SHORT-FORM ANNOUNCEMENT: REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2022

MAS P.L.C.

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

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

INTRODUCTION AND BACKGROUND

MAS (hereafter referred to as the Group or Company) performed very well in the six months to 31 December 2022, achieving adjusted total earnings of €50.2million and adjusted distributable earnings per share of 4.42eurocents per share (a 14.3% increase compared to the previous six months) and is on course to achieve the strategic objectives set by the end of 2026 financial year. During this period, the Group's retail operations have performed admirably, no longer affected by the pandemic, and its financial results were further enhanced by the acquisition of six assets from the development joint venture (DJV)[1] with effect from 30 June 2022. 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, to assist in the interpretation of the former rather than replacing it. Detailed financial results and Company Profile (updated on 31 December 2022), including highlights and supplemental operational information, are available on MAS' corporate website. Unless otherwise stated, all amounts included in this commentary are presented on an adjusted proportionate consolidated basis.

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

FINANCIAL RESULTS

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

Adjusted total earnings for the six months to 31 December 2022 were €50.2million, consisting of adjusted distributable earnings of €29.2million (€26.1million for the previous six months) and adjusted non-distributable earnings of €21.0million (€50.6million for the previous six months). Tangible net asset value (NAV) on 31 December 2022 was €1.44 per share (€1.40 per share on 30 June 2022).

Financial results for the six months to 30 June 2022 included the six assets acquired by MAS, as a result of the transaction with the DJV, at 40% ownership while financial results for the six months to 31 December 2022 incorporate these at 100% ownership (as their assets and liabilities transferred on 30 June 2022). Tangible NAV figures for the two periods are comparable.

MAS' adjusted total earnings compared to the preceding six months (to 30 June 2022), benefitted from:

(i) exceptional operational performance of, and increased trading in, the Group's retail properties in CEE, achieving further LFL increases in passing NRI of 5.6% and excellent rental and service charge collections, combined with the positive impact of additional NRI from the six properties acquired from the DJV (effective from 30 June 2022);
(ii) improvements in the Group's interest rate derivatives' valuations (cap assets) due to increases in reference interest rates, more than offsetting a lower preferred equity income and an increase in overall finance costs, resulting from the acquisition of the six properties from the DJV and transfer of their associated secured, hedged, debt, with effect from 30 June 2022;
(iii) increases in dividends and fair value of MAS' investment in listed securities, and
(iv) (realised) gains on MAS bonds repurchased during the six months to 31 December 2022.

These positives partially offset unfavourable earnings variances compared to the six months to 30 June 2022, mainly due to (i) significant earnings in the current period, resulting from improvements in Central and Eastern European asset valuations, albeit not repeating the exceptional levels in the previous period; (ii) an increase in estimated disposal realisation costs and losses for the remaining Western European assets, in light of offers for Flensburg Galerie (Germany), and (iii) substantial income from residential sales in the previous period not replicated at similar levels in the current period, due to the non-linear pattern of residential unit deliveries, as the DJV is building residential capacity while completing its first residential projects.

OPERATIONS

Information regarding MAS' Central and Eastern European LFL footfall and tenants' sales (compared to the same period in 2021), and collection rates for the six months to 31 December 2022, is detailed in Table 1. All figures are reported on 1 March 2023.

Table 1

		Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Total
Footfall (2022 compared to 2021)	%	108	109	108	126	172	148	125
Open-air malls	%	107	107	104	122	171	149	124
Enclosed malls	%	109	112	116	133	175	145	128
Tenants' sales per m² (2022 compared to 2021)	%	114	117	114	122	150	129	124
Open-air malls	%	111	114	109	118	143	126	120
Enclosed malls	%	119	120	122	130	164	134	130
Collection rate	%	100	100	100	100	100	99	100

Trading and footfall in the Group's properties in CEE were exceptional for the six months to 31 December 2022, and were unaffected by social distancing or other Covid-19 related trading restrictions. As a result, collection rates were exemplary and the Group did not provide any support to tenants (deferred or waived rentals).

Tenants' sales on a LFL basis were excellent compared to the six months to 31 December 2021. Overall, sales outperformed the comparative period by 20% in open-air malls and 30% in enclosed malls. Most categories performed remarkably well, similarly to the overall growth. Noteworthy outperformance was achieved by entertainment, specialist, services, food service, shoes and clothing tenants' categories. Conversely, toys tenants' sales were commensurate with the comparative period. LFL tenants' sales outperformed pre-pandemic levels by 18%, both in enclosed malls (16% increase) and open-air malls (20% increase).

Passing NRI increased by 5.6% during the six months to 31 December 2022 and 10.9% year-on-year, 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, therefore, indexation is passed on in full to tenants. Due to continued robust tenants' sales, occupancy cost ratios are expected to remain healthy, and it is anticipated tenants will be able to comfortably absorb higher rents.

Occupancy cost ratios (excluding certain tenant categories: supermarkets, DIY stores, entertainment and services) decreased to 10.6% to 31 December 2022, improving from 11.1% (to 30 June 2022), despite an increase in absolute occupancy costs due to increased rentals and service charges, outweighed by tenants' excellent sales.

On 31 December 2022, overall occupancy of Central and Eastern European assets remained stable at 96.3% and increased to 96.8% on a LFL basis.

Operations in Western Europe (WE) benefitted from asset management initiatives implemented at Flensburg Galerie (Germany). Occupancy increased to 87.7% (81.5% on 30 June 2022) and the tenant mix was diversified by opening a modern health and wellness centre, improved fashion offering, and a refurbished food court. As a result, footfall (21% increase) and tenants' sales (14% increase) have outperformed those in the six months to 31 December 2021.

PROPERTY VALUATIONS

The overall €21.7million income property fair value uplift was the result of positive fair value adjustments of €23.9million to income property in CEE (an improvement of 3% compared to valuations on 30 June 2022) and a decrease of €2.2million in WE (a decrease of 1.9% compared to valuations on 30 June 2022, driven mainly by an increase in the valuation discount rate used for Flensburg Galerie). Valuation of MAS' 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.

The excellent operational performance during the six months to 31 December 2022, resulted in LFL passing NRI increases, had a positive impact on fair value. However, this was muted by an increase in valuation discount rates, primarily due to an increased risk premium associated with macroeconomic uncertainty. Compared to valuations on 30 June 2022, the weighted average unlevered discount rate for income property in CEE increased to 9.91% from 9.71%.

ASSET SALES IN WE

After the completion of the Langley Park (UK) land sale in December 2022, Flensburg Galerie (Germany) and Arches street retail units (UK) remain the last of MAS' Western European properties held for sale. On 31 December 2022, they had a combined book value of €59.6million with €33.8million secured bank debt outstanding, and are undergoing competitive sales processes, which are expected to conclude in the second half of the 2023 financial year.

At Flensburg Galerie, substantial progress has been achieved with asset management initiatives to protect shareholder value and position the asset for optimal disposal. Occupancy on 31 December 2022 increased to 87.7% (81.5% on 30 June 2022), centre management and parking operations were internalised, and part of the planned changes to the centre's tenant mix and food court refurbishment have been finalised. Following a competitive sales process, which commenced during the six months to 31 December 2022, and based on existing offers currently under negotiation, management's estimation for Western European disposal realisation costs and losses has been re-assessed to €21.3million on 31 December 2022, from €4.2million on 30 June 2022. These latest estimates include 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 of remaining assets held for sale.

RESIDENTIAL SALES

MAS' adjusted distributable earnings for the six months to 31 December 2022 include its proportion of net profits on residential sales of €0.3million achieved by the DJV through additional deliveries in its first residential development, Marmura Residence. This project was substantially handed over to clients by 30 June 2022, and net profits of €3.0million were included in MAS' adjusted distributable earnings for the previous six months as revenue, and corresponding net profits, on residential sales is recognised when units are handed over to customers.

LISTED SECURITIES

On 31 December 2022, MAS held listed securities to the value of €101.1million, an investment of 17,753,418 shares in NEPI Rockcastle N.V. (NRP). Total adjusted returns for the six months to 31 December 2022 on this investment comprise €5.3million in accrued dividend for the period, realised gains of €0.9million (compared to 30 June 2022) on a partial disposal for €7.7million, and €9.3million unrealised fair value gains, but also account for a loss of €0.7million as a result of withholding tax on the NRP cash dividend for the six-month period to 30 June 2022.

To date, further disposals of €21.4million were completed, at a realised profit of €0.5million (compared to 31 December 2022; €2.6million compared to 30 June 2022).

DEVELOPMENTS, EXTENSIONS AND REFURBISHMENTS IN THE DJV

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

Commercial developments

The extensions to Baia Mare and Roman Value Centres were completed, and opened on 29 September and 1 December 2022, respectively. They complement the existing open air malls' retail offering with 7,700m² additional retail GLA and safeguard their dominant position for the foreseeable future. Construction and leasing for the 4,300m² GLA extension at Slobozia Value Centre are progressing as scheduled, and the additional retail units are planned to open May 2023.

Construction and leasing at Alba Iulia Mall are progressing well, with opening scheduled for September 2023. Over 91% of the 29,000m² GLA is currently leased to national and international tenants.

At Arges Mall construction of the bridge infrastructure continues and works on the 51,400m² enclosed mall have commenced. Leasing is progressing very well, and there is continued significant interest from national and international tenants.

Construction of Mall Moldova, previously planned to start November 2022, is delayed as the existing permitting is being enhanced to incorporate a revised layout and reconfigured infrastructure. Construction is expected to begin April 2023, and will involve extending and redeveloping Era Shopping Centre (29,600m² GLA) into a super-regional enclosed mall and retail node incorporating approximately 107,300m² of destination GLA. Retailer interest remains strong and significant progress has been achieved in leasing the project to national and international tenants.

Construction and leasing for Silk District office's first phase and permitting for the next two phases remain on schedule. The first phase is expected to be completed during the second half of 2023 calendar year.

Zoning is progressing for the DJV's commercial projects in Brasov (24,400m² GLA open-air mall) and Cluj (73,300m² GLA enclosed mall and 49,200m² GLA office components on a 17ha site where the DJV plans a large-scale mixed-use urban regeneration project). Interest in these projects from national and international tenants is strong. In line with the current practice of the local administration in Bucharest, the zoning of the mixed-use urban regeneration project in Bucharest that includes an approximately 28,000m² GLA open-air mall component on a 54ha former industrial site is delayed.

Residential developments

At Marmura Residence, by 31 December 2022, handover was completed for 362 units of the project's total 458 units, with 308 occurring during the six months to 30 June 2022. Remaining units are marketed in accordance with the sales strategy and are expected to be sold over the next 12-24 months.

At Avalon Estate, the first buildings are complete, and units will be delivered to clients over the following months. Construction and sales continue for the balance of the first phase, comprising approximately half of the 746 dwellings development. Of the 352 residential units released for sale, 71% have been sold. Four show units were fitted out, to illustrate the high quality of the dwellings.

Construction of the first and second phases of Silk District's residential component (315 units; 71% sold and 346 units; 69% sold, respectively) is progressing well. Handovers to clients for first phase units are expected to commence in the second half of 2023 calendar year and in the first half of 2024 calendar year for the second phase units. Permitting for the third phase (312 units; 25% reserved) has been obtained and construction is planned to begin in January 2024, subject to adequate progress being made in terms of construction and delivery of the first two phases.

Construction and sales of Pleiades Residence's first phase are progressing well. Of the 142 units in two of the seven residential buildings planned for the 10.1ha mixed-use urban regeneration project in downtown Ploiesti, 29% have been sold to date. Re-zoning of the remaining land continues in parallel with permitting for the planned extension on Prahova Value Centre.

Zoning is underway for DJV's residential projects in Timisoara, Elba Residential (approximately 1,400 apartments) and Spumotim Residential (approximately 2,100 apartments) as well as for the residential components of the large-scale, mixed-use projects mentioned above in Bucharest (approximately 3,100 apartments) and Cluj (approximately 1,500 apartments).

Changes in pipeline

The DJV has secured additional pipeline, and is currently undertaking due diligence for a 48,900m² GLA dominant regional enclosed mall and a 13,200m² GLA open-air mall. Both would benefit from strong fundamentals due to their respective locations, in cities that are seats of their respective Romanian counties. Further details will be provided in due course.

The previously disclosed Giurgiu Value Centre (approximately 14,200m² GLA open-air mall), Roman Residential (approximately 2,100 apartments in Brasov) and a large-scale enclosed residential estate of approximately 920 apartments in a major secondary city in Romania were removed from the DJV's residential development pipeline due to unsatisfactory due diligence findings and unsatisfactory progress with regard to zoning required to implement the envisaged development plans.

EXTENSIONS AND REFURBISHMENTS TO DIRECTLY-OWNED ASSETS

Zoning with respect to Galleria Burgas' planned refurbishment is progressing as scheduled, as is leasing for the planned asset management initiatives aimed at reconfiguring and extending the food court and improving the centre's overall leisure and entertainment facilities. The seating capacity in the food court area will be significantly increased, to accommodate the larger and more diverse food offering, which is planned to include a restaurant, casual diners as well as fast food operators.

Further updates regarding other extension and refurbishment projects, including Militari Shopping, Nova Park, Prahova Value Centre, and Barlad Value Centre, will be provided when appropriate.

DEBT, COST OF DEBT AND LIQUIDITY

On 31 December 2022, MAS had €187.3million in cash, listed securities and undrawn credit facilities (figure not proportionally consolidated). The Group has an ongoing undrawn preferred equity investment commitment of €223.9million, as well as a €9.5million undrawn committed revolving facility to the DJV (figures not proportionally consolidated).

Except for MAS' undrawn revolving credit facility, interest rates on the Group's debt are hedged. The weighted average cost of debt for the period decreased to 4.34% per annum (4.41% for the financial year ended 30 June 2022), mainly resulting from the transfer of hedged, secured, debt via the acquisition of six assets from the DJV (effective 30 June 2022). Also, during October 2022, the Group repurchased bonds issued by its subsidiary, MAS Securities BV, for a consideration of €5.2million at a 20.5% discount to their nominal value of €6.6million. As such, on 31 December 2022, the Group had €455.9million of outstanding debt (bonds and bank loans) and the loan-to-value (LTV) ratio was 28.5%.

The self-imposed, long-term Group overall debt limit, which is considerably more restrictive than its covenant tolerances, is a maximum LTV ratio of 40%, or, on a forward-looking basis, seven times net rental income. On 31 December 2022, 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 consolidated basis
Solvency ratio	Shall not exceed 0.6	0.31	0.30
Consolidated coverage ratio	At least 2.5:1	3.87	4.80
Unencumbered consolidated total assets/ unsecured consolidated total debt	Minimum 180%	364%	367%

LONG-TERM STRATEGY UPDATE

MAS 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, thereby sustainably growing distributable earnings per share. 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. Benefiting from the continual high growth in consumption in CEE, and leveraging on its strong asset prospects and asset management capabilities, as well as its downside-protected exposure to high-quality commercial and residential developments via the DJV, MAS is well positioned to provide its shareholders with best in class returns.

Along with the release of the Group's 30 June 2021 financial statements, MAS published four quantified strategic objectives 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 pay-out of distributable earnings to shareholders without breaching self-imposed gearing limitations, and is committed to periodic progress reporting.

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

Current progress with strategic objectives is detailed below.

Asset management

MAS aims to maximise property values by implementing sustainable asset management initiatives, improving 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).

On 31 December 2022, occupancy for Central and Eastern European assets was 96.3% (96.3% on 30 June 2022, 96.8% on a LFL basis) and annualised LFL passing NRI in CEE 5.6% higher than on 30 June 2022 (10.9% higher than on 31 December 2021).

Commercial developments

The Group expects to increase 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 this target by June 2026. Secured commercial projects in excess of €550.3million are currently estimated to be complete by 30 June 2026.

Residential developments

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

A significant residential pipeline of approximately €1billion has been secured for the DJV, which is expected to achieve close to the €200million targeted annual sales by 2026.

Direct acquisitions

MAS aimed to complete direct acquisitions of high-quality, Central and Eastern European commercial assets of at least €150million during the 2022 financial year and a further €50million by the end of the 2023 financial year. MAS has exceeded these targets by completing the acquisition of six assets from the DJV on 30 June 2022, as well as via its initial investment in NRP during the financial year to 30 June 2022. MAS continues to concentrate on capital allocation, including assessing the appropriateness of further direct acquisition opportunities in CEE.

The Company is well positioned to accomplish the ambitious, but achievable, strategic targets adopted, which are expected to generate maximised long-term total shareholder returns. It is expected that, Central and Eastern European fundamentals, real GDP and consumption growth in Romania and other CEE countries will remain robust and outperform Western European countries in terms of growth for the foreseeable future.

LONG-TERM EARNINGS TARGETS UPDATE

MAS expects that delivery on its strategic objectives will result in significant per share distributable earnings (and dividend) growth, while maintaining a close focus on maximising total long-term shareholders' returns. With the release of its 30 June 2021 financial statements, and setting out its strategic objectives, a long-term distributable earnings range of 14.50-15.00eurocents per share was also set as a target to be achieved by the end of the 2026 financial year.

The Group continues to focus on achieving its long-term strategic targets then set. Even though circumstances have changed since then, mainly due to macroeconomic disruption, affecting the underlying assumptions considered at the time, management remains confident that execution of its four strategic objectives, with retaining focus on sensible capital allocation, and by leveraging on the strong fundamentals of Central and Eastern European markets in which it operates, is likely to maximise returns for shareholders.

CEE's persistently strong fundamentals are expected to continue reflecting positively on MAS' operations through tenants' robust sales. This in turn should translate into sustained healthy occupancy cost ratios, as tenants are likely to comfortably absorb higher rents, due to passing on inflation through rent indexation. MAS' prospects are further enhanced by its strong balance sheet and levels of liquidity, supported by its debt capacity headroom.

To achieve the targeted long-term earnings results, it is assumed that, amongst others, (i) 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; (v) no further MAS shares are issued, during this period, and (vi) no major economic disruptions occur before 30 June 2026.

EARNINGS GUIDANCE AND PROSPECTS

Earnings guidance for the 2023 financial year resulting from the Group's commercial and corporate operations, which currently contribute the vast majority of diluted adjusted distributable earnings per share, remains unchanged at 8.75 to 9.00eurocents per share.

Guidance for the total diluted adjusted distributable earnings per share for the same period has been conservatively adjusted to a range of 8.85-9.34eurocents per share (previously 9.40-10.10eurocents per share) to account for a potential delay in the administrative process of completing residential sales. This may cause a number of transactions previously scheduled for completion by June 2023 to be recognised in the following six-month period, thus reducing the residential earnings guidance range for the 2023 financial year to 0.10-0.34eurocents per share (previously 0.65-1.10eurocents per share) with a corresponding increase in expected residential earnings for the six-month period to 31 December 2023. This guidance is further 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.

Economic sentiment has continued improving on the basis of a mild 2022 European winter, leading to lower energy demand, driving utilities costs downwards on European markets. Uncertainty remains with respect to the length and severity of further policy incentives aimed at reducing consumer demand, diversifying European energy supply, or other measures aimed at reducing inflationary pressure on economies to still be adopted by European governments and central banks. Growth in Central and Eastern European countries, and in particular those in which MAS currently invests, is expected to continue to outperform Western European growth prospects.

Shareholders should note that MAS' 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 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.

DIVIDEND DECLARATION

The Company achieved 4.42eurocents adjusted distributable earnings per share, and 4.36eurocents diluted adjusted distributable earnings per share (taking account of share purchase plan issued shares) in respect of the six-month period to 31 December 2022. The Board has consequently declared a cash dividend of 4.36eurocents per share for the six months to then. Payment is expected by 3 April 2023 and further details will be announced separately.

Irina Grigore
Chief Executive Officer

Nadine Bird
Chief Financial Officer

2 March 2023, Malta
Released on 6 March 2023

[1] DJV 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 (€20million), an investment conditional on it irrevocably undertaking to provide preferred equity to PKM Development on notice of drawdown. On 31 December 2022, MAS invested €246.1million in preferred equity and had an obligation of €223.9million outstanding. In addition, MAS has committed to provide PKM Development a revolving credit facility of €30million at a 7.5% fixed rate, of which €20.5million was drawn on 31 December 2022. The balance of the ordinary share capital in PKM Development (€30million) was taken up by Prime Kapital in 2016 in cash, and, in terms of applicable contractual undertakings and restrictions, Prime Kapital:
(i) is not permitted to undertake real estate development in CEE outside of PKM Development until the DJV's capital commitments are fully drawn and invested or 2030 (end of exclusivity period);
(ii) contributes secured development pipeline to PKM Development at cost;
(iii) takes responsibility for sourcing further developments, and
(iv) provides PKM Development with all necessary construction and development services via an integrated in-house platform.

All amounts in € thousand unless otherwise stated.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Reviewed 31 Dec 22	Reviewed 31 Dec 21	Audited 30 Jun 22
Non-current assets	1,219,323	853,461	1,141,198
Current assets	264,005	424,331	388,402
Total assets	**1,483,328**	**1,277,792**	**1,529,600**
Equity attributable to owners of the Group	967,069	895,039	928,150
Total equity	**967,069**	**895,039**	**928,150**
Non-current liabilities	442,989	321,318	450,826
Current liabilities	73,270	61,435	150,624
Total liabilities	**516,259**	**382,753**	**601,450**
Total shareholder equity and liabilities	**1,483,328**	**1,277,792**	**1,529,600**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	Reviewed 6 months to 31 Dec 22	Reviewed 6 months to 31 Dec 21	Audited Year to 30 Jun 22
Continuing operations			
Rental income	30,754	17,947	36,344
Service charge income and other recoveries	9,312	5,608	11,575
Gross revenue	**40,066**	**23,555**	**47,919**
Reversal of impairment/(Impairment) of receivables	88	(335)	(338)
Service charge and other property operating expenses	(11,099)	(6,429)	(13,478)
Net rental income	**29,055**	**16,791**	**34,103**
Corporate expenses	(3,433)	(3,273)	(6,564)
Other income	5,914	1,032	5,006
Investment expenses	(517)	(908)	(1,858)
Fair value adjustments	35,821	24,898	61,223
Foreign currency exchange differences	(2,066)	(262)	(770)
Share of profit from equity-accounted investee, net of tax	1,953	14,616	40,901
Profit before finance income/(costs)	**66,727**	**52,894**	**132,041**
Finance income	9,678	10,774	21,733
Finance costs	(9,438)	(7,656)	(15,256)
Profit before tax	**66,967**	**56,012**	**138,518**
Current tax	(1,983)	(349)	(872)
Deferred tax	(3,046)	316	(6,832)
Profit from continuing operations	**61,938**	**55,979**	**130,814**
Discontinued operations			
Profit from discontinued operations, net of tax	2,204	10,932	10,357
Profit for the period/year	**64,142**	**66,911**	**141,171**
Attributable to:			
Owners of the Group	64,142	66,911	141,171
Profit for the period/year	**64,142**	**66,911**	**141,171**

FINANCIAL PERFORMANCE	31 Dec 22	31 Dec 21	% Change
IFRS Net Asset Value attributable to owners of the Group (€ thousand)	967,069	895,039	8.05%
IFRS Net Asset Value per share (eurocents)	140.6	127.0	10.65%
IFRS Gross revenue from continuing operations (€ thousand)	40,066	23,555	70.10%
IFRS Earnings per share (eurocents)	9.32	9.50	-1.83%
Adjusted distributable earnings (€ thousand)	29,168	20,022	45.68%
Adjusted distributable earnings per share (eurocents)	4.42	2.96	49.42%
Cash dividend (eurocents)	4.36	2.96	47.30%
Headline earnings (€ thousand)	41,601	22,969	81.12%
Headline earnings per share (eurocents)	6.05	3.26	85.49%
Closing number of shares in issue*	687,906,892	704,493,798	-2.35%

* Excluding treasury shares.

SEGMENTAL ANALYSIS INCOME STATEMENT (JUL – DEC 2022)	Proportionate accounts Six months to 31 Dec 2022					Adjustments Six months to 31 Dec 2022					Adjusted proportionate accounts Six months to 31 Dec 2022				
	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 margin – residential sales	331	–	331	–	–	–	–	–	–	–	331	–	331	–	–
Net income – preferred equity and revolving credit facility	5,767	–	5,767	–	–	–	–	–	–	–	5,767	–	5,767	–	–
Net dividends – listed securities	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)	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	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	(452)	(137)	–	–	(315)	452	137	–	–	315	–	–	–	–	–
Other non-distributable income/(cost)	879	–	11	–	868	–	–	–	–	–	879	–	11	–	868
Tax on sale of property	(1,104)	–	–	(1,104)	–	–	–	–	–	–	(1,104)	–	–	(1,104)	–
Deferred tax	(3,168)	(4,166)	(632)	510	1,120	3,678	4,166	632	–	(1,120)	510	–	–	510	–
Estimation for WE disposal realisation costs and losses	–	–	–	–	–	(12,426)	–	–	(12,426)	–	(12,426)	–	–	(12,426)	–
Weighted average adjusted number of shares (million)											**659.5**				
Diluted weighted average adjusted number of shares (million) ~											**669.7**				
Adjusted distributable earnings per share (eurocents)											**4.42**				
Diluted adjusted distributable earnings per share (eurocents)											**4.36**				
Dividend per share (eurocents)											**4.36**				

SEGMENTAL ANALYSIS BALANCE SHEET (DEC 2022)	Proportionate accounts 31 Dec 2022					Adjustments 31 Dec 2022					Adjusted proportionate accounts 31 Dec 2022				
	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	120,674	–	19,570	–	101,104	(19,570)	–	(19,570)	–	–	101,104	–	–	–	101,104
Goodwill	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	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	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 and losses	–	–	–	–	–	21,330	–	–	21,330	–	21,330	–	–	21,330	–
Adjusted number of shares in issue (million)											**659.5**				
Tangible net asset value per share (eurocents)											*144*				

** Corporate (Co), other assets, liabilities and activities related to the Group's management, including investments in listed securities, Group level financing, as well as corporate level administration.
~ Diluted weighted average adjusted number of shares in issue are computed by elimination of MAS' 40% proportion of shares owned by the DJV in MAS and increased by the number of share purchase plan shares (on a proportionate consolidation basis).