



**MAS Real Estate Inc.**  
Registered in the British Virgin Islands  
Registration number 1750199  
SEDOL (EMTF): B96VLJ5  
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LEI code: 213800T1TZPGQ7HS4Q13  
(**"MAS"** or **"the Company"**)

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## ACQUISITION OF INVESTMENT PROPERTY

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### INTRODUCTION

In keeping with the group's strategy of investing across the broader European market, shareholders are advised that MAS, through a subsidiary of PKM Investments S.á.r.l., has acquired the Atrium Mall shopping centre ("**Atrium**") in Arad, Romania (the "**acquisition**") from Cosmovia Holdings Limited ("**Cosmovia**"), a member of the well-known Demjan Group based in Hungary.

### INVESTMENT RATIONALE

The acquisition forms part of the Company's previously disclosed acquisition pipeline in central and eastern Europe ("**CEE**") and complements MAS' income-generating portfolio of assets in the region. In addition, the acquisition presents the opportunity to meaningfully increase Atrium's trading dominance and financial performance through the asset management initiatives currently planned by the Company.

Atrium is the sole modern retail destination in Arad and the broader Arad county. The mall is well-established and centrally located, adjacent to main transport hubs with good accessibility and visibility. The city of Arad is situated in western Romania, close to the Hungarian border. It is the administrative capital of Arad county and forms the principal economic hub of the area. The city has healthy demographics, which is supported by growing purchasing power, and it benefits from a significant catchment area, with 334,000 people within a 45-minute drive.

The mall has a fashion and entertainment focus, with an approximate gross lettable area of 28,600 square metres arranged over three floors. It is anchored by strong tenants including Carrefour, Inditex, H&M, C&A, New Yorker, LC Waikiki, Hervis, Deichmann, Media Galaxy, Pepco, CCC and Cinema City with a 10-screen cinema.

MAS aims to improve the quality of the retail offering and customer experience through improved asset management and the introduction of new entertainment and leisure operators to drive further footfall growth. Reconfiguration of some parts of the mall will be considered in the medium term to enhance its configuration and increase dwell time.

### SALIENT TERMS OF THE ACQUISITION

The acquisition was structured as a purchase of the entire share capital of the asset owning company, Mastweight S.R.L. ("**the Target**"), a wholly owned subsidiary of Cosmovia.

The transaction value attributed to Atrium was EUR 40.5 million. The purchase price for the shares of the Target was EUR 28.1 million, after deductions for bank debt and working capital. This was funded from resources currently available on MAS' balance sheet.

Atrium has a current total passing rent of EUR 4.3 million per annum (equating to EUR 12.7 per square metre per month). Atrium's turnover has grown by 8.6% in the past year. Footfall has also grown by 3.5%, to reach 5.2 million visitors in the last 12 months of operation, with the average increase in footfall amounting to 8.1% per annum over the last six years.

The current vacancy rate is 2.3% and the overall weighted average unexpired lease term (WAULT) is 2.8 years. Atrium's annual net operating income for the 12 month period ending 31 December 2018 is estimated at EUR 3.5 million.

The purchase price reflects the fair value attributed to Atrium, as determined by the directors of MAS. The directors of MAS are not independent or registered as professional valuers or professional associate valuers in terms of the South African Property Valuers Profession Act 2000 or otherwise.

### CO-INVESTMENT AGREEMENT WITH PRIME KAPITAL

The acquisition has been undertaken in terms of MAS' long-term co-investment agreement with Prime Kapital Limited. MAS' effective economic interest in the acquisition is the equivalent of an 80% direct participation in the performance of Atrium and a 20% participation at the weighted average cost of external funding achieved by the joint venture with Prime

Kapital, in line with the previously announced co-investment agreement. Prime Kapital will manage this acquisition under the co-investment agreement.

## **PIPELINE**

Further investment opportunities are being pursued and the market will be further updated as those discussions are concluded.

## **CATEGORISATION OF THE TRANSACTION**

The acquisition is not categorisable in terms of the JSE Listings Requirements. This announcement is therefore voluntary and is made for information purposes only.

MAS is listed on the Main Board of the JSE and is listed and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange.

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