's fixed cash-based compensation, received until her resignation from the CFOO role.

³ Dan Petrisor's 'basic salary' comprises the Director's fixed cash-based compensation, and 'benefits' of €146 thousand refer to allowance granted to compensate for his additional living costs due to their residence in Malta.

⁴ Effective 25 August 2022, Melt Hamman and Malcom Levy stepped down from the Board.

⁵ Effective 13 December 2022, Martin Slabbert stepped down from the Board as Non-Executive Director.

⁶ Effective 13 December 2022, Mihail Vasilescu was appointed Non-Executive Director.

⁷ Tax equalisation adjustment is aimed at ensuring equality between Board members, that Non-Executive Directors' fees are competitive, and compensation is not affected by individual circumstances, such as country of tax residence. Cost to company of Non-Executive Directors' fees is adjusted upwards, in cases where cumulated taxation effects on their compensation exceeds 30%. Amounts relating to tax equalisation shown for the year to 30 June 2023 include adjustment from the date of redomiciliation to Malta, effective 12 October 2021.

Related party relationships

PKM Development Ltd. and its subsidiaries

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

PK White SRL

PK White SRL owns the Pleiades residential project in Ploiesti, currently under development.

PK Burgundy SRL

PK Burgundy SRL owns the extension of Baia Mare Value Centre, operational from 29 September 2022.

PK Almond SRL

PK Almond SRL owns the extension of Roman Value Centre, operational from 1 December 2022.

PK Arsenic SRL

PK Arsenic SRL owns the extension of Slobozia Value Centre (Strip Mall), operational from 31 May 2023.

Prime Kapital Holdings Ltd and PK Development Holdings Ltd

Prime Kapital Holdings Limited is an integrated real estate developer, investor and operator. Martin Slabbert, former CEO and Non-Executive Director of MAS is managing partner of Prime Kapital.

Prime Kapital Development SRL

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

Harneys Fiduciary

Harneys Fiduciary provided BVI corporate services and was a director of MAS RE Malta Holding Ltd (former MAS (BVI) Holdings Limited) (redomiciled to Malta on 1 August 2022) and MAS CEE Investments Limited, 100% owned subsidiaries of the Company. Services were provided by its subsidiary Epstone Ltd.

MAS P.L.C.
Condensed consolidated interim financial statements for the six-month period to 31 December 2023

	Note	Income/(expenses) for			Net (receipts)/payments for			Balances receivable/(payable) on		
		Reviewed six-month period to 31 December 2023	Reviewed six-month period to 31 December 2022	Audited year to 30 June 2023	Reviewed six-month period to 31 December 2023	Reviewed six-month period to 31 December 2022	Audited year to 30 June 2023	Reviewed 31 December 2023	Reviewed 31 December 2022	Audited 30 June 2023
<i>PKM Development Ltd. and its subsidiaries</i>										
· Equity-accounted investee	12	8,072	1,953	4,315	-	(4,105)	(4,105)	33,484	23,050	25,412
· Preferred equity and revolving credit facility	9; 16.3	13,578	9,612	20,465	21,567	9,378	82,417	374,094	255,057	338,949
· Recharged costs		-	(222)	(116)	-	702	380	(243)	(27)	(243)
· Assets transferred following Spark II Portfolio acquisition		-	-	-	-	89,764	89,764	-	-	-
· Balances transferred following Spark II Portfolio acquisition		-	-	-	-	(87)	(87)	-	-	-
· Other income		239	-	143	(186)	-	(143)	53	-	-
· Rental income		-	-	8	-	-	(8)	-	-	-
· Electrical energy transformation fee		-	(3)	(4)	-	57	55	-	3	-
· Rental income energy equipment		-	-	-	-	(71)	(71)	-	-	-
· Other expenses		(23)	(46)	(50)	23	32	51	2	(14)	2
		21,866	11,294	24,761	21,404	95,670	168,253	407,390	278,069	364,120
<i>Prime Kapital Holdings Ltd and its subsidiaries</i>										
· Prepaid development services and other receivables*	14	(67)	-	(9,764)	-	-	-	478	10,170	545
· Other income		4	-	-	(4)	-	-	-	-	-
· Rental income		159	159	320	(176)	(67)	(302)	23	114	40
· Capitalised expenses		(987)	-	-	1	129	35	(951)	129	35
· Property management platform expenses		(1,701)	(1,421)	(3,196)	1,602	1,054	2,674	(621)	(367)	(522)
· Other expenses		(36)	(50)	(71)	1	27	53	(70)	(40)	(35)
· Service charge and other property operating expenses		(1,542)	(1,518)	(2,543)	1,119	815	963	(2,345)	(1,045)	(1,922)
· Balance transferred following Spark II Portfolio acquisition		-	-	-	-	238	238	-	-	-
		(4,170)	(2,830)	(15,254)	2,543	2,196	3,661	(3,486)	8,961	(1,859)
<i>Harneys Fiduciary</i>										
· Directors' fees and legal and professional fees		-	(9)	(9)	1	9	8	-	-	(1)
· Other		-	-	(4)	-	-	4	-	-	-
		-	(9)	(13)	1	9	12	-	-	(1)
		17,696	8,455	9,494	23,948	97,875	171,926	403,904	287,030	362,260

* As a result of the impairment assessment performed on 31 December 2023, an additional impairment of €67 thousand (30 June 2023: €9,624 thousand) was booked for PK Prepaid development services (see note 18.2).

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

Six-month period to
31 December 2023 (reviewed)

Condensed Consolidated Statement of Profit or Loss	Proportionate accounts line item	Note	IFRS amounts				
			Continuing operations	Discontinued operations	Add 40% DJV	Other reclass	Proportionate accounts
Net rental income	Net rental income - income property Net result - residential property		33,607	54	1,304	23	34,988
			-	-	(1,119)	-	(1,119)
Corporate expenses			(3,555)	(185)	(203)	(62)	-
Corporate expenses	Net corporate expenses Share-based payment expense		(3,555)	(185)	(203)	534	(3,409)
			-	-	-	(596)	(596)
Other income			7,694	112	440	405	
Dividend income	Net dividends - listed securities	6	-	-	-	-	-
Other income	Other distributable net income/(cost) Other non- distributable income/(cost)	6	225	112	440	931	1,708
Gain on bonds repurchased		6	7,469	-	-	(526)	6,943
Investment expenses	Investment expenses	7	(573)	(241)	(12)	-	(826)
Fair value adjustments			28,275	(349)	3,509	5,209	-
Gain/(loss) on fair value of inv. prop, incl. inv. prop. held for sale	Fair value adjustments - income property	8	32,013	(349)	8,981	109	40,754
Gain/(loss) on fair value of fin. investments	Fair value adjustments - listed securities	8	1,122	-	(5,098)	5,100	1,124
Change in fair value of financial assets	Fair value adjustments - interest rate derivatives	8	(4,860)	-	(374)	-	(5,234)
Impairment of share-based payment prepayments	Share-based payment expense	18.2	(67)	-	-	67	-
Foreign currency exchange differences	Foreign currency exchange differences		(16)	1	(116)	131	-
Share of profit from eq.-acc. investee		12	8,072	-	(8,072)	-	-
Profit/(Loss) before finance income/(costs)			73,437	(608)			
Finance income			15,175	7			
Interest on preferred equity and revolving credit facility	Net income - preferred equity and revolving credit facility	9	13,578	-	-	(5,431)	8,147
Interest on bank deposits		9	1,597	7	85	(1,689)	-
	Interest capitalised on developments		-	-	-	4,480	4,480
Finance costs			(12,297)	(9)			
Interest on bank loans	Interest on debt financing	9	(5,921)	-	4,088	(9,518)	(11,351)
Bond borrowing costs		9	(7,659)	-	-	7,659	-
Interest income on interest rate derivatives		9	1,337	-	-	(1,337)	-
Negative interest on bank deposits		9	(54)	(9)	-	63	-
Profit/(Loss) before tax			76,315	(610)			
Current tax			(2,132)	403			
Current tax	Income tax	10	(2,132)	403	(310)	(415)	(2,454)
Deferred tax	Tax on sale of property		-	-	-	415	415
	Deferred tax	10	(5,341)	-	406	-	(4,935)
Tax expense			(7,473)	403			
Profit/(Loss) for the period	Earnings		68,842	(207)	-	-	68,635

On 31 December 2023 (reviewed)

Condensed Consolidated Statement of Financial Position	Proportionate accounts line item	Note	IFRS amounts	Add 40% DJV	Other reclass	Proportionate accounts
<i>Non-current assets</i>						
Investment property			994,441	184,642	1,554	
Income-generating property	Income property	11.1	989,143	71,249	1,554	1,061,946
Dev. property and land bank	Developments - income property	11.1	5,298	50,991	-	56,289
	Developments - residential property		-	62,402	-	62,402
Intangible assets			1,696	-	-	
Goodwill	Goodwill	13	1,696	-	-	1,696
Inv. in equity-accounted investee		12	33,484	(33,484)	-	-
Financial assets			374,094	-	(143,668)	
PKM Dev preferred equity and revolving credit facility	Preferred equity and revolving credit facility	16.3	374,094	-	(149,638)	224,456
Interest rate swaps	Interest rate derivative financial assets		-	-	5,970	5,970
Other non-current assets		14	7,641	631	(8,272)	-
Deferred tax asset	Deferred tax asset	10	2,604	1,070	-	3,674
Total non-current assets			1,413,960			
<i>Current assets</i>						
Financial assets	Other assets		-	-	568	568
Investment property held for sale		4.2	1,553	-	(1,553)	-
Financial investments	Listed securities	16.1	-	19,570	-	19,570
Trade and other receivables			28,664	7,580	1,729	
Trade and other receivables	Trade and other receivables		28,459	4,374	1,053	33,886
VAT receivable	VAT receivable		205	3,206	-	3,411
	Share-based payment prepayments		-	-	676	676
Cash and cash equivalents	Cash and cash equivalents	16.2	81,790	7,975	-	89,765
Total current assets			112,007			
Total assets	Assets		1,525,967	187,984	(149,642)	1,564,309
<i>Non-current liabilities</i>						
Bonds		17	211,296	-	(211,296)	-
Bank loans	Debt financing	17	196,987	161,625	77,380	435,992
Other non-current liabilities		15	6,796	3,111	(9,907)	-
Deferred tax liability	Deferred tax liability	10	41,309	3,477	-	44,786
Total non-current liabilities			456,388			
<i>Current liabilities</i>						
Bonds		17	4,595	-	(4,595)	-
Bank loans		17	8,558	2,677	(11,235)	-
Trade and other payables	Trade and other payables		22,900	17,094	10,011	50,005
Total current liabilities			36,053			
Total liabilities	Liabilities		492,441	187,984	(149,642)	530,783
Total equity	Net asset value		1,033,526	-	-	1,033,526

Condensed consolidated interim financial statements for the six-month period to 31 December 2023

Six-month period to
31 December 2022 (reviewed)

Condensed Consolidated Statement of Profit or Loss	Proportionate accounts line item	Note	IFRS amounts				
			Continuing operations	Discontinued operations	Add 40% DJV	Other reclass	Proportionate accounts
Net rental income	Net rental income - income property Net result - residential property		29,985	113	677	27	30,802
Corporate expenses							
Corporate expenses	Net corporate expenses Share-based payment expense		(3,580)	(152)	(157)	452	(3,437)
			-	-	-	(452)	(452)
Other income			5,914	312	1,120	(1,487)	
Dividend income	Net dividends - listed securities	6	4,383	-	-	428	4,811
Other income	Other distributable net income/(cost) Other non- distributable income/(cost)	6	177	312	1,120	(1,440)	169
Gain on bonds repurchased		6	1,354	-	-	(475)	879
Investment expenses	Investment expenses	7	(556)	(547)	(318)	(1)	(1,422)
Fair value adjustments			33,205	71	1,134	7,878	-
Gain/(loss) on fair value of inv. prop. incl. inv. prop. held for sale	Fair value adjustments - income property	8	18,329	71	2,020	6,620	27,040
Gain/(loss) on fair value of fin. investments	Fair value adjustments - listed securities	8	11,149	-	(886)	886	11,149
Change in fair value of financial assets	Fair value adjustments - interest rate derivatives	8	3,727	-	-	372	4,099
Gain from disposal of inv. prop. held for sale			-	5,380	-	(5,380)	-
Impairment of share-based payment prepayments	Share-based payment expense	18.2	-	-	-	-	-
Foreign currency exchange differences	Foreign currency exchange differences		(2,068)	(2)	(76)	(1,812)	(2,079)
Share of profit from eq.-acc. investee		12	1,953	-	(1,953)	-	-
Profit before finance income/(costs)			64,853	5,175			
Finance income			9,678	-			
Interest on preferred equity and revolving credit facility	Net income - preferred equity and revolving credit facility	9	9,613	-	-	(3,846)	5,767
Interest on bank deposits		9	65	-	44	(109)	-
	Interest capitalised on developments		-	-	-	1,892	1,892
Finance costs			(9,901)	(15)			
Interest on bank loans	Interest on debt financing	9	(2,753)	-	315	(7,324)	(9,762)
Bond borrowing costs		9	(7,125)	-	-	7,125	-
Interest income on interest rate derivatives		9	-	-	-	-	-
Negative interest on bank deposits		9	(23)	(15)	(35)	73	-
Profit before tax			64,630	5,160			
Current tax			(1,983)	(1,129)			
Current tax	Income tax	10	(1,983)	(1,129)	(371)	2,110	(1,373)
	Tax on sale of property		-	-	-	(1,104)	(1,104)
Deferred tax	Deferred tax	10	(2,536)	-	(632)	-	(3,168)
Tax expense			(4,519)	(1,129)			
Profit for the period	Earnings		60,111	4,031	-	-	64,142

On 31 December 2022 (reviewed)

Condensed Consolidated Statement of Financial Position	Proportionate accounts line item	Note	IFRS amounts	Add 40% DJV	Other reclass	Proportionate accounts
<i>Non-current assets</i>						
Investment property			887,328	130,195	59,660	
Income-generating property	Income property	11.1	882,755	20,168	59,660	962,583
Dev. property and land bank	Developments - income property	11.1	4,573	50,057	-	54,630
	Developments - residential property		-	59,970	-	59,970
Intangible assets			1,696	-	-	
Goodwill	Goodwill	13	1,696	-	-	1,696
Inv. in equity-accounted investee		12	23,050	(23,050)	-	-
Financial assets			275,533	-	(101,030)	
PKM Dev preferred equity and revolving credit facility	Preferred equity and revolving credit facility	16.3	275,533	-	(110,213)	165,320
Interest rate swaps	Interest rate derivative financial assets		-	-	9,183	9,183
Other non-current assets		14	27,436	3,263	(30,699)	-
Deferred tax asset	Deferred tax asset	10	4,280	120	(1)	4,399
Total non-current assets			1,219,323			
<i>Current assets</i>						
Financial assets	Other assets		-	-	2,950	2,950
Investment property held for sale		4.2	59,660	-	(59,660)	-
Financial investments	Listed securities	16.1	101,104	19,570	-	120,674
Trade and other receivables			37,016	3,948	18,559	
Trade and other receivables	Trade and other receivables		36,555	1,573	7,409	45,537
VAT receivable	VAT receivable		461	2,375	-	2,836
	Share-based payment prepayments		-	-	11,150	11,150
Cash and cash equivalents	Cash and cash equivalents	16.2	66,225	1,427	-	67,652
Total current assets			264,005			
Total assets	Assets		1,483,328	135,473	(110,221)	1,508,580
<i>Non-current liabilities</i>						
Bonds		17	290,042	-	(290,042)	-
Bank loans	Debt financing	17	112,489	116,304	227,123	455,916
Other non-current liabilities		15	6,820	1,048	(7,868)	-
Deferred tax liability	Deferred tax liability	10	33,638	2,309	-	35,947
Total non-current liabilities			442,989			
<i>Current liabilities</i>						
Bonds		17	6,391	-	(6,391)	-
Bank loans		17	40,554	457	(41,011)	-
Financial liabilities	Other liabilities		-	-	108	108
Trade and other payables	Trade and other payables		26,325	15,355	7,860	49,540
Total current liabilities			73,270			
Total liabilities	Liabilities		516,259	135,473	(110,221)	541,511
Total equity	Net asset value		967,069	-	-	967,069

Condensed consolidated interim financial statements for the six-month period to 31 December 2023

Year to 30 June 2023
(audited)

Consolidated Statement of Profit or Loss	Proportionate accounts line item	Note	IFRS amounts				
			Continuing operations	Discontinued operations	Add 40% DJV	Other reclass	Proportionate accounts
Net rental income	Net rental income - income property		62,195	250	1,439	15	63,899
	Net result - residential property		-	-	(338)	145	(193)
Corporate expenses			(6,965)	(335)	(240)	(9,624)	-
Corporate expenses	Net corporate expenses		(6,965)	(335)	(240)	936	(6,604)
	Share-based payment expense		-	-	-	(10,560)	(10,560)
Other income			10,097	870	2,350	(2,581)	
Dividend income	Net dividends - listed securities	6	8,318	-	2,323	(1,247)	9,394
Other income	Other distributable net income/(cost)	6	425	870	27	(894)	428
Gain on bonds repurchased	Other non-distributable income/(cost)	6	1,354	-	-	(440)	914
Investment expenses	Investment expenses	7	(1,129)	(747)	(371)	-	(2,247)
Fair value adjustments			40,392	(103)	322	13,032	-
Gain/(loss) on fair value of inv. prop. incl. inv. prop. held for sale	Fair value adjustments - income property	8	28,376	(103)	3,846	9,156	41,275
Gain/(loss) on fair value of fin. investments	Fair value adjustments - listed securities	8	8,550	-	(3,876)	3,876	8,550
Change in fair value of financial assets	Fair value adjustments - interest rate derivatives	8	3,466	-	352	-	3,818
Gain from disposal of inv. prop. held for sale			-	5,320	-	(5,320)	-
Impairment of share-based payment prepayments	Share-based payment expense	18.2	(9,624)	-	-	9,624	-
Foreign currency exchange differences	Foreign currency exchange differences		(2,213)	-	(66)	184	(2,095)
Share of profit from eq.-acc. investee		12	4,315	-	(4,315)	-	-
Profit before finance income/(costs)			97,068	5,255			
Finance income			20,628	8			
Interest on preferred equity and revolving credit facility	Net income - preferred equity and revolving credit facility	9	20,465	-	-	(8,186)	12,279
Interest on bank deposits		9	163	8	145	(316)	-
	Interest capitalised on developments		-	-	-	3,939	3,939
Finance costs			(19,993)	(23)			
Interest on bank loans	Interest on debt financing	9	(6,545)	-	2,708	(15,979)	(19,815)
Bond borrowing costs		9	(13,997)	-	-	13,997	-
Interest income on interest rate derivatives		9	613	-	-	(613)	-
Negative interest on bank deposits		9	(64)	(23)	-	88	-
Profit before tax			97,703	5,240			
Current tax			(4,165)	(1,404)			
Current tax	Income tax	10	(4,165)	(1,404)	(377)	2,964	(2,982)
	Tax on sale of property		-	-	-	(1,369)	(1,369)
Deferred tax	Deferred tax	10	(6,542)	-	(1,257)	-	(7,799)
Tax expense			(10,707)	(1,404)			
Profit for the period	Earnings		86,996	3,836	-	-	90,832

On 30 June 2023 (audited)

Consolidated Statement of Financial Position	Proportionate accounts line item	Note	IFRS amounts	Add 40% DJV	Other reclass	Proportionate accounts
<i>Non-current assets</i>						
Investment property			901,472	165,031	58,848	
Income-generating property	Income property	11.1	896,352	23,856	58,848	979,056
Dev. property and land bank	Developments - income property	11.1	5,120	65,649	-	70,769
	Developments - residential property		-	75,526	-	75,526
Intangible assets			1,696	-	-	
Goodwill	Goodwill	13	1,696	-	-	1,696
Inv. in equity-accounted investee		12	25,412	(25,412)	-	-
Financial assets			338,949	-	(126,629)	
PKM Dev preferred equity and revolving credit facility	Preferred equity and revolving credit facility	16.3	338,949	-	(135,580)	203,369
Interest rate swaps	Interest rate derivative financial assets		-	-	8,951	8,951
Other non-current assets		14	10,542	2,905	(13,447)	-
Deferred tax asset	Deferred tax asset	10	2,389	121	-	2,510
Total non-current assets			1,280,460			
<i>Current assets</i>						
Financial assets	Other assets		-	-	2,549	2,549
Investment property held for sale		4.2	58,848	-	(58,848)	-
Financial investments	Listed securities	16.1	36,504	19,570	-	56,074
Trade and other receivables			37,852	6,764	1,941	
Trade and other receivables	Trade and other receivables		37,513	2,065	690	40,268
VAT receivable	VAT receivable		339	4,699	-	5,038
	Share-based payment prepayments		-	-	1,251	1,251
Cash and cash equivalents	Cash and cash equivalents	16.2	60,361	3,530	-	63,891
Total current assets			193,565			
Total assets	Assets		1,474,025	172,509	(135,586)	1,510,948
<i>Non-current liabilities</i>						
Bonds		17	290,752	-	(290,752)	-
Bank loans	Debt financing	17	108,629	143,800	200,288	452,717
Other non-current liabilities		15	6,716	2,025	(8,741)	-
Deferred tax liability	Deferred tax liability	10	35,753	2,933	-	38,686
Total non-current liabilities			441,850			
<i>Current liabilities</i>						
Bonds		17	84	-	(84)	-
Bank loans		17	45,100	42	(45,142)	-
Trade and other payables	Trade and other payables		22,335	23,709	8,845	54,889
Total current liabilities			67,519			
Total liabilities	Liabilities		509,369	172,509	(135,586)	546,292
Total equity	Net asset value		964,656	-	-	964,656

25. Summary of general accounting policies**Basis of preparation – statement of compliance**

The condensed consolidated interim financial statements are prepared in accordance with the requirements of the Johannesburg Stock Exchange (‘JSE’) Listings Requirements for interim results. The Listings Requirements require interim results to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (‘IFRS’), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting. After taking into consideration the applicable legal and regulatory requirements of the Malta Companies Act 1995, including IFRS requirements adopted by the EU (European Union), management concluded that the condensed consolidated interim financial statements are in compliance with the latter.

Basis of measurement

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

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

Accounting policies

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year to 30 June 2023. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year to 30 June 2023 as well as any public announcements made by the Group during the six-month period to 31 December 2023.

New and amended standards and interpretations not yet adopted

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

Amendments/improvements to standards and interpretations not yet effective	Effective for annual periods beginning on or
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 Jan 2024
Non-current liabilities with covenants – Amendments to IAS 1	1 Jan 2024
Lease liability in a sale and leaseback – Amendments to IFRS 16	1 Jan 2024
Supplier finance arrangements – Amendments to IAS 7 and IFRS 7	1 Jan 2024
Lack of Exchangeability – Amendments to IAS 21	1 Jan 2025

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Company information and advisors**Identification**

MAS P.L.C.
 Registration number C99355
 JSE and A2X share code: MSP
 ISIN: VGG5884M1041
 LEI code: 213800T1TZPGQ7HS4Q13

Registered office in Malta and Correspondence address

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

Company secretary

Stefan Briffa appointed on 31 August 2023
 Roxana Bordeanu appointed on 25 August 2022 and resigned on 31 August 2023

Independent auditor

PricewaterhouseCoopers
 78 Mill Street, zone 5
 Central Business District, Qormi
 Malta, CBD 5090

JSE Sponsor

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

A2X Markets

6th Floor, 1 Park Lane, Wierda Valley, Sandton
 Johannesburg, 2196
 South Africa

Registrar / Transfer Secretaries

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

South Africa

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

Depository

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 The Pavilions Bridgewater Road, Bristol
 BS13 8AE, United Kingdom

Property Valuers**Romania**

Cushman & Wakefield Echinox
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 District 1, Bucharest
 Romania

Colliers Valuation and Advisory S.R.L.
 AFI Park Floreasca
 Calea Floreasca 169A
 Building A, 2nd floor
 District 1, Bucharest
 Romania

Bulgaria

Colliers International EOOD
 Mladost district
 115K Tsarigradsko shose Blvd.
 European Trade Centre, Build. B, floor 7
 Sofia, 1784
 Bulgaria

Germany

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

Poland

Colliers Poland Spółka z o.o.
 Plac Pilsudskiego 3
 Warsaw, 00-078
 Poland

United Kingdom

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

Adjusted distributable earnings	Adjusted distributable earnings are the adjusted underlying earnings of the Group from net rental income from income property, net result from residential properties, net income from preferred equity and revolving credit facility, net dividends on listed securities, net corporate expenses, interest on debt financing, interest capitalised on developments and other distributable net income or cost and income tax
Adjusted number of shares in issue	Number of shares in issue excluding MAS' 40% proportion of shares owned by the DJV in MAS
BV	Book value
BVI	British Virgin Islands
CEE	Central and Eastern Europe or Central and Eastern European
Company	MAS P.L.C.
DCF	Discounted cash flows
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
Diluted adjusted number of shares in issue	Adjusted number of shares in issue increased by the number of share purchase plan shares
Diluted weighted average adjusted number of shares	Diluted adjusted number of shares in issue for the applicable period, outstanding on a daily weighted average basis during such period
DJV	Development Joint Venture
EPRA	European Public Real Estate Association
FVTPL	Fair value through profit or loss
GDV	Gross development value
Group	MAS P.L.C. and its subsidiaries
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards as issued by the IASB
IJV	Investment joint venture, former joint venture with Prime Kapital, 80% owned and controlled by the Company prior to the 2019 Transaction, for investing in CEE Income properties
Income-generating property	Property held to earn rental income
Investment property	Income property, Development property and Land bank
IOM	Isle of Man
JSE	Johannesburg Stock Exchange
Land bank	Land plots held for future developments
Lease incentive	Incentives offered to lessees to enter a lease, typically in the form of a rent-free period
NAV	Net asset value
NRI	Net rental income
Number of shares in issue	Ordinary number of shares issued excluding shares held as treasury shares (repurchased shares not cancelled and share purchase plan shares)

OCI	Other comprehensive income
PKM Development	P K M Development Limited (renamed to PKM Development Ltd. on redomiciliation to Malta)
PMP	Property Management Platform
Prime Kapital / PK	Prime Kapital Holdings Ltd
REIT	Investment in listed real estate equity securities
SA REIT	South African Real Estate Investment Trust Association, the representative umbrella body comprised of voluntary members of South African listed REIT companies and trusts
SPA	Sale and purchase agreement
Spark II Portfolio	Collectively, the six subsidiaries or properties (as the context requires), acquired on 30 June 2022 from the DJV.
Tangible NAV	NAV which includes only assets and liabilities likely to crystallise on disposal (corresponds to NAV under adjusted proportionate accounts)
Tangible NAV per share	Tangible NAV divided by the Adjusted number of shares in issue on the reporting date
WE	Western Europe or Western European
Weighted average adjusted number of shares	Adjusted number of shares in issue for the applicable period, outstanding on a daily weighted average basis during such period
2019 Transaction	The acquisition on 27 November 2019 by the Group of Prime Kapital's effective economic interest in the IJV with MAS

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