

MLP GROUP

Results 2021



March 2022

AGENDA AND TEAM

1	MLPG AT A GLANCE	3
2	EXECUTIVE SUMMARY	7
3	STRATEGIC GOALS 2021-2024	11
4	2021 LEASING RESULTS	22
5	NEW PLOTS ACQUISITIONS	28
6	2021 FINANCIAL DATA	36
7	SUSTAINABLE DEVELOPMENT	45





1. MLP GROUP AT A GLANCE



PREMIUM CLASS-A ASSET BASE

1

MLP Group is powerful vertically-integrated business model with full range of in-house capabilities, from property development to management

2

Offers class-A warehouses, with strong commitment to sustainability, will be BREEAM certified as Excellent or Very Good, or as DGNB Gold or Platinum (in German and Austria)

3

Very experienced team – each senior team member with +15 years of industrial experience. Extensive development expertise across warehouse space, logistics centers and business parks.

MLP Pruszków I (168 280 sqm) - Poland



MLP Pruszków II (359 048 sqm) - Poland



MLP GROUP STRATEGY OF OWN DEVELOPMENTS

Vertical integration



Location Search

MLPG provides an overview of potential locations that match the size and use requirements of the client – **always in the core markets in Europe.**

Design & Permit

MLPG applies and obtains all required permits - environmental and building permit on speculative basis in all locations across Europe, immediately.

MLPG's design and engineering team works closely with the tenants to agree detailed building specifications. A floorplan is agreed, and construction schedules are put in place.

Construction

Each time before the commencement of the project, a general contractor is selected through a tender.

Fit-out

After construction of the building shell is finished, MLPG assists with tenants to install specialized manufacturing machinery, technology and other details such as employee break out rooms, IT network and furnishings.

Own property management

After move-in, MLPG park and facility managers keep in close contact with the tenants to ensure all systems operate efficiently and they are comfortable in their new premises.

MLPG agrees with its tenants on a yearly service contract, freeing the client to concentrate on his core business, to ensure safety and maintenance norms, outdoor cleaning, snow blowing, grounds-keeping and general building maintenance.

MLPG Energy

MLPG is energy wholesaler providing energy and gas to its tenants benefiting from economy of scale and professional energy management.

This is also energy producer from PV Panels.

OUR PORTFOLIO

Two property types



BIG BOX (i.e. large-scale) warehouses, primarily addressing e-commerce growth and increased demand from light industry customers, driven by such factors as relocation of production from Asia to Europe.

City Logistics/MLP Business Parks are operating as MLP Business Parks and offering small warehouse units (ranging from 700 to 2.5 ths sqm). MLP Business Parks are urban logistics projects with a high potential for growth, which address the retail evolution (e-commerce) and are located within or close to city boundaries with easy access to labour and public transportation.

BIG BOX



CITY LOGISTICS/BUSINESS PARK



2. YE 2021

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

MLP Group YE 2021 vs. YE 2020



LEASED AREA

+15%

NET PROFIT

+182%

NAV

+51%

RENTAL
REVENUES

+15%

VACANCY RATE

-4 p.p.

UNDER
CONSTRUCTION

+68%

OPERATIONAL & FINANCIAL STABILITY

We are very well prepared to face challenges of future



- **All lease contracts are indexed to European inflation rates.**
Thus, an increase in inflation causes an automatic increase in revenue.
- **All rents are either denominated or expressed in EUR**, which significantly mitigates our exposure to the currency risk.
- Almost all **our bank loans are hedged with IRS** (interest rate swap) for the next 5 years, resulting in limited interest rates' exposure.
- The **geographical diversification** of our business across several countries, combined with the **diverse tenant base** and the average lease term of more than 8 years, provides significant operational stability.
- We are also strongly committed to **diversifying our energy sources by installing solar PV panels** on all our warehouses and expect to be able to generate between 12 to 14 GWh of green energy in 2024.
- We want to achieve a **zero-carbon footprint**.
- The greatest value is the **potential of the secured plots**, which enables rapid development in the coming years on European markets, and thus the achievement of the assumed strategic goals.

UKRAINE Update



WHAT WE KNOW TODAY:

- **Overall limited impact**
- **No assets in Ukraine or Russia**
- **Close contact with key tenants**
- **Limited disruption to supplies/raw materials**

WHAT WE DO:

- Offering accommodation to refugees
- Making office space available to humanitarian aid organisations

WHAT WE BELIEVE FOR THE NEAR TERM:

- High level of uncertainty, inflationary pressures
- Structural sector drivers expected to continue
- Having solid market and financial position is key
- Increase opportunity due to the onshoring of business



3. STRATEGIC GOALS

2021-2024



STRATEGIC GOALS 2021-2024

The key basic strategic goals of MLP Group



- 1 Double NAV value from 2021 by year 2024 and consequently exceed **EUR 800 million** at the end of 2024.
- 2 Triple the amount of EBITDA excluding revaluation, reaching app **EUR 67 million** in 2024.
- 3 Organic growth approx. **35%** yearly

To meet those strategic goals MLPG will need to invest yearly CAPEX of app EUR 150 million – EUR 250 million into land acquisitions and new buildings constructions.

The CAPEX will be financed by banking loans, corporate debt, and issue of new shares.

MLPG will keep LTV below 50%

MLPG will continue its current “build and hold” strategy while keeping LTV below 50%.

In order to meet our strategic goals and finance our development pipeline, whilst keeping the LTV below 50%, MLP contemplates to issue approx. 2,600,000 shares in 2022.

Dividend Policy

Dividend distribution is not taken into account in this assumption. Any dividend distribution will require an increase in the issue amounts or a reduction in investments.

STRATEGIC GOALS 2021-2024

Supplementary goals



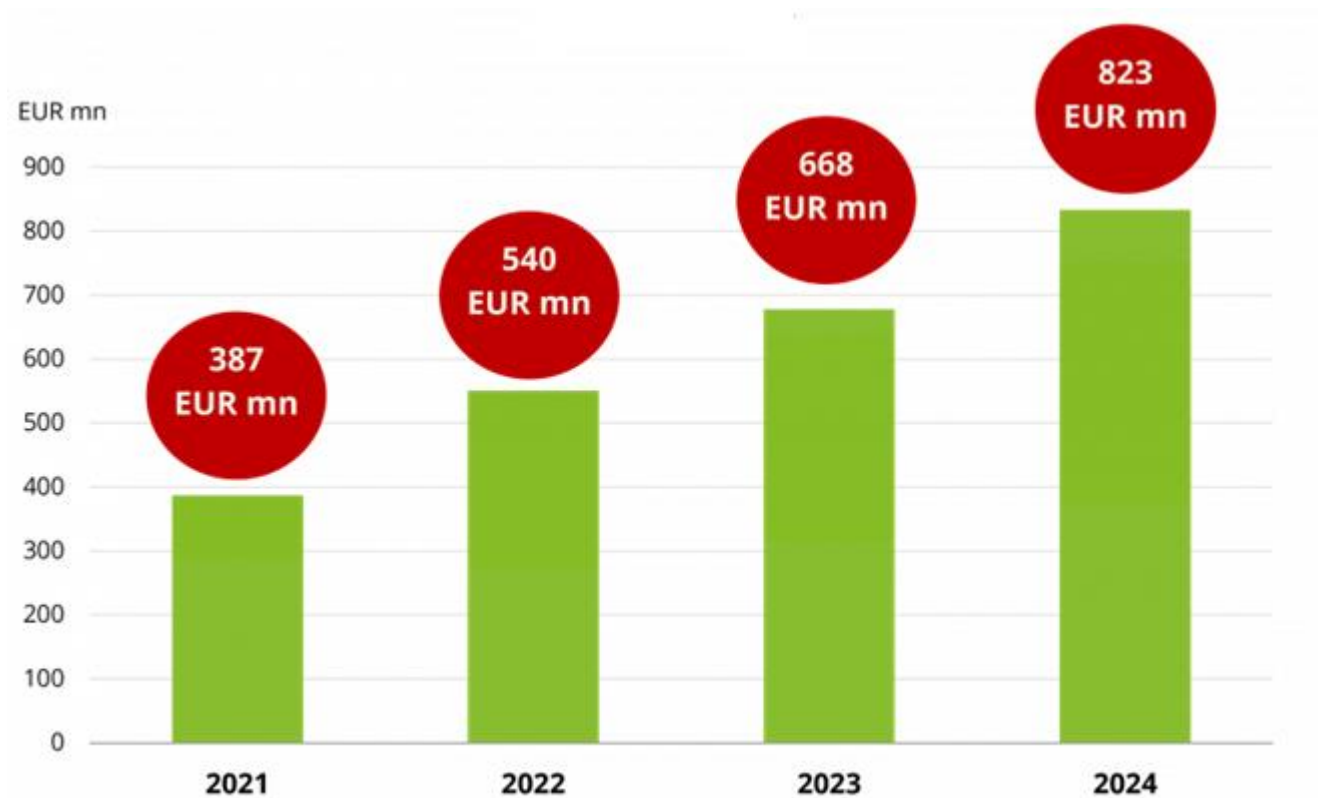
- 1 **Building economic scale in the existing strategic markets** - Poland, Germany, Austria, and Romania through developing of urban logistic and big-box projects
- 2 **Analysing and investing in new potential markets** addressing the tenants' needs and ecommerce development
- 3 **Maintaining stable occupancy rate** averaging ~ 95% of total existing portfolio with speculative development component of up to 20k sqm per project.
- 4 **Increasing annual leasing take-up** from 125k sqm to 250k sqm annually
- 5 **Securing new plots** for future development in existing and new markets.
- 6 **Continuing the development of big-box projects** primary addressing ecommerce development and light industry requirements following the increase demands as from moving manufacturing from Asia to Europe.
- 7 **Focusing on urban logistic** as a high growth potential product – addressing the retail evolution (e-commerce) with: smaller units, less than 5000 sqm, located within or close to city boundaries with easy access to labour and public transportation
 - diverse range of uses: last mile delivery, light assembling lines, data centres, distribution points for retailers (online and traditional), parcel delivery companies, small business units and wholesalers
 - expectation for an increase demand because of growth of digital economy
 - lower price competition and better yields
 - smaller units are better accepted by municipalities in comparison to Big-Box as it is served with less heavy trucks and provide more employments opportunities for white and blue collar personnel.
 - **speculative construction is a must**
- 8 **Rental growth** from existing lease renewals
- 9 **Creating value** through re-development of brown plots (e.g. UNNA, Schwaltmal, Gelsenkirchen, Idstein, Poznań)
- 10 **Disposal of BTS** projects, a source of additional equity
- 11 **Developing of class-A asset quality**, with strong commitment to sustainability: 80% to be certified BREEAM Excellent or Very Good / DGNB Gold or Platinum (DE and AT) and Zero CO₂ emission in 2 – 3 years

STRATEGIC GOALS 2021-2024

Financial goals for years: 2021 – 2024 (1/6)



MLPG NAV IN EUR MN



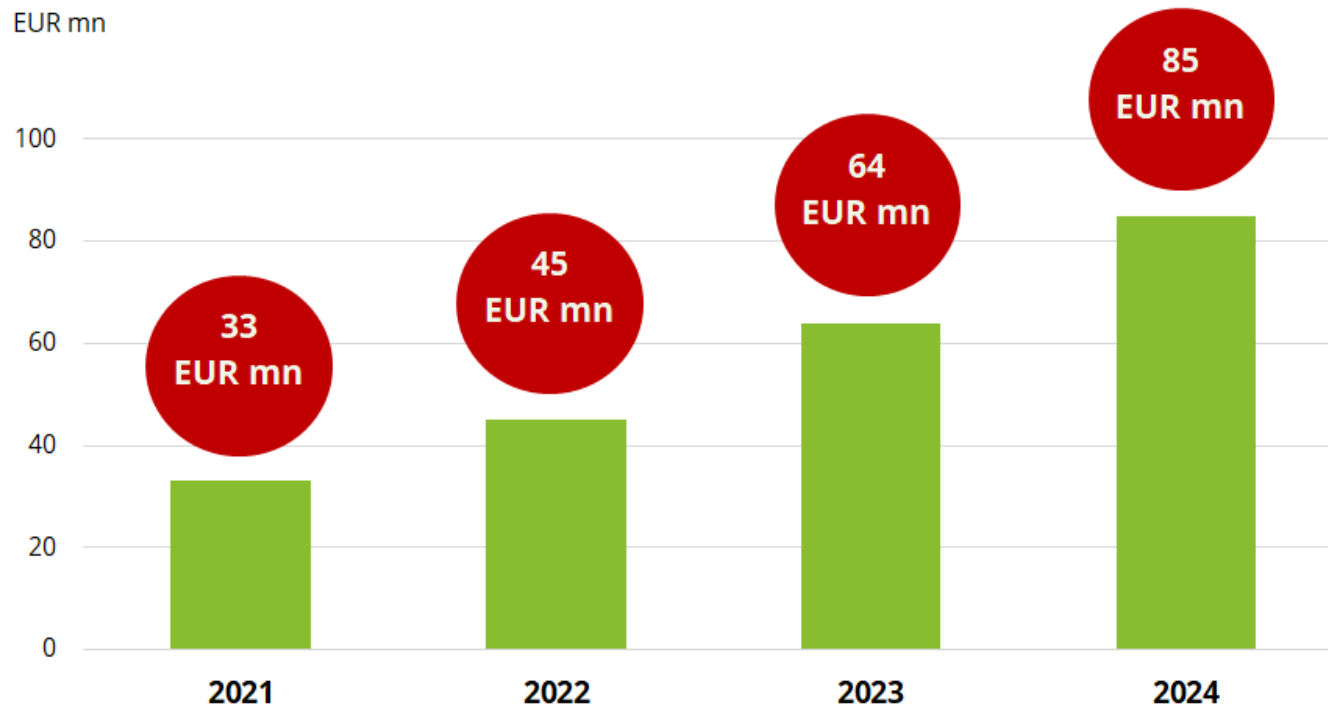
- Significant growth in 2022 Germany/Austria NAV results from development of projects secured in 2019/2020

STRATEGIC GOALS 2021-2024

Financial goals for years: 2021 – 2024 (2/6)



MLPG TOTAL RENTAL INCOMES IN EUR MN

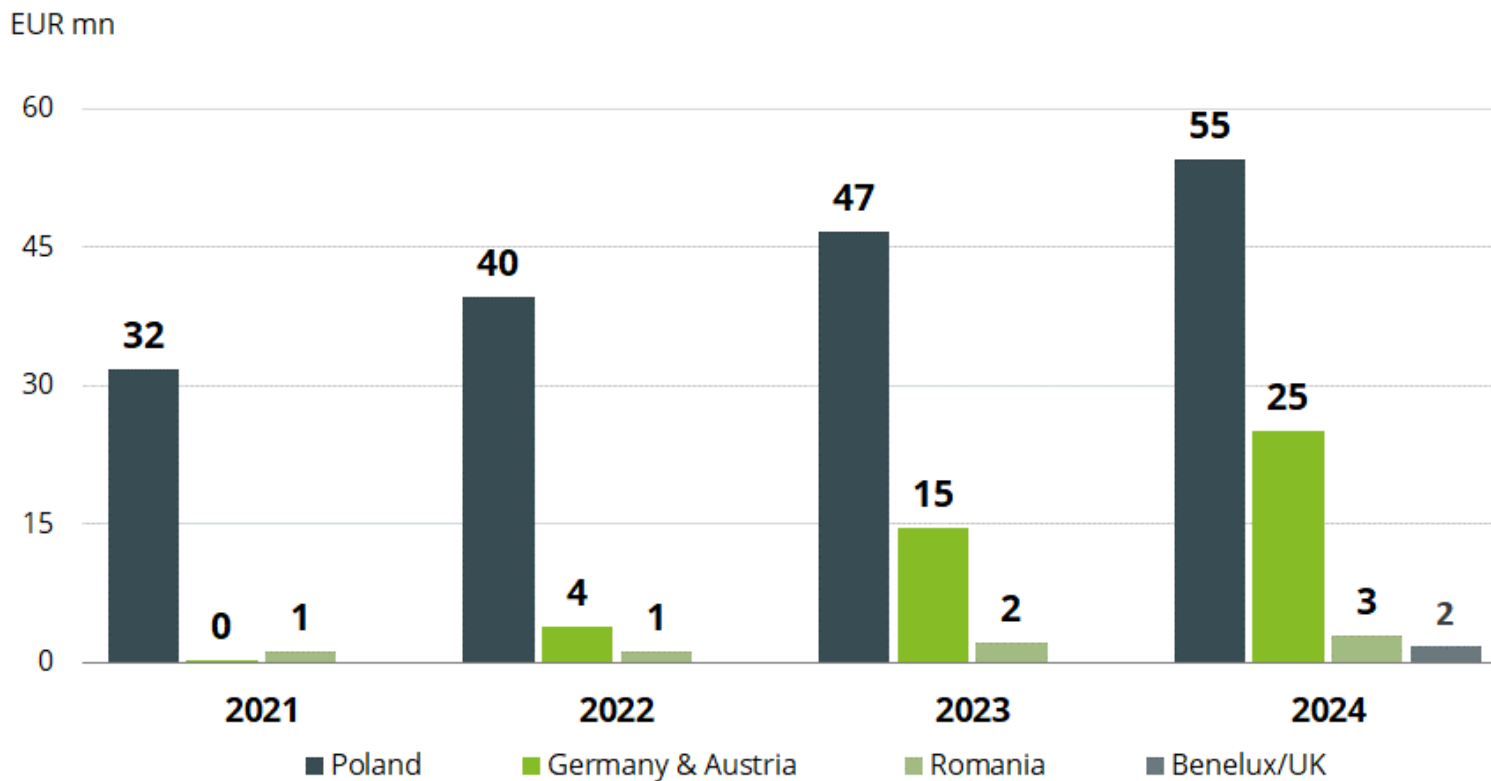


STRATEGIC GOALS 2021-2024

Financial goals for years: 2021 – 2024 (3/6)



MLPG RENTAL INCOMES IN EUR MN



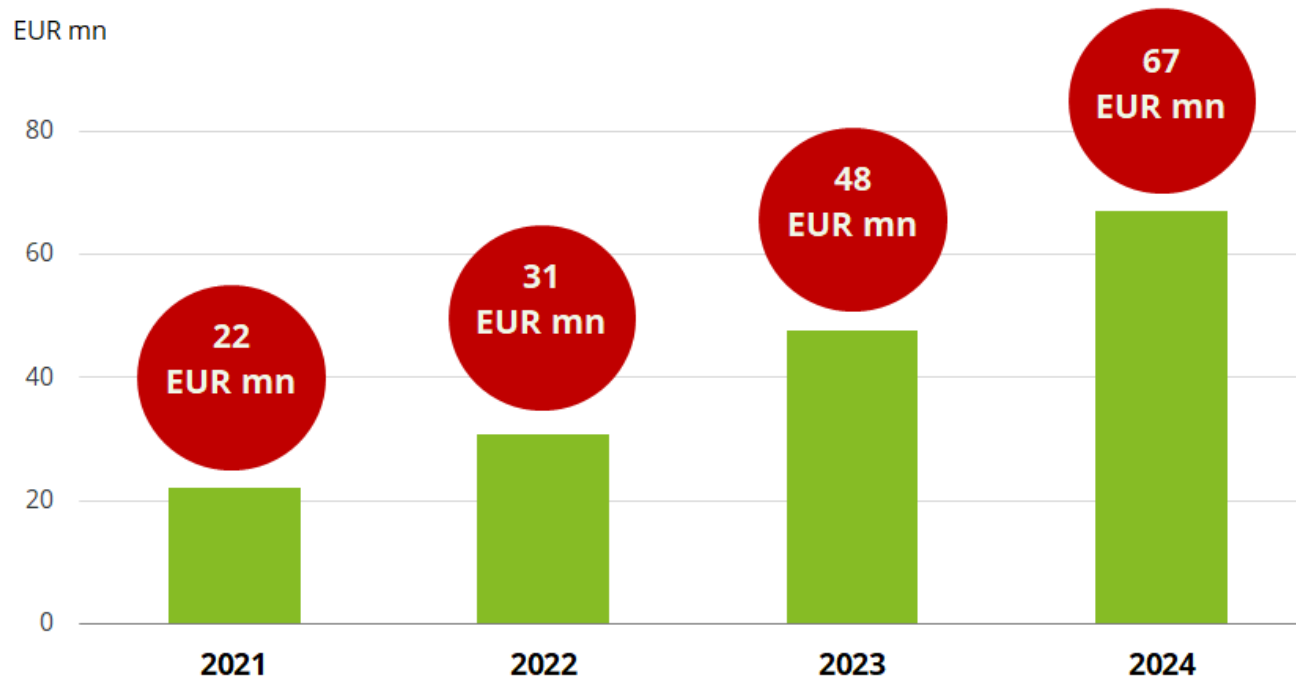
- Growth in rental income results from new rentals, increase of rent in renewals of current lease agreements and maintaining 99% retention rate.

STRATEGIC GOALS 2021-2024

Financial goals for years: 2021 – 2024 (4/6)

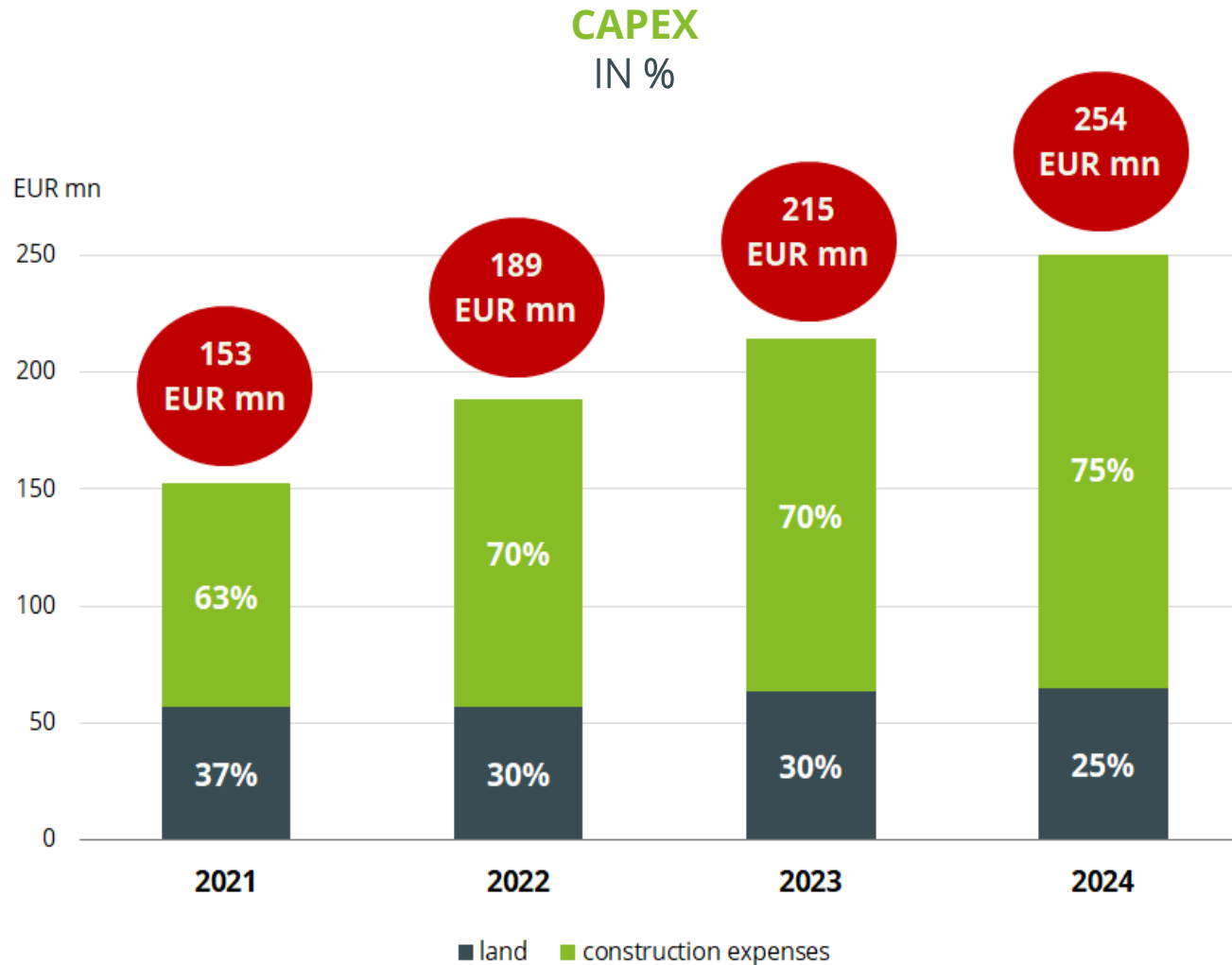


MLPG EBITDA WITHOUT REVALUATION IN EUR MN



STRATEGIC GOALS 2021-2024

Financial goals for years: 2021 – 2024 (5/6)



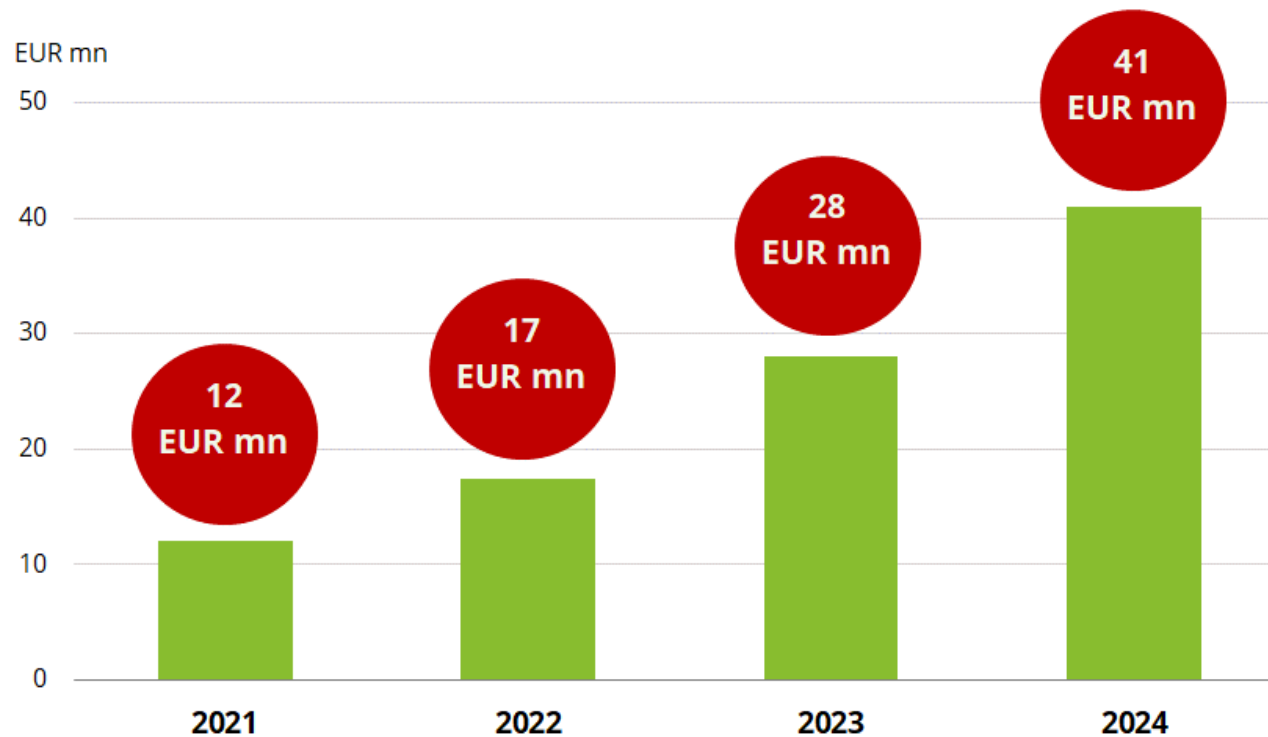
- Increase in unit construction costs is reflected in rentals growth.

STRATEGIC GOALS 2021-2024

Financial goals for years: 2021 – 2024 (6/6)



FFO IN EUR MN



- FFO growth is related to growth in the portfolio and continuous decrease in financial costs due to portfolio refinancing

STRATEGIC TARGETS EXCEEDED

Diligent execution of strategy in 2021



STRATEGIC GOALS EXECUTION IN 2021

	ACTUAL (2020)	STRATEGIC TARGET (2021)	ACTUAL (2021)	YOY	VARIANCE
OCCUPANCY RATE	94.0%	95.0%	97.6%	3.6 p.p.	2.6 p.p.
ANNUAL LEASING TAKE-UP	205 K SQM	250 K SQM	310 K SQM	51%	24%
LTV	42.4%	< 50%	36.9%	-5 p.p.	✓
FFO (EUR mn)	10.2	12	12.7	25%	6%
CAPEX (EUR mn)	62	153	117	89%	-23%
TOTAL RENTAL INCOMES* (EUR mn)	30	33	34	15%	2%
EBITDA WITHOUT REVALUATION (EUR mn)	19	22	20	6%	-9%
NAV (EUR mn)	263	387	397	51%	3%

* excluding one - off transactions

4. 2021 LEASING RESULTS



OUR PORTFOLIO

High-quality, resilient and stable foundation for growth



SIZEABLE AND GROWING LOGISTICS & INDUSTRIAL PLATFORM

OWNED
INVESTMENT
PORTFOLIO

**App 1mn
sqm**

DIVERSIFIED
CLIENTS

>300

EUROPEAN
MARKETS

4

WELL
LOCATED
PARKS

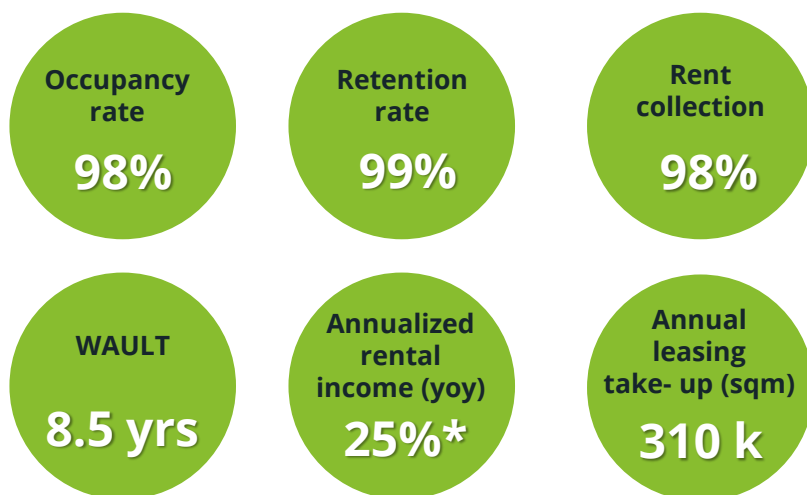
20

OUR CLIENTS

Partnership that deliver robust & growing income streams



STRONG OPERATING METRICS

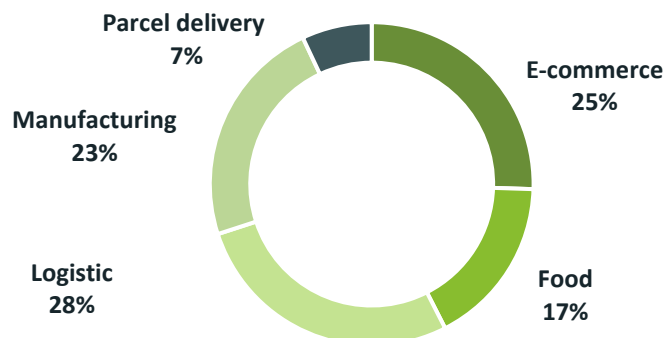


* Annualized income on the basis of signed leased contract as at YE (2021 EUR 36 mn vs 2020 EUR 25 mn)

TOP TEN CLIENTS BY GLA

TENANT	GLA THS SQM
L-ShopTeam (DE)	56 500
Electrolux (PL)	41 250
SPAR (PL)	37 605
Auto Partner (PL)	27 692
Bega Gruppe (PL)	26 250
InPost (PL)	25 960
Żabka (PL)	24 945
Uniq Logistic (PL)	23 654
Stokrotka (PL)	23 522
Lear Corporation (PL)	19 674

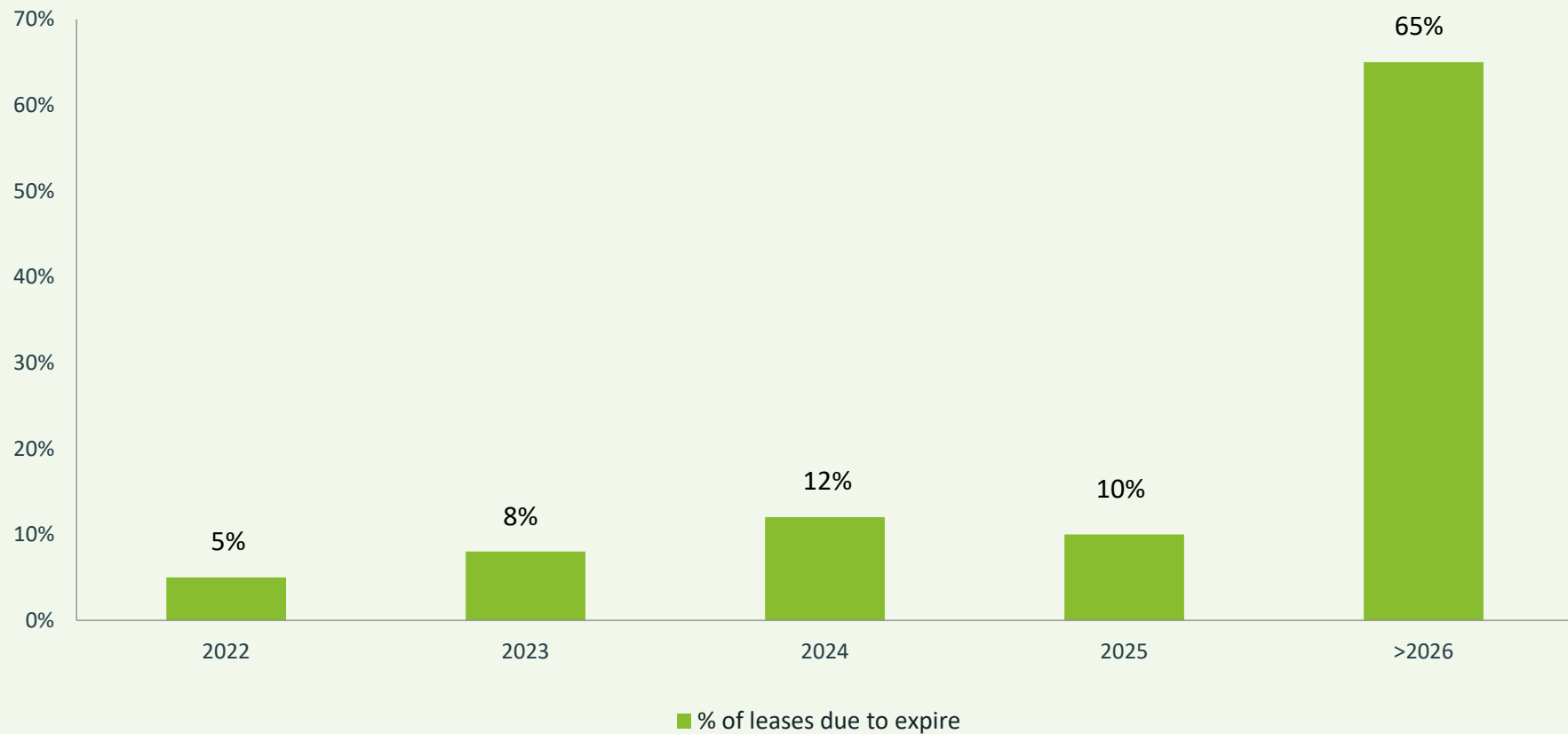
OUR TENANTS BY SECTOR



- Top 10 clients provide 30% of annual rental income
- 56% of new leases in 2021 with existing clients

PORTFOLIO VAULT

Leases due to expire

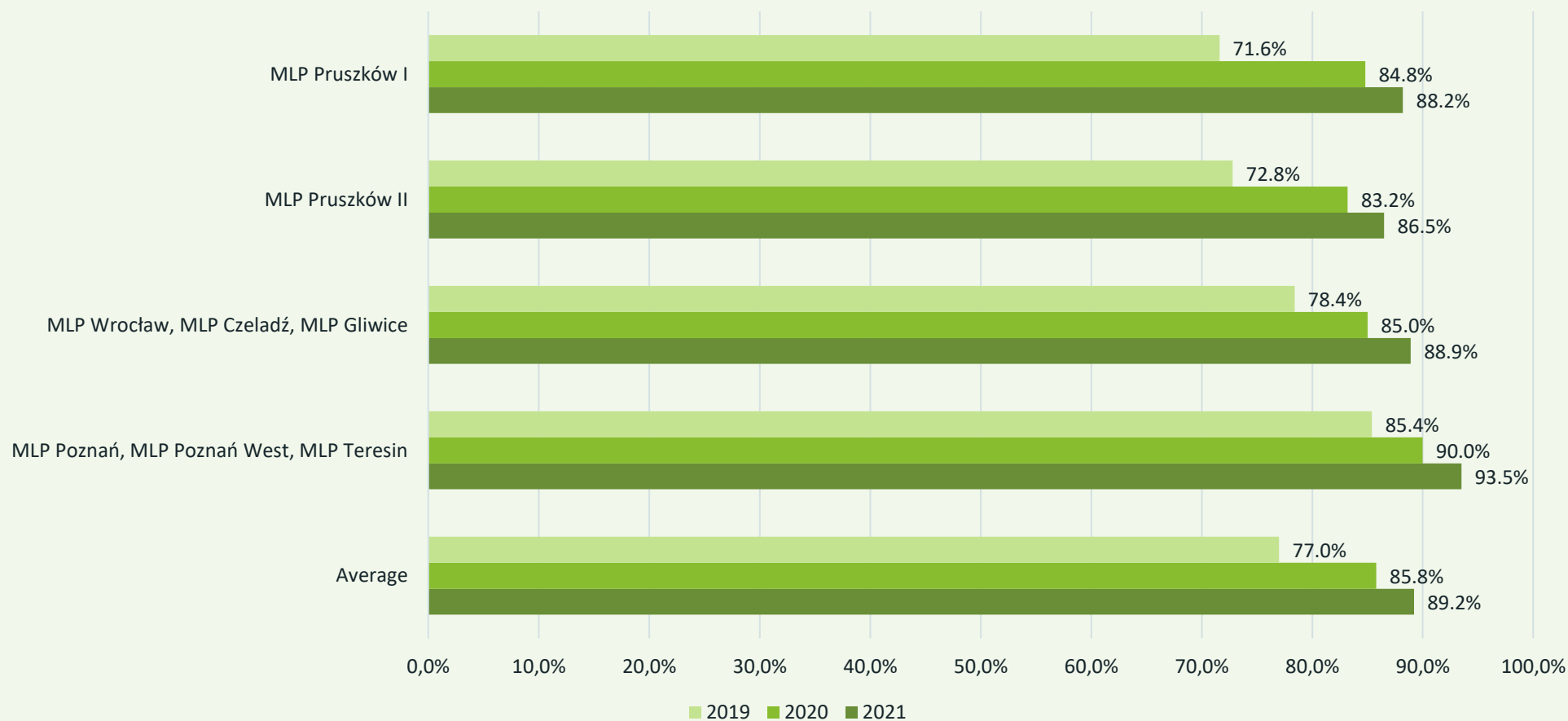


2021 LEASING RESULTS

Customer satisfaction



CUSTOMER SATISFACTION IN 2021 WAS RATED BY 85.8%

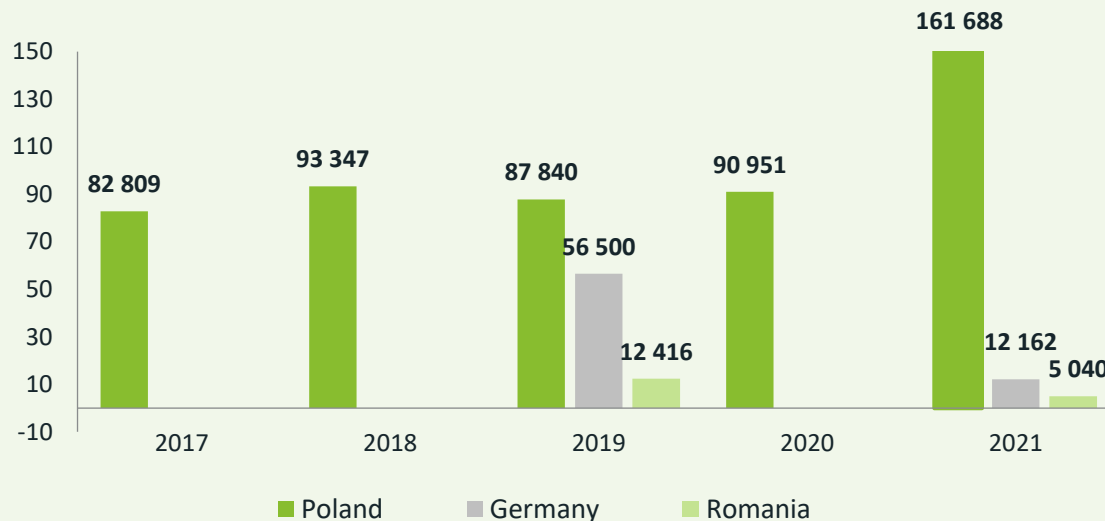


NEW LEASING CONTRACTS

Another strong year of development



LEASED AREA IN SQM



310,000 sqm

leased space (including reletting)

212,000 sqm

space under construction

22

projects under preparation and permitting

EUR 36 mn

Annualized rental income based on lease agreements

EUR 140 mn

value of the construction contracts

7.00%

average yield on cost (land @market value)

97%

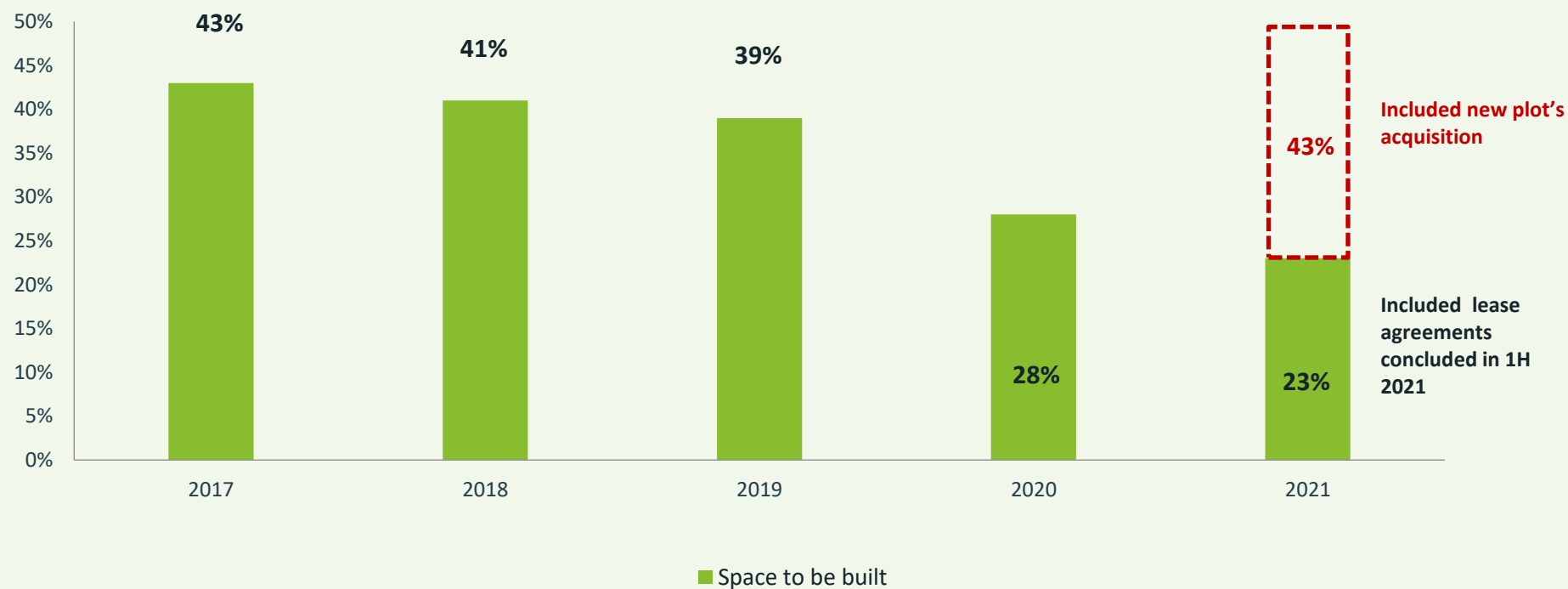
Targeting BREEM Excellent or Very Good (or local equivalent)

NEW CONTRACTS

Plots available for development in POLAND



POTENTIAL FOR DEVELOPMENT IN %



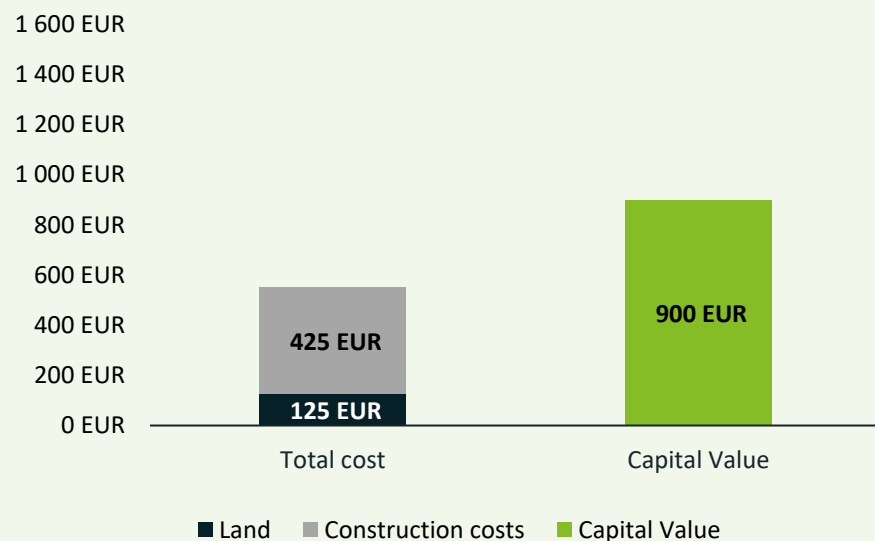
CONSTRUCTION COSTS VS. CAPITAL VALUE

Poland, Germany, Austria

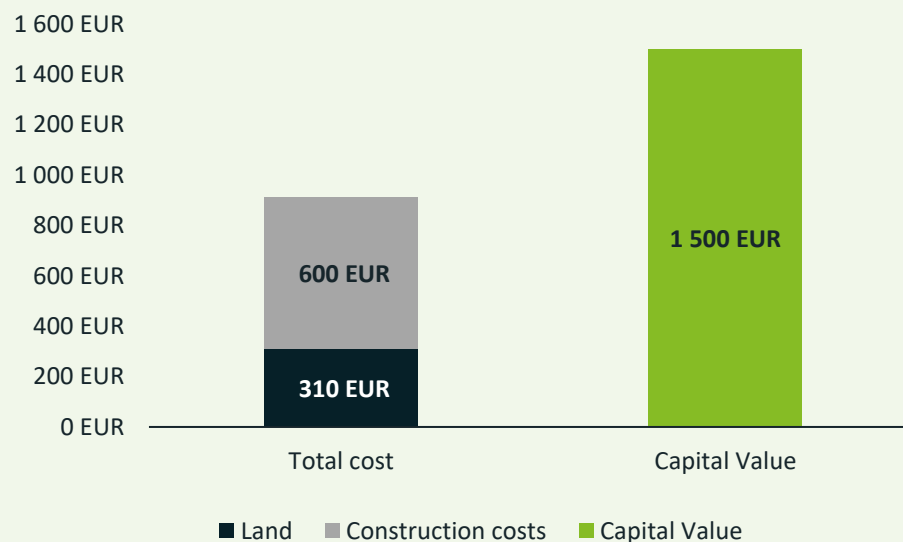


CONSTRUCTION COSTS VS. CAPITAL VALUE PER BUILDINGS' IN SQM

POLAND



GERMANY & AUSTRIA



5. NEW PLOT'S ACQUISITION



STRONG EXPANSION and new markets



Space
potential
**1.5 mn
sqm**

Space
completed
**0.8 mn
sqm**

Under
construction
**0.2 mn
sqm**

Reserved
plots
150 ha

New plots
acquisition
59.3 ha

Benelux

Poland

Germany

Hungary

Austria

Romania

New plots acquired in 2021:

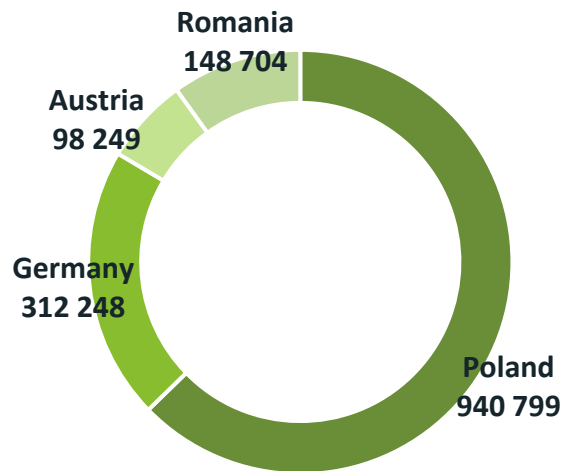
- Vienna
- Schalke (Gelsenkirchen)
- Zgorzelec
- Wrocław
- Idstein (Frankfurt)
- Pruszków
- Poznań
- Łódź

ACCELERATED LANDBANK ACQUISITIONS

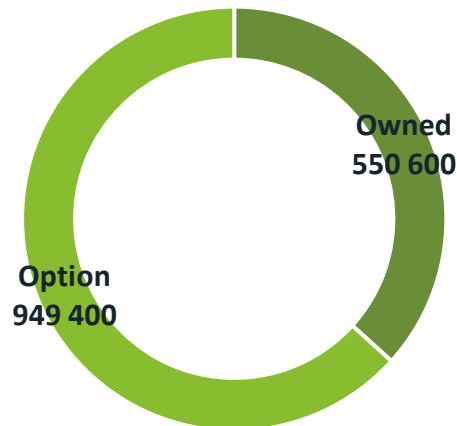
Replenishing & growing development capacity



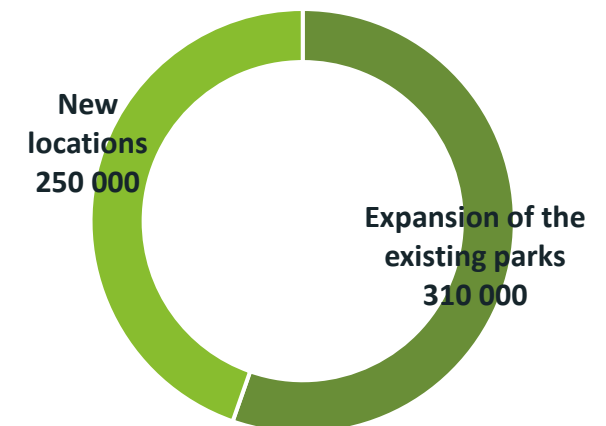
LAND BANK BY COUNTRY



LANDBANK IN SQM



ACQUIRED LAND BANK LOCATION



ACCELERATED LANDBANK ACQUISITIONS

Replenishing & growing development capacity



MLP
Business
Park Berlin



ACCELERATED LANDBANK ACQUISITIONS

Replenishing & growing development capacity



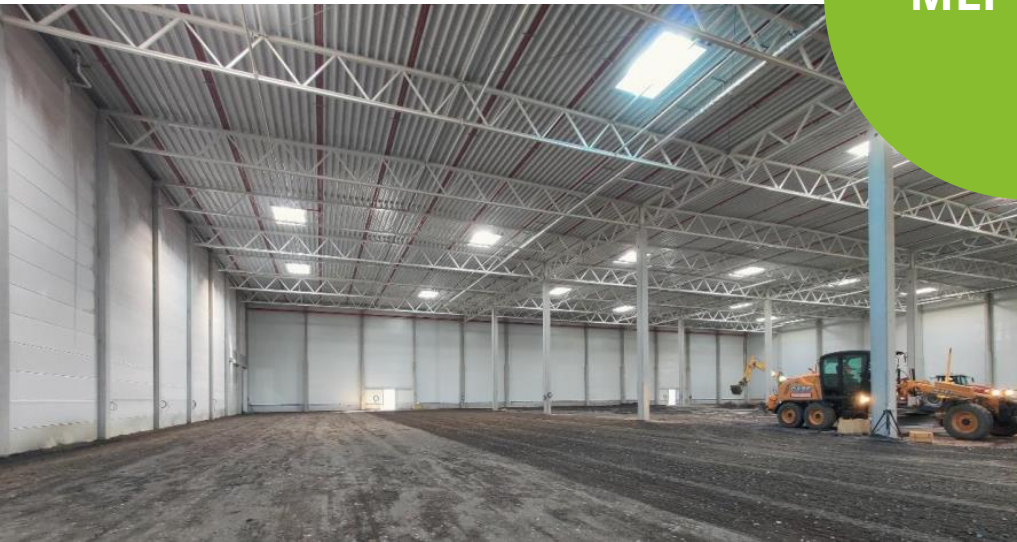
MLP Poznań
West

ACCELERATED LANDBANK ACQUISITIONS

Replenishing & growing development capacity



MLP Unna



ACCELERATED LANDBANK ACQUISITIONS

Replenishing & growing development capacity



MLP Łódź



2021 LEASING MARKET

General information



	EXISTING WAREHOUSE (MN SQM)	UNDER CONSTRUCTION (MN SQM)	VACANCY RATE	GROSS TAKE-UP (MN SQM)	PRIME RENT (EUR/SQM/MONTH)
Poland	23.9	4.5	3.8%	7.5	3.9 Big Box 5.5 SBU
Germany	75.6*	4.6	< 3%	8.7	prime 7.20 avg. 5.00 – 5.00
Austria	Austria 5.4 Vienna 2.7	Austria 0.3 Vienna 0.09	Vienna 1.2%	Vienna 0.49	prime 6.10 avg. 4.80 – 5.50
Romania	5.6	0.52	3.9%	0.86	3.9

(*) The logistics stock meets the following criteria:

- is suitable for logistics operations
- is at least 8,000 sqm in size
- has a clear height of at least 6.5 m
- was built after 1985

Source: JLL, Industrial Market overview H1 2021
Cushman&Wakefield, MarketBeat IV kw. 2021
CBRE Research, Market Outlook Romania

6. FINANCE AT A GLANCE IN 2021



FINANCIAL DATA

Key points in YE 2021 - Financial position



	YE 2021 (IN PLN MN)	YE 2020 (IN PLN MN)	CHANGE		YE 2021 (IN %)	YE 2020 (IN %)	CHANGE (p.p.)		YE 2021 (IN PLN MN)	YE 2020 (IN PLN MN)	CHANGE
REVENUES	200.6	190.7	5%	GROSS MARGIN ¹⁾	64.9	58.6	6 p.p.	INVESTMENT PROPERTY	3 394.5	2 330.9	46%
OPERATING PROFIT	632.3	297.8	112%	OPERATING MARGIN BEFORE REVALUATIONS ²⁾	45.8	44.3	2 p.p.	Cash and cash equivalents	177.2	163.0	9%
PROFIT BEFORE TAX	599.5	210.1	185%	OPERATING MARGIN ³⁾	315.2	156.2	159 p.p.	Other assets *	193.2	161.2	20%
NET PROFIT	480.5	170.4	182%	ROE ⁴⁾	31.6	15.8	16 p.p.	TOTAL ASSETS	3 764.9	2 665.1	42%
EPRA EARNINGS	41.1	49.5	-17%	EBITDA BEFORE REVALUATION GROWTH ⁵⁾	8.8	42.7	-34 p.p.	NAV	1 824.5	1 211.7	51%
EBITDA ¹⁾	632.5	298.5	112%	EBITDA GROWTH ⁶⁾	112.3	65.5	47 p.p.	Financial liabilities - bank loans and IRS	1 036.0	805.9	29%
EBITDA BEFORE REVALUATION ²⁾	92.2	85.2	8%					Financial liabilities - bonds	439.5	348.5	26%
								Other financial liabilities	42.9	37.1	16%
								Other liabilities	422	251.9	68%
								TOTAL EQUITY AND LIABILITIES	3 764.9	2 655.1	42%

¹⁾ Gross Margin = (Revenues-Cost of sales)/Revenues

²⁾ Operating Margin before revaluations = (Operating profit -Revaluation)/Revenues

³⁾ Operating Margin = Operating profit/Revenues

⁴⁾ ROE = Net income / Average Shareholder's Equity

⁵⁾ EBITDA before revaluation growth = $[\Delta_{y,y} (\text{Operating profit} - \text{Revaluation})] / (\text{Operating profit}_{py} - \text{Revaluation}_{py})$

⁶⁾ EBITDA growth = $[\Delta_{y,y} \text{Operating profit}] / \text{Operating profit}_{py}$

* Net presentation of granted and received intercompany loans.

¹⁾ EBITDA= EBIT- Depreciation

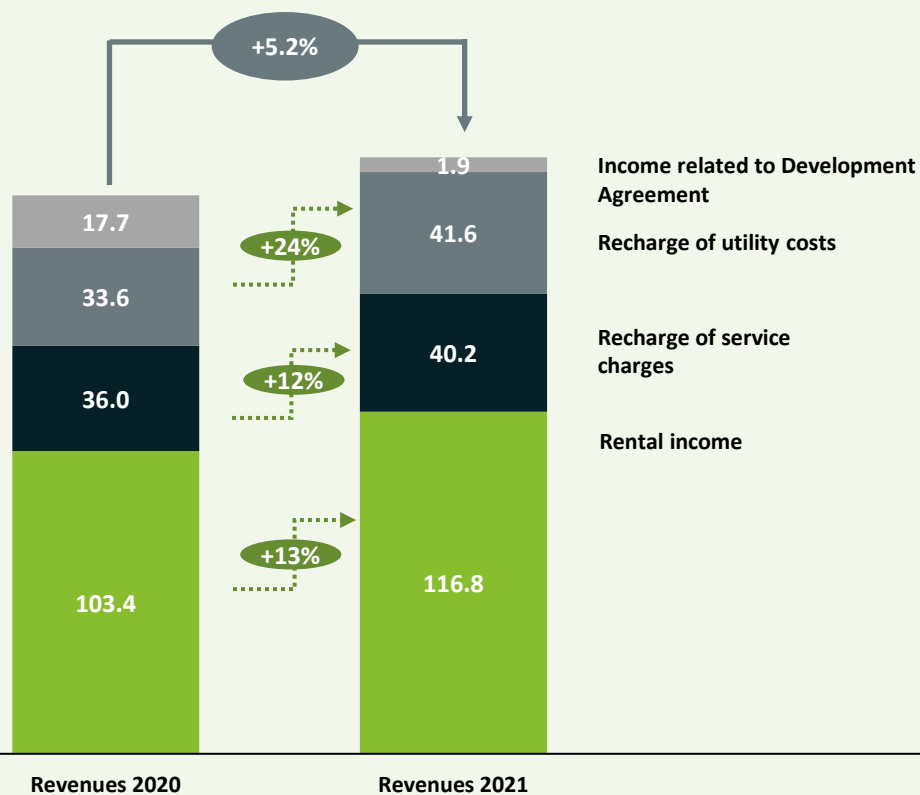
²⁾ EBITDA before revaluation = EBIT- Depreciation- Revaluation

FINANCIAL DATA

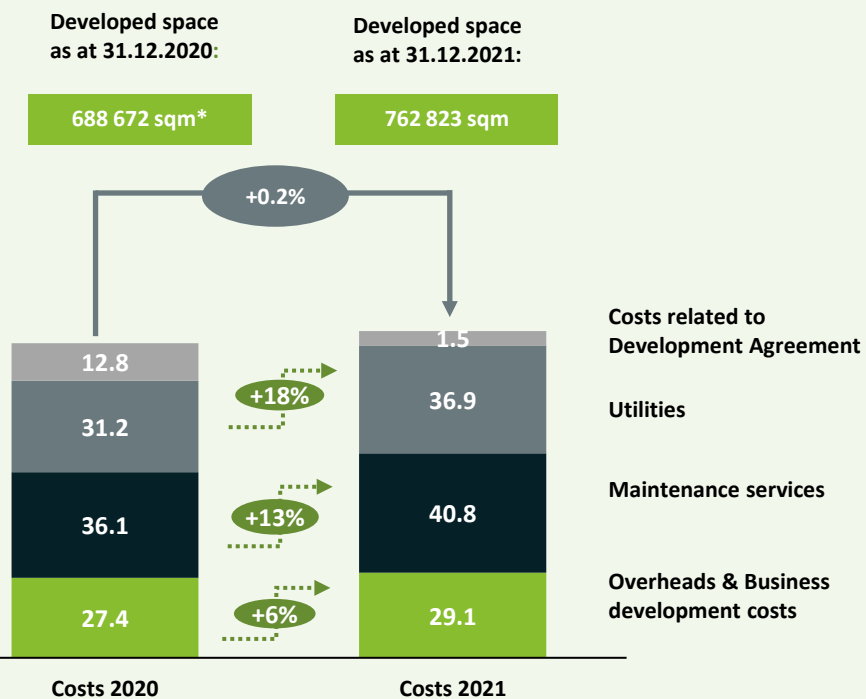
Key points in YE 2021 - Financial position



REVENUES IN PLN MN



COSTS IN PLN MN



* Forecast.

** The space completed as at 31.12.2020, shown in the chart above, was reduced by the space of buildings in the MLP Unna logistics park, which were demolished in the first half of 2021. The chart above does not include depreciation costs and other recharges

FINANCIAL DATA

Key points in YE 2021 - Financial position



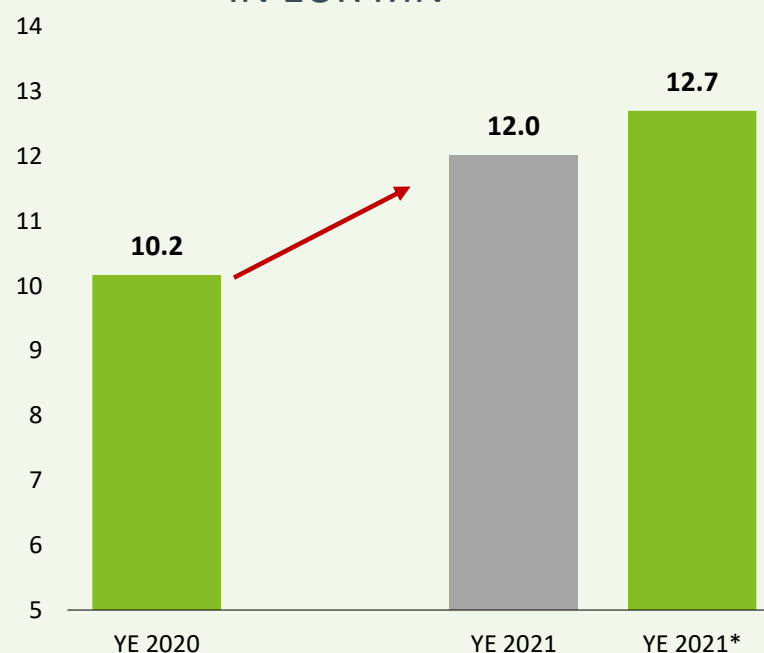
As at 31 December 2021:

➤ LTV ¹⁾	36.9%
➤ ICR ²⁾	3.3x
➤ NAV in PLN mn	1 825
➤ Financial debts in EUR mn (all-in)	321
among which:	
– Bank loans (secured on MLP's assets) in EUR mn	226
– Bonds (unsecured on MLP's assets) in EUR mn	95
➤ Weighted Average Interest Rate on financial liabilities (all-in)	2.1%
among which:	
– Weighted average interest rate on bank facilities	2.0%
– Weighted average interest rate on bonds	2.3%
➤ Weighted Average Unexpired Financial Debt Term (in years)	4.7

1) LTV % = (financial debt - cash & equivalents)/investment property

2) ICR excludes one - off financial expenses related to closing of the IRS transaction in connection to new portfolio agreements. If ICR includes one off transaction the value amounts to 3.0x

FFO IN EUR MN



FFO does not include revenues and costs related to Development Agreements.

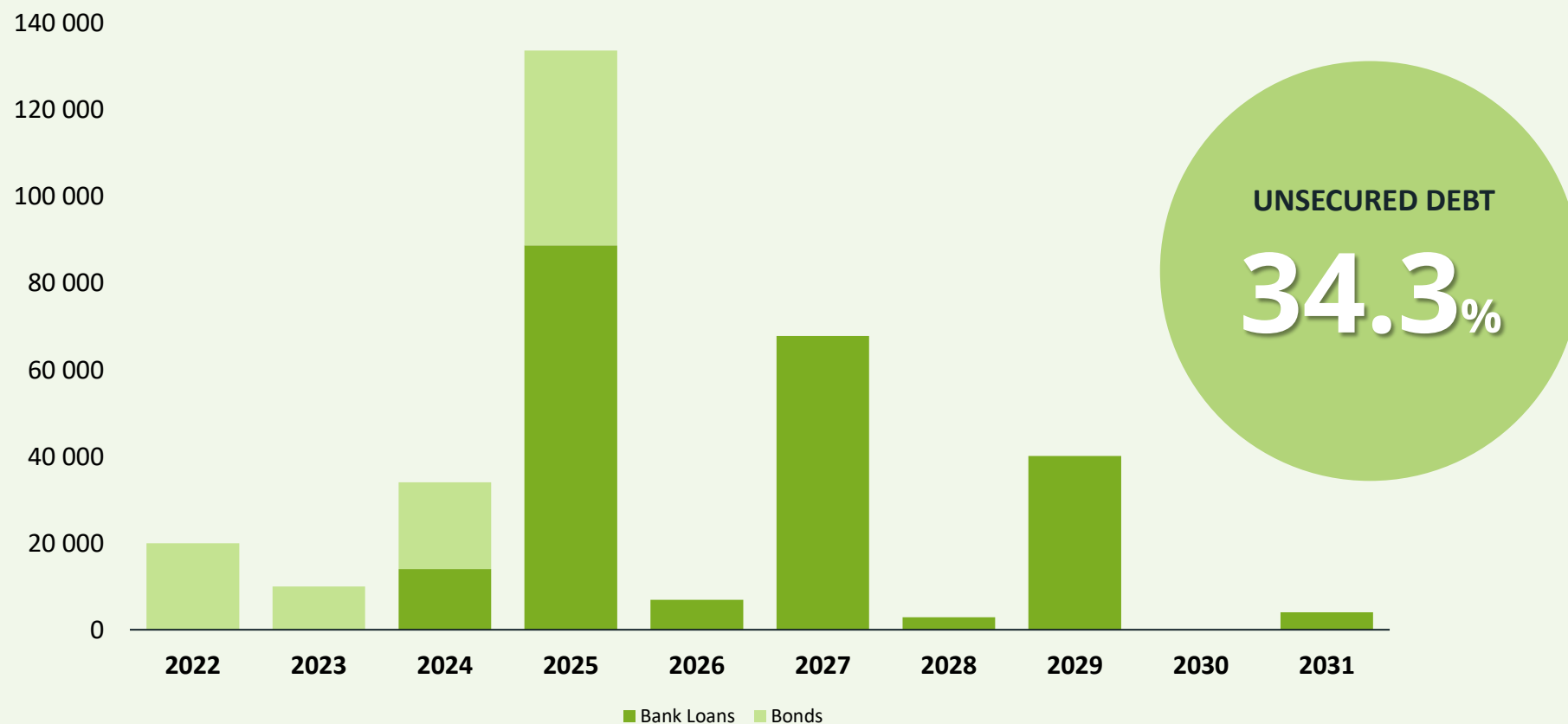
* FFO excludes one - off financial expenses related to closing of the IRS transaction in connection to new portfolio agreements.

FINANCIAL DATA

Significantly strengthened capital structure



BANK BORROWINGS AND OTHER DEBT INSTRUMENTS BY MATURITY IN EUR THS



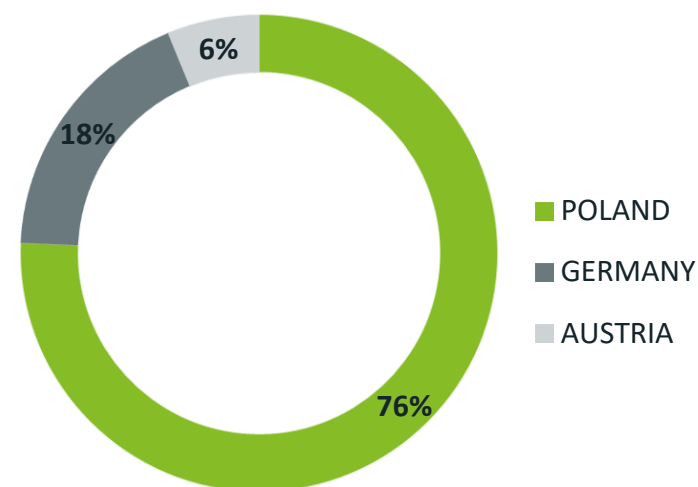
FINANCIAL DATA

Key points in YE 2021 - Financial position



		In PLN ths
NAV at 31st December 2021		1 825
NAV at 31st December 2020		1 212
INCREASE:		613
MAIN DRIVERS OF THE INCREASE:		
1.	Share capital increase	124
2.	Change of the Fair Value	540
	POLAND	415
	GERMANY	99
	AUSTRIA	34
	ROMANIA	-8
3.	Deferred tax relating to Change of the Fair Value	-113
4.	Operational Activity	53
5.	Other	9

CONTRIBUTION OF CHANGE IN FAIR VALUE BY COUNTRY YE 2021 VS YE 2020

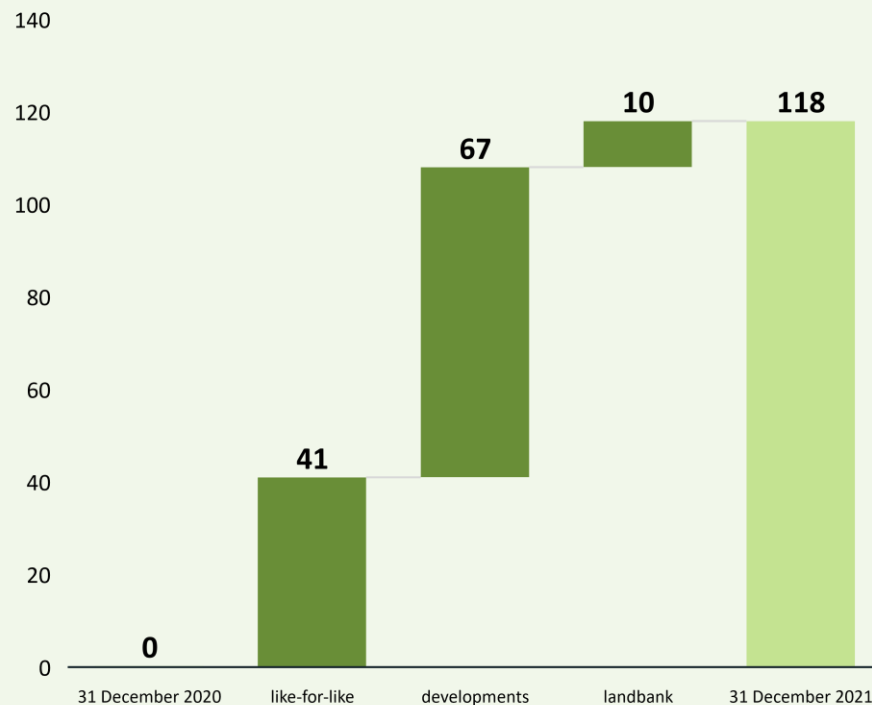


FINANCIAL DATA

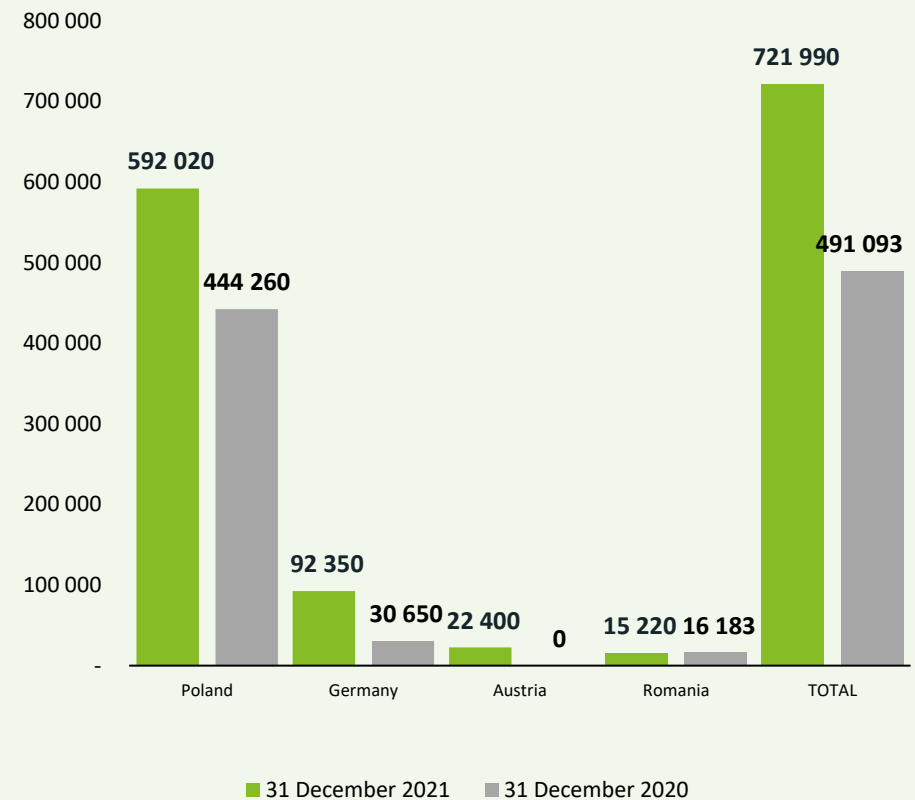
Strong revaluation gain



REVALUATION INCOME SPLIT IN EUR MN



INVESTMENT PROPERTY VALUE IN EUR THS

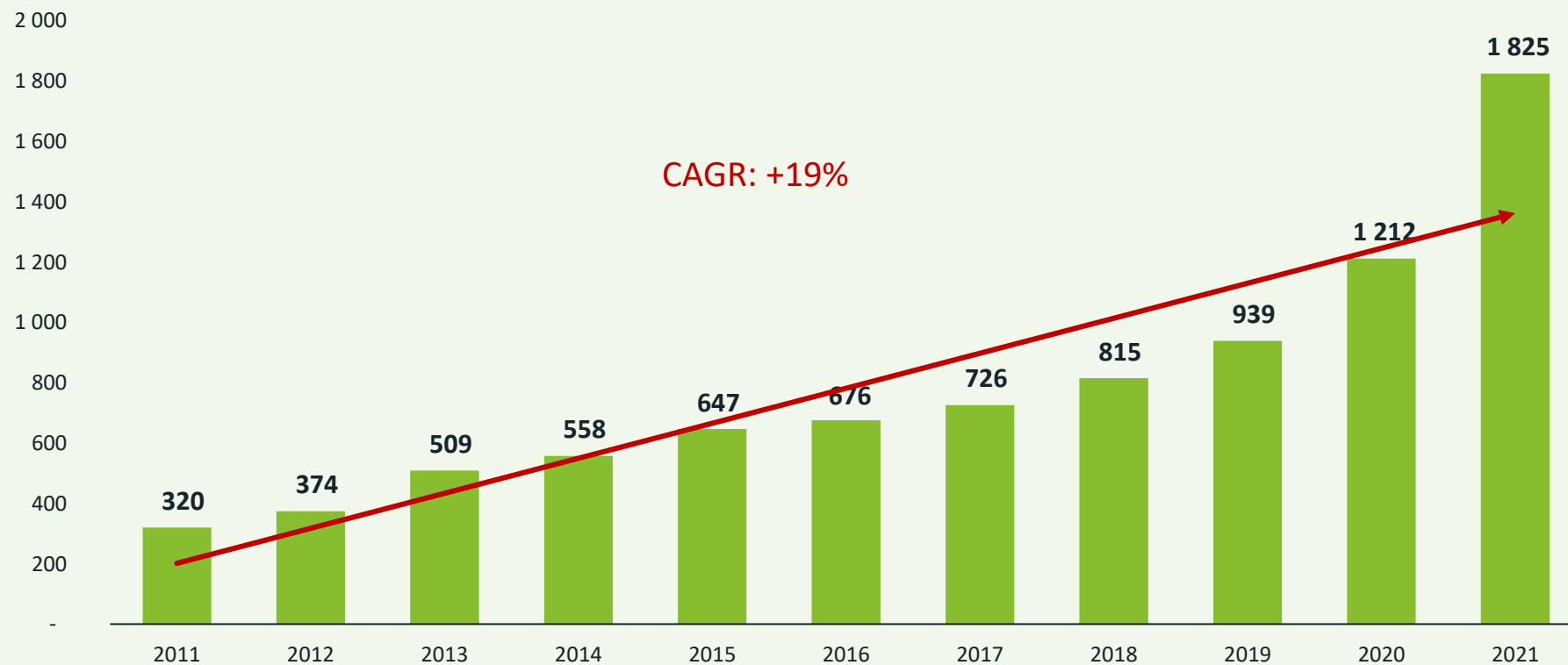


FINANCIAL DATA

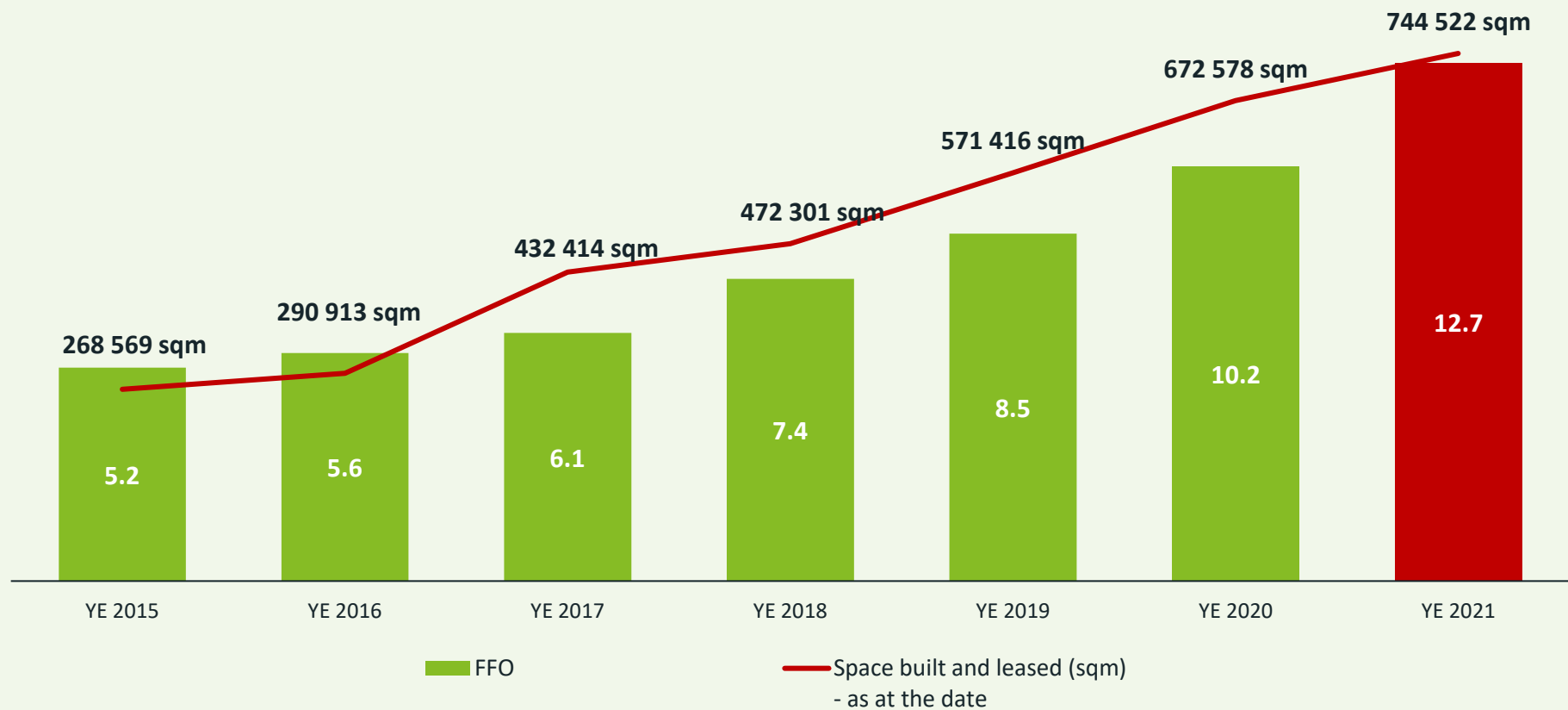
Net Asset Value Growth



NET ASSET VALUE IN PLN MN



FUNDS FROM OPERATIONS (FFO) IN EUR MN



FFO does not include revenues and costs related to Development Agreements and in 2019 and 2021 excludes costs related to the closing of the IRS related to portfolio transaction.

7. SUSTAINABLE DEVELOPMENT

MODERN DESIGN & WELL-BEING



GREEN INDUSTRIAL DEVELOPER

Sustainability and innovation

- Implementing a strategic project to build solar PV farms on the roofs of its existing and new logistics parks.
- Generate between 12 to 14 GWh of green energy in 2024
- The green energy will be used primarily for internal consumption.
- 80% of the project portfolio to be BREEAM certified as Excellent or Very Good, or as DGNB Gold or Platinum (in Germany and Austria).
- Net zero carbon footprint to be achieved within two to three years.



GREEN INDUSTRIAL DEVELOPER

PV Power Plants Programme



POLAND:

2022

- Until end of 2022 installation of approximately **6,3 MWp** of total power in **11 MLP Parks**, **100k sq m** of roofs.
- **Expected income of approx. 910k EUR**

2023

- Installation of **8 MWp** of total power in existing and new parks at **150k sq m** of roofs
- **Expected income of approx. 1,700k EUR**

2024

- Expected installation in new parks in Poland – **3MWp**
- **Expected income of approx. 430k EUR**
- **Expected income of approx. 2,605k EUR yearly**

GERMANY & AUSTRIA:

- MLP Business Park Berlin **750 kWp**
- **Expected income 60k EUR**
- MLP Unna **650 kWp**
- MLP Business Park Wien **700 kWp**
- **Expected income of approx. 100k EUR**

- Expected installation in new parks in Germany – **2MWp**
- Expected income – **130k EUR**
- **Expected income of approx. 2,605k EUR yearly**



GREEN INDUSTRIAL DEVELOPER

PV Power Plants Programme in Poland



WE ALREADY BUILT PV INSTALLATIONS:

- **MLP Poznań West II**
PV power ~ 500 kWp
- **MLP Pruszków II build. C4**
PV power 50 kWp
- **MLP Gliwice build. A**
PV power ~ 50 kWp
- **MLP Czeladź**
PV power ~ 50 kWp
- **MLP Łódź build. A –**
PV power ~ 50 kWp
- **MLP Wrocław, build. C**
PV power ~ 50 kWp

Till today, we have built installations in Poland with a total capacity of **750 kWp**.

WE ARE BUILDING NOW:

- **MLP Poznań build. A**
PV power ~ 50 kWp
- **MLP Wrocław West build. A**
PV power ~ 50 kWp
- **MLP Lublin build. C**
PV power ~ 50 kWp
- **MLP Teresin build. C**
PV power ~ 50 kWp

In the end of March 2022 we will have PV power **~950 kWp**

IN NEXT STEP WE WILL DEVELOP:

- **MLP Pruszków I build. D1-D2**
PV power ~ 950 kWp
- **MLP Pruszków II build. C4**
PV power ~ 950 kWp
- **MLP Gliwice bud. A**
PV power ~ 640 kWp
- **MLP Czeladź**
PV power ~ 200 kWp
- **MLP Łódź build. A**
PV power ~ 950 kWp
- **MLP Wrocław build. C**
PV power ~ 500 kWp
- **MLP Poznań build. A**
PV power ~ 300 kWp,
- **MLP Lublin build. C**
PV power ~ 950 kWp
- **MLP Teresin build. C**
PV power ~ 150 kWp,
- **MLP Poznań West II**
PV power ~ 1000 kWp,

Reaching approx. **7.54 MWp** total power of PV in logistic parks in Poland

GREEN INDUSTRIAL DEVELOPER

PV Power Plants Programme in Germany



WE ALREADY BUILT PV INSTALLATIONS:

- **MLP Business Park Berlin**
PV power ~ 500 kWp

In this year we will develop next:

- **MLP Business Park Berlin**
PV power ~ 250 kWp
- **MLP Unna**
PV power ~ 530 kWp

Total power of PV in MLP logistic parks in Poland and Germany will be **~1,28 MWp**





Thank you!

MLP GROUP S.A. • 3 Maja 8, 05-800 Pruszków, +48 22 738 30 10



www.mlpgroup.com