

## SHORT-FORM ANNOUNCEMENT: AUDITED CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR TO 30 JUNE 2022 AND CHANGES TO THE BOARD OF DIRECTORS

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

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

INTRODUCTION AND BACKGROUND

MAS (hereafter referred to as the Group or Company) continued performing very well during the second half of the financial year ended 30 June 2022, achieving adjusted total earnings of €76.7million. Adjusted total earnings for the entire financial year were €168.1million. The Group achieved adjusted distributable earnings per share for the year of 6.83eurocents per share (15.2% above adjusted distributable earnings per share for the year of 6.83eurocents per share (15.2% above adjusted distributable earnings per share for the previous financial year) and is on track to achieve its strategic objectives set until end of the 2026 financial year. The Group's financial results and progress with strategic matters are discussed within.

In addition to the reported International Financial Reporting Standards (IFRS) results, this commentary also includes segmental reporting prepared on a proportionate consolidated basis, which assists the interpretation of the former rather than replacing it. Detailed financia results and Company Profile, updated on 30 June 2022, including highlights and supplemental operational information, are available on MAS corporate website. Unless otherwise stated, all amounts are presented on an adjusted proportionate consolidated basis.

MAS' primary business is the investment in, and operation of, retail assets in Central and Eastern Europe (CEE). The Group, with its approximately 230 real estate professionals, is well positioned to leverage the region's continual high consumption growth and generate strong like-for-like (LEI) net rental income (NRI) growth from retail holdings by increasing tenants' sales and implementing asset management initiatives. MAS benefits from downside-protected exposure to retail and residential developments via the development joint venture (D IV)1 with developer Prime Kapital

venture (DJV)\* with developer Prime Kapital.

On 30 June 2022, MAS' shareholders approved two transactions between MAS and the DJV, namely (i) to acquire 100% of the share capital and shareholder loans for six subsidiaries of PKM Development Limited (the DJV), owning six Romanian commercial centres (the Acquisition), and (ii) to extend the duration of the relationship with Prime Kapital via the DJV and to increase MAS' funding commitment to the DJV (the Extension, and collectively, the Transactions). The Transactions are effective on 30 June 2022, and, as such, relevant outcomes are included in MaS' was east financial sently. in MAS' year-end financial results.

### FINANCIAL RESULTS

From Adjusted total earnings are, on a segmented basis, the combined return of: (i) directly-owned income property and operations in CEE; (ii) Central and Eastern European investments with Prime Kapital in the DJV (including earnings from a proportion of completed DJV-owned income properties, net results on residential sales and development activities); (iii) remaining directly-owned income property operations in

Western Europe (WE), and (iv) investments in listed securities (including other elements disclosed as Corporate) Adjusted total earnings for the six months to 30 June 2022 were €76.7million and consist of adjusted distributable earnings of €26.1million and adjusted non-distributable earnings of €50.6million. Tangible net asset value (NAV) is €1.40 per share on 30 June 2022, an increase of 6.9% from 31 December 2021 and 12.9% compared to the end of the previous financial year (30 June 2021). Adjusted distributable earnings for the financial year is 6.83eurocents per share and resulted from 3.87eurocents per share for the six months to 30 June 2022, (4.6% above the guidance provided March 2022), and 2.96eurocents per share for the preceding six months.

Variance in MAS' adjusted total earnings compared to the preceding six months (to 31 December 2021), is mostly due to positive outcomes generated by:

- (i) persistent exceptional performance of, and increase in, NRI from retail properties in CEE, high rental and service charge collections and excellent trading achieved at commercial developments completed by the DJV during the first six months of the financial year (Barlad Value Centre and Prahova Value Centre):
- (ii) improvements in Central and Eastern European asset valuations due to previous point and valuation discount rates reverting to precovid-19 levels;
  (ii) completed first deliveries of finalised residential units at Marmura Residence, and
  (iv) increases in dividends from MAS' listed securities following additional investments in the current period and previous six months,

offsetting the negative impact of Western European asset sales on NRI.

These positives have been partially offset by unfavourable variances in earnings, mainly due to (i) significant earnings in the previous period, and resulting from a reduction in management's estimate for disposal realisation costs and losses for Western European assets remaining to be sold, not being repeated, and (ii) (unrealised) decrease in value of the Group's listed securities, which was caused by macroeconomic uncertainty affecting European markets and listed real estate share prices.

### **OPERATIONS**

Table 1

Information regarding MAS' Central and Eastern European gross leasable area (GLA) affected by restrictions. LFL footfall (compared to 2019), LFL tenants' sales (compared to 2019), income entitlements (including invoicing, waivers and deferrals), collection rates (collections compared to invoicing) and pro forma collection rates (compared to the total expected income disregarding Covid-19's impact) for the six months to 30 June 2022, is detailed in Table 1. Information regarding tenants' sales in new properties that became operational after the first six months of 2019 is detailed with reference to weighted average tenants' sales in similar types of properties, in Table 2. All figures were reported on 18 August 2022.

		Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Total
Open GLA <sup>2</sup>	%	9	24	85	100	100	100	70
Restricted GLA <sup>3</sup>	%	91	76	15	-	-	-	30
Closed GLA <sup>4</sup>	%	-	-	-	-	-	-	-
Footfall (2022 compared to 2019)	%	78	82	95	104	105	97	94
Open-air malls	%	89	91	97	110	109	102	100
Enclosed malls	%	68	72	92	98	100	91	87
Tenants' sales per m <sup>2</sup> (2022 compared to 2019)	%	103	107	111	125	129	113	115
Open-air malls	%	109	113	113	126	125	115	117
Enclosed malls	%	93	97	108	123	133	110	112
Total pre-pandemic income expectation	€m	4.5	4.5	4.6	4.6	4.6	4.6	27.4
Income waived, deferred, or suspended	€m	0.1	0.1	-	-	-	-	0.2
Due income (invoiced)	€m	4.4	4.4	4.6	4.6	4.6	4.6	27.2
Collection rate	%	100	100	99	99	100	99	99
Pro forma collection rate	%	98	98	99	99	100	99	99

		Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Total
Tenants' sales per m² (2022 compared to weighted average sales for similar properties in 2019)	%	122	124	127	141	130	116	127
Open-air malls	%	117	118	123	135	132	120	125
Enclosed malls	%	133	137	138	162	130	113	135

For the first six months of the 2022 calendar year, trading in the Group's Central and Eastern European countries was exceptional. After all restrictions were removed by Romanian and Bulgarian authorities in March 2022, footfall and tenant sales improved significantly.

Footfall in CEE was satisfactory for the second half of the financial year, especially once restrictions were lifted, with open-air malls consistently performing better than the same period in 2019. The trend observed in previous periods continued, as open-air malls achieved pre-pandemic levels (the same period in 2019), as compared to enclosed malls (13% decrease).

Tenants' sales on a LFL basis have continued to comfortably exceed pre-pandemic levels up to March, prior to pandemic restrictions being lifted. In April and May, once restrictions were lifted, LFL sales in both open-air and enclosed malls substantially accelerated, with strong performance continuing in June. Overall, tenants' sales outperformed prepandemic levels by 17% in open-air malls and 12% in enclosed malls. Most categories performed admirably, reflecting overall growth trend, with some tenants viewing all-time record sales at stores within assets the Group operates. Food service, health and beauty, complements, DIY, pet shops and toys have had a notable outperformance. Leisure and specialist tenants' sales have still not returned to pre-pandemic levels, despite improving sales after March.

Tenants' sales in the Group's newer assets, that became operational after the first half of 2019 calendar year, have performed exceptionally during the six months, and have outperformed pre-pandemic levels in both open-air malls (25% increase) and enclosed malls (35% increase) compared to tenants' sales in similar assets that were operational in the same period of 2019.

Pro forma collection rates were excellent throughout the six-month period, achieving pre-pandemic levels of 99% despite restrictions in the first two months of the 2022 calendar year.

Occupancy cost ratios (excluding certain tenant categories: supermarkets, DIY stores, entertainment and services) up to 30 June 2022 remained healthy, at 11.1% and improved over the figure on 31 December 2021 (11.3%), despite higher absolute occupancy costs due to increased rentals and service charges.

lacticated initials and service larges. Leasing and ongoing asset management initiatives are progressing well, aimed at achieving MAS' strategic asset management targets by the end of the 2026 financial year. Consequently, occupancy of Central and Eastern European assets increased to 96.3% on 30 June 2022 (95.3% on 31 December 2021). Passing NRI increased by 4.7% during the second half of the financial year and by 13.6% on a year-on-year basis. This is partly attributable to higher rent indexation due to Euro inflation, as well as rental from overage. MAS' properties benefit from Euro-based, triple-net, leases, with full Euro indexation to base (minimum) rents and turnover clauses. As a result, MAS can fully pass indexation to tenants, which are expected to comfortably absorb higher rents, as occupancy cost ratios are expected to remain healthy due to continued robust tenants' sales.

In WE, operations, including collections were consistent with the six months to 31 December 2021.

## PROPERTY VALUATIONS

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

The income property fair value uplift of €63.8 million was due to positive fair value adjustments to income property in CEE of €66.8 million (an improvement of 11.5% compared to the independent valuations on 31 December 2021 and 19.5% compared to June 2021) and a decrease of €3.0million in WE (a decrease of 3.4% compared to valuations on 31 December 2021, which was mainly driven by an increase in the valuation discount rate used for Flensburg Galerie, as well as the negative impact of foreign exchange rates regarding UK assets held for sale).

Valuation uplift of assets in CEE was primarily the result of (i) LFL passing NRI increases of 4.7% since December 2021 due to strong operational metrics following the lifting of all Covid-19 restrictions March 2022, and (ii) valuation discount rates reverting to pre-pandemic levels. Valuation discount rates had been subject to a risk prem um of approximately 75 basis points at the pandemic's onset, which was partly eliminated by external valuers in the second half of the 2021 calendar year. For most properties, the remaining pandemic-related risk premium was eliminated once all restrictions had been lifted, based on evidence that footfall was returning to pre-pandemic levels and enants' turnovers were reverting to pre-pandemic growth trends. The weighted average unlevered discount rate for income property in CFF decreased from 10.01% to 9.71% compared to valuations for the six months to 31 December 2021 (and from 10.17% on 30 June 2021). ndicators regarding property valuations for the six assets acquired by MAS from the DJV are presented on a comparable ba

¹DJV is an abbreviation for a separate corporate entity named PKM Development Limited (PKM Development), an associate of MAS since 2016 with independent governance. MAS owns 40% of the ordinary share capital of PKM Development, an investment conditional on it irrevocably undertaking to provide preferred equity to PKM Development on notice of drawdown. MAS' undertakings to PKM Development arose prior to Prime Kapital's founders joining MAS' Board in November 2019 and have been modified, with MAS' shareholders' approval, via the Extension. On 30 June 2022, MAS invested €236.1million in preferred equity and had an obligation of €233.9million outstanding, as well as an undrawn revolving credit facility of

MAS' remaining Western European assets held for sale are Flensburg Galerie (Germany), Arches street retail units and Langley Park (UK). These assets had a combined book value of €78.5 million with €34.1 million secured bank debt outstanding on 30 June 2022.

MAS has contracted the disposal of the development land at Langley Park for £20.2million to a local property developer. Vistry Partnerships Limited, subject to the receipt of planning consent for the developer's envisaged project. This is expected to be received by \$1 December 2022, with proceeds payable in two instalments (approximately half on receipt of the planning consent, with the balance payable on the first anniversary of the transaction's closing date). Flensburg Galerie, where asset management initiatives are progressing well, and the Arches street retail units are planned to be disposed of in competitive sales processes commencing September 2022.

Valuations of income properties held for sale in WE on 30 June 2022 have further decreased, as has management's estimate of expected sales proceeds. Management's estimation for Western European disposal realisation costs and losses of €4.2millon on 30 June 2022 has not significantly changed compared to 31 December 2021, as it is expected that the positive result on sale of Langley Park will be offset by net losses incurred on sale of other assets in WE. The estimate had been re-assessed from €27. Imillion on 30 June 2021, to €3. Pmillion on 31 December 2021, following the successful results of sales completed in the first six months of the financial year, as well as progress with asset management initiatives implemented at Flensburg Galerie (aimed at protecting shareholder value and preparing the asset for disposal), and expecting that remaining assets will be disposed of at book value. Management's current estimation accounts for the expected result on sales, punitive fixed-interest arrangements on secured debt, early bank debt repayment penalties, agency fees and other related costs to be incurred in completing the sales processes for the remaining assets held for sale.

### RESIDENTIAL SALES

By 30 June 2022, the DJV handed over to clients 308 units at Marmura Residence, resulting in €3million net profits on residential sales included in MAS' adjusted distributable earnings for the six months. This represents 93% of units sold in the project's first four buildings.

### LISTED SECURITIES AND MAS SHARE REPURCHASES

On 30 June 2022, MAS held listed securities, shares in NEPI Rockcastle S.A. (NRP), to the value of €97.7million. MAS holds 19,078,242 shares in NRP, of which 13,207,375 were acquired during the six months to 31 December 2021. Total adjusted returns during the six months to 30 June 2022 on this investment, of which €4.3million represent accrued dividend returns for the period and €15.2million unrealised fair value losses, have been negatively impacted by macroeconomic uncertainty affecting European listed real estate companies' share prices. MAS nues to expect its investment, at the average price of €5.58 per share, to generate total annual returns ranging between 10% and 12% by 2026.

In May and June 2022, MAS repurchased 16,586,906 of its issued shares via one of its subsidiaries, at a weighted average share price of €1.21 per share, pursuant to the Company's general authority to repurchase shares.

### DEVELOPMENTS, EXTENSIONS AND REFURBISHMENTS IN THE DJV

New development projects, with an estimated total cost of €280.6million, have been secured in Romania, increasing the DJV's secured estimated commercial and residential development pipelines to €776million and €1,194.3million, respectively, at cost (figures not proportionally consolidated). Progress with developments and additions to secured pipeline are detailed below.

### Commercial developments

Construction of Alba Iulia Mall continues. As a consequence of delays caused by third parties in relocation of high voltage electricity lines passing over the property, the project's planned opening, previously scheduled in December 2022, is estimated for September 2023. Leasing is progressing well, with over 80% of the project's total 28,900m<sup>2</sup> GLA currently leased to national and international tenants.

Construction of Mall Moldova, extending and redeveloping Era Shopping Centre (29,600m² GLA) into a super-regional enclosed mall and retail node incorporating approximately 101,300m² of destination GLA, is scheduled to begin in November 2022. Leasing is ongoing with outstanding interest from national and international tenants. Construction and leasing for the first phase of the Silk District office and permitting for the following two phases are progressing well

Construction and leasing are on track at Baia Mare Value Centre and Roman Value Centre extensions, which are scheduled to become

operational in October and December 2022, respectively. Permitting and leasing for the extension to Slobozia Value Centre is ongoing Permitting of Arges Mall and related bridge access infrastructure is complete and, after finalising relocation and demolition works, construction is scheduled to start February 2023. Leasing continues with national and international tenants showing significant interest. Zoning is progressing for the DJV's commercial projects in Bucharest (28,000m2 GLA open-air mall component on a 54ha of a forme industrial platform, where a mixed-use urban regeneration project is planned), Brasov (19,800m² GLA open-air mall) and Cluj (73,300m² GLA enclosed mall and 49,200m² GLA office components on a 17ha land plot where the DJV plans a large-scale mixed-use project urban regeneration project).

### Residential developments

At Marmura Residence, the DJV's first completed residential project, handover was performed for 308 units (67%) in the first four buildings of the project's total five buildings comprising 458 units, by 30 June 2022. Construction on the fifth building is substantially complete and handover will commence soon.

Construction and sales continue for approximately half of the development comprising 746 dwellings on the Avalon Estate residential project. To date, 70% of the 352 residential units currently released for sale have been sold. Construction and finishing works on the first buildings are complete, the sales office has been operational in the project's gatehouse since March 2022 and fit-out commenced on four show units. Construction of the first phase of Silk District's residential component (315 units; 71% sold) is progressing well. Permitting for the second phase (346 units; 48% sold) has been obtained and it is ongoing in respect of the third phase (312 units; 25% reserved).

Permitting for the first phase of Pleiades Residence (142 units in two of the seven buildings planned in the residential component of the 10.1ha mixed use urban regeneration in downtown Ploiesti) has completed and construction works have commenced. Rezoning of the remaining land for the following stages of development is ongoing in parallel with permitting for the planned extension on Prahova Value Centre, the 21,700m² GLA open-air mall component of the project. Sales (launched in December 2021) are progressing well with 22.5% of the apartments in the first phase contracted to date.

Zoning is progressing for Roman Residential (2,137 apartments in Brasov) and Elba Residential (1,251 apartments in Timisoara) as well as for the residential components of the large-scale mixed-use projects mentioned above in Bucharest (3,149 apartments) and Cluj (1,461 apartments).

### New pipeline

A 6.9ha site was secured in south-eastern Timisoara, Romania, in an area being converted from industrial to retail and residential, for the DJV's second large-scale residential development in the city. It will consist of approximately 2,300 apartments and support functions. Romania's third largest city, Timisoara's fundamentals are strong and suitable for multiple quality residential developments. Timisoara's current residential stock is low in terms of average living area per capita. Existing stock and planned or ongoing residential developments are generally of poor quality. The project is well positioned, between two main boulevards, with excellent public transport connectivity to the city centre, and within a 15-minute drive of the city's office hubs, historical centre and main shopping destinations.

The DJV has secured land and is currently undergoing due diligence for a large-scale enclosed residential estate of approximately 920 apartments, in a major secondary city in Romania. Further details will be provided in due course. In addition to the above, the DJV has secured an approximately 5.9ha site in Giurgiu, Romania, on the European Route E85 to Bucharest.

a major freight and leisure road transport artery, connecting Romania to Bulgaria, Greece and Turkey. Based on annual river traffic on the Danube River, Giurgiu is one of Romania's largest harbour cities. The site has an excellent location adjacent to Giurgiu's border with Bulgaria and good visibility from the city centre. It is earmarked for an approximately 14,200m² GLA open-air shopping centre, with potential for an additional 4,300m<sup>2</sup> GLA extension. The project's catchment area includes approximately 110,000 residents within a 30-minute drive.

### EXTENSIONS AND REFURBISHMENTS TO DIRECTLY-OWNED ASSETS

The extension to Galleria Burgas was reconsidered and the centre will undergo a major refurbishment instead, including a reconfiguration of the food court, to improve the leisure and entertainment facilities and triple the existing food court's seating capacity. This will rejuvenate the centre and enhance its attractivity to the 479,000 residents within a 60-minute drive, as well as position it as one of the main entertainment attractions for Burgas' 3million annual tourists.

Further updates regarding the leisure and entertainment extensions at Prahova Value Centre  $(5,700 \text{ m}^2)$  and Barlad Value Centre  $(1,300 \text{ m}^2)$  GLA), both centres recently acquired by MAS (with the Acquisition), as well as re-assessed, previously planned, extension projects at Nova Park and Militari Shopping will be provided in due course.

## **DEBT, COST OF DEBT AND LIQUIDITY**

On 30 June 2022, MAS had £202million in cash, listed securities and undrawn credit facilities (figure not proportionally consolidated), net of its £89.8million cash payment obligation to be settled after the financial year end in respect of the Acquisition. Further to the Acquisition's completion, on 30 June 2022, the Group has an ongoing undrawn preferred equity investment commitment of €233,9million to the DJV, as well as a €30million undrawn committed revolving facility to the DJV (figures not proportionally consolidated).

Interest rates on MAS' debt are hedged, except for its undrawn revolving credit facility. MAS' secured debt (in respect of Flensburg Galerie) carries a fixed interest rate, and the bond carries a 4.25% fixed coupon, therefore neither would be impacted by rising variable rates. Secured debt on properties acquired from the DJV effective 30 June 2022, carries an attractive weighted average annual interest of 3-month EURIBOR plus a margin of approximately 3.3% and is fully hedged via interest rate caps until end of 2028 financial year

On 30 June 2022, the Group's bond and unsecured facility ratios demonstrated significant headroom compared to covenant tolerances, or

	Tolerance	Actual IFRS	Actual proportionate consolidated basis
Solvency ratio	Shall not exceed 0.6	0.30	0.29
Consolidated coverage ratio	At least 2.5:1	3.46	3.70
Unencumbered consolidated total assets/ unsecured consolidated total debt	Minimum 180%	379%	407%

The self-imposed, long-term Group overall debt limit, which is considerably more restrictive than its covenant tolerances, is a maximum loan to-value (LTV) ratio of 40%, or, on a forward-looking basis, seven times net rental income. On 30 June 2022, the Group had €463.5million ol outstanding debt (honds and hank loans) and the LTV ratio was 21.5%. The effective LTV ratio taking account of the cash settlement with respect to the Acquisition, is 28.4%. The weighted average cost of debt was 4.41% per annum for the financial year ended 30 June 2022

(figures not proportionally consolidated). The balance of the ordinary share capital in PKM Development was taken up by Prime Kapital in 2016 for €30million in cash, and, in terms of applicable contractual undertakings and restrictions, Prime Kapital: (i) is not permitted to undertake rea 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 resolubility for sourcing further developments, and (iv) provides PKM Development with all necessary construction and development services via integrated in-house platform.

CHANGES TO THE BOARD OF DIRECTORS AND COMPANY SECRETARY

impact on the Group's future financial performance.

Since the transaction with Prime Kapital in November 2019 and the appointment of Prime Kapital founders Martin Slabbert and Victor Semionov as Executive Directors, MAS has achieved excellent progress in its transition towards becoming a fully focused Central and Easteri European property investor and operator. The terms of the transaction included a mandate of up to three years for the appointed executives to oversee the re-positioning and transitioning of the business before returning full-time to Prime Kapital. With the transition substantially completed, Martin and Victor stepped down. Martin remains a member of MAS' Board of Drime Kapital. With the transition substantially expended, after Martin and Victor stepped down. Martin remains a member of MAS' Board of Drime Kapital. With the transition substantially completed, Martin and Victor stepped down. Martin remains a member of MAS' Board of Drime Kapital via the DJV was extended, after Martin stepped down as CEO, via the Extension approved by an overwhelming majority of MAS' independent shareholders (96.69%). This is expected to continue having a major positive

With MAS' Executive Director roles assigned to individuals with no affiliation to, or interest in, Prime Kapital, allowing the two groups to remain closely connected for the foreseeable future with independent executives, MAS' Board re-assessed its size, composition, as well as the appropriate skills and experience required to guide and oversee MAS' business in its next phase.

The Group is pleased to announce the appointment of Nadine Bird as Chief Financial Officer (CFO) with effect from 1 February 2023,

taking over Raluca Buzuleac's financial responsibilities. Nadine is a highly experienced finance professional, with approximately 17 years of relevant experience, including a strong background in financial reporting, stock exchange listings and crisis management for complex, multi-jurisdictional public companies. She previously worked in audit, at Deloitte in South Africa, before acting as CFO for Steinhoff International after eruption of the group's crisis in 2017. At Steinhoff International, among many other responsibilities, she assisted external forensic teams with investigations and ensured accurate financial information restatement and subsequent re-publication, while also maintaining her responsibilities for Steinhoff International, among many other responsibilities. MAS is pleased to announce the appointment of Roxana Bordeanu as Company Secretary, replacing Nathalie Vella, with effect from 25 August 2022. Roxana, who will also be part of MAS' Capital Management team, is based in Malta. She has extensive experience with financing and capital markets, mergers and acquisitions, litigation and arbitration management, corporate governance, compliance and policy development in respect of public companies. The Board thanks the outgoing Company Secretary for her dedicated service to the Company during her tenure.

Melt Hamman, originally appointed on the request of Attacq Ltd, steps down from the Board effective 25 August 2022. The Board thanks

Malcolm Levy, MAS' co-founder, steps down as Non-Executive Director effective 25 August 2022. Malcolm served as CFO for over 9 years following the Group's foundation, becoming a Non-Executive Director June 2019, and providing valuable guid throughout MAS re-positioning from a Western European business, which is substantially complete. The Board is grateful and thanks Malcolm for his long-tenured service to the Group.

Following and considering directorship changes mentioned, the Board has restructured its committees as follows:

Audit and Risk Committee Chair: Vasile luga; Members: Brett Nagle, Martin Slabbert Remuneration and Nomination Committee Chair: Dan Pascariu; Members: Martin Slabbert, Werner Alberts

Environmental, Social and Ethics Committee Chair: Pierre Goosen: Members: Claudia Pendred, Irina Grigore All changes to committee membership are effective 25 August 2022. The Board remains compliant with the King IV Code on Corporate

Governance following these changes to its composition and committee memberships. MAS aims to identify opportunities providing its shareholders with optimal returns. Therefore, in addition to being traded on the Johannesburg

Stock Exchange, its ordinary shares will be traded on the AZX market, a licensed stock exchange authorised to provide a secondary listing venue for companies and regulated by the Financial Sector Conduct Authority in South Africa in terms of the Financial Markets Act 19 of 2012. An announcement with further details will follow in due course.

### LONG-TERM STRATEGY UPDATE

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

Company's long-term objectives, including self-imposed gearing limitations, are not considered at any point during this period to be at undue risk. However, if this is the case, or if attractive investment opportunities expected to substantially enhance total returns per share which cannot be otherwise more efficiently funded (for instance by selling assests, taking on additional gearing or issuing new share capital) become available, then dividends relative to distributable earnings will be reduced.

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

### Asset management

MAS aims to maximise property values through sustainable asset management initiatives. The Group plans to achieve this through specific asset management initiatives to improve occupancy rates for current Central and Eastern European retail assets to 99% by 30 June 2026 and achieving LFL NRI growth of at least 4% per annum (from a normalised post Covid-19 base). Progress continues to be excellent. On 30 June 2022, occupancy for Central and Eastern European assets increased to 96.3% (95.3% on 31 December 2021) and annualised LFL passing NRI in CEE is 4.7% higher than six months earlier on 31 December 2021 (13.6% higher than

on 30 June 2021).

### **Commercial developments**

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

The DJV is well positioned to achieve these targets. Secured commercial projects to the value of €517.1million are currently estimated to be completed by 30 June 2026 at a weighted average initial yield of 9.3%. During the first six months of the 2022 financial year, the DJV completed projects worth €50.8million at cost, in Barlad and Ploiesti, with initial yields of 9.8% and 9.9%, respectively.

### Residential developments

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

MAS aimed to complete direct acquisitions of high-quality, Central and Eastern European commercial assets to the value of at least

A significant residential pipeline of approximately €1.2billion has been secured for the DJV, which is expected to achieve in excess of the DJV's target of €200million in annual sales by 2026.

# €150million during the 2022 financial year and a further €50million by the end of the 2023 financial year. To this end, by completing Acquisition, as well as via its investment in NRP during the current and previous six months, MAS has exceeded the targets previously acquisitions of direct property. MAS continues to be focused on considering appropriate direct acquisition opportunities in the CEE.

The Company is well positioned to execute on the ambitious but achievable strategic targets adopted, which are expected to generate best-in-class long-term total shareholder returns. It is expected that real GDP and consumption growth in Romania will endure during this period, and that long-term growth in Romania and other CEE countries will continue to remain robust and significantly surpass growth in Western European countries for the foreseeable future. The transactions approved by MAS' shareholders will continue to add scale to the Group's

CEE operations via increasing MAS' investment commitments to the DJV. Management expects the higher inflationary impact on rentals and service charges through to 2023 to be easily absorbed by tenants. Long-term earnings targets

MAS expects delivery on its strategic objectives to result in significant per share distributable earnings (and dividend) growth. Targeted distributable earnings ranging between 14.5eurocents and 15eurocents per share for the 2026 financial year should comfortably be achieved. To achieve these results, it is assumed that, amongst others, the remaining Western European assets are sold as per management's estimates;

the remaining western European assets are sold as per management's estimates;
 (ii) stated asset management targets are achieved;
 (iii) secured commercial and residential development pipeline is permitted and rolled out as planned;
 (iv) NRP performs as expected and that its shares trade at the projected Tangible NAV per share;
 (vi) no further MAS shares are issued, during this period, and
 (vi) no major economic disruptions occur before 30 June 2026.

PGLA open for trade without restrictions. GLA open for trade subject to restrictions (pro-rated to reflect days with restrictions). GLA closed for trade (pro-rated to reflect days closed).

## **EARNINGS GUIDANCE AND PROSPECTS**

Distributable earnings per share for the 2023 financial year have been revised upward in light of the completed Acquisition on 30 June 2022 and it is now expected to range from 9.40eurocents to 10.10eurocents per share (of which 0.65 to 1.10eurocents per share is expected to be from residential sales). This guidance is based on the assumptions that no additional material macroeconomic disruption occurs, a stable

political environment prevails in the Groups' markets, developments continue as scheduled, and no major corporate failures ensue.

Shareholders should note that the Company's estimates and distributable earnings per share targets have not been audited and are subject to change, Inevitably, some assumptions will not materialise, plans will change, and unanticipated events and circumstances may affect the ultimate financial results. The Company will not hesitate to adopt changes in strategy, or to take action that will impact negatively or 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.

The Company achieved 3.87eurocents adjusted distributable earnings per share, and 3.82eurocents diluted adjusted distributable earnings per share (taking account of share purchase plan issued shares) in respect of the six-month period to 30 June 2022. The Board has consequently declared a cash dividend of 3.82eurocents per share for the six months ending then. Payment is expected by 26 September 2022 and further details will be announced separately.

(20,816)

(4,277)

4,339

(1,427)

(7,129)

(57)

(16,539)

(15,245)

(369)

(806)

(119)

(164)

162

1,293

(797)

(38)

(326)

(97)

432

560

(3,023)

25 August 2022 Malta Irina Grigore Chief Executive Office Released on 29 August 2022

All amounts in € thousand unless otherwise stated.	Audited	Audited
CONDENSED CONSOLIDATED STATEMENT	30 Jun 22	30 Jun 21
OF FINANCIAL POSITION		
Non-current assets	1,141,198	758,253
Current assets	388,402	568,327
Total assets	1,529,600	1,326,580
Equity attributable to owners of the Group	928,150	869,423
Total equity	928,150	869,423
Non-current liabilities	450,826	321,059
Current liabilities	150,624	136,098
Total liabilities	601,450	457,157
Total shareholder equity & liabilities	1,529,600	1,326,580
	Audited	Audited
CONDENSED CONSOLIDATED	Year to	Year to
STATEMENT OF PROFIT OR LOSS	30 Jun 22	30 Jun 21
Continuing operations		
Rental income	36,344	34,864
Service charge income and other recoveries	11,575	10,499
Gross revenue	47,919	45,363
Impairment of receivables	(770)	(C 000)

388,402	568,327
1,529,600	1,326,580
928,150	869,423
928,150	869,423
450,826	321,059
150,624	136,098
601,450	457,157
1,529,600	1,326,580
Audited	Audited
Year to	Year to
30 Jun 22	30 Jun 21
36,344	34,864
11,575	10,499
47,919	45,363
(338)	(6,090)
(13,478)	(12,355)
34,103	26,918
(6.564)	(5,700)
	2,690
	(631)
	28,432
	3,100
	10.629
	65,438
	15,397
	(9,401)
	71,434
	(180)
	(5,443)
	65,811
150,014	05,011
10 357	5,931
	71,742
242,272	72,742
141 171	71,742
	71,742
242,272	72,742
A coalities of	A al ? s
	Audited 30 Jun 21
	869,423
	123.4
	45,363
	10.18
	10.14
	5.93
	5.93
25,628	36,744
40,050	48,414
	1,529,600 928,150 928,150 450,826 150,624 601,450 1,529,600  Audited Year to 30 Jun 22  36,344 11,575 47,919 (338) (13,478) 34,103 (6,564) 5,006 (1,858) 61,223 (770) 40,901 132,041 21,733 (15,256) 138,518 (872) (6,832) 130,814  10,357 141,171  Audited 30 Jun 22 928,150 134,9 47,919 20.07 20.01 6.83 6.78 25,628

Gross headline earnings per share (eurocents)

Net headline earnings per share (eurocents) Gross diluted headline earnings per share (eurocents)

Number of shares in issue\*

Net diluted headline earnings per share (eurocents)

\* The Group's earnings per share have increased by 97% vs. 30 Jun 2021.

5.22 6.87

5.19 6.84

Diluted tangible net asset value per share (eurocents)

704,493,798

3.64

3.63

5.67

687,906,892

Income tax Deferred tax

SEGMENTAL ANALYSIS INCOME STATEMENT (JAN – JUN 2022) Proportionate accounts Adjusted proportionate accounts Six months to 30 Jun 2022 Six months to 30 Jun 2022 Six months to 30 Jun 2022 Tota EARNINGS 74,260 58,627 37,216 (21,680)2,433 (5,927)(261)76,693 66,384 31,289 7,757 864 Distributable earnings 25,718 15,890 15,150 162 (5,484)366 (841)1,207 26,084 15,890 14,309 22,678 4,312 1,293 22,678 17,073 4,312 Net rental income - income property 17,073 Net margin – residential sale 2.959 2 959 2.959 2 959 Net income - preferred equity 6.555 6.555 6.555 6.555 4,177 3,336 162 (841) 1,003 4,339 Net dividends - listed securities 841 Net corporate expenses (595) (1,427) (595)Interest on debt financing (8.437) (511)(797)(7,129)(8.437) (511)Interest capitalised on developments 1,457 1,45 Other distributable net income/(cost) (330) (122) (207) 204 (126 (626)(466)(65)(38)(57) (626)(466) (65)Non-distributable earnings 48.542 42,737 22.066 (65) (16,196) 2.067 7,757 (5,086) (261) (343) 50.609 50.494 16,980 Fair value adjustments - income property 64,659 50,567 16,233 (2,141)(882)(882)63,777 50,567 16,233 Fair value adjustments - interest rate derivatives 829 829 829 Fair value adjustments – listed securities (14,242)(1,003) (1,003) (14,242)(15,245)Foreign currency exchange differences (369)(369)(369)(1,053) (73) (73) Investment expenses (16)(158)(806)(16)(992)(1,269) 1,269 609 660 Share-based payment expens (609)(660 (185)Other non-distributable income/(cost) (185) (66)(119)(66)Tax on sale of property 1,802 1,802 (1,630) (7,148)5,086 432 2.062 7,148 (5,086)432 Estimation for WE disposal realisation costs and losses 560 560 560 Weighted average adjusted number of shares (million) 673.9 Diluted weighted average adjusted number of shares (million) 683.5

bilatea weighted average adjusted hamber of shares (million)											003.3				
Adjusted distributable earnings per share (eurocents)											3.87				
Diluted adjusted distributable earnings per share (eurocents)											3.82				
Dividend per share (eurocents)											3.82				
SEGMENTAL ANALYSIS BALANCE SHEET (JUN 2022) Proportionate accounts 30 Jun 2022				Adjustments 30 Jun 2022				Adjusted proportionate accounts 30 Jun 2022							
	Total	CEE	DJV	WE	Co***	Total	CEE	DJV	WE	Co	Total	CEE	DJV	WE	Co
NET ASSET VALUE	928,150	739,969	261,322	68,720	(141,861)	(4,514)	17,640	(17,990)	(4,164)	-	923,636	757,609	243,332	64,556	(141,861)
Assets	1,596,230	914,697	327,955	108,475	245,103	(122,431)	(12,983)	(19,570)	-	(89,878)	1,473,799	901,714	308,385	108,475	155,225
Income property	952,822	859,816	14,536	78,470	-	-	-	-	-	-	952,822	859,816	14,536	78,470	_
Developments – income property	41,573	720	40,853	-	-	-	-	-	-	-	41,573	720	40,853	-	_
Developments – residential property	50,293	-	50,293	-	-	-	-	-	-	-	50,293	-	50,293	-	_
Preferred equity	141,640	-	141,640	-	-	-	-	-	-	-	141,640	-	141,640	-	_
Listed securities	117,225	-	19,570	-	97,655	(19,570)	-	(19,570)	-	-	97,655	-	-	-	97,655
Goodwill	1,696	1,696	-	-	-	(1,696)	(1,696)	-	-	-	-	-	-	-	_
Deferred tax asset	3,824	2,419	23	1,382	-	-	-	-	-	-	3,824	2,419	23	1,382	_
Interest rate derivative financial assets	5,066	4,562	504	-	-	-	-	-	-	-	5,066	4,562	504	-	_
Other assets	2,545	158	1,860	135	392	-	-	-	-	-	2,545	158	1,860	135	392
VAT receivable	3,145	778	1,968	254	145	-	-	-	-	-	3,145	778	1,968	254	145
Share-based payment prepayments	11,287	11,287	-	-	-	(11,287)	(11,287)	-	-	-	-	-	-	-	_
Trade and other receivables	82,457	14,205	48,227	18,960	1,065	(35,951)	-	(35,951)	-	-	46,506	14,205	12,276	18,960	1,065
Cash and cash equivalents	182,657	19,056	8,481	9,274	145,846	(53,927)	-	35,951	-	(89,878)	128,730	19,056	44,432	9,274	55,968
Liabilities	668,080	174,728	66,633	39,755	386,964	(117,917)	(30,623)	(1,580)	4,164	(89,878)	550,163	144,105	65,053	43,919	297,086
Debt financing	463,537	123,544	9,828	34,126	296,039	-	-	-	_	-	463,537	123,544	9,828	34,126	296,039
Other liabilities	109	-	109	-	-	-	-	-	-	-	109	-	109	-	_
Deferred tax liability	32,203	30,623	1,580	-	-	(32,203)	(30,623)	(1,580)	-	-	-	-	-	-	_
Trade and other payables	172,231	20,561	55,116	5,629	90,925	(89,878)	-	-	-	(89,878)	82,353	20,561	55,116	5,629	1,047
Estimation for WE disposal realisation costs and losses	-	-	-	-	-	4,164	-	-	4,164	-	4,164	-	-	4,164	_
Adjusted number of shares in issue (million)											659.5				
Diluted adjusted number of shares in issue (million) ~											669.7				
Tangible net asset value per share (eurocents)											140				

\*\*\* Corporate (Co), other assets, liabilities and activities related to the Group's management, including investments in listed securities, Group level financing, as well as corporate level administration.

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