



MAS P.L.C.
Registered in Malta
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LEI code: 213800T1TZPGQ7HS4Q13
("MAS")

LETTER FROM PK INVESTMENTS LIMITED REGARDING A FURTHER INCREASE IN CASH CONSIDERATION AND MAXIMUM CASH AMOUNT, AMENDMENT TO TERMS OF THE CONSIDERATION INSTRUMENTS AND OTHER MATTERS RELATED TO THE INTENDED VOLUNTARY BID TO ACQUIRE ALL THE SHARES IN MAS

1 INTRODUCTION

- 1.1 MAS hereby informs its shareholders that, MAS received a letter dated 5 June 2025 ("**Further Update to Bid Letter**") from PK Investments Limited ("**PKI**"), wherein PKI informed MAS that it intends making further adjustments to the voluntary offer ("**Voluntary Bid**") to all shareholders of MAS ("**Shareholders**") to acquire all the shares in the issued share capital of MAS ("**Shares**") not already held by PKI, as referred to in announcements issued by MAS on 16 May 2025 and 28 May 2025.
- 1.2 The MAS board of directors is reviewing the contents of the Further Update to Bid Letter.
- 1.3 This announcement is for information purposes only. Shareholders are advised that no action is required to be taken by them until such time as a Voluntary Bid document is distributed by PKI.

2 FURTHER INCREASE IN THE CASH CONSIDERATION AND MAXIMUM CASH AMOUNT AND RELATED MATTERS AS SET OUT IN THE FURTHER UPDATE TO BID LETTER

The following matters have been extracted directly from the Further Update to Bid Letter, without amendment. Undefined capitalised terms used in this extract bear the same meaning ascribed to them in the announcements issued on 16 May 2025 and 28 May 2025.

"2 Amended terms of the PKI Bid

2.1 PKI's strategy following implementation of the Voluntary Bid

- 2.1.1 PKI's general objective in purchasing Shares is to maximise returns to PKMD's shareholders.
- 2.1.2 MAS is hereby notified that PKI's strategy, as a Shareholder of MAS following the implementation of the Voluntary Bid, is to –
- 2.1.2.1 acquire control of MAS;
- 2.1.2.2 procure that MAS embarks on and implements, where warranted, additional asset management initiatives, improvements and extensions to MAS' directly held properties (the "**Asset Optimisations**") and a managed commercial realisation of the assets of MAS (the "**Proposed Asset Realisation**") with the view to maximizing returns for Shareholders. The Proposed Asset Realisation is expected to be completed within a period of 5 years following the implementation of the Voluntary Bid ("**Realisation Period**"), and

2.1.2.3 procure that the net proceeds of the Asset Optimisations and Proposed Asset Realisation be returned to the Shareholders, either by way of distributions or Share repurchases.

2.1.3 It is not the intention of PKI to delist MAS from the JSE, or to acquire further Shares during the Realisation Period if following the implementation of the Voluntary Bid, the PK Parties hold more than 50% of the Shares in issue.

2.2 Further increase to the Cash Consideration and Maximum Cash Amount

2.2.1 In paragraphs 2.3 of the Increase Letter, PKI reserved the right to further increase the Cash Consideration and/or the Maximum Cash Amount at any time prior to the issue date of the Circular, or if increased after the issue date of the Circular, at any time prior to the Finalization Date. Accordingly, PKI is pleased to notify MAS, by the delivery of this letter, that it has resolved to further increase the Cash Consideration and the Maximum Cash Amount on the basis set out in paragraph 2.2 of this letter.

2.2.2 Pursuant to paragraph 2.3 of the Increase Letter –

2.2.2.1 PKI hereby notifies MAS that the Cash Consideration is hereby increased from EUR1.10 per Share to **EUR1.40** per Share; and

2.2.2.2 PKI hereby notifies MAS that the Maximum Cash Amount is hereby increased from EUR80,000,000 to **EUR110,000,000**,

provided that PKI reserves the right to further increase the Cash Consideration and/or the Maximum Cash Amount by written notice to MAS at any time prior to the issue date of the Circular, or if increased after the issue date of the Circular, at any time prior to and including the Finalisation Date.

2.3 Amendments to the terms of the Consideration Instruments

2.3.1 In paragraph 3.1.3 of the Bid Letter, PKI reserved the right to amend the terms of the Consideration Instruments prior to the issue date of the Circular. PKI is hereby pleased to notify MAS that it has since resolved to amend the terms of the Consideration Instruments on the basis set out in paragraph 2.3.2 of this letter, provided that PKI reserves the right to further amend the terms of the Consideration Instruments at any time prior to the issue date of the Circular.

2.3.2 Pursuant to paragraph 3.1.3 of the Bid Letter, PKI hereby notifies MAS that it has resolved to amend the terms of the Consideration Instruments as follows –

2.3.2.1 the EUR Face Value (as defined in paragraph 4.1.2) is increased from EURc0.9 to EURc1.50;

2.3.2.2 after the first anniversary of the Issue Date ("**First Anniversary**"), the EUR Face Value of each Consideration Instrument will increase at a rate equal to 7% per annum, compounded at the end of every 6 months after the First Anniversary;

2.3.2.3 the Relevant Percentage in paragraph 4.3.1.1 below is substituted with a fixed percentage of 90% instead of a percentage which started at 60% and increased to 75% by the 5th anniversary of the Issue Date;

2.3.2.4 for purposes of calculating the *Adjusted NAV* in terms of paragraph 4.4.4, the Pref Adjusted Value as at the date of the Reference Financials will be calculated as the sum of preferred equity and arrears coupon excluding any fair valuation or impairment adjustments, multiplied by 85%, instead of a percentage which started at 67.4% and increased to 74.3% by the 5th anniversary of the Issue Date; and

2.3.2.5 in order to further protect the holders of the Consideration Instruments, the terms of the Consideration Instruments will also include that –

2.3.2.5.1 PKI will take all such steps as are legally permissible to procure that the auditors of MAS ("**MAS Auditors**") are not changed unless the approval of a majority of the holders of the Consideration Instruments, at a meeting of the holders of the Consideration Instruments or by written consent, has been obtained (including, to the extent required, to vote against any Shareholder resolution proposed by the MAS Board to change the MAS Auditors); and

2.3.2.5.2 PKI will take all such steps as are legally permissible to procure that the *Adjusted NAV* and *Adjusted NAV per Share* (as contemplated in paragraph 4.4.2) will be determined by the MAS Auditors and included in all financial statements published by MAS, provided that if such calculation is disputed by (i) PKI or (ii) the holders of a majority of the Consideration Instruments, such dispute will be referred by PKI to an independent JSE accredited auditor for determination.

2.4 The terms of the Consideration Instruments, as amended in terms of this letter, are set out in paragraph 4 below. PKI reserves the right to further amend the terms of the Consideration Instruments at any time prior to the issue date of the Circular.

3 Further Undertakings by PKI

3.1 Further to paragraph 2.1.3 above, PKI will undertake, as a term of the Voluntary Bid to be included in the Circular, that if, pursuant to the Voluntary Bid, the PK Parties (including PKI) hold more than 50% of the Shares, PKI will not acquire any further Shares in the market during the Realisation Period, and will procure that neither PKMD nor any of its subsidiaries acquire any further Shares in the market during the Realisation Period.

3.2 Further to paragraph 2.1.2.3 above, PKI will further undertake, as a term of the Voluntary Bid, to take all such steps as are legally permissible (including, to the extent required, to vote in favour of any resolutions proposed by the MAS Board) to authorize and procure the return to the Shareholders of the net proceeds (after providing for debt repayments and MAS' budgeted working capital and expenditure requirements) of the Asset Optimisations and Proposed Asset Realisation, whether by way of distributions or Share repurchases.

3.3 In terms of the 2017 Amended and Restated Framework Investment Agreement concluded between, *inter alia*, MAS and Prime Kapital, MAS is entitled to give written notice to commence winding down of PKMD on or after 23 March 2035 ("**Wind Down Notice**"). PKI will undertake, as a term of the Voluntary Bid, to take all such steps as are legally permissible to procure that the MAS Board provides the Wind Down Notice by not later than 23 March 2035.

4 Terms of the Consideration Instruments (as amended)

4.1 General

4.1.1 The Consideration Instruments shall be 5-year non-voting redeemable preferred shares issued by PKI.

4.1.2 In accordance with the Consideration Instrument Ratio, Shareholders will receive 100 Consideration Instruments per Bid Share sold in terms of the Voluntary Bid. The initial face value of each Consideration Instrument on the date of issue of that Consideration Instrument (the "**Issue Date**") will be a ZAR face value in an amount equal to EURc1.50 ("**EUR Face Value**") multiplied by the ZAR EURO Exchange Rate on the Bid LPD.

4.1.3 The Offeror reserves the right to amend the terms of the Consideration Instruments prior to the issue date of the Circular.

4.2 *Redemption of Consideration Instruments*

4.2.1 Final redemption:

PKI shall redeem the outstanding Consideration Instruments on the 5th anniversary of the Issue Date at a redemption price determined in accordance with paragraph 4.3 below.

4.2.2 Voluntary redemption:

4.2.2.1 PKI will be entitled (but not obliged) to redeem, at any time such number of Consideration Instruments as PKI may in its sole discretion determine, at a redemption price determined in accordance with paragraph 4.3 and on written notice to the holders of the Consideration Instruments ("**Voluntary Redemptions**").

4.2.2.2 If PKI makes Voluntary Redemptions of some but not all of the outstanding Consideration Instruments, then PKI shall redeem the Consideration Instruments *pro rata* to the total number of outstanding Consideration Instruments.

4.2.3 Cash Distributions:

4.2.3.1 PKI shall not be entitled to make use of any cash distributions received by PKI from MAS in respect of any of the Shares owned by PKI (including the Shares held by PKI as at the date of the Bid Letter, all Shares acquired pursuant to the Voluntary Bid, or any other Shares acquired by PKI) ("**Cash Distributions**") other than for purposes of Voluntary Redemptions.

4.2.3.2 Subject to paragraph 4.2.2.2, all Cash Distributions not used for Voluntary Redemptions by the third anniversary of the Issue Date ("**Third Anniversary**") shall be used for Voluntary Redemptions by not later than 21 calendar days after the Third Anniversary. Any Cash Distributions received after the Third Anniversary shall similarly be used to make Voluntary Redemptions within 21 calendar days following the date of receipt by PKI of the Cash Distribution.

4.3 *Redemption Price*

4.3.1 Any redemption of outstanding Consideration Instruments shall be made on the applicable redemption date (each a "**Redemption Date**") at the higher of –

4.3.1.1 90% of the sum of (i) the "*Adjusted NAV per Share*" and (ii) "*Cumulative Distributions per Share*" (each as defined in paragraph 4.4 below), *divided by* the Consideration Instrument Ratio; and

4.3.1.2 the "*Floor Value*" (as defined in paragraph 4.5 below) of each Consideration Instrument.

4.3.2 The redemption price determined in accordance with paragraph 4.3.1 shall be settled in ZAR at the ZAR EURO Exchange Rate on the last practical date prior to the applicable Redemption Date.

4.4 *Adjusted NAV per Share and Cumulative Distributions per Share*

4.4.1 The "*Cumulative Distributions per Share*" is the sum of all distributions (including Cash Distributions) per Share declared and paid by MAS between the Issue Date and the Redemption Date.

4.4.2 The "*Adjusted NAV per Share*" on any day will be equal to (i) the "*Adjusted NAV*" (as defined in paragraph 4.4.4 below), *divided by* (ii) the number of issued Shares used by MAS to determine the net asset value per Share for IFRS purposes, in each case based on MAS' latest publicly available financial statements prepared in terms of IFRS and available, for the purpose of (A) Voluntary Redemptions, at the time that PKI provides a notice of redemption in terms of paragraph 4.2.2 or (B) the final redemption, at the 5th anniversary of the Issue Date ("**Reference Financials**").

- 4.4.3 Appropriate adjustments will be made to the "*Cumulative Distributions per Share*" and "*Adjusted NAV per Share*" to reverse such effects in the event of any Share consolidations, capitalization issues, Share splits or other Share capital reorganisations by the Company after the Issue Date.
- 4.4.4 The "*Adjusted NAV*" is the equity attributable to owners of the MAS Group (as defined in the Bid Letter) as reflected in the consolidated statement of financial position contained in the Reference Financials ("**IFRS NAV**"), adjusted by –
- 4.4.4.1 *deducting* the disclosed sum of the preferred equity in PKM Development Limited ("**PKMD**") and arrears coupon on such preferred equity as reflected in the Reference Financials, being the sum of preferred equity and arrears coupon adjusted for any fair valuation or impairment adjustments ("**Pref IFRS Value**");
- 4.4.4.2 *adding* the sum of preferred equity and arrears coupon ("**Pref Adjusted Value**") as at the date of the Reference Financials, calculated as the sum of preferred equity and arrears coupon excluding any fair valuation or impairment adjustments, *multiplied by* 85%;
- 4.4.4.3 *adding* the deferred taxation liabilities as reflected in the Reference Financials (IFRS Deferred Tax Liabilities);
- 4.4.4.4 *deducting* the sum of the deferred taxation on each of the Company's assets (Market Deferred Tax Liabilities), determined individually for each asset based on:
- 4.4.4.4.1 the book value of that asset as reflected in the Reference Financials less the fiscal tax base of that asset; *multiplied by*
- 4.4.4.4.2 the applicable statutory tax rate as at the date of the Reference Financials;
- 4.4.4.4.3 *deducting* the deferred taxation assets and intangible assets as reflected in the Reference Financials (IFRS Deferred Tax Assets and Intangibles); and
- 4.4.4.4.4 *deducting* all cash and other distributions which have been declared and paid by the Company to the extent not already accounted for as a liability by MAS in the Reference Financials.
- 4.4.5 The determination of *Adjusted NAV* and *Adjusted NAV per Share* will be done by applying MAS' accounting policies, including management's judgements, accounting estimates and assumptions that affect the application of MAS' accounting policies, as applied in MAS' condensed consolidated interim financial statements for the six-month period to 31 December 2024 prepared in terms of IFRS ("**2024 Accounting Principles**").
- 4.4.6 Any changes to the 2024 Accounting Principles after the Issue Date, including from new standards and amendments or improvements to existing standards and interpretations of IFRS, or any changes to management's judgements, accounting estimates and assumptions that affect the application of the 2024 Accounting Principles, other than in respect of correction of an error, will be reversed with the revised accounting treatment applied on a basis consistent with the 2024 Accounting Principles.
- 4.4.7 PKI will take all such steps as are legally permissible to procure that the *Adjusted NAV* and *Adjusted NAV per Share* will be determined by the auditors of MAS ("**MAS Auditors**") and included in all financials published by MAS, provided that if such calculation is disputed by (i) PKI or (ii) the holders of a majority of the Consideration Instruments, such dispute will be referred by PKI to an independent JSE accredited auditor for determination.

4.5 *Floor Value*

4.5.1 After the first anniversary of the Issue Date ("**First Anniversary**"), the EUR Face Value of each Consideration Instrument will increase at a rate equal to 7% per annum, compounded at the end of every 6 months after the First Anniversary (each a "**Calculation Date**") and each such increase (the "**EUR Face Value Increase Amount**") will notionally form part of the EUR Face Value of the Consideration Instruments.

4.5.2 Accordingly, the "*Floor Value*" per Consideration Instrument on any day will be equal to the sum of –

4.5.2.1 the EUR Face Value of that Consideration Instrument; *plus*

4.5.2.2 all EUR Face Value Increase Amounts attributable to that Consideration Instrument on all previous Calculation Dates.

4.6 *Security*

Details of the security or ring-fencing arrangements which will apply to all Shares owned by PKI, including all Shares held by PKI as at the date of this Bid Letter, all Shares acquired by PKI in terms of the Voluntary Bid and any other Shares acquired by PKI, will be included in the Circular.

4.7 *Listing*

Subject to the approval of the SARB and the Relevant Exchange (as defined below), the Consideration Instruments will be listed on a Relevant Exchange under an approved inward listing in terms of South African Exchange Control. Accordingly, upon listing of the Consideration Instruments on a Relevant Exchange, South African institutional investors may invest in the Consideration Instruments using their permissible foreign portfolio investment allowances, and South African corporates, trusts, partnerships, and private individuals may invest in the Consideration Instrument without restriction.

4.8 Undertaking in relation to change to MAS' Auditors

PKI will take all such steps as are legally permissible to procure that the MAS Auditors are not changed unless the approval of a majority of the holders of the Consideration Instruments, at a meeting of the holders of the Consideration Instruments or by written consent, has been obtained (including, to the extent required, to vote against any Shareholder resolution proposed by the MAS Board to change the MAS Auditors)."

The attention of Shareholders is also drawn to the announcements published on SENS by Hyprop Investments Limited on 26 May 2025 and 2 June 2025.

6 June 2025

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